

Value Incentives Reflected Through the Meat Marketing System

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Some twenty years ago a revolution hit the beef industry – boxed, saw-ready beef, the biggest change ever, and the most significant in many decades. Along with it came the fear of the unknown and the need to educate retail meat men. Subsequently, we did show the advantages of boxed beef to the retail trade and can report that over 85% of the beef arriving at supermarkets today is in boxed form. The key ingredient to this transformation was helping the retail meat man understand that each head of swinging beef should be replaced by a boxed cattle unit consisting of 2 chucks, 2 ribs, 2 loins and 2 rounds; plus 2 to 3 boxes of soft cuts – briskets, short ribs, cube steak material, flank steaks, etc. These boxed cattle units, for the most part, were priced on a formula basis.

More recently, another revolution of sorts has ignited in the beef industry; the marketing of Choice Y-2 boxed cattle. For years there has been talk about the advantages of such a program. The retailer who was still able to purchase Y-2 in swinging carcass form found it very difficult to understand why he should change to boxed saw-ready beef when the best available was a nebulous percentage of Y-2's mixed in with Y-3's, as was the industry standard. The need to convert these last bastions of swinging beef to the box took a special program – Y-2 boxed beef.

What began as a spot program to convert retail accounts to boxes has emerged as a viable, solid, nationwide program to sell Choice Y-2 boxed beef. On April 18, 1983, Spencer Beef, a division of Land O' Lakes, rolled out the first Choice Y-2 boxed cattle formulas in the industry. Prior to this date, Y-2's had been priced using Y-3 formulas and adding a premium to the fabricated price.

We had a two-fold interest in developing the Choice Y-2 formulas.

- #1. We needed to build our base of boxed cattle unit sales.
- #2. We wanted to achieve a premium on as many head of Y-2 cattle as possible to coincide with the Y-2 forward contract being offered to the feeders who were members of Land O' Lakes.

To accomplish both of these, we separated the Y-2's and Y-3's in the 600 to 700 lb weight range and priced the carcass going into the fabrication department commensurately via

separate formulas. These new formulas did more than just reflect the higher value of the Y-2 carcass. They also reflected the higher in-plant yields of the Y-2 carcass as it moved through the fabrication plant. This is best explained by showing actual examples of these formulas.

Table 1 is a formula for a Choice Y-3 cattle. The fabrication style is the basic 7 box bone-in boxed cattle unit. It consists of 2 boxes of 2-piece bone-in chucks, 1 box containing 2 bone-in ribs, 2 boxes of diamond-cut bone-in loins and 2 boxes of 2-piece femur-in rounds.

You'll notice that the price F.O.B. plant for the 650 pound Y-3 Choice carcass is .9925 per pound. That is arrived at by

**Table 1. Retail-Redi Cattle Formula Pricing
Formula No. CH-1 – Date: 6/15/84**

	Yield Pounds	Price FOB Plant	Extended Product Value
Choice 6/7 Cattle Y-3	650.00	\$.9925	\$645.13
Credits			
Boneless Brisket	15.15	\$.91	\$ 13.79
Short Ribs	5.27	1.32	6.96
Flank Steak	3.00	2.68	8.04
Beef for Cubing	2.99	1.13	3.38
Outside Skirt	3.06	1.51	4.62
Inside Skirt	2.54	1.50	3.81
Hanging Tenders	1.56	1.75	2.73
Kidneys	1.63	.12	.20
Shank Meat	16.58	.95	15.75
75% Trim	11.05	.81	8.95
Regular Trim	66.07	.54	35.68
Fat & Bone	81.11	.117	9.49
Inedible Fat	3.25	.1615	.52
Cutting Loss	1.95	—	—
Total Credits	215.21		-\$113.92
		Sub-Total	\$531.21
		Processing & Packaging +	45.05
		Processed Cattle Cost per head =	\$576.26
		Yield ÷	434.79
		Retail-Redi Price/Cwt. FOB Plant =	\$132.54

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taking the top side of the sheet, plus \$.25 per cwt. for selection. The industry standard for pricing 3's or better is \$.75 per cwt. for selection. Because we no longer market 3's or better, only 3's on this formula, we cut the selection fee by \$.50 per cwt. The total carcass value is \$645.13.

The list of credit items are the products that are not shipped with the 7 box cattle, but rather stay at the fabrication plant to be sold separately to export and domestic buyers. The weight of each credit item is multiplied by the market value to get a total value for each credit item.

