

Livestock Marketing Options for Junior Fair Exhibitors and Families

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Many of our county fair livestock shows and sales will look significantly different due to the impact of Covid-19 on fair operations. A common question has been: How can I sell my market animal if the fair does not take place or if the livestock sale happens in an alternative format?

Fortunately, there are multiple marketing channels which county fair livestock can enter. Here we review those channels and the regulations that parents, exhibitors, and livestock buyers should be aware of. Content in this document applies to all red meat producing market livestock projects; beef, lamb, swine, and goats.

Information with regards to marketing poultry/rabbits can be found at Poultry and Rabbit Marketing Options for Junior Fair Exhibitors & Families.



Live Animal: Local Livestock Auction

Similar to previous years, livestock can be marketed through the local auction market. These markets often provide a “packer bid” or “support price” to county fair sale committees and transport the livestock after they are sold.

Market swine exhibitors selling pigs through the local livestock auction and who have not fed ractopamine should be prepared to have a signed affidavit stating that the animal is “ractopamine free” in order to receive a potentially higher price. Pigs fed ractopamine can also be marketed this way, with the expectation of a lower price in return.

Live Animal: Private Treaty

In this scenario, a market animal is sold and the buyer transports the animal to his/her own property where the animal is fed until slaughter or retained for breeding purposes (e.g. ewe or gilt). The buyer can also transport the animal to a licensed meat processing facility.

In Ohio, private treaty sales of livestock are legal if properly conducted. If selling livestock by the pound, all animals must be weighed on a state certified scale. Once weighed, a bill of sale should note the weight of the animal, the price per pound agreed to, and the total value of the sold livestock.

If selling live animals by the head, the animal does not need to be weighed. However, it is recommended that a bill of sale be produced for both the seller and the buyer to keep proper records.

Marketing Freezer Meat

Another common outlet for many market livestock projects is for them to be transported to a local meat processor after the conclusion of the fair sale.

In the event of a non-traditional junior fair livestock sale, coupled with continued increase of demand for locally produced meat products, it is anticipated that there will be continued interest from livestock buyers in having fair projects processed locally if those facilities have capacity to handle those animals.





Example USDA (left) and ODA (right) meat inspection legends.

Meat Inspection Regulation: As stated earlier these animals can be sold live, “on the hoof” and transported to a meat processor. In Ohio, meat processors are either fully inspected or operate as custom exempt facilities.

Meat product from an animal harvested and processed under inspection can be sold into commerce or to individuals. The label will include an inspection legend in the shape of the state of Ohio, if the processor is inspected by the Ohio Department of Agriculture (ODA). If the processor is inspected by USDA, the inspection legend on the label will be a circle. Product inspected by USDA can be also be sold across state lines.

Meat from an ODA custom exempt facility will be labeled “Not For Sale” and is to be returned to the owner and only to be consumed by immediate family.

Direct Marketing Options: If the exhibitor is interested in marketing their project in a form other than a live animal, they can sell a whole, half or quarter carcass depending on species or individual cuts of meat if the animal is harvested at a fully inspected meat processor. A list of ODA fully inspected and custom exempt processors can be found at <https://agri.ohio.gov/wps/portal/gov/oda/divisions/meat-inspection/meat-district-coverage-map/>

Selling Meat from Home: If storing meat for sale, one must apply for a warehouse license from the ODA, Division of Food Safety. A warehouse cannot be a home, but it can be a garage or other building where proper refrigeration, or freezers are maintained. A mobile food sales license from the county health department, is also required to sell meat from home. More information regarding direct marketing of meats and food can be found at <https://farmoffice.osu.edu/our-library/food-law>

Marketing and Advertising: When direct marketing, after all regulations are followed, it is important to consider how to get your product in front of your customers. There are several options including customer pickup, farmers markets, and on-farm sales. Each strategy has advantages and disadvantages. For example, selling the meat product via order and having the customer pick-up the product at the processor, requires no licensing on your part and

marketing is done in advance. However, potential customers must have adequate freezer space. Farmers markets are a good way to increase your price per unit and develop visibility for your product. However, more effort must go into marketing, market hours are limited and structured, licenses are required, and sales are in smaller units.

On-farm market sales offer the same opportunity to increase price per unit, gives control over sale hours, and reduces the labor involved in taking product to an offsite location. However, a license is required, your farm must be kept presentable for customers, and you must be comfortable with and prepared for the liability of customers on farm property.

Once the target market is defined, then an exhibitor can decide on the best way to reach their customers and product features to highlight. If exhibitors are making special claims (organic, grass fed, all natural) they will need to work with the fully inspected meat processor to develop an approved label.

Exhibitors need to pick a marketing strategy that fits their enterprise and personal goals. Developing these customer relationships may require a new set of skills for some exhibitors.

Pricing Meat Products: In order to determine a sale price, an exhibitor must know how much saleable product can be produced and the total costs of producing that product. Two common methods of selling meat include selling a portion of the carcass including whole, half, and quarter carcasses, and selling retail cuts. If producers are marketing their product by having customers pick up the finished meat product; carcass weight will be the end product. Carcass weight can be estimated using dressing percentage, which is the percent of the live animal that makes up a carcass.

