

AGRI-FACTS

Practical Information for Alberta's Agriculture Industry

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Direct Marketing Meats... Selling Lambs at Alberta Approved Farmers' Markets

The purpose of this factsheet series is to help producers and processors understand the key elements needed to manage a business. The factsheets also discuss some of the essential components used to develop a business plan and assess the profitability of a business venture.

Farmers' markets are the most common consumer direct marketing outlet for farm producers. Markets are located throughout Alberta and provide easy access to both producers and consumers. An internet address listing of farmers' markets in Alberta is included in the links section of this factsheet.

The Alberta Approved Farmers' Market Program is an accreditation program that certifies farmers' markets across the province. Alberta Agriculture and Rural Development (AARD) certification requires that 80 per cent of products sold must be produced locally.

This logo identifies Alberta approved markets offering high quality Alberta produced products.

Why sell at a farmers' market?

Selling lamb at a farmers' market can be very satisfying and profitable. Consumers who shop at farmers' markets enjoy buying their food directly from producers, and are keen to learn more about how their meat is produced. Many customers will take the time to tell the vendor how much they enjoyed their lamb. Selling a package of chops one week often leads to an order for a whole freezer lamb later on.

Farmers' markets are also a great way to test consumer acceptance of new products or new packaging at very little cost. Feedback is immediate and the product line can be quickly adjusted to demand.

To sell meat at a farmers' market, producers must be committed to attending markets weekly during the season. They need to seek out those markets that best suit their needs in terms of day and time of operation, customer base and location.

Choosing a market

While most producers start at their local market, it is worth considering others. Some factors to consider when choosing a market:

- Customers with higher disposable income and who can afford to pay more for a premium product such as lamb, frequently shop at urban, near-urban or tourist-based markets.
- The day of the week is another important factor. While the producer may prefer weekdays to weekends, it is important to find a market with a strong customer base for the product being offered.

- Don't make the choice based on which market has the lowest fees. The time spent loading and unloading a vehicle, driving to and from the market, and tending the booth is a much bigger investment than the price of most farmers' market booths.
- Visit several markets to see how busy they are and to determine what the customers are buying before making a decision.

Seasonal or occasional markets

Most farmers' markets in Alberta are seasonal, running May through October, but some operate year-round. Table or booth rents vary from market to market. Some markets allow short-term vendors for market testing.

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Keep in mind:

- Most farmers' markets require vendors to apply to the market manager. Don't just assume a particular farmers' market is available.
- Most market managers try to balance the product mix at their market. Small markets may only be able to accommodate one lamb vendor. These managers usually look for a vendor who will attend regularly throughout the market season.
- Weekly rent may be lower if the producer elects to pay for the whole season.
- Farmers' market shoppers like to get to know the vendors they buy from. Sales may start off slowly and gradually build up over the course of the season as people try the product and discover they like it.

Regulations

An overview of the regulations for selling meat at a farmers' market is available in the Alberta Agriculture and Rural Development (AARD) publication *Farm Direct Marketing: Know the Regulations – Meat and Meat Products* (Agdex 844-4). See the last section of this factsheet for details.

The Food and Food Establishment Regulation of the **Public Health Act** governs all direct-to-the-consumer sales of meat. It is important to establish a good relationship with the public health inspector as the inspector can assist the producer in interpreting the regulations. Regulations under the **Public Health Act** can be found at the website of the Queen's Printer. The internet address is included in the last section of this factsheet.

Selling lamb direct to consumers requires a Food Establishment Permit from the regional health authority. Lamb sold to consumers must be slaughtered and processed at a government-inspected facility.

Only inspected meat can be sold.

Lamb intended for sale must be stored in a separate freezer licensed by the regional health authority. It may not be stored with the family's own food. The freezer must be kept in an area that is clean and free of rodents, pets, gas and oil, paint, and any other potential food safety hazard. Frozen lamb must be stored at a temperature of -18°C or below.

The vehicle used to transport the frozen lamb to market also falls under the Food Establishment Permit. It should be thoroughly cleaned prior to loading for each market. Pets should never be in the vehicle used to transport food products.

Frozen lamb cuts must be kept frozen during transport at a temperature of -18°C or colder.

