

# Expansion of Cattle Slaughter Capacity in the Southeast



**C. Chad Carr**  
**University of Florida**  
**2012 Beef Cattle Short Course**

# Florida Beef Excellence Institute Funded by Florida Beef Council

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# Southeastern Beef Slaughter

- Past 20 years- primarily non-fed, slaughter cows and bulls
- Current supply problem
- To ↑ or maintain capacity could require fundamental change

## Smallest U.S. cattle herd in 60 years may raise beef prices

By Paul Davidson, USA TODAY

Updated 1/29/2012 7:32 PM

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Low cattle supplies in 2012 are expected to drive up beef prices for the second year in a row, stretching consumers still coping with high unemployment and only modest wage increases.



By Craig R. Hedden, for USA TODAY

The Agriculture Department reported Friday there were about 91 million head of cattle in the U.S. on Jan. 1, down 2% from a year ago and the lowest level since 1952.

Retail beef prices, now near record levels, will likely rise 4% to 5% this year following a 10% increase in 2011, according to Agriculture. John Nalivka, owner of consulting firm Sterling Marketing, estimates prices could rise as much as another 10% — more than double the

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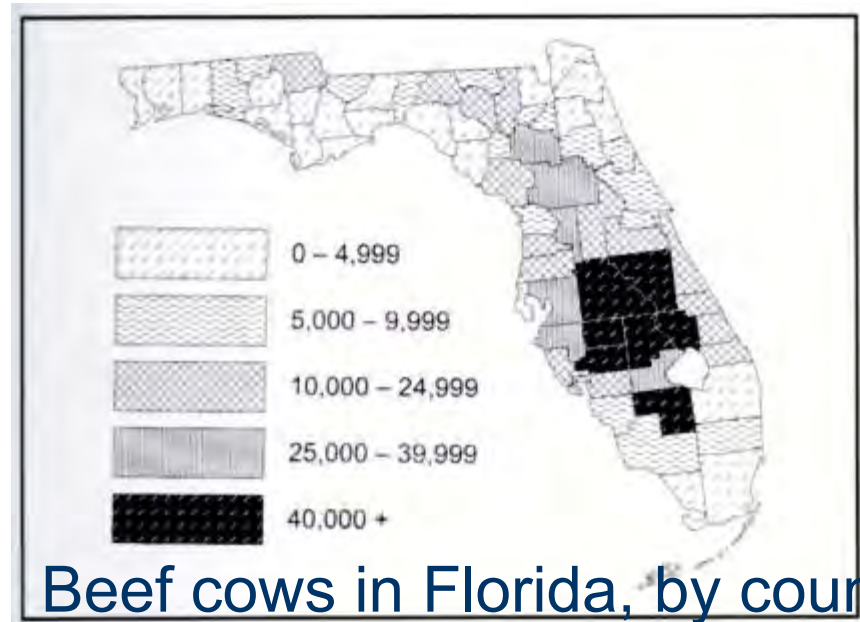
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# Florida

- 19 million diverse residents (July 1, 2011)
- ≈ 1 million brood cows



# Listening to The Public



- “Locally-Produced/Food Miles”
- “Where Food Comes From”

**BEEF**

Beef Quality Business Sectors Health Markets Pasture Range

Need to Sell?

HOME » SITES » RETAIL » FOOD MILES AND THAT STEAK ON YOUR PLATE

### Food Miles And That Steak On Your Plate

A better understanding of these supply chains might help more local food producers figure out ways to meet a growing demand.

