



# KPPA Charcuterie Trial Batch 1

## EXPENSES

<b>Pigs - Live Weight</b>			
	lbs	3.50/lb	
Bel Canto Farm	342	\$1,197.00	
MKONO Farm	430.3	\$1,506.05	
Heritage Haus Farm	430.3	\$1,506.05	
			\$4,209.10
<b>Processing - Kill, Cut, Wrap</b>			
	total pigs	total amount	
Schraders	2	\$376.00	
Faquiers	5	\$802.00	
			\$1,178.00
<b>Processing - Charcuterie Salamis</b>			
Meatcrafters	1 batch	\$2,766.44	
			\$2,766.44
<b>Transportation - mileage</b>			
	miles	.56/mi	
Amanda Hand	492	\$275.52	
			\$275.52
<b>Additional Expenses</b>			
<b>Marketing / Promotion</b>			
Website	6 months	\$220.00	
Facebook Boosted Posts		\$50.00	
			\$270.00
<b>Total Direct Cost only</b>			<b>\$8,429.06</b>
<b>Total including additional expenses</b>			<b>\$8,699.06</b>

## SALES

<b>Salami - Retail</b>			
	64	\$20.00	\$1,280.00
<b>Salami - Farmers</b>			
	206	\$12.20	\$2,513.20
<b>Salami - Comp/Donate</b>			
	44	0	0
<b>Total Salamis Sold to Date</b>	<b>314</b>		<b>\$3,793.20</b>

TOTAL SALAMI PRODUCED	691
DIRECT COST PER SALAMI	\$12.59
WHOLESALE PRICE PER SALAMI	\$15.00
RETAIL PRICE PER SALAMI	\$20.00
MAXIMUM POTENTIAL REVENUE	\$13,820.00
MAXIMUM POTENTIAL NET PROFIT	\$5,120.94

Remaining Salami	377
Potential Revenue @ Wholesale	\$5,655.00
Potential Revenue @ Retail	\$7,540.00

Potential Revenue Range from Batch 1	\$9,488 - \$11,333
Potential Net Profit Range from Batch 1	\$789 - \$2,634

*This material is based upon work supported by the National Institute of Food and Agriculture, U.S. Department of Agriculture, through the Northeast Sustainable Agriculture Research and Education program under subaward number FNE19-918.*

**ANALYSIS:** As demonstrated by this trial, the margin for profit in this model is very thin. This does not account for the unpaid hours grant participants spent managing logistics, marketing, or sales. Farmers received an above market average price per pound for their animals, and also had the option to take product AT COST in stead of cash payment further increasing their return on the investment.

However, following this model as a self-organized group of farmers who take on the collective responsibility of managing expenses, logistics and sales DOES make it possible for farmers to produce a 2nd level processed product and sell that product at wholesale or retail.

**EXAMPLE:** *(using same numbers from our trial)*

- 3 farmers pool 7 pigs totalling 1202 lbs total live weight.
- This meat is processed into 691 salamis for a total direct cost of \$4,489. (Direct costs only include 2 levels of processing, transport and marketing)
- Cost per farmer assuming equal input from 3 farmers: \$1,496.
- Each farmer receives 230 salamis (assuming equal input)
- Potential Revenue for each farmer @ Retail: \$4,600
- Potential Revenue for each farmer @ Wholesale: \$3,450
- Potential NET Profit per Farmer @ Retail: \$3,104
- Potential NET Profit per Farmer @ Wholesale: \$1,954

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