

Questions for Yampa Valley Beef

The Sierra Nevada Beef Project Steering Committee met on May 6, 2002, to brainstorm a list of questions for Jeff Blakeslee of Yampa Valley Beef. The following list is by no means exhaustive, but it should provide you with some idea of the types of issues we've asked Jeff to address. We encourage you to ask additional questions!

Organizational Questions

1. How long did it take Yampa Valley Beef to go from the initial concept to actually marketing ground beef? **One year of discussion/planning and 18 months after that to reach a positive cash flow.**
2. What can volunteers do versus what requires professional help? We did all of YVB with Volunteers, however this was a mistake of ours. **We never received enough funding to be able to hire someone. This was one of the mistakes we made. You need someone paid to deal with the day-to-day operations of these start-ups.**
3. How do you determine who gets to sell to Yampa Valley Beef, especially if you have more supply than the market will bear? How do you match the supply of cows with the demand for ground beef? Build demand first. **Supply of available animals can be easily calculated based on participating ranches. Also Its easy to sell high value cuts like tenderloin and loin but 50% of a beef carcass if low value, mostly burger. Build your burger market first or at least grow it at the same time your offering high value cuts. Any restaurant that wanted to was allowed to participate. You need to plan your supply i.e. pre sell it to get cattle in the pipeline to be able to deliver. You only get one chance with a restaurant if you miss a delivery or are going to be two days late you are SOL!**
4. What legal issues do we need to be aware of? **Product liability, These ranches have great value so you want to be sure you've protected participants now that your supplying a food product and not just an animal.**
5. Who writes Yampa Valley Beef's contracts? Are your contracts with restaurants standardized or individualized?

We had an attorney comp contracts for us

6. What is Yampa Valley Beef's business model (e.g., cooperative, corporation, etc.)?
Were an LLC but a new generation coop model could be used as well. Were an LLC based on attorney advise that limits liability to members.

Production and Stewardship Questions

7. How do you deal with the seasonal availability of cull cows?
You will find that your demand is also seasonal and it roughly correlates with cow availability. You can also overcome seasonality with crovac and excellent processing standards, you can store frozen beef up to 90 days with no quality loss if its processed right.
8. How important is your stewardship tie-in to your marketing story?
In Routt County it's a natural fit and got us a great deal of free PR. IT would depend on your situation if it works for you.

9. Is Yampa Valley Beef a “natural” product?

NO because we didn’t bother to pursue it but it does qualify and I strongly recommend you do it. It’s not that difficult and its one more way to differentiate your product from commodity beef.

10. What kinds of standards do you have in terms of animal health, vaccination, quality assurance, animal care, carcass quality, etc.?

English cross cattle, BCS of 5 or better, No obviously thin or sick animals, no continual feeding of Antibiotics, Right to reject cattle at processor.

11. How are these standards certified? Producer affidavit

12. Who determines your production guidelines and stewardship standards?

The Board of Directors

13. How are your stewardship/conservation standards verified?

I kept a spreadsheet of every cow slaughter and recorded if they grazed land under Conservation Easement

14. Have you considered other stewardship standards beyond conservation easements?

Yes, but no one wanted to be a policeman!

Processing Questions

15. How do you deal with byproducts and offal disposal?

Packer deals with it

16. What do we need to consider in selecting a processing partner?

USDA inspected, review HSAP plan and how modern is the plant i.e. can they cryovac, do they have a patty machine, how do they monitor % lean in Burger etc. I can fill you in on more at some later date

17. How do you handle product storage and distribution?

Big problem for us. We expected the processor to do this and its not there job. You need to be responsible for inventory management and find a local distributor. This affects your liability and you don’t want to handle a food product it increase your exposure to liability

18. What do you do if you have a “problem” carcass?

If its condemned the participating rancher loses or is responsible. This isn’t clear-cut because it could have been a processing issue so like a thin cow can be mitigated by other animals in the mix

19. Have you considered a mobile slaughter facility or constructing your own permanent facility?

Yes but to costly for the volume of animals processed.

Pricing Questions

20. How do you determine the price paid to ranchers?

We pay on a boneless muscle mass Yield. This way the fleshiest cattle get the highest return

21. How do you establish the price charged for your ground beef? BY guessing! Figure this out and don’t guess. Estimate you’re breakeven and plan on at last a 30% return over that.

22. How did you first approach potential test markets?

Marketing Questions

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23. Is Yampa Valley Beef looking at expanding into other markets (e.g., retail, farmers markets, mail order, etc.)? Yes

24. How big should our geographic niche be?

Depends on your available supply of cattle and if there are nearby high-end markets like resorts you can tap into.

25. Do you compare your product with that produced and processed conventionally?

Yes we won the first ones but had no clear winner on two subsequent tests

26. Where did you get the biggest bang for your marketing dollar?

Free news stories. Next is radio, Print ads are very expensive only do them as coop ad with participating restaurants. Brochures are a waste of money don't do one.

27. How did you do taste testing of your product?

Blind taste test

28. Do you market your product as "grass-fed" or "free-range"?

No but we could have and you should consider it again its another way to differentiate your product from commodity beef

29. When should we bring restaurants and resorts into our project?

Early on, they look at meat a whole different way than ranchers and you and I look at Beef. Try to find an interested purveyor that's with you from the start

30. When and why will you begin to develop products beyond ground beef?

We have tried jerky and seasoned tenderloin. With paid staff both of these products would be up and running

Last Question: What questions did we miss?

Remember the mantra of the food business and focus on it and that is consistent and quality product. The product must be consistently delivered have consistent quality and don't get caught up in arguing small points decide them and move on. Keep every one focused on developing an end product, keep open minds and don't let personalities ruin all your efforts. These things are challenges and take great leadership and that's you!

Good Luck