Source: BQF News; By Steve Peters  
Aug. 2, 2012 @ 5:58p

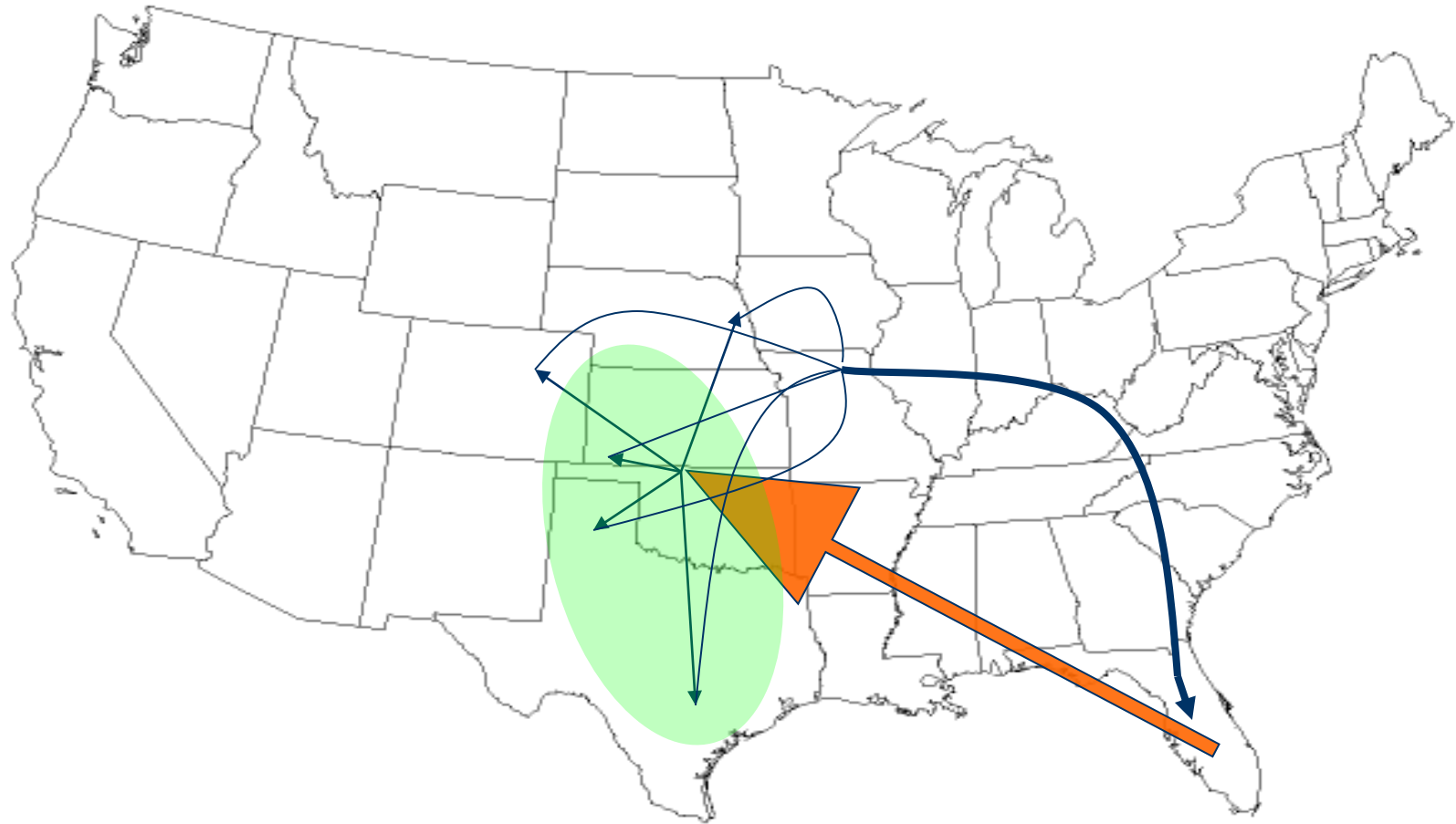
Food miles are one thing.

Food miles are not a thing. The amount of fuel used per pound of produce is something else.

In other words, that steak you brought at the farmers' market from the family operation down the road might have taken more fuel to get to you than the rib-eye from a steer slaughtered in Kansas.



# Traditional Florida Steer & Heifer Beef Journey



# Regional Fed Beef Production



ABOUT US | PRODUCTS | WHERE TO BUY | WHAT'S NEW | BEEF INFO & LINKS | CONTACT

## IN-STORE LOCATIONS

BUY ONLINE | IN-STORE LOCATIONS

### HARRIS RANCH BEEF IN-STORE LOCATIONS - CALIFORNIA

Home Ranch Natural Beef can be found at the following retail outlets in California:

State	City	Fresh Beef	Ground Beef	Fully Cooked Beef	Fresh Seasoned Beef
Arizona	Boilersfield				
California	Visalia			<input checked="" type="checkbox"/>	
Colorado	Copax Food/Bar	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Florida	Coftco			<input checked="" type="checkbox"/>	
Illinois	Family Foodland	<input checked="" type="checkbox"/>			
Indiana	Grocery Outlet		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Missouri	La Carreta	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
North Carolina	Isabella Market/Usain	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Ohio	Rainbow Market	<input checked="" type="checkbox"/>			
Texas	Save Mart Supermarkets		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Utah	Home			<input checked="" type="checkbox"/>	
	Wood Dale Market	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
	<b>Central Coast</b>	<b>Fresh Beef</b>	<b>Ground Beef</b>	<b>Fully Cooked Beef</b>	<b>Fresh Seasoned Beef</b>
	Costco			<input checked="" type="checkbox"/>	
	Deluxe Foods	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
	El Sabor Real	<input checked="" type="checkbox"/>			
	El Rancho	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
	Farmers/Supplies	<input checked="" type="checkbox"/>			
	Grocery Outlet		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Isabella's Market	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
	Los Hill			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Market Market	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Shoppers Corner	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
	Spencers Market	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
	Star Market	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
	<b>Central Valley</b>	<b>Fresh Beef</b>	<b>Ground Beef</b>	<b>Fully Cooked Beef</b>	<b>Fresh Seasoned Beef</b>
	Let Choice Foods	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
	S.S. Heals	<input checked="" type="checkbox"/>			
	Real Buy Market	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Costco			<input checked="" type="checkbox"/>	