Before starting to market freezer lambs, producers should contact the regional health authority for the area where they plan to sell their meat. This may be a different region than the one they live in. Producers should inform this health authority about what they want to do. They should be as specific as possible, including:

- which market(s) the meat will be sold at
- what is being sold
- sampling practices
- how far the producer lives from the market
- how the producer plans to keep the meat cold during transportation and while at the market

The health authority may ask for proof, such as copies of kill slips or invoices, that the lambs were processed at an inspected facility.

Regional health authorities can be contacted through the government RITE line by dialling 310-0000, or by visiting the Alberta Health web page at the address listed in the last section of this factsheet.

Alberta Health also offers food safety courses for food handlers and food service managers. Producers who take one of these courses will have a better understanding of safe food handling and the requirements of the regional health authority. The certificate earned at the end of the course will give customers more confidence that the food the producer is selling is safe.

Information about food safety, safe food handling and storage is available from your local regional health authority.

Alberta Agriculture and Rural Development (AARD) is leading the development of a food safety course specifically for farmers' market managers and vendors. Check with the AARD farmers' market specialist for more information.

The Alberta Farmers' Market Association (AFMA) offers access to group liability insurance for member markets and individual vendors who are members of the association. For more information on the association and vendor insurance, contact the Alberta Farmers' Market Association at (780) 644-5377 or e-mail director@albertamarkets.com.

Food safety best practices

Food safety is critical to the success of any agricultural business. Farm direct marketers of lamb products should:

- Practice a recognized on-farm food safety (OFFS) program. See the links section at the back of this factsheet for more information.
- Establish quality criteria to ensure that a consistent, high-quality product leaves the farm gate every time. This could include service guarantees, product quality, food safety program for production, processing and marketing.
- Follow a recommended prerequisite program. Prerequisite programs provide the basic environment and operating conditions that are necessary for the production of safe food. Provincial prerequisite program guidelines are described in the document *Meat Facility Standards*, while federal prerequisites are outlined in the Food Safety Enhancement Program (FSEP).
- Talk to each processor about their food safety program. Choose a processor with the Food Safety Enhancement Program, Meat Facilities Standards or another good prerequisite program in place.

Information on establishing a business food safety protocol is available from the Alberta Agriculture and Rural Development's Food Safety Division. AARD's internet website address is included in the links section at the back of this factsheet.

Supplies

A freezer that is capable of operating at -18°C or colder is required to store frozen lamb that is to be sold at a farmers' market. Use an accurate freezer thermometer to check the temperature inside the freezer:

- while stored at home
- upon arrival at the market
- during the market day
- upon arrival back at home

A small freezer that will hold about three lambs can be obtained, by shopping carefully, for about \$300.

When selling at an indoor market:

- It may be necessary to bring the freezer in and out each week on a trolley or appliance dolly. It's a good idea to pack the meat in easily handled boxes or crates inside the freezer so that the meat can be quickly removed from the freezer before lifting it on and off a truck or trailer.

- If planning to attend the market alone, a producer may need to make an arrangement with the market manager or another vendor for assistance each week.

If selling at an outdoor market:

- It may be possible to leave the freezer on the truck or trailer parked at the back the stall. A set of steps will make it easier to go up and down to retrieve packages of meat.
- A gas-powered generator will be needed to power the freezer if there aren't any power connections. Check to see that the market allows generators. Buy one that has enough power to run the freezer, but doesn't make so much noise it drives the customers away from that part of the market.
- Make sure that the generator can handle an expanding business as a second freezer may be needed in the future.
- If the market has lots of space, put the generator some distance away and use extension cords to keep the noise away from the booth. A 3,500 to 5,000 watt second-hand gas generator can be obtained for \$500 to \$1,000. A new one will cost \$1,000 or more.
- Most vendors at outdoor markets use a canopy to keep the sun off themselves and their freezer. These sell for as little as \$50, or up to \$300 for sturdier canopies with sidewalls. Regardless of the canopy used, it will have to be anchored to something heavy such as concrete blocks or gallon jugs of water.

A six-foot or eight-foot table with folding legs is handy to have inside the booth to display brochures, business cards and recipes, as well as to hold a cash box and calculator. A sheet of clear plastic on the table creates a wind-proof place to display the price list, Food Safe Certificate and other marketing materials. A tablecloth under the plastic that hangs down around the sides allows other materials to be stored neatly under the table.