The list of credit item values is then totaled to be subtracted from the carcass value – found on the sub-total line – \$531.21. The processing and packaging fee is then added, bringing the total cost of the processed cattle to \$576.26. This total cost per head is then divided by the shipped weight or yield. That gives us a cost per cwt. of \$132.54 F.O.B. plant.

I might add that the shipped weight or yield comes from subtracting the total weight of the credit items – 215.21 lb from the beginning 650-lb weight of the carcass.

The next formula, Table 2, is the same fabrication style in Choice Y-2.

You'll notice that the price F.O.B. plant on this carcass is \$1.0150. This is arrived at by again taking the top side of the sheet and adding a selection fee. However, because this is a

**Table 2. Retail-Redi Cattle Formula Pricing
Formula No. 2CH-1 – Date: 6/15/84**

	Yield Pounds	Price FOB Plant	Extended Product Value
Choice 6/7 Cattle Y-2	650.00	\$1.0150	\$659.75
Credits			
Boneless Brisket	15.41	\$.91	\$ 14.02
Short Ribs	5.33	1.32	7.04
Flank Steak	3.06	2.68	8.20
Beef for Cubing	2.99	1.13	3.38
Outside Skirt	3.12	1.51	4.71
Inside Skirt	2.60	1.50	3.90
Hanging Tenders	1.56	1.75	2.73
Kidneys	1.63	.12	.20
Shank Meat	16.58	.95	15.75
75% Trim	10.72	.81	8.68
Regular Trim	63.49	.1170	8.97
Inedible Fat	3.25	.1615	.52
Cutting Loss	1.95	—	—
Total Credits	208.39		– \$112.38
		Sub-Total	\$547.37
		Processing & Packaging +	45.05
		Processed Cattle Cost per head =	\$576.26
		Yield ÷	434.79
		Retail-Redi Price/Cwt. FOB Plant =	\$132.54

Y-2 carcass, the selection fee is \$2.50 per cwt. rather than the \$.25 per cwt. for Y-3's. The total carcass value is \$659.75.

Following the same methods used previously of multiplying each credit item by market value, totaling the credit items, subtracting from the carcass value, adding the processing and packaging fee and dividing by the shipped weight, we see that the fabrication plant price is \$134.15 per cwt.

Now let's compare these two formulas.

Y-2 To Y-3 Comparison

Cattle Description			
Chuck	Rib	Loin	Round
R.R.	R.R.	R.R.	R.R.

	Choice Y-2	Choice Y-3	Difference Per Head	Per Cwt.
Carcass Cost	\$659.75	\$645.13	\$14.62	\$2.25
Fat and Bone	76.70#	81.11#	(4.41)#	
Credit Items	208.39#	215.21#	(6.82)#	
Shipped Wt.	441.61#	434.79#	6.82#	
Price/Cwt. (Fab Plant)	\$134.15	\$132.54		\$1.61

The carcass cost of Y-2 is \$659.75. The Y-3 cost is \$645.13. The Y-2 cost is \$14.62 per head or \$2.25 per cwt. more than the Y-3.

The fat and bone credited on the formula for the Y-2 is 76.70 lb while the Y-3 is 81.11 lb – 4.41 lb less fat and bone on the Y-2.

Total credit items are 208.39 lb on the Y-2 – 215.21 lb on the Y-3. 6.82 lb less on the Y-2.

The shipped weight is 441.61 lb on the Y-2 – 434.79 lb on the Y-3. 6.82 lb more for the Y-2.

The price F.O.B. plant is \$134.15 per cwt. for the Y-2, while the Y-3 is \$132.54, a difference of \$1.61 per cwt.

What began as a \$2.25 per cwt. premium for the Y-2 carcass has become \$1.61 on the bottom-line shipped price.

The two examples presented are of basic bone-in fabrication style. The consensus is: The more bone and fat removed, the greater the value impact of yield grade 2's. The next two formulas will exemplify this.

Table 3 is the choice Y-3 formula for a boxed cattle consisting of 2-piece boneless chucks, boneless lip-on rib eyes, 3-piece beef loins consisting of boneless top butts, butt tenderloins and short loins – and boneless 161 rounds.

The 650 lb Y-3 carcass cost for this formula is the same as my first example – \$645.13. Using the same procedures as with the previous formulas, you can see that the F.O.B. plant price for this fabrication style is \$168.06 per cwt.