# Possible Southeastern Steer & Heifer Beef Production





# Central Beef Industries LLC

## Center Hill, FL

- Overwhelming new expansion
- Six days a week
  - 650-800 hd daily (250-300 fed cattle)
- Will develop branded fed-beef product
- Starting soon



Source: Mr. Marshall Chernin



# FPL Food LLC Augusta, GA



- Five days a week
  - ≈1,000 hd daily
- Since March 2011
  - 100-200 feds slaughtered/wk
- Actively seeking fed supply



Source: Dr. Randall Garrett



# Florida Beef Inc. Zolfo Springs, FL & Alma, GA

- Daily slaughter capacity/ both facilities
  - 250 non-fed
- Purchased & renovating Okeechobee facility
- Purpose-FSIS Inspected “Custom Slaughter”
- Facilitate niche marketers
- Starting in 18 months



Source: Mr. Clay Lee

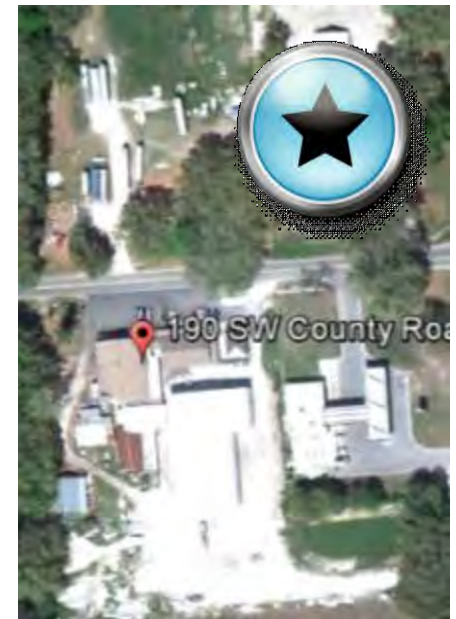


# Nettles Beef Processing Lake City, FL

- Feb 2011- USDA Custom Exempt
- Aug 2011- FSIS Inspected
- Daily slaughter capacity  $\approx$  20 hd
  - But, cooler space for over 100 hd
- So far, custom county fair steers
  - But, wants to  $\uparrow$  slaughter May-Dec



Source: Mr. Billy Nettles



# Adena Springs Beef Ft. McCoy, FL



- 61,000 sq ft facility under construction
- Integrated all-grass-based system
- Goal- Slaughter 300 grass-fed young steers and heifers/wk



Source: Mr. Rick Moyer



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## Billionaire to put cattle ranch on property

Car parts magnate and Marion County horseman Frank Stronach seeks to bring a new venture to his adopted community: a sprawling cattle ranch.

The Canadian billionaire plans to establish a state-of-the-art cattle harvesting facility near Fort McCoy that would provide 150 jobs to the economically distressed north Marion community, Stronach's representatives said.