Promotional materials

The Alberta Sheep and Wool Commission, through the Alberta Lamb Council, has a variety of promotional items for Alberta producers who are council members. These include recipe cards and books, refrigerator magnets, balloons, lamb cutting charts, pictures of lamb dishes, stickers and larger decals. Contact the Alberta Lamb Council by dialling 310-0000, then (403) 948-8533.

Some other promotional ideas include:

- Signage at the farmers' market is important. Signs and banners above the booth are more visible in crowds than tabletop displays.

- Have a sign announcing that there is lamb available for sale that day. Some meat vendors at farmers' markets take orders only for freezer meat, so it is important to let customers know that there is lamb available for them to take home.
- Post a price list where it is easily read. Make sure that all the cuts of lamb shown on the price list and in any displayed pictures of lamb dishes are available.
- White boards work well to tell customers about any new products or weekly specials.

Retail cuts

Start with one or two lambs to determine what cuts and size of cuts customers prefer.

During the hot summer months, lamb chops are popular, while legs and stew meat are less in demand. However, more legs can be sold in the summer if they are turned into boneless kabobs for the barbecue. A processor may even be able to marinate the kabobs before freezing them in one or two-pound packages. Marinating must be done by the processor or in a licensed facility. Marinade, or marinated product, cannot be prepared in a family kitchen.

Racks of lamb, cut for two or four people, are always popular. As the weather gets cooler in the fall demand increases for half and whole legs (boneless or bone-in), as well as stew meat. Good-quality stew meat can be made from boned-out shoulders while smaller pieces of meat and trim should be made into lean ground lamb.

While some customers will buy ground lamb, it can be hard to sell all of it. Consider turning ground lamb into value-added dishes, such as meatballs or curries, which can be sold fully cooked and frozen. These products must be prepared in a licensed facility. They cannot be prepared in a family kitchen.

Ground lamb can also be made into breakfast sausages, smoked sausages and other processed products. Again, these products must be made in a licensed facility. If made from 100 per cent lamb with no added pork or cereal-based fillers and no MSG, these products may be more attractive to customers whose diets are restricted by health problems or religious requirements.

Other cuts customers may want are:

- boned and rolled shoulder roasts
- boneless loin roasts
- lamb tenderloin
- neck slices
- lamb shanks
- lamb liver
- lamb kidneys

Be sure to have recipe ideas for all the cuts being sold.

A whole meal package with a lamb cut, recipe card and miscellaneous ingredients is a good selling feature, particularly if the producer has an excess of one type of cut. A meal package could include lamb kabobs, skewers, recipe and seasonings.

Linking with another market vendor who sells the small tomatoes needed for the lamb kebobs, or the fresh mint for the leg of lamb helps advertise both booths, assists customers with meal decisions and sells more product.

Include a business card with every purchase.

Pricing

The following must be known in order to price product for a farmers' market:

- cost of production
- processing cost
- marketing costs

Producers will have to determine their own cost of production for their farms and contact their processor for their pricing. Marketing costs include transportation, promotion, booth fees and the time spent at the market.

Some producers use \$250 as the gross income they need from a lamb to make it worth attending a market.

To determine whether it is worth attending a market, producers will have to:

- calculate all their costs
- add an acceptable profit margin
- calculate the amount of product they will need to sell to make their attendance worthwhile

Once this base price has been established, individual cuts of meat have to be priced to get a profitable return on the whole lamb.

If already selling freezer lambs:

- weigh the packages of meat from three or four processed lambs
- record how many pounds of loin chops, rib chops (or racks), shoulder roasts, leg roasts, stew meat and ground lamb come from each

Having a series of weights on specific cuts makes the process of pricing individual cuts easier. However, be aware that these weights will vary somewhat between processors. Different meat-cutters will make slightly different cuts and some will do a better job of trimming the fat from stew and ground lamb.

Producers can also look at retail lamb to get an idea of where to start pricing cuts. Compare only with fresh domestic lamb cuts as frozen imported lamb is a different product with different costs and prices.