The next formula is the same fabrication style in the Y-2 (Table 4). Again a premium has been placed on the yield grade 2 carcass – total cost \$659.75. The F.O.B. plant price of the fabricated cattle is \$168.09 per cwt.

**Table 3. Retail-Redi Cattle Formula Pricing
Formula No. CH-15 – Date: 6/15/84**

	Yield Pounds	Price FOB Plant	Extended Product Value
Choice 6/7 Cattle Y-3	650.00	\$.9925	\$645.13
Credits			
Boneless Brisket	17.03	\$.91	\$ 15.50
Short Ribs	5.27	1.32	6.96
Flank Steak	3.00	2.68	8.04
Beef for Cubing	6.95	1.13	7.85
Outside Skirt	3.06	1.51	4.62
Inside Skirt	2.54	1.50	3.81
Hanging Tenders	1.56	1.75	2.73
Kidneys	1.63	.12	.20
Back Ribs	6.63	.61	4.04
Cap Meat	3.06	1.33	4.07
Ball Tip	2.86	1.47	4.20
Tri Tip	4.68	1.47	6.88
Flap Meat	2.73	1.47	4.01
Boneless Short Rib	2.98	1.71	5.10
Shank Meat	16.58	.95	15.75
75% Trim	30.29	.81	24.53
Regular Trim	88.39	.54	47.73
Fat & Bone	142.72	.1170	16.70
Inedible Fat	3.25	.1615	.52
Cutting Loss	1.95	—	—
Total Credits	347.16		-\$183.24
		Sub-Total	\$461.89
		Processing & Packaging +	47.05
		Processed Cattle Cost per head =	\$508.94
		Yield ÷	302.84
		Retail-Redi Price/Cwt. FOB Plant =	\$168.06

Y-2 To Y-3 Comparison

Cattle Description			
Chuck	Rib	Loin	Round
2 pc. Bnls.	Lo	3 pc.	161

	Choice Y-2	Choice Y-3	Difference Per Head	Per Cwt.
Carcass Cost	\$659.75	\$645.13	\$14.62	\$2.25
Fat and Bone	132.18#	142.72#	(10.54)#	
Credit Items	338.65#	347.16#	(8.51)#	
Shipped Wt.	311.35#	320.84#	8.51#	
Price/Cwt. (Fab Plant)	\$168.09	\$168.06		\$.03

**Table 4. Retail-Redi Cattle Formula Pricing
Formula No. 2CH-15 – Date: 6/15/84**

	Yield Pounds	Price FOB Plant	Extended Product Value
Choice 6/7 Cattle Y-2	650.00	\$1.0150	\$659.75
Credits			
Boneless Brisket	16.84	\$.91	\$ 15.32
Short Ribs	5.33	1.32	7.04
Flank Steak	3.06	2.68	8.20
Beef for Cubing	6.62	1.13	7.48
Outside Skirt	3.12	1.51	4.71
Inside Skirt	2.60	1.50	3.90
Hanging Tenders	1.56	1.75	2.73
Kidneys	1.63	.12	.20
Back Ribs	6.63	.61	4.04
Cap Meat	3.06	1.33	4.07
Ball Tip	2.87	1.47	4.22
Tri Tip	4.70	1.47	6.91
Flap Meat	2.76	1.47	4.06
Boneless Short Rib	2.98	1.71	5.10
Shank Meat	16.58	.95	15.75
75% Trim	31.18	.81	25.26
Regular Trim	89.75	.54	48.47
Fat & Bone	132.18	.117	15.47
Inedible Fat	3.25	.1615	.52
Cutting Loss	1.95	—	—
Total Credits	338.65		-\$183.45
		Sub-Total	\$476.30
		Processing & Packaging +	47.05
		Processed Cattle Cost per head =	\$523.35
		Yield ÷	311.35
		Retail-Redi Price/Cwt. FOB Plant =	\$1.6809

Let's compare these two formulas to see the impact.

Once more, the Y-2 carcass costs \$14.62 or \$2.25 per cwt. more than the Y-3.

The fat and bone removed from the Y-2 carcass is 132.18 lb, 142.72 lb from the Y-3. 8.51 lb less from the Y-2.

The total credit items from the Y-2 are 338.65 lb while the Y-3 are 347.16 lb. 8.51 lb less from the Y-2.

