

Direct Marketing Meats... Selling Freezer Pork

The basis of farm direct marketing is the relationship of trust that develops between producers and consumers. Successful farm direct marketing depends on providing quality products in a clean and customer-friendly environment.

Some examples of farm direct marketing channels:

- farm gate
- farm store
- Alberta Approved Farmers' Markets
- municipal buying clubs

Farm direct marketing requires a substantial time commitment. Agripreneurs need to devote long hours, seven-days-a-week to produce and market their products. Considerable time is also needed to develop the close relationships with consumers. In addition, agripreneurs need to be able to manage their time efficiently in order to sell their products at multiple locations such as at the farm gate and farmers' markets.

What is freezer pork?

Freezer pork is a specialty niche product such as organic, natural and pastured, and usually sold direct to the consumer. It may be sold by the cut or as boxed pork, where the cuts from a quarter or side of the animal are sold as a unit. Some producers bundle several cuts together to optimize sales of all cuts. Examples of bundles include:

- barbeque pack (chops, tenderloin, steaks and kabobs)
- winter comfort pack (stew meat, roasts, ham and ribs)
- meal in a minute pack (chops, sausages and stirfry meat)
- breakfast pack (sausages, bacon and ham)

Why sell freezer pork?

There are several reasons for producers to sell freezer pork.

One reason is to increase the dollar return per animal. In the commodity marketplace farmers accept the price of the day. Selling direct to consumers allows producers to set a price that covers costs and provides a profit. Many consumers are prepared to pay a premium for freezer pork if they know and trust the producer, as well as the producer's animal management practices and products.

Another reason to sell freezer pork is to get a consistent price. It is not uncommon for hog prices to fluctuate over 100 per cent from one season to the next. Selling freezer pork allows producers to even out price fluctuations, as well as cover costs and realize a profit.

A growing number of consumers are purchasing pork products direct from the farmer because these products are:

- organic
- hormone-free
- lean
- locally produced
- pastured rather than grain fed
- antibiotic free
- raised on a heritage ranch

The purchase decision is based on value rather than price. Producers need to know what their customers want and why they are buying. Are they buying for health reasons, prestige or because the producer's business philosophy supports their lifestyle beliefs? The more benefits a producer can provide to their customers, the more valuable their product is.

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Farm direct marketing provides more income to the producer while the consumer receives a product that is generally not available in the store. A bonus to this type of selling is that some producers find they like and are good at both marketing and production!

Regulations

The first step in establishing a farm direct market freezer trade is to understand the regulations. There are regulations for:

- slaughtering
- cutting
- processing
- labelling
- handling
- transporting
- storing
- marketing

Compliance with regulations gives the customer confidence in the product. It also gives producers the security of knowing that they are doing everything required to provide a quality product. Know the regulations and follow them.

An overview of the regulations for selling pork direct to consumers is available in Alberta Agriculture and Rural Development's (AARD) booklet *Farm Direct Marketing: Know the Regulations – Meat and Meat Products* (Agdex 844-4). See the last section of this factsheet for details.

Before being sold as pork, hogs must be taken to a licensed, provincially or federally inspected abattoir for slaughtering and processing. Meat from animals slaughtered by a mobiler cannot be sold. **Only inspected meat can be sold.**

Food safety best practices

Food safety is critical to the success of any agricultural business. Farm direct marketers of meat 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.

Finding customers

Producers are often pleasantly surprised by how many people welcome the opportunity to buy freezer pork.

The best way to find new customers is by word of mouth; a customer tells a friend how great the pork was and where to find it. Having customers do the advertising is the best testimonial around.

