

Less Waste, More Profit

Increased demand for yield graded beef by large-scale meat buyers is promising to make the eight-year old yield grading system the wave of the future in the meat industry. U.S. Department of Agriculture yield grades measure a carcass's yield of closely trimmed retail cuts.

During Fiscal Year 1973, the amount of beef yield graded was a recordsetting 55 percent of the pounds of beef quality graded during the same period; and nearly 85 percent of the nation's fed beef production was quality graded during FY'73. The 55 percent figure marks a whopping boost from the modest three and one-half percent that was yield graded in Fiscal Year 1966, the first full year the service was in operation. Poundage-wise, yield grading has increased 20-fold during its eight years, going from about 350 million pounds yield graded in FY '66 to over seven billion pounds in FY '73.

Why the big surge? Primarily because more and more supermarket and other wholesale meat buyers are asking for yield-graded meats. The explanation is one of basic economics. Carcasses with higher yield grades give the buyer more beef to sell than carcasses with lower yield grades. A single yield grade difference almost always makes a substantial monetary difference to the buyer. Also, carcasses with higher yield grades

are less expensive to handle because they require less trimming and result in less waste, which in the long run means lower operating costs per pound of salable meat.

Yield grading is simply a method of identifying the amount of closely trimmed retail cuts that can be obtained from a given carcass. Yield grades range from one to five, with Yield Grade 1 having the highest yield of retail cuts - 80 percent or more - and Yield Grade 5 the lowest - 66 percent or less.

Yield grades should not be confused with quality grades. Yield grades are determined separately from quality grades, and carcasses can be graded for quality, or yield, or both. You can expect to get essentially the same percentage of retail cuts from a Choice Yield Grade 1 beef carcass as you would from a Prime Yield Grade 1 beef carcass. The same holds true for all yield grades regardless of the quality grade. However, yield and quality grading have two aspects in common - both are performed by USDA meat graders, on a voluntary fee-for-service basis.

Approximately 380 meat graders across the nation perform yield and quality grading and related activities that facilitate the marketing of meat. They work out of 12 main stations and a number of substations. The main station for the northeast

region, located in Newark, N. J., assigns graders to the New York Metropolitan area.

The modus operandi of yield grading requires the services of a skilled practitioner - such as Joseph Colella of the Newark, N. J., meat grading station.

Donning a hard hat and a quilted coat under his white coat to protect himself against the 36 degree temperature inside packing plant coolers, Colella first determines the preliminary yield grade by making an estimate of the amount of outside fat covering the carcass. He pays particular attention to the thickness of the layer of fat covering the ribeye muscle, which is exposed by cutting a side of the carcass into quarters between the twelfth and thirteenth ribs, as well as to the overall appearance of the carcass.

Next, Colella looks at the exposed cross section of the ribeye muscle. He estimates the area of the ribeye muscle and compares this measurement to the weight of the carcass.

So skilled and practiced is Colella that he can accurately determine a yield grade just by looking over a carcass quickly and carefully. On borderline cases he can be almost absolutely accurate by using his measuring tools - a small ruler for measuring fat thickness and a plastic grid for measuring the area of the ribeye muscle. These tools usually confirm his original estimate - if not, he changes his estimate to coincide with what his tools tell him. His job demands speed and accuracy so he can grade hundreds of beef carcasses in a matter of a few hours.

"Packers charge by quality grade," Colella says. "Butchers take the meat if it has the quality they are looking for. They make less profit when they buy fat carcasses because they get a lower yield of retail cuts and it costs money for trimming. Packers will provide yield graded meat if their customers demand it, and I foresee a wider use of yield grades in the future."

Yield grades 2 and 3 are the

most commonly requested yield grades by buyers of high quality grades of beef. It may cost them more to buy higher yielding beef carcasses, but they end up getting better values.

The meat operations manager for a larger grocery store chain says that he pays at wholesale 50 cents more per hundred pounds for Yield Grade 3 beef and \$1.00 to \$1.50 more for Yield Grade 2 beef than for beef that has not been yield graded.

However, according to USDA statistics for September 1973 the difference in retail value between carcasses a full yield grade apart is \$6.21 per hundredweight. For a six hundred pound carcass, for example, the difference in value between a typical Yield Grade 2 and 3 would be \$37.26.

Joseph Berly, manager of a meat department for Associated Food Stores, a prominent supermarket chain in the metropolitan New York City area, sees the value of yield graded meat right on the cutting block, as he supervises the preparation of retail cuts from sides and quarters.

"Yield grades are more important to the butcher than the consumer, profitwise," he says. "More fat must be trimmed away when we get Yield Grades 4 or 5. The amount of waste on a carcass affects our margin of profit. However, the customer gets the same trimmed cuts of Choice meat."

Alan H. Olstein, vice-president and director of the meat division for Daitch-Shopwell, with supermarkets through New York and Connecticut, also attests to the value of yield grades.

"The yield grading system is a good one," he says. "It lets us know how much saleable meat we're getting. We're interested in

making a profit so the amount of saleable meat we get is important to us."

Every ounce of fat that has to be trimmed off costs a retailer money. In November 1973, beef was wholesaling at 65 cents a pound. The most the retailer could get back on the fat he had to trim off in making retail cuts was a "salvage" price of 10 cents a pound.

An executive for a large food store chain, which sells six to eight million pounds of meat per week in over 500 stores, says that his store has asked for yield graded meat ever since the system began, because it helps him get the kind of meat he wants to sell.

"It was at our request that some of the big packers started using the yield grading service," he says. "Yield grading is a valuable tool in the marketplace. It simplifies the transactions between buyer and seller," he adds.

The growing demand for higher yield beef will be communicated back to the feeders and breeders. This demand will encourage the nation's cattlemen to produce more higher yielding beef, which will, in turn, increase the nation's meat supply.

For more information on USDA Yield Grades for beef and/or lamb, write for a single free copy of "USDA Yield Grades for Beef" (MB-45) or "USDA Yield Grades for Lamb" (MB-52) to: Information Division, Agricultural Marketing Service, U.S. Department of Agriculture, 26 Federal Plaza (Room 1653), New York, New York 10007.

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