The shipped weight line shows the Y-2 at 311.35 lb, the Y-3 at 320.84 lb. This means that the Y-2 produced 8.15 lb more retail-ready product.

The next line is quite interesting. The plant F.O.B. price of the Y-2 is \$168.09; the Y-3 is \$168.06. What began as a \$2.25 per cwt. premium on the carcass line has been reduced to \$.03 per cwt. for the fabricated product.

Further illustrating the Y-2 advantage, are actual cutting tests taken at a retail market in LaSalle, Il. These tests reflect an "apples-to-apples" comparison of a Y-2 and Y-3 basic

bone-in boxed cattle unit. And for the sake of continuity, I have used the costs reflected from the formulas previously illustrated here.

The first retail cutting test (Table 5) shows Choice Y-3. One of the key items to observe on a cutting test is the saleable yield. In this case, it is 80.13%. The sales value per cwt. is \$169.63. The cost is \$132.54 per cwt. The dollar per cwt. margin is \$37.09 and the gross profit margin is 21.86%.

Table 5. Retail Cutting Test Y-3

Grade: Choice Y-3
Primal Being Tested: Retail-Redi Cattle
Weight: 221.50 Cost/Cwt. \$132.54

Cut	Weight (in Decimals)	Pounds Per 100	Test Selling Price	Sales Value
Arm Cut				
Chuck Roast	10.28	4.64	1.99	9.23
Bnls. English Meat	4.03	1.82	2.19	3.99
Center Chuck Roast	16.73	7.55	1.79	13.51
First Cut				
Chuck Roast	9.32	4.21	1.29	5.43
Blade Chuck Steak	8.42	3.80	1.59	6.04
Short Ribs	1.42	.64	1.69	1.08
Neck Bone	1.70	.77	.49	.38
Rib Roast	6.03	2.72	3.29	8.95
Rib Eye Steak	3.97	1.79	4.99	8.93
B.B.Q. Rib	1.31	.59	.79	.47
Sirloin Steak	14.47	6.53	2.29	14.95
Porterhouse Steak	12.67	5.72	3.79	21.68
T-Bone Steak	3.31	1.50	3.59	5.39
Sirloin Tip Steak	6.20	2.80	2.79	7.81
Sirloin Tip Roast	3.67	1.66	2.29	3.80
Bnls. Rolled				
Rump Roast	10.77	4.86	2.19	10.64
Swiss Steak	5.02	2.27	1.89	4.29
Bone-In				
Round Steak	14.37	6.49	2.09	13.56
Cube Steak	2.10	.95	2.99	2.84
Beef Steak	1.93	.87	1.99	1.73
Ground Beef – 85% Lean	9.91	4.47	1.69	7.55
Ground Beef – 75% Lean	29.87	13.48	1.29	17.38
Saleable Yield	177.50	80.13		
Fat and Bone	41.96	18.94		
Cutting Loss	2.04	.93		
	Projected Sales Value		169.63	
	Less Cost		132.54	
	DPH Margin		37.09	
	Percent Margin		21.86%	

The next cutting test (Table 6) shows the same cattle fabrication in Choice Y-2, cut for the case in the same manner and using the same retail prices. The saleable yield on this test is 83.98%. The sales value per cwt. is \$181.48. The cost per cwt. is \$134.15 and the gross profit margin is \$47.33.

Table 6. Retail Cutting Test Y-2

Grade: Choice Y-2
Primal Being Tested: Retail-Redi Cattle
Weight: 217.80 Cost/Cwt. \$134.15

