

Quality Pays for Market Cows

Kentucky ground beef program rewards Angus breeder for top genetics.

by Becky Mills, field editor

After nearly 15 years of marketing his finished steers in a quality-based grid, James Coffey had no problem saying “yes” to selling his open cows on the rail.

“It was a no-brainer,” says the Hustonville, Ky., Angus breeder. “We get paid for what the cows are.”

The market is Beef Solutions LLC, owned by the Kentucky Cattlemen’s Association (KCA). When executives from the supermarket chain, Kroger, came to KCA in early 2017 and asked for a fresh, local ground beef product, KCA kicked into gear. By March 2018, Beef Solutions harvested the first cows. The beef is sold under the Kentucky Cattlemen’s Ground Beef label.

For the first two years, the Beef Solutions processor was in eastern Kentucky, which was not an economical haul for Coffey. However, in the fall of 2019, that harvest facility stopped processing fresh beef, and a central Kentucky processor took over. Now just a 20-mile haul from Coffey’s Branch View Angus, he

jumped at the chance to sell his cows based on their hot carcass weight.

“I’ve had some dress 59%, in the upper 50s. That correlates with what we see out of our steers,” he says.

“Our last group dressed 63%. So, the cows fit very well.”

So much so, Coffey has sent more than 140 cows to the program in less than three years.

Dan Miller, Beef Solutions director of procurement, gives the credit

to Coffey’s genetic program.

“Any cattle that have been selected for carcass characteristics work,” Miller says. “The purebred breeders who are trying to create a quality animal, or even the crossbred guys who are trying to make a quality feeder calf, work.”

While Miller says he does see some crossbred herds exceed the Beef Solutions average dressing percentage, it is more often purebred breeders like Coffey.

In Coffey’s case, he says it is not only his breeding program, but the Angus breed in general.

“That’s because of the overall focus of the breed on the end product. It aligns perfectly,” he says.

However, he also says his management program helps. A rotational grazing system, backed by alfalfa hay if needed, keeps his cows in market-ready shape.

“Our cows are usually heavier than average and in better condition,” Coffey explains.

When describing the ideal cow for Beef Solutions, Miller says she is one that will make their ground beef blend of 80% lean, 20% fat. This is typically around a 1,300-pound (lb.) animal in a body condition score (BCS) of 5.0.

“We’re not pulling out any loins, briskets, anything, so my ideal cow hits 80% 20% by herself,” Miller says.

However, grass-growing conditions have been so good in Kentucky the last few years, cows have been coming in almost too well conditioned. For now, at least, he welcomes the occasional BCS 4.0 to blend with the fleshier cows.

Not only are Coffey’s cows usually overachievers in size and BCS, but he gets an A+ from Miller in a vital category — availability. It takes an average of 40 cows a week to meet the demand from Kroger customers, and even with more than 1.1 million head in the state, many





of their 38,000-plus owners are part-time producers. The lead time for enrolling in Beef Solutions, and getting a harvest date, is often 30-60 days. By the time Miller can take the cows, their owners have often taken them to the local sale barn for convenience's sake. That leaves Miller scrambling for cows, but between the open cows from Coffey's spring- and fall-calving herds and open heifers from his customer buy-back program, he can usually help.

The last-minute cancellations from other producers are in spite of a minimum of paperwork for Beef Solutions.

"We have a one-page enrollment form," Miller says.

Because the label says the product is local, the producer also has to provide proof the cows have been on a Kentucky farm for 60 days or

longer. This can come in the form of calving records, preg-check records, or any other time the cows' on-farm ID number is listed. Before the cows are harvested, Miller also sends or delivers Beef Solutions ear tags with a unique number and bar code, which cost \$1.50 each.

While Coffey is supportive of the local sale barn, he says there are too many variables affecting the price, and he prefers the certainty of a Beef Solutions check. The price is determined by the previous week's Kentucky market price for boner cows, and Miller uses a formula to convert it to hot carcass weight. The only other costs are \$2 for the state and national beef checkoff.

Producers new to the program typically ask how much of a premium they'll get for selling their market cows to Beef Solutions. However,

Miller says he can't answer that.

"Cattle that dress well are going to hang more weight on the rail. A herd such as Branch View's that has powerful genetics behind it tend to have a very good dressing percentage. That's where they can capture a higher return." On the other hand, Miller says, "If they weigh 1,000 pounds live and dress 400 pounds, they just don't put a lot of weight on the rail. That producer may not be happy."

He also says it depends on a producer's local cow market. If it is strong or the producer has to haul a long way to Marksby Farm Market in Lancaster where the cows are harvested, Beef Solutions may not return as much as a local auction market.

One thing producers can count on is the demand from Kroger. Alan

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Cravens, division meat merchandiser for Kroger, says, “Our customer base has really grown. There is a lot of loyalty because it is a local product, and because of the quality.”

The product is also convenient and economical for consumers. Kroger sells it in a 1-lb. vacuum-sealed brick and in a two-patty package, also a pound. Typically, the price is \$4.99 a lb., although Kroger occasionally drops the price for sales and promotions.

Miller says a great deal of that customer loyalty was gained during the pandemic.

“Some weeks, we were the only ground beef product in the case, so we got new customers. Then, once they tried our product, they kept buying it even when other beef was readily available.”

Craven says, now, demand has almost doubled.

It adds up. Kentucky Cattlemen’s Ground Beef is now in 182 Kroger stores, including part of Ohio and Tennessee. Since the product launch, more than 1.9 million 1-lb. packages have been sold.

By July of 2022, he says a total of 284 producers from 72 out of 120 Kentucky counties have marketed through Beef Solutions.

However, Miller says, “The figure we’re most proud of is the [more than] \$3.7 million we’ve put back on those Kentucky farms by buying cattle.”

The product also provides positive publicity for the state’s cattle industry. Although Kroger is their largest customer by far, Beef Solutions supplies ground beef to the KFC Yum! Center in Louisville and to the KCA booth at the state fairgrounds.



Dan Miller (left) says James Coffey’s (right) cows work well for Beef Solutions because of their quality genetics.

As for the future, the Beef Solutions team is working to find a harvest facility in western Kentucky that can meet Global Food Safety Initiative GFSI certification, which is required by Kroger and other major retailers.

Miller is looking forward to being accessible to more of the state.

“There’s an opportunity to grow there for sure,” he says.

In the meantime, Coffey is grateful for the marketing option.

“That’s the biggest thing for me, that assurance. It’s the same mindset as the steers. I know I’m going to get paid for what the cows are.” **AJ**