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WEB SITE: ceplacernevada.ucdavis.edu

Summer 2011

Placer County
11477 E. Avenue
(Bldg 306, DeWitt Center)
Auburn, CA 95603
530-889-7385
FAX 530-889-7397
Email: ceperacer@ucdavis.edu
Days: Monday - Friday
Hours: 8 - 5

Nevada County
255 So. Auburn Street
(Veterans Memorial Bldg)
Grass Valley, CA 95945
530-273-4563
FAX 530-273-4769
Email: cenevada@ucdavis.edu
Days: Tuesday & Thursday
Hours: 8-12 12:30 - 4:30

2011 CALIFORNIA MULTI-SPECIES GRAZING/BROWSING ACADEMY
September 16-18, 2011
UC Cooperative Extension Office
Auburn, CA
Cost: $160

The purpose of the California Multi-Species Grazing/Browsing Academy is to teach, demonstrate and provide practical experience in using sheep and goats to reduce fuel loads, control invasive plants, utilize forage for grazing and browsing, and develop a saleable product for a profit. The California Multi-Species Grazing/Browsing Academy will be a three day course emphasizing the practical application of research based grazing and browsing principles using sheep and goats.

Target audiences are ranchers, land managers, and agency personnel who manage livestock on privately owned or public pasture and rangeland. Participants learn by actually applying the principles taught in range and pasture with live sheep and goats. Topics to be covered include: grazing/browsing principles, ecology, fencing, nutrition, supplementation, grazing/browsing planning, contract grazing/browsing, and much more.

Registration information is included in this newsletter and on-line at http://ceplacer.ucdavis.edu. Sign up today for this exciting course.
2011 California Multi-Species Grazing Academy
Registration Form

Date: September 16—September 18, 2011

Cost: $160.00 (includes meals, and course materials)
NO WALK-IN REGISTRATIONS DUE TO SET-UP NEEDED FOR HANDS-ON ACTIVITIES)

Register: Complete this form, mail with your check payable to University of California-Regents, to:
Roger Ingram
California Multi-Species Grazing Academy
11477 E Ave.
Auburn, CA 95603
OR, visit our website: http://ceplacernevada.ucdavis.edu and follow the links.

Location: Auburn, CA

First Name ____________________________ Last Name ____________________________
Address: ______________________________ ________________________________
City ____________________________ State/Zip ______________________________
Email: ____________________________ Phone Number: ____________________________

What types of animals do you graze or manage? ________________________________________________
________________________________________________________________________________________
________________________________________________________________________________________

How many head: _________________________ On how many acres: ________________________________

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(Complete nondiscrimination policy statement can be found at http://danr.ucop.edu/aa/danr_nondiscrimination_and_affir.htm)
Niche Beef Update
Roger Ingram
County Director and Farm Advisor
Placer and Nevada Counties

There is considerable interest in the niche beef business. It is primarily centered on a grass-fed and finished product. The emphasis on grass-fed and finished is because it allows you to differentiate a unique product from what is available at retail stores that are grain finished. Grass-fed and finished beef is a tiny segment of the overall beef industry. Less than ten thousand head of grass-fed and finished beef is raised and marketed in California and that estimate may be too optimistic. This article will update you on some key issues, marketing tips, and inventory management considerations.

Scale

One of the biggest challenges for any niche beef business is increasing the scale of the operation to an economically viable unit. This can take some time, as there are phases to go through before you can make the decision to expand. The first phase understand your product. What does it taste like? What is the product yield? What will be individual cuts and what will go the hamburger? Where will you get the animal harvested and processed? How long will you age the carcass? Where will you store the meat? What does your market need? Where will you market?

This is further complicated by the biology of a cow. The gestation period is nine months. The time from conception to carcass would be 20-24 months in most cases. Once you have answers to the questions above and an analysis shows it can be profitable, you could move towards increasing scale - the number of animals marketed in a year. This will then move you towards identifying the needed forage resources to support the operation. Do you have enough irrigated pasture and rangeland? If you expand, do you need more labor?