Cut	Weight (in Decimals)	Pounds Per 100	Test Selling Price	Sales Value
Arm Cut				
Chuck Roast	10.72	4.92	1.99	9.79
Bnls. English Roast	4.05	1.86	2.19	4.07
Center Chuck Roast	16.27	7.47	1.79	13.37
First Cut				
Chuck Roast	11.46	4.26	1.29	5.49
Blade Chuck Steak	8.52	3.91	1.59	6.22
Short Ribs	1.46	.67	1.69	1.13
Neck Bone	1.62	.74	.49	.36
Rib Roast	6.19	2.84	3.29	9.34
Rib Eye Steak	4.53	2.08	4.99	10.38
B.B.Q. Rib	1.46	.67	.79	.53
Sirloin Steak	15.42	7.08	2.29	16.21
Porterhouse Steak	12.72	5.84	3.79	22.13
T-Bone Steak	5.71	2.62	3.59	9.51
Sirloin Tip Steak	6.01	2.76	2.79	7.70
Sirloin Tip Roast	4.03	1.85	2.29	4.24
Bnls. Rolled				
Rump Roast	10.63	4.88	2.19	10.69
Swiss Steak	5.01	2.30	1.89	4.35
Bone-In				
Round Steak	17.29	7.94	2.09	16.59
Cube Steak	2.40	1.10	2.99	3.29
Beef Stew	2.11	.97	1.99	1.93
Ground Beef – 85% Lean	10.61	4.87	1.69	8.23
Ground Beef – 75% Lean	26.90	12.35	1.29	15.93
Saleable Yield	185.12	83.99		
Fat and Bone	30.81	15.15		
Cutting Loss	1.87	.87		
	Projected Sales Value		181.48	
	Less Cost		134.15	
	DPH Margin		47.33	
	Percent Margin		26.08%	

Y-2 To Y-3 Comparison

Cattle Description			
Chuck	Rib	Loin	Round
R.R.	R.R.	R.R.	R.R.

	Choice Y-2	Choice Y-3	Difference
Sales Value (Cwt.)	\$181.48	\$169.63	\$11.85
Cost (Cwt.)	134.15	132.54	1.61
Dollars per Cwt. Profit	47.33	37.09	<u>10.24</u>
Saleable Yield	83.98%	80.13%	3.85%

Again let's compare the choice Y-2 and Y-3, only from the retail perspective.

The first line reflects the retail sales value per cwt. The Y-2 is \$181.48, the Y-3 is \$169.63; a difference of \$11.85 per cwt.

The per cwt. cost using the same costs from the first two formula examples shows the Y-2 at \$134.15 and the Y-3 at \$132.54 costing \$1.61 per cwt. more.

The Y-2 produced \$47.33 per cwt. and the Y-3 \$37.09. An advantage of \$10.24 per cwt. for the Choice yield Grade 2.

This dollar per cwt. advantage occurred as a result of the variance in saleable yield. The Y-2 produced 3.85 pounds more retail cuts per cwt. than the Y-3 did.

From the results of hundreds of cutting tests done at retail, we know that even though the Y-2 product costs more, it returns more bottom-line profit dollars. This happens because the retailer puts more of the beef he bought in the meat case and less in the bone can.

Another important aspect of the Y-2 program is consumer acceptance. As they say, "eye appeal is buy appeal." One of the biggest concerns of today's consumer is health. External fat cover can be controlled by the cutting standards established by each retailer, but what can't be controlled is seam fat. Because the Y-2 animal produces less seam fat, it is more acceptable to the consumer.

The penetration of boxed beef, the emergence of Choice Y-2 boxed beef by a number of packers and vacuum-packaged boneless pork have given the retailer efficiencies to produce case-ready cuts of red meat never before achieved; though few have been able to capitalize on them.

The industry has taken a commodity item, carcass beef, added value to it by making it saw-ready and boxed, and reduced the labor efforts needed to make it case-ready over 30%. However, because of the standards by which retail meat operations are gauged, retailers have not been able to pass this increase in productivity on to the consumer.

Consider this: When the beef industry was still delivering carcass beef to the supermarket, the gross profit expected was 25%. The next step was to convert retailers to the bone-in boxed cattle unit, and they still expected 25% gross profit margin. And in recent years, the push has been to promote boneless beef as the best value for the consumer; still at 25% gross profit. When a retailer sets a goal for 25% gross profit on the selling price, it means that he must achieve 33% on the cost.

This means that the retailer on carcass beef wants 25% gross margin on the selling price of a \$1.00 per pound cost; or 33 cents per pound profit.

The retailer using the basic bone-in boxed cattle unit also wants 25% gross margin on the selling price, but now because he is using a value-added product that requires 30% less labor, the cost is \$1.34 per pound. His 25% gross profit now brings him back 44 cents per pound.

And finally, the retailer having the foresight to join the boneless beef revolution has reduced the labor needed to produce case-ready cuts by 60%, compared to the swinging carcass beef he used in the past. His gross profit goal is still 25%, but now his cost is \$2.00 per pound, producing a 66 cent per pound margin.

And it gets worse! At the beginning of this presentation, I made reference to the fact that the key ingredient to converting the retail meat operation to boxed beef from carcass was the understanding that each head of swinging beef should be replaced with a boxed cattle unit; plus 2 to 3 boxes of soft cuts.

