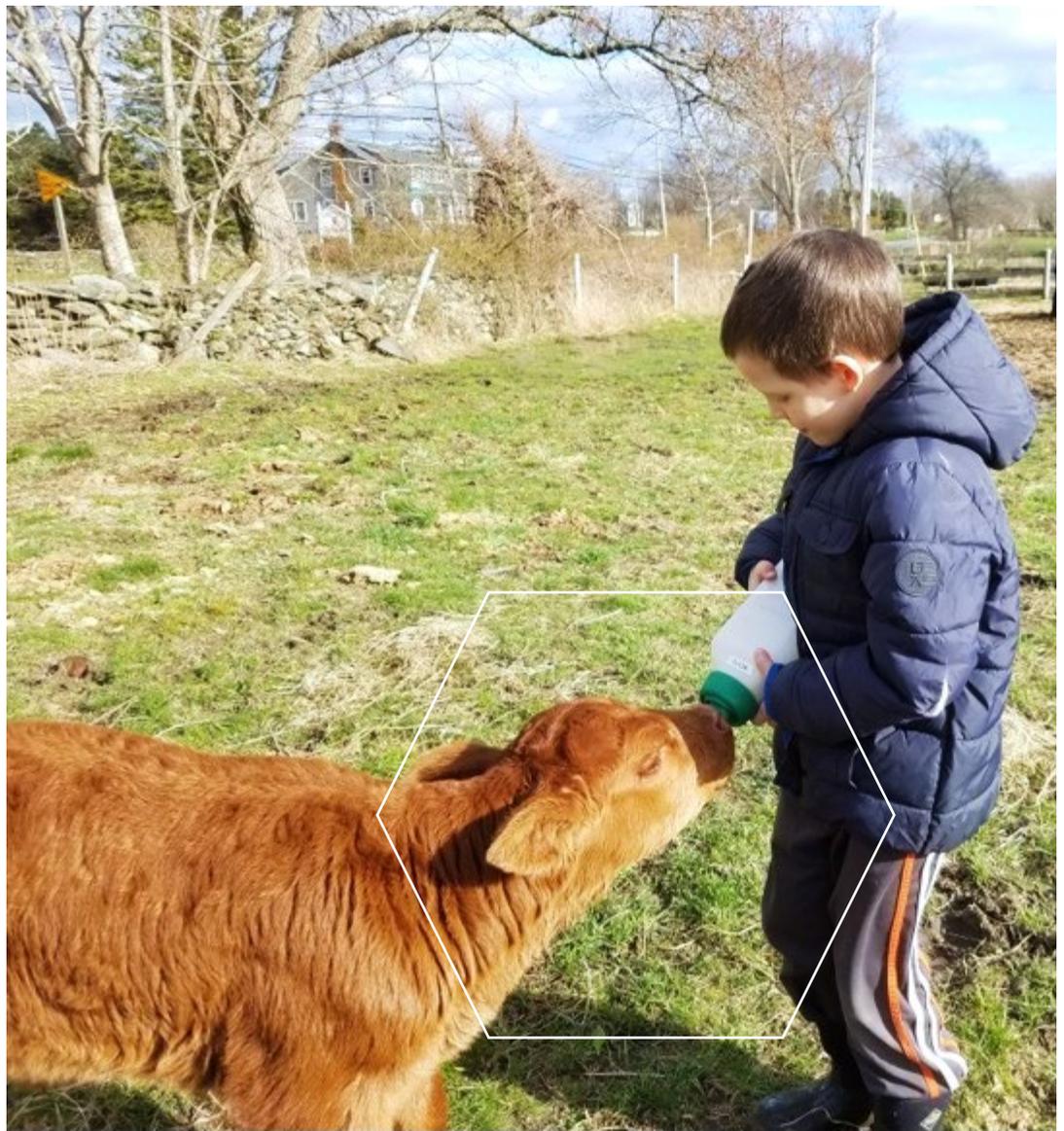




MEATWORKS  
THE LIVESTOCK  
INSTITUTE  
OF SOUTHERN NEW ENGLAND



## BUYER PROFILE

### LEES MARKET

Westport, MA

Lees Market is a Westport institution, having been a part of the community for 60 years. With fresh fruits and vegetables, prepared foods, and household basics, Lees is a mainstay. Over the past few years, Lees has increased their interest in selling local products, including local meat.

# ADAPTING TO TODAY'S MARKETS

## NELSON "RUSTY" CABOT JR. & ERIN CABOT

White Rock Farm is a family farm located on 85 acres (plus an additional leased 19 acres) in Little Compton, RI. White Rock Farm is transitioning from a cow/calf operation (selling heifers) to a retail beef operation. The Cabots also harvest hay from 56 acres for winter forage.

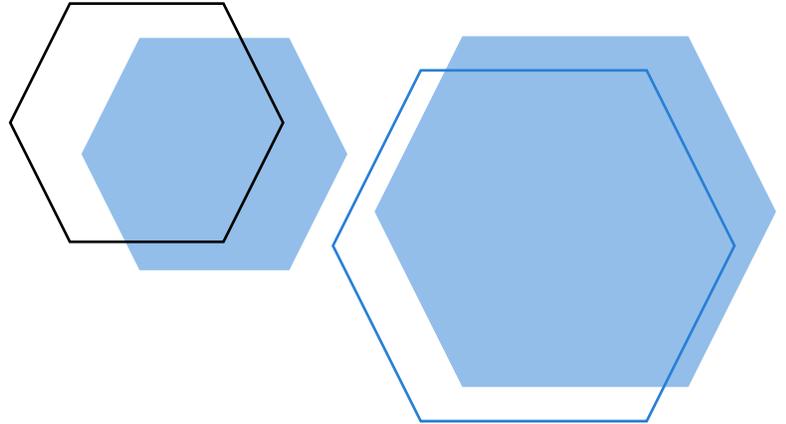


# FARM PHILOSOPHY

White Rock Farm strives to produce the highest quality grassfed beef and is dedicated to doing what is right for their animals, their customers, their community and the environment.