USDA Inspected Processing

In order to sell individual cuts of meat, you must have USDA inspected processing on both the harvest and processing (cut and wrap). Each individual package will have a safe food handling and processor label containing their identification number. You can get your labels made up that include your name and the processor information. If you ever change processors, you would need to get a new label.

There are few USDA inspected harvest and processing facilities in Northern California. There is great interest in seeing more facilities built or remodeled to meet USDA inspection requirements. The key issue is whether a facility will have enough consistent demand throughout the year to justify the capital investment. If the demand is not there, a facility can quickly experience cash flow issues, as there is not enough income to meet expenses. UC Cooperative Extension is conducting an 18 county survey to better determine demand for USDA inspected harvest and processing. A Rural Business Enterprise Grant is supporting the project.

There is a need for producers to communicate and collaborate with existing processors to help cut costs from both sides. Doing small number of custom work can incur higher costs on the processing side. Coordinating animal delivery and pick-up of meat could potentially cuts costs for producers. It costs just as much to haul one head as it does a full trailer load. Being able to supply a consistent number of animals on a weekly basis is crucial in helping processors schedule help and cut costs.
Marketing and Sales Considerations

- Selling the whole animal - and attaining premium prices for all cuts - is a huge challenge:
  - Selling steak cuts - even at very high prices - is not the biggest challenge.
  - Selling chuck and rounds is far more difficult.
  - Even the better chuck and round cuts can present difficult challenges.
  - Otherwise saleable chuck and round cuts often end up in the grinder at plants or at stores.

- If you can find retailers or consumers that will commit moving balanced carcass proportions, it will make and enormous difference in profitability."

- Must insist that retailers take as much of the animal as possible - manage trim.

Education is helpful in creating awareness of product. Education is usually based on casting a very broad net, communicating to a broad audience with diverse interests and motivations. However, education does not have a selling message. It only seeks to inform and clarify.

Marketing is different. Marketing consultant Robert Reynolds of Reynolds Consulting noted: “As marketers, our responsibility is to sell products to consumers, over and over and over again. To do that, we provide them information, convey selling messages that direct them to our products, and convince them to buy and to buy again. It is for our benefit. Effective marketing must be laser-focused on selling, not educating. It must convey a selling message to consumers who are prepared to buy. If we do not sell, we have failed."

This is why identifying your target markets is crucial. Each will need unique selling messages. You must focus time and effort on those markets prepared to buy once they are identified.

Other Tips:

- Easy to understand information - Aimed at target customers. Please note that customer might be the end user. It could be an intermediate seller, distributor, restaurant, or retail store.
- Simple, targeted information is essential.
- Point of Sale (POS) materials that can be provided to consumers can be helpful.
- Be prepared to find your POS materials placed under the counter. You will have to replace them and put them pack up for visibility.
- Be prepared for turnover of retail meat cutter or distributors and other intermediate sellers.
- Prepare high quality packaging that conveys the brand image, the qualities of the product, and the selling message. This will take time and patience in working with your processor to achieve high quality and visually attractive packaging.
- Be prepared to sell all the way to the ultimate retail consumer - it is the only way to assure the message gets all the way to them.

Inventory Management

Inventory management should be a key area of focus for your operation. You want to guard against inventory continually increasing. For example, you may develop a restaurant customer that wants all of your rib and loin cuts. This will only work if you can find other customers who will take cuts from the chuck, round, and trim which will prove more difficult to sell.

(Continued on page 4)
(Continued from page 3)

Other times, restaurants may be able to buy specific cuts in quantity if you see inventory starting to build and you have a good relationship with them.