Assign different prices to each cut and add the total until the desired return per lamb is achieved. However, if lamb chops run out every week, but not a single rack of lamb has been sold, consider:

- raising the price on the chops and lowering the price on the rack of lamb
- cutting the lambs up differently
- having a feature special with recipes and tasting demonstrations

Generally speaking:

- Cuts from the loin and rack (lamb chops and rack of lamb) sell for higher prices than cuts from the leg (leg roasts), which sell for more than cuts from the shoulder (shoulder roasts and stew meat).
- Consumers seem willing to pay more for a rack of lamb than for the same part of the lamb cut into chops (e.g., \$12 to \$15/lb for the rack versus \$10 to \$12 for the chops).
- Boneless leg or shoulder roasts sell for more than bone-in roasts, and boneless leg kabobs can be priced the same as lamb chops. Be aware that a boned leg cut into kabobs will not yield as many pounds of meat as a boneless leg roast. This is because pieces that are too small for kabobs get added to the trim that is turned into ground lamb. As a result, boneless kabobs have to be priced higher than boneless leg roasts.

Packaging and labelling

Most processors offer a choice of brown paper or Cryovac® (plastic shrink-wrap) packaging. Cryovac® packaging allows buyers to see exactly what they are getting, which may make it easier to sell, but costs more than brown paper. It is also less suitable for long-term storage in the freezer as packages may lose their seal if handled extensively, resulting in frost build-up. Some vendors compromise by Cryovac® packaging lamb chops and kabobs so the customers can see what they are buying and brown wrapping roasts and stew meat for longer-term storage.

It is recommended all meat products be appropriately labelled as specified in the *Consumer Packaging and Labelling Act*. The Canadian Food Inspection Agency (CFIA) enforces this act. For information call: Calgary at (403) 299-7668, or Edmonton at (780) 495-3009.

Frozen lamb sold at a farmers market should be labelled with:

- the name of the product (e.g. lamb chops)
- date it was packaged by the processor
- storage conditions (e.g. keep frozen)
- the product weight in metric
- the producer's name, address and phone number

The processor may be able to put all this information on a label and apply it to each package of meat. If not, the producer should print and apply the labels themselves. Labels on processed products, such as sausages, should list all ingredients in descending order of proportion.

Getting back the investment

The amount of lamb that is sold will determine whether or not it is worthwhile for a producer to attend a farmers' market. Selling additional products such as dog bones, sheepskins, wool socks and comforters may attract more customers to the booth and help producers to recoup their investment of time and money in attending the market.

For more information

The following publications are available from www.agriculture.alberta.ca/publications or by calling either the Ag-Info Centre at 310-FARM (3276) or the Publications Office at 780-427-0391.

- Farm Direct Marketing for Rural Producers (Agdex 845-6)
- Farm Direct Marketing: Know the Regulations booklet series:
 - General Legislation (Agdex 844-1)
 - Food Labels (Agdex 844-2)
 - Food Claims (Agdex 844-3)
 - Meat and Meat Products (Agdex 844-4)
 - Poultry and Poultry Products (Agdex 844-5)
 - Fruits, Vegetables and Products (Agdex 844-6)
- The Essentials of Pricing (Agdex 845-1)
- Methods to Price Your Product (Agdex 845-2)
- Direct Marketing Profits...Cheese Production and Marketing Enterprise (Agdex 410/821-3)
- Direct Marketing Meats... Selling Meat at Alberta Approved Farmers' Market (Agdex 400/845-1)
- Direct Marketing Meats... Selling Lambs at Alberta Approved Farmers' Market (Agdex 430/845-2)
- Direct Marketing Meats... Selling Freezer Chicken (Agdex 450/845-1)

- Direct Marketing Meats...Selling Freezer Pork (Agdex 440/845-1)
- Direct Marketing Meats...Selling Freezer Lambs (Agdex 430/845-1)
- Direct Marketing Meats...Selling Freezer Beef (Agdex 420/845-1)
- Direct Marketing Meats...Getting Started (Agdex 845-13)

Internet links

Alberta Agriculture and Rural Development – www.agriculture.alberta.ca

Alberta Health – www.health.gov.ab.ca

Listing of farmer's Markets in Alberta – www.sunnygirl.ca

Queen's Printer (regulations under the *Public Health Act*) – www.qp.gov.ab.ca

Reviewed by

Business Development Branch, Business and Innovation Division; Alberta Agriculture and Rural Development

Farm Direct Marketing, Ag-Entrepreneurship Division; Alberta Agriculture and Rural Development