Other strategies include:

- Use a personal network to identify new customers. Talk to family and friends; inform the local church community; showcase products at community functions; distribute flyers and price list to colleagues, suppliers, and community groups; and, attract new customers through draws and contests.
- Maintain a customer database detailing purchase preferences and contact information.
- Look beyond the local community for new customers. Try advertising freezer pork in classified ads or flyers. The advertising must reach target customers. That means finding out from existing customers not only what they like about the product, but also what the best way to communicate with them is. Where are they located? What type of advertising appeals to them? What products are they looking for? Where do they shop for meat? How often do they buy? Where do they go for information? Use flyers, business cards, price lists and grocery bag stuffers to get the word out.

Defining product quality

If a producer doesn't know what a properly finished hog looks like, he/she needs to find out. Ask an experienced producer to go through their hogs and show one that is ready. Have it slaughtered and look at the carcass. Note the amount of fat and the amount of muscle. Both of those characteristics are critical in determining whether customers will buy the meat.

Understanding animals and how they perform is critical to defining any production changes that have to be made to meet customers' needs. Ask customers what characteristics they are looking for. More lean? Less fat? Smaller chops? Larger chops? More tenderness?

Talk with customers to see if the products offered are meeting their expectations. Find out what else they would like. Talk to the processor or meat cutter for advice on what his customers buy as well. These discussions may produce more ideas about how to add value to pork products and bring a higher level of customer satisfaction.

Finding a processor

After production costs, processing is the second-highest cost to consider when calculating profitability of selling freezer pork.

It's important for producers to find a processor they trust and who wants their business. It is critically important to develop a good working relationship between the producer and the processor. When considering a new processor, the producer should arrange time to talk to him. . The processor must understand what the producer needs to succeed in the freezer pork business.

The producer must also consider what the processor needs for his business success. If he requires 10 or more hogs to process efficiently, and the producer doesn't have that many:

- slaughter dates may have to be arranged to have the required volume
- animals from another producer may have to be brought in to fill the delivery minimum
- a different processor may have to be found

If none of these are possible, simply negotiate with the processor and ask, "What do I need to pay you for this to work?" This relationship needs to be win/win with both parties talking to each other and sharing ideas.

To do a good job, a processor needs experience in handling and slaughtering hogs. The meat cutter must

know how to cut pork and be willing take the time to do the job properly. Customer satisfaction increases significantly when chops are carefully trimmed and the pork is very lean. A processor who is willing to work with the producer and learn what he needs is an asset to the business and will bring back satisfied customers.

Hogs are slaughtered young, between six and seven months of age, so tenderness is not normally a problem. Tenderness is affected if the:

- animal is stressed before slaughter
- carcass is not properly hung or handled
- meat is not properly aged

Producers should ensure they handle their own hogs carefully and should talk to their processor about how they want both hogs and meat handled.

When a producer finds a processor who can do everything required, the producer needs to know if the processor can do it for an affordable price. Processing rates, and how they are calculated, can vary a great deal. Most processors will quote a:

- kill charge
- rendering or disposal charge
- inspection fee
- cutting and wrapping charge based on carcass weight

A 240-pound (109 kg) hog can cost from \$100 to \$150 to kill, cut and wrap, with the price depending on the amount smoked and made into sausage. The rate can go up to \$300 if the meat is packed in small Cryovac® packages.

Some processors charge a similar cutting rate per pound, or per hog, regardless of how the producer wants the hog cut up. That can be an advantage if customers want cuts that are a little different. Other processors have a base rate and then charge extra for cuts that take extra time and effort, such as crown roasts.

Talk to the processor about rates and find out exactly what they include. Negotiate the service and rate up front. For example:

- Do they Cryovac® wrap?
- Will they label packages with the required information as well as the farm name and any certification numbers?
- Do they offer a flash freeze service? Flash freezing maintains better product quality. The freezer pork then can be safely stored in an inspected freezer on the farm until delivered to the customer.