In 2005, a survey was conducted with four restaurants interested in carrying grass-fed beef on their menu. The following table summarizes demand by cut based on survey results:

<table>
<thead>
<tr>
<th>Cut</th>
<th>Amount</th>
<th>Frequency</th>
<th>Amount of cut in one beef carcass (lbs) from grass-finished heifers</th>
<th>Number of animals needed weekly to meet demand</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flat Iron</td>
<td>50-60 lbs</td>
<td>Weekly</td>
<td>3.6 lbs</td>
<td>14-17 head</td>
</tr>
<tr>
<td>Tri-Tip</td>
<td>40 lbs</td>
<td>Weekly</td>
<td>3.3 lbs</td>
<td>12 head</td>
</tr>
<tr>
<td>Filet</td>
<td>54 lbs</td>
<td>Weekly</td>
<td>8.5 lbs</td>
<td>7 head</td>
</tr>
</tbody>
</table>

To fill the flat iron order, you would need to have 12-15 animals ready on a weekly basis. This would translate to 48-60 animals per month or 576-720 animals per year. The average retail cut-out on the grass-fed heifers was 322 pounds. For each individual animal, markets would need to be identified for the remaining 307 pounds of meat left the above order.

One Nevada County rancher manages inventory by identifying retail stores that who have butcher shops that can take the entire carcass. He only sells quarters and halves direct to the consumer for the same reason. A Yuba County rancher sells through a meat buyers club and has successfully moved inventory on individual cuts by running specials. One Mendocino County rancher markets through farmers’ markets by selling a 50 lb box that contains cuts from all primal cuts. They offer a 25 lb box of hamburger. The economic situation in 2011 has turned many people into buying more cuts from the chuck and rump in order to save money. This helps your ability to sell the entire carcass.

The following table shows the percentage of pounds and dollars sold in 2010 through a northern California Meat Buyers Club.

<table>
<thead>
<tr>
<th>Primal</th>
<th>% Lbs Sold</th>
<th>% of Total Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chuck</td>
<td>17</td>
<td>15</td>
</tr>
<tr>
<td>Rib</td>
<td>7</td>
<td>12</td>
</tr>
<tr>
<td>Loin</td>
<td>17</td>
<td>30</td>
</tr>
<tr>
<td>Round</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>Foreshank, Brisket, Flank, Plate</td>
<td>13</td>
<td>10</td>
</tr>
<tr>
<td>Ground Chuck Hamburger</td>
<td>24</td>
<td>19</td>
</tr>
<tr>
<td>Other – Stew Meat, Stir Fry, Summer Sausage</td>
<td>11</td>
<td>6</td>
</tr>
<tr>
<td>Bones</td>
<td>3</td>
<td>2</td>
</tr>
</tbody>
</table>

The more desirable rib and loin cuts represented 24% of all pounds sold and 42% of the total sales dollars. Ground chuck hamburger made up almost 24% of all pounds sold and 19% of total sales dollars. The same percentage of pounds of chuck was sold as the loin.

You should develop some sort of inventory tracking system to help you know what cuts you are long on and other that you are short. If you know your inventory and have past sales figures, it would allow you to project how long current inventory will last. This can prove helpful in planning harvest dates for your cattle. The system could be as simple as a pad or small notebook or a spreadsheet.

(Continued on page 5)
Rural Business Enterprise Grant

USDA Rural Development in California has funded a Rural Business Enterprise Grant (RBEG) to look at processing issues in California. UC Cooperative Extension is helping with several projects associated with this grant.

REGIONAL BEEF SLAUGHTERING AND PROCESSING

After decades of being without USDA-inspected slaughter and processing facilities for beef in our region, some exciting developments may unblock this logjam - great news for livestock producers and consumers alike. In response to growing demand for small-scale USDA-inspected beef slaughter and processing services, existing facilities are considering upgrades and new facilities are being constructed. This is very encouraging, but for plans to move forward, critical information is needed from livestock producers to estimate demand for these services and plan infrastructure. I am asking that you take a few minutes to complete this survey (see below) to help these efforts succeed.

This is where the rubber meets the road and we need your help to make it happen for the good of the industry.