Dressing percentage = (carcass weight/live weight)*100
Average dressing percentages: beef cattle ~62%, dairy steers~59%, market hogs~74%, shorn market lambs~54%.

If exhibitors are looking to sell retail cuts, then carcass cutting yield must be calculated to estimate your saleable product. Cutting yield is affected by fatness, muscling, and bone in vs boneless. Carcass cutting yield = (lbs. of meat/carcass weight*100).

A careful analysis of the cost of production is necessary to set a retail price for a product. The main costs associated with producing meat are live animal input costs, processing fees, marketing costs, and profit margin. Exhibitors should have all costs included before pricing any final products. An exhibitor’s project record books will be helpful in making sure all costs are included. Before setting a price for each retail cut, compare prices with local competitors. Local food producers should rarely be below a supermarket price.

Working with a Processor

If exhibitors are wanting to have an animal processed for either personal consumption, sale, or donation; it is key that you make arrangements with the processor of your choice well ahead of time.

Many local meat processors have seen significant increases in the demand for their services and are often setting harvest dates months in advance. Many local processors also set aside harvest dates for county fairs that they have worked with previously.

Be sure to call ahead and make an appointment to drop off any livestock at the meat processor. Processors may also coordinate with local sale committee to help in managing the flow of junior fair livestock to their facilities.

Home Food Animal Processing

There are several items to consider for an exhibitor's family or the buyer of a market animal project who wants to process an animal at their home.

- Meat from home butchered livestock cannot be sold and must be consumed by immediate family. It is a crime to sell home processed meat in Ohio.
- Food safety precautions must be taken seriously to prevent foodborne illness. This includes cleanliness, sanitation, and proper chilling of the carcass.
- The sooner a carcass can be placed in refrigeration under 40°F, the lower the risk of pathogen development.
- Safe and humane handling and harvest of the animal.
- Proper disposal of bone, blood, and harvest by-products.

Withdrawal and Drug Use Notification Forms

Youth exhibiting and selling their market animals as part of a junior fair will still be required to complete Quality Assurance and adhere to drug residue avoidance measures such as: completing withdrawal prior to slaughter, completing a Drug Use Notification Form (DUNF) on the required species, and submitting to drug/tissue testing if required.

If a county or independent ag society holds a virtual livestock show, **it is still considered an exhibition** and is required to be a partial terminal or terminal show by state law (ORC 901-19-02).

In a partial terminal show at least the grand champion and the reserve grand champion shall be slaughtered for market swine, lamb, beef steer, dairy steer, veal calf, or goat. The livestock shall be consigned to slaughter either at the conclusion of the show or immediately following the exhibition.

Donating Meat to a Food Bank

Donating meat from a market livestock project is also common in some counties. Usually the buyer of the animal sends it to a meat processor and the processor coordinates delivery with the food bank, but the exhibitor can also coordinate with the food bank.

This practice can continue if the animal is processed at a fully inspected meat processing facility (see p. 2). If interested in donating meat to a food bank or charitable organization, contact them prior to processing. Each individual organization may have a list of processors they work with, or certain processing and packaging instructions for distribution of meat. The exhibitor should check with their county program to see if there are any existing donation opportunities.

Raffles, Lotteries and Personal Fundraising

Raffles, lotteries, and games of chance are prohibited by Ohio 4-H policy. Personal fundraising with the use of the 4-H name, emblem or affiliation on sites such as GoFundMe accounts are highly discouraged, if you will be participating with your animal in a Junior Fair Livestock Sale. Animals, sold through this process are considered sold and your ownership of the animal is terminated. As a result, because ownership has been exchanged, the exhibitor is no longer considered the owner of that animal in accordance with ORC 901-19-39.

Sale of 4-H or FFA Projects Tax Implications

Depending on the dollar amount received for sale of market livestock, an exhibitor may need to claim those sale proceeds as income. If an exhibitor needs a 1099 for tax purposes, they need to complete a W-9 and submit it to the entity conducting the junior fair livestock sale. To find out if a dependent child needs to file taxes see IRS Publication 929; Tax Rules for Children and Dependents. This can be found on the IRS website at <http://www.irs.gov>.

Tax Deduction Considerations for Buyers

Purchasing an animal at a junior fair livestock sale does not qualify as a charitable tax-deductible contribution. In the case of junior fair livestock sales, at an auction or private treaty, the sale proceeds go to the owner of the animal and not the junior fair program. These sales cannot be considered a charitable contribution. However, if sale proceeds are donated, this can be done only if the money from such a sale is donated to an IRS-recognized non-profit organization for that organization's use. 4-H is a program within The Ohio State University, which has non-profit status, and will only provide charitable contribution receipts and acknowledgements for donations made directly to them. Funds may not pass through those entities to another recipient for tax benefit purposes. Please consult with a tax advisor for guidance on your specific situation.