Communicating with the processor

Good communication between the producer and the meat processor is critical. This communication can include:

- Sitting down together at the beginning of every season to ensure all needs are understood.
- Speaking to the processor directly the first time hogs are delivered or when asking for special cuts. Make an appointment if necessary.
- Leaving a daytime phone number in case there are any questions when making special requests. The producer probably won't be talking to the person who will be cutting the pork if instructions are phoned in. That means there is a very real risk that the instructions may be lost. It is easier and more profitable to take the time to communicate with the processor than to try to sell odd or unusual cuts.
- Talking to the processor about the order form that works best for him. If the producer has one that works, he/she can take a copy in with the hogs and leave it for the processor to use. If the processor has his own form, the producer can ask the processor to staple the original to it so he can easily follow the producer's directions.
- Ask the processor how much notice he needs to book hogs in for processing. Meet it. Producers should call the processor if they can't deliver a shipment as promised and negotiate a new processing date.

Delivering hogs to the processor

Take as many hogs for slaughter at one time as possible, particularly if the processor is some distance away. Putting an extra five pounds on an animal won't compensate for the extra time and fuel used delivering one or two hogs at a time. If the load is large enough, these hogs may be the only ones slaughtered that day. It is more efficient for the processor to do several animals at once. As such, he may pass some of the savings on to the producer.

Some other tips:

- if the processor is handling hogs for several producers on one kill day, be sure that all animals are clearly identified
- ensure hogs are clean and delivered on time
- call the processor if a shipment can't be delivered as promised
- if not paying for freezer space, pick up and pay for frozen product promptly
- the producer should deal with the customers and let the processor concentrate on processing

Pricing

Direct-marketed pork is different than the pork available in retail stores. Market its uniqueness. Remember, if it is not the same product, the price should not be the same either.

A profitable freezer pork trade requires the producer be very conscious of the cost of producing, processing and marketing the pork. Include all costs, as well as an acceptable profit in the price. Producers who have never sold freezer pork should talk to those who have to get an idea of average costs. It is better to adjust a high price than lose money by pricing below cost. The Beef Information Centre has a computer program to assist in pricing product. Contact information is available under the links section at the end of this factsheet.

The producer needs to be paid for the time and money put into:

- delivering the hogs to the processor
- relaying cutting instructions to the processor
- processing and picking up the meat
- storing the meat
- phoning the customer
- delivering the order
- boxes and promotional materials

It's simpler for the customer if the producer deals with and pays the processor. Processing is then part of the price of the pork. When people ask how much the pork costs, they're looking for a simple answer. To maximize profitability, producers should be their own middleman. They need to make the experience of buying and eating pork enjoyable for their customers and profitable for both them and their processor.

Selling carcass weight

Some producers sell 'on the hook'. This means the customer pays for the chilled, hanging carcass weight of the slaughtered hog with the hide and internal organs removed. The carcass weight is usually about 80 per cent of the weight of a live hog.

It is important that both producer and customer know that the carcass weight is not the same as the boxed freezer weight of the cut hog. The carcass weight does not include heart, liver or kidneys. The boxed freezer weight usually includes these products. Some customers enjoy pig heart, liver and kidneys. Some buy them for pet food and others prefer not to have them in their order. Price and sell them separately.

When the carcass is cut into legs and chops, additional bone and fat are discarded. The weight of the cut hog depends on what cuts are requested, the size of the hog and how fat it is. The biggest difference between carcass weight and boxed freezer weight comes from de-boning. Many customers prefer the ease of carving boneless roasts. Others feel the meat has a better flavour with the bone left in. Most customers prefer boneless stew. Each process reduces the carcass weight and adds to the processing cost. Set different prices for pork sold on the hook (carcass weight), by the box (freezer weight) or by the cut.

Selling boxed freezer weight pork

When selling pork based on boxed freezer weight, the price depends on how the hog is cut up. In order to price hogs a producer needs to know how many pounds there are of each cut. This can vary a great deal from hog to hog. Genetics and how the animals are fed will have a huge effect on yield.