Please read the brief descriptions below of three facilities and complete the voluntary survey by July 31, 2011. The survey can be completed online at:

http://ucce.ucdavis.edu/survey/survey.cfm?surveynumber=6071

Facility Descriptions

Company A is an employee owned company that has specialized in lamb products for nearly 50 years. Company A currently slaughters and processes lamb and goat under USDA inspection in their Dixon, CA, facility and is considering the addition of small-scale beef slaughter services. Beef carcass processing and vacuum wrapping services will be offered, including high-end cutting and packaging of retail products. Hanging capacity is not a limitation. **Ground meat will not be provided.** Delivery of finished goods will be offered to the Bay Area and Central and Southern California. Certified organic services may be offered only if there is sufficient demand.

Company B is a nearly completed new facility in Esparto, CA, (13 miles west of Woodland). Company B will provide USDA-inspected processing services for beef, lamb, goat, swine and game carcasses. Custom processing and vacuum wrapping will be the main service while also providing ground meat, sausage, curing, smoking, dry aging and retail. The facility will have a capacity to hang about 50 beef carcasses. If Company A provides USDA-inspected slaughter services, transport of carcass quarters between facilities (30 mile distance) will be arranged. Certified organic services may be offered, but not initially.

Company C is currently a State-licensed processor of meat and wild game and is located in Shingle Springs, CA, (El Dorado County). Facility upgrades necessary to offer USDA-inspected processing services are being explored and depend largely on upgrade costs and potential demand for services. If the necessary upgrades are completed, Company C will provide USDA-inspected custom processing and wrapping services for beef, lamb, goat, swine and game carcasses, including ground meat and sausage.

(Continued on page 6)
The facility will have a capacity to hang 30 to 40 beef carcasses. Transport of carcasses from USDA-inspected slaughter facilities to Company C will be arranged.

This is all very encouraging, but for plans to move forward, critical information is needed from livestock producers to estimate demand for these services and plan infrastructure. Please take a few minutes to complete the it online at: http://ucce.ucdavis.edu/survey/survey.cfm?surveynumber=6071.

Though Cooperative Extension conducted a similar survey in 2006, we need to update demand throughout parts of Northern California. The 2006 information got us to this point. Now as plans become a reality, we need detailed information that reflects current demand for these facilities. This is where the rubber meets the road. Your help is needed to make this happen for the good of the industry. Please read the facility descriptions complete the enclosed voluntary survey by July 31, 2011. If you completed the online survey, there is no need to complete the paper survey.

Inventory Small and Niche Meat Harvesting and Processing Facilities with GIS Mapping.

The University of California’s Small Farm Program is working on compiling an online directory of livestock slaughter and processing facilities in California that smaller ranchers could utilize. A survey is being sent to harvest and processing facilities. The survey will include questions on species they will take, services provided with associated costs, and any transportation and storage options. Results will be compiled, published, and mapped.

Producer Processor Meetings

This project will work towards improving collaboration and communication between producer and processors. Facilitated meetings will be held to discuss issues involving: coordinating live animal transportation, carcass identification, standardized fabrication instructions, aging and available cooler space, label development, and distribution.

More information on these meetings will be forthcoming later this month.

Other Projects

The RBEG is also looking at possible ways to streamline regulation, developing a template on how to take a state-inspected processing facility to USDA inspected, and a potential Regional Occupational Program (ROP) program for training butchers.

Old Style Custom Meat Market Set to Open

Fred Manas has been working for several years on opening a USDA inspected cut and wrap facility. A pre-opening tour was held on May 28th. The grand opening should be happening soon. Old Style Custom Meat Market would be another USDA inspected processor that you will be able to utilize for their services. They do not offer USDA inspected slaughter. They are located at 26797 State Highway 16 in Esparto, CA. You can contact them at (530) 787-3228.
2011 FORAGE UPDATE

Forage conditions are good to excellent in the foothills this year. Heavy March rains were very helpful. We are still getting timely rains as of the time this article is being written on June 2nd. Many of you have had little need to start irrigating. This has been a blessing with the big canal outage that have effected water deliveries in Placer County. The Sierra Research and Extension Center have just released their results from their monthly clippings. Forage production is currently 99.5% of normal. The results below are from clippings at the first of the month. For example, the April result reflects growth in March. While results here show an average year, I know that many of you are experiencing what seems like above-average growth.