This accomplished two very important objectives –

- #1. It kept the same variety of beef items in the retail meat case that had been available in carcass form.
- #2. It kept costs at a level that minimized the spread of gross profit dollars between swinging and boxed beef in the early days of conversion to bone-in boxed cattle units.

In recent years, the percentage of boxed cattle units sold has diminished, even though boxed beef has replaced swinging carcass in 85% of the retail markets. As a result, we are seeing less beef variety in the retail meat case. The beef product mix in many markets today is composed of chuck, rolls and clods, lip-on rib eyes, boneless top butts, boneless strip loins, etc. We have defined that the consumer prefers boneless meat; and that's not bad. What is bad is the philosophy of percentage pricing these higher-yielding, high-cost, value-added items.

A definite disadvantage is placed on the boneless middle meat cuts; lip-on rib eyes, for example. The cost to the retail market today would be in the vicinity of \$3.50 per pound. Using the percentage pricing prevalent in the retail industry today would mean that the gross dollar margin must be \$1.15 per pound; equating to a selling price of \$5.00 per pound or more, depending on the cutting standards that determine the saleable yield.

What is the answer to this dilemma? Fair and commensurate pricing of all meat on the basis of production costs at retail would be a step in the right direction. To determine this, the retailer needs to know the combined cost of operations and the amount of dollar profit desired. Once this figure is obtained and the average weekly tonnage is known, he can then divide to find the cents per pound margin needed to achieve the dollar margin desired.

To the surprise of many meat men, this figure usually becomes 35 to 40 cents per pound. Combined with weekly classifications of tonnage and pounds-per-man/hour production records, the retailer now has the tools to become the competition; not its follower. Where these principles are applied, sales increase and the consumer's No. 1 resistance to purchasing red meat is addressed – price.

To convert retail meat operations from swinging to boxed beef, there is still a need for assistance and education to

maximize the efficiencies and potential of our meat industry and enable the consumer to share the advantages.

Discussion

Michael Dikeman: Would you elaborate a bit, please on your selection fee; is that a fee that reflects a premium that has been paid to the producer of those cattle?

Vesta: Jeff Muchow could probably answer that better than I. I deal primarily in the boxed beef marketing function.

Muchow: When we introduced the y-2 program at the feeder level, we did pay the producers a premium for the y-2's. But we also applied a discount to the y-4's he sent us. We used the normal market spread on y-4's and paid him – initially, \$1.50/cwt. premium and we had to go to \$2.00/cwt. for y-2's in order to make it more of an incentive to participate in the program.

We did try and generate a higher percentage of y-2's through that program. There are some problems with it.

Basically, if a feeder is trying to produce a higher percentage of y-2's, he's going to have less dressing percent on those cattle. Through some of the research we did, frankly, there is a lot more economics in the feed cost conversion that he saves by producing y-2 than the premium that he can get in the marketing program. That part is also a part of the education process. There is a need to educate the retailers, but you also have to get out there with these feeders to show them what kind of cost advantages they have by producing more y-2's. I'm sure you are well aware that some of the records maintained by feeders aren't so great, and they really don't know what their costs of production are, either.

J. Price: How successful have you been in converting the

retailer's way of thinking from percent of sales per pound to a cost basis in pricing?

Vesta: Interestingly enough, you probably find less resistance from the meat people. They understand it and grasp it a lot easier than the people who are in the decision-making processes above them. In the supermarket industry, the grocery people really run the business. The people who get elevated or promoted to positions of power within a company and then make the financial decisions are usually grocery people. They are familiar with products that are inherently not readily adaptable to unit sales, unit pricing, like the meat industry is. The meat people are not a problem.

When we get a chance to put on a day-long seminar, like we do on cents per pound pricing, we'll get a number of converts. Of the 72 people who attended a recent seminar in Minnesota, we had them fill in cards if they were interested in pursuing the cents/lbs. program, giving us their names, addresses, telephone numbers, etc. We had 50 respondents out of the 72. We devote merchandising management time and effort to the cents-per-pound program because it is a pilot program with us and we are really giving it a serious look. We think it needs to be done. We put our meat consultants primarily in that area and have worked through them and one small retailer. I just talked to him before I came here. He says his sales, since he has instituted cents-per-pound pricing six months ago, have increased 25% in red meats. Now that is astounding!