# FARMER GOAL

To generate enough income to sustain operations without requiring off-farm employment.



# FARMER STATS

The land has been a family farm since 1860 and has been in the Cabot family for 4 generations. The Cabot family aspires to **keep the farm in the family for many generations to come**, so they have decided to make some changes to keep the business viable.

The farm is owned by Cabot Family, LLC, and day to day operations are handled by husband and wife team Nelson “Rusty” Cabot, Jr, and Erin Cabot. At this stage of the transition to beef sales, White Rock Farm is not yet generating sufficient income to sustain operations, and off-farm income will be required while the operation transitions to beef sales.

Within 5 years, White Rock Farm hopes to be able to sustain **50-plus Angus cattle** on their existing land base while **generating enough income to live on, make capital improvements, and sustain operations**. As part of their transition to beef sales, Rusty and Erin worked with The Carrot Project in spring of 2018 to price their cuts of beef by **performing market research**, examining **profit margins** for different cuts, and looking at how pricing affected **net revenue per animal**.

# FARMER'S EDGE

White Rock Farm produces high-quality grass-fed beef, which justifies a premium price.

- The herd of 50 cattle will graze rotationally on 32 acres of pasture.
- The farmers are managing pasture to increase the nutritional density of forage available for the animals.
- White Rock Farm is Animal Welfare Approved (pending) and Certified Grassfed by AWA (pending).



# SALES MODEL

## SMALL SCALE AND DEDICATED CUSTOMERS

The scale of White Rock Farm means the farmers need to demand a higher cost per unit price but also means the number of loyal customers necessary to sustain operations is relatively low—around 150 individuals. Rusty estimates the “foodie” population in Little Compton, RI to be 800+ during the summer months, with those numbers dropping significantly in the fall/winter/early spring.

In summer 2018, White Rock Farm entered into an agreement with Lees Market in Westport, RI. Lees has a year-round clientele (average 1,200-1,500 customers/day) of middle-class residents, and in the summer months, the numbers swell to 3,500-4,000 customers with higher purchasing power.

In August 2018, Lees will purchase 25 pounds of frozen ground beef. Rusty chose to begin with this small quantity of ground beef, before offering more expensive cuts, to test this market venue.

Lees will purchase the beef at \$5/lb and retail for \$7.49. Though this pricing doesn’t quite align with White Rock’s target wholesale price per pound, selling at Lees will offer valuable exposure to a broad local market and opportunities to connect with the loyal customers that can someday sustain the business.

White Rock Farm Target Pricing								
Cut	Primal	Ribeye	Tenderloin	Chuck	Short Ribs	Flank	Loins	Skirt Steak
Retail Price @ 30% margin (per lb.)	\$14.29	\$18.56	\$24.29	\$11.43	\$11.43	\$14.99	\$17.70	\$16.43
Wholesale Price - target \$10 (per lb.)	\$10.00	\$12.99	\$17.00	\$8.00	\$8.00	\$10.49	\$12.39	\$11.50
Processing Cost (per lb.)	\$0.59	\$0.59	\$0.59	\$0.59	\$0.59	\$0.59	\$0.59	\$0.59
Harvesting Cost (per lb.)	\$7.14	\$7.14	\$7.14	\$7.14	\$7.14	\$7.14	\$7.14	\$7.14
Gross Margin for Farm (per lb.)	\$2.27	\$5.26	\$9.27	\$0.27	\$0.27	\$2.76	\$4.66	\$3.77
Per animal net	\$921.88							



# BUYER PROFILE

Lees Market is a Westport institution, having been a part of the community for 60 years. With fresh fruits and vegetables, prepared foods, and household basics, Lees is a mainstay. Over the past few years, Lees has increased their interest in selling local products, including local meat.

Lees Market is roughly 42,000 square feet, with a meat department that has 24 self-service cases and 12 full-service meat cases. These cases include beef, pork, chicken, and lamb. Lees has staff with good cutting skills and a kitchen where they can break down cuts and further process fresh products to improve sales and ensure utilization of all products purchased.

## CUSTOMER PROFILE

The clientele of Lees varies seasonally, with customer numbers more than doubling in the summer months. Westport residents shop year-round at Lees, yet the increase of summer shoppers has historically meant improved sales of local meat. Seasonal residents of Westport and vacationers have a higher overall purchasing power and tend to spend more on local meat and local produce, giving farmers a good sales opportunity in the late spring and summer. As in many grocery stores, sales of roasts are improved in the winter months, while burgers, ribs, and steaks sell better in the summer.

In the summer months, Lees estimates between 3,500 and 4,000 customers per day. In the off-season, they serve between 1,200 and 1,500 customers per day.

## MONTHLY LOCAL MEAT SALES FOR LEES MARKET

<i>Summer monthly sales</i>	<i>Fall/Winter/Spring monthly sales</i>
Ground beef: 400 lbs.	Ground beef: 200 lbs.
Fresh beef cuts: 1 steer equivalent	Fresh beef cuts: ½ steer equivalent

## CURRENT AGREEMENT WITH FARMER

- Lees will purchase 25 lbs frozen ground beef.
- Lees purchase price: \$5/lb Lees retail price: \$7.49/lb.
- Rusty will set up a tasting demonstration in-store on Friday or Saturday when meat becomes available.
- White Rock Farm beef may also be sold through Clements' Marketplace in Portsmouth, RI, to increase availability and awareness of local meat in all Lees stores.