For example, one 240-pound (109 kg) hog with the right genetics and a good feeding program will yield over 64 per cent and give about 123 pounds (56 kg) of meat, while the next 240-pound (109 kg) hog will yield only 50 per cent and give 96 pounds (44 kg) of meat. A 240-pound live hog will dress out at 80 per cent with the head. The amount of meat is calculated using the following formula: $240 \text{ lbs} \times .80 \times .64 = 123 \text{ lbs}$.

The carcass can be cut up and processed in many ways. For example:

- Shoulders and legs can be used as sausage meat, made into lean bacon by smoking and curing, or cut into roasts.
- The loin can be made into regular pork chops or boneless chops. Boneless chops give saleable back ribs.

This is where the skill and flexibility of the butcher is a real asset. Hogs can be cut up in many different ways and this can have a huge affect on processing costs and the price of the product. The more value that is added through curing and sausage, the higher the price that can be charged for the product.

A hog does not have to be slaughtered at 240 pounds. Slaughter weight depends on what the customer wants. A lighter hog will be leaner and have leaner bellies (bacon). A heavy hog will be fatter, but possibly more flavourful. It probably pays to use heavier hogs if a lot of sausage is wanted.

Selling freezer pork

Experienced farm direct marketers of pork products say it is an eye-opening experience to watch the slaughter process to:

- discover what is under the hide of an animal
- see the variation between animals and their degree of finish
- understand the relationship between live weight, dressed weight, percentage cutability and what percentage of the primals make up various cuts
- learn how to price and obtain value from each part of the animal

Many experienced farm direct marketers started out selling a whole hog, sides, quarters or boxes, but are now selling packages of mixed pork cuts.

- They offer their customers popular seasonal cuts. Barbeque season cuts including steaks and burgers are different than winter favourites when roasts and stew are more in demand. Their packages always include some of the harder-to-sell cuts.
- It is easy to sell the prime cuts, but what about the rest of the animal? These producers get creative in their package combinations. This does two things for them as it reduces the price per pound of the package and moves product that is in less demand.
- Some producers add further value through marinated products, pork kabobs or sausages.

It's said that a marketing opportunity is limited only by imagination and by not listening to customers.

Communicating with customers

Good communication with customers is critical. Talk to them, survey them and have a suggestion box. Listen to what they say. Find out what they want and whether they're getting it.

Develop a customer database to track customer orders and desired products. Maintain and use it. Use product draws and specials to expand the database. If a customer has a special request, do the best to provide it if it is profitable.

Developing an order form that makes the pork order clear to both producer and customer helps communication and increases customer satisfaction. A simple order form might offer choices such as boneless chops or regular chops, roasts, ham, bacon and back bacon.

Make sure the order form:

- Displays the business name and contact information.
- Provides space for the customer's name, address, phone number and email. If the customer is picking up the pork, provide directions to the farm, a pick-up date and time. If the product is being delivered, indicate the delivery location, date and time.
- Clearly shows the customer how much they will be paying per pound for their pork, how many pounds they are buying and what cuts they are getting.
- Is clear and simple.

Some producers take a deposit when the pork is ordered. It is a good idea to take a deposit or payment up front if:

- it is a new customer
- a customer wants the animal cut in a way that will reduce the value of the carcass such as turning it all into ground pork
- there are extra processing costs involved, such as making sausage, ham or bacon

Delivering freezer pork to the customer

Allowing customers to pick up their meat at the processor may save the producer time and freezer space, but if it complicates the customers' lives they won't come back for more. The processor's job is to do a good job of processing the animals, not to keep pork orders and customers organized. It is good business practice for the producer to pick up the orders, check each order for accuracy and then make sure each order gets to the right customer at the right time.

If selling a lot of freezer beef, delivery time needs to be minimized:

- Call the processor to arrange a convenient time to pick up the meat. If he is expecting a pickup at a certain time, he can ensure both order and invoice are ready.
- Some customers enjoy coming to farm to pick up their meat. That may save a trip, but take more time than delivering several pork orders at once. Set a common date for all the customers to pick up their meat from the producer's farm. Be aware that many urban consumers are not familiar with farming and farm life. Ensure their visit to the farm is a positive experience.

