

Pork Prose

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THE IDEAL CARCASS PAYMENT **PROGRAM**

Does our industry need aggressive carcass payment programs? Most producers would answer yes.

For years, hogs were bought and sold on the basis of weight. Then, in the late sixties, "grade and yield" programs arrived on the scene. These were developed to pay more for the good hogs and less for the poor ones.

But often the programs were not what they were cracked up to be. The grading sheets included with the check were confusing and misleading. And most importantly, the programs lacked real incentives to produce good hogs.

Now packers across the nation are adopting new pork carcass grading programs. While all of the programs provide an incentive to produce high quality hogs, no two programs are identical.

Components Of An Ideal Carcass Program 1. Every hog should be mea-

sured objectively. Giving each hog a muscling score such as "thin," "moderate," or "thick" is not enough. Instead, hogs should be measured with an instrument such as a backfat ruler or a Fat-O-Meat'er so that the measurement will be the same day to day, operator to operator.

2. Measurements should be accurate. Unfortunately there is no technology that can deliver 100 percent accuracy. Optical probes, like the Fat-O-Meat'er, use a stainless steel tube with a light emitting diode at the end to measure fat and muscle thickness. Optical probes are presently the technology of choice among packers who have carcass payment programs. On a group of hogs (20 or more), the optical probes can usually predict lean content to within 1 percentage point. But on a single hog, the error can be significant.

Other technologies are coming within the next 5 to 10 years. For example, total body electrical conductivity (TOBEC) measures differences in electrical conductivity between fat and muscle. This concept is potentially more accurate than that of the optical probe, and is already used for boxed meat in some countries.

Using TOBEC for freshly slaughtered hogs will require the carcass to be taken off the rail since the carcass must move through a cylinder horizontally. But at least one midwestern packer is considering the use of the TOBEC machine the day after the hog is killed. By this time, of course, the carcass is ready for cutting, and will be off the rail anyway.

Ultrasound also has potential application for carcass measurement, and is used extensively for live hogs. But to my knowledge, packers have not yet adopted this technology for carcass payment programs.

Other techniques which are accurate but far from practical, include X-ray tomography, magnetic resonance imaging (MRI), and bioelectrical impedance.

3. The base price in a good grading program should be determined by a public market. Keep in mind that a packer can use the stars to determine price if he so chooses. But using a public market as a starting point is essential if the packer wants to give the producer a fair shake. In fact, a crackerjack grading program may be worthless if the base price is not competitive.

4. The base price should correspond to a hog that's not out of reach. You can decide better than I what this hog should look like, but it should probably have about an inch of back fat and a loin eye that measures between 4.0 and 5.0 square inches.

5. The system should provide a reasonable incentive to produce a good hog. There should be at least a \$15 spread between the top and

bottom of the quality scale. For example, the range for Indiana Packers Company is more than \$35. For Monfort Pork, Inc., the range is between \$15 and \$20. For Hatfield, it depends upon the current market price of lean cuts, but the range from top to bottom is at least \$20, sometimes as much as

· 6. Payment should be made for the carcass, not the live hog which means that dressing percent is not part of the pricing schedule. A higher dressing percent won't necessarily mean the carcass is better. Clear indicators of carcass value such as fat and muscle will affect dressing percent. But so do gut fill, the time of loading, temperature during transit, and travel

Should All **Grading Programs** Be The Same?

I don't think so.

I can't imagine why a packer in Iowa would have the same processing requirements and marketing strategy as one in Pennsylvania. And if they don't, there isn't any reason for the carcass payment programs to be the same.

Both should be paying premiums for lean, well muscled hogs, and both will certainly be discounting the price for fat, poorly muscled hogs. But I think the suggestion for uniformity in carcass payment programs is unfounded.

What Should You Expect From Your Packer?

1. A competitive carcass payment program. The details are

outlined above. 2. A spirit of cooperation. You and the packer are both in the same boat, you just have different jobs. If there really is an "adversarial relationship" between you and the packer, evidence of packer cooperation with the hog industry and the producer will go a long way toward breaking down the wall.

3. Willingness to consider suggestions for improvement. The changes made in Hatfield's grade and weight program since its implementation four years ago is a good example of incorporating producer feedback.

4. An understanding of your problems: weather and transportation glitches. Feed and health problems that may change both quality and flow of hogs. High feed prices and low hog prices.

What Can The Packer **Expect From You?**

The list is almost the same: 1. Quality hogs.

2. Cooperation. For obvious reasons, it's a two-way street.

3. Willingness to consider changes. The packer will probably see carcasses from your farm every week. He has to convert that raw material into something the consumer will pay for and enjoy. So, if the packer tells you your hogs are too fat, believe him.

4. An understanding of the packer's problems: scheduling the same number of hogs each day. Pale, soft, and exudative pork. Underweight carcasses. A burning need for consistency.

Summary 1. The introduction of new grad-(Turn to Page C9)



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