<table>
<thead>
<tr>
<th>Month</th>
<th>Average forage production (lbs/ac)</th>
<th>2010-11 forage production (lbs/ac)</th>
<th>% of Average for 2010-11 year</th>
</tr>
</thead>
<tbody>
<tr>
<td>December</td>
<td>379</td>
<td></td>
<td></td>
</tr>
<tr>
<td>January</td>
<td>500</td>
<td>502</td>
<td>100.0</td>
</tr>
<tr>
<td>February</td>
<td>527</td>
<td>494</td>
<td>93.7</td>
</tr>
<tr>
<td>March</td>
<td>697</td>
<td>703</td>
<td>100.9</td>
</tr>
<tr>
<td>April</td>
<td>1568</td>
<td>1441</td>
<td>91.9</td>
</tr>
<tr>
<td>May</td>
<td>2955</td>
<td>2941</td>
<td>99.5</td>
</tr>
<tr>
<td>Peak Standing Crop</td>
<td>2991</td>
<td>3794*</td>
<td>126</td>
</tr>
</tbody>
</table>

*Peak Standing Crop samples were taken June 3, 2011.

Residue Levels

Please remember you can manage grazing even on dry feed. You will reduce trampling and can better achieve desired residue levels for the fall. Remember, residue in the fall is important for erosion control and creating a more favorable microclimate for germination of annuals. Here are the residue levels since 2001-02 at the Center. I would shoot for at least a minimum of 800 lbs/ac by Fall 2011. Dry annual range residue will decline 10-15% between May and fall rains in late October—early November due to weathering during the summer. For more information, here is a link to a UC publication 8092 entitled California Guidelines for Residual Dry Matter (RDM) Management on Coastal and Annual Rangelands—californiarangeland.ucdavis.edu/Publications%20pdf/8092.pdf

<table>
<thead>
<tr>
<th>Year</th>
<th>Residue (lbs/ac)</th>
<th>Year</th>
<th>Residue (lbs/ac)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001-02</td>
<td>882</td>
<td>2005-06</td>
<td>2416</td>
</tr>
<tr>
<td>2002-03</td>
<td>1417</td>
<td>2006-07</td>
<td>1187</td>
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<tr>
<td>2003-04</td>
<td>2011</td>
<td>2007-08</td>
<td>427</td>
</tr>
<tr>
<td>2004-05</td>
<td>2218</td>
<td>2008-09</td>
<td>371</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2009-10</td>
<td>799</td>
</tr>
</tbody>
</table>
UPCOMING EVENTS

Contact Roger Ingram at 530-889-7385 or rsingram@ucdavis.edu to register or if you have questions. Check website for updated at ceplacer.ucdavis.edu

Irrigation and Grazing Field Day
Summer 2011
Elster Ranch
Grass Valley, CA

Tahoe Cattlemen’s Summer Meeting
Summer 2011

California Multi-Species Grazing/Browsing Academy
September 16-18, 2011
UC Cooperative Extension Office, Auburn, CA

This will be our second multi-species grazing academy. You will work in teams and manage sheep grazing and goat browsing during the academy. Ecology, grazing, nutrition, fencing, grazing planning, and a lot more will be covered.

Pond Management and Irrigation Classes for Small Landowners
Keith Crabtree, Green Acres 101
Call 530-269-1217 or go to greenacres101.com for information.

PlacerGROWN Farm Conference
February 4th, 2012 (tentative)
Lincoln, CA

Roger Ingram
County Director, Placer and Nevada Counties
Livestock & Natural Resources Advisor