Selling and delivering of meat, including freezer pork, direct to consumers requires a Food Establishment Permit from the regional health authority. Ask about the

regulations on delivering frozen meat. If used to deliver the pork, the producer's vehicle must comply with the regulations. A small freezer in the vehicle turned on for several hours before it is filled should keep the meat at or below -18°C while it is being delivered. If the freezer isn't full of frozen meat, blocks of ice in the bottom will help maintain the temperature.

There are also regulations to consider if customers pick up their freezer pork order from the farm. Like all meat, pork intended for sale must be stored in a separate freezer licensed by the regional health authority. The freezer must be kept in an area that is clean and free of contaminants. Frozen pork must be transported and stored at -18°C or colder. An insurance company can provide information about coverage for frozen product intended for sale. This coverage is different than for meat in a household freezer.

For more information about the *Alberta Public Health Act*, Food and Food Establishment Regulation and the supporting Food Retail and Foodservices Code, contact the nearest regional health authority. Dial 310-0000 or visit the Alberta Health webpage listed in the links section of this factsheet.

Other delivery ideas:

- Selling pork orders in portable styrofoam coolers, using frozen bottled water as ice packs, adds value by keeping the pork packages frozen for the trip home.
- When delivering pork orders in the city, meet customers at a convenient location such as a parking lot at a shopping mall, or sell at the farmers' market. A common delivery point can save hours of looking for hard-to-find addresses. It also gets the meat into the customers' freezers more quickly. If customers want delivery to their door agree beforehand on a date, time and delivery charge.
- When delivering freezer pork, packages should be neatly packed inside a new, clean corrugated box. Check each package before packing into the box. Do not sell any packages that are damaged or dirty.
- If promoting a new product such as a pork breakfast sausage, add a free package of it to each customer's box.
- Include several business cards with each order so customers have a contact for repeat orders or questions. They can give the extra cards to friends or neighbours so they can order their own freezer pork.

Alberta Pork has promotional items to give customers such as recipe cards, cookbooks and fridge magnets. They also have decals that can be put on meat packages or the outside of the boxes. Contact Alberta Pork at (403) 256-2764 or e-mail promotions@albertapork.ca.

Labelling freezer pork

All meat products sold direct to the consumer must be appropriately labelled as specified in the *Consumer Packaging and Labelling Act*. The Canadian Food Inspection Agency (CFIA) enforces this Act. For information call (403) 299-7668 in Calgary or (780) 495-3009 in Edmonton.

Freezer pork must be labelled with:

- the name of the product (e.g. round steak)
- storage conditions (e.g. keep frozen)
- the date it was packaged by the processor
- the weight (in metric) of the product
- 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. If not, print and apply the labels afterwards or write the information on each package. Include a business card with every purchase. In addition, labels on all processed products, such as sausages, must list all ingredients in descending order by proportion.

Conclusion

Selling freezer pork takes more time than most producers expect. It can be very rewarding to market products to customers who are glad to buy Alberta pork and who let the seller know how much they enjoy it. Their feedback helps the producer do a better job producing pork products that meet customer needs. Be sure to ask buyers their comments. Survey them, provide an easy card for them to fill out and mail back, or simply talk to them. Take feedback as it is intended; a means to better understand customers and improve the product.

Streamlining procedures such as ordering, delivering pork to the processor and co-ordinating meat pick up helps reduce the time commitment. However, selling freezer pork will always be more time-consuming than delivering the hogs to a packer. That is why it is important to plan in advance how to make it profitable.

Additional 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 S845-6)
- 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 Lamb (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 webpage – www.health.gov.ab.ca/

Beef Information Centre – www.beefinfo.org/

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