# Infrastructure for supply?

Bulletin 597

July 1958

UNIVERSITY OF FLORIDA  
AGRICULTURAL EXPERIMENT STATIONS  
JOSEPH R. BECKENBACH, Director  
GAINESVILLE, FLORIDA

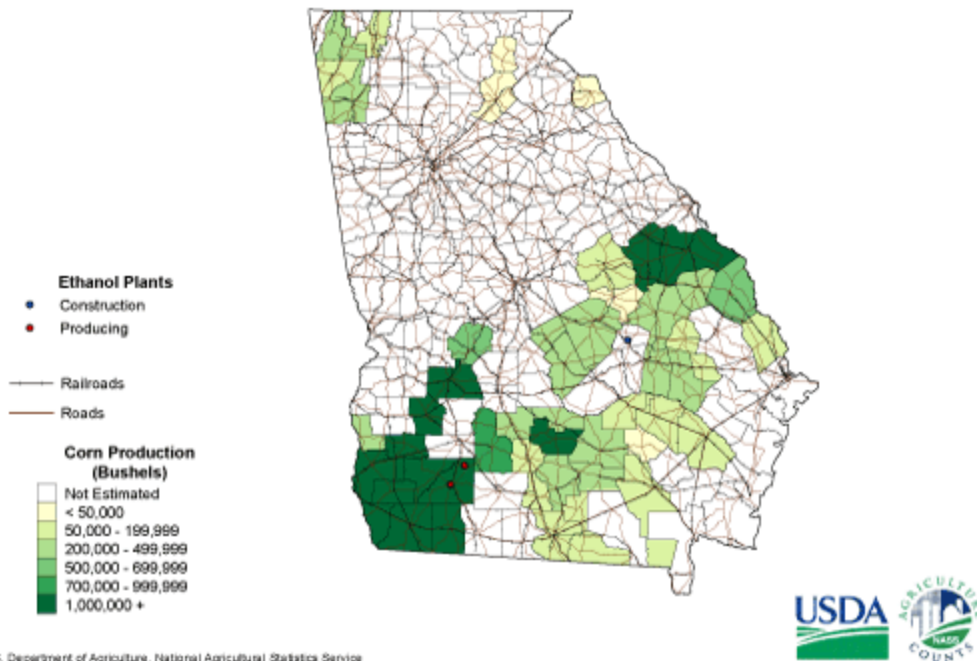
## Feed Lot Performance and Carcass Grades of Brahman and Brahman-Shorthorn Steers

FENTRESS M. PEACOCK AND W. G. KIRK

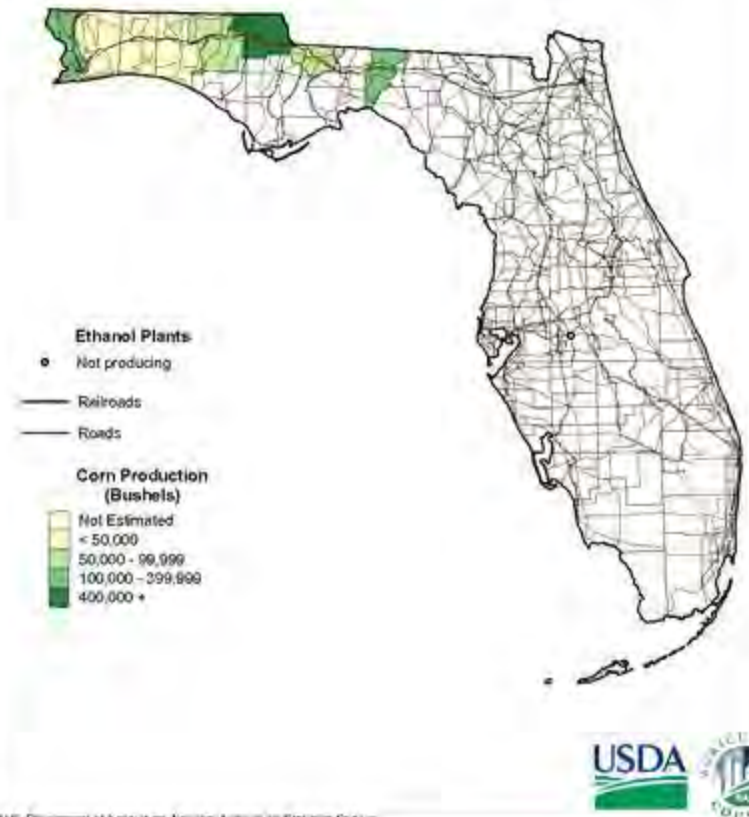


# Infrastructure for supply?

Georgia Corn for Grain 2010  
Production by County and Location of Ethanol Plants  
as of March 3, 2011



Florida Corn for Grain 2009  
Production by County and Location of Ethanol Plants  
As of January 19, 2010



# Prognostication?

- “With increased bids for cattle, and declining inventory, packers will likely move to reduce their overhead costs by reducing hours or closing plants.”- Randy Blach, 2012 NCBA Convention
- + “Pink Slime” Smear



A screenshot of the Drovers CattleNetwork website. The page features a navigation bar at the top with links for Home, News, Resources, Contact, Trading Tools, Reports, Weather, Downloads, Contact, and More Content. Below the navigation bar is a section titled "This Month in Drovers" with a sub-heading "What everybody wants" dated January 11, 2012. The article text discusses market conditions for cattle and beef, mentioning record prices and a strong season. A sidebar on the left contains a "Resource Center" with links to "The Beef Classroom" and "Beef Cattle". On the right, there is a promotional image for "smutgrass control" featuring a cow in a field.



# Questions?

