

## Beef and Pork Byproducts: Enhancing the U.S. Meat Industry's Bottom Line



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Beef and pork production yields more than just what is seen on people's plates. Byproducts—edible offal, inedible offal, blood, hides, and rendered products—include virtually all parts of the live animal that are not part of the dressed carcass. These items constitute an estimated 30 percent of the liveweight of a hog and about 44 percent of the liveweight of cattle. A myriad of uses for these items—leather products from hides; lubricants; plastics; soaps; glycerin; gelatins; and other industrial, household, cosmetic, pharmaceutical, and medical supplies—allow the meat industry to capture additional revenue and avoid costs for disposing of certain edible and nonedible parts of the animal.

Exports and other markets for animal byproducts contribute to the value and profitability of the meat processing industry and

mean higher livestock prices. ERS research indicates that a \$1 increase in the value of byproducts to processors adds about 10 cents to the average price paid per hundredweight to producers of fed steers (slaughter cattle that have been finished on concentrated feed on a per hundredweight basis). Conversely, consumer prices for other beef products are lower than they would be without byproduct sales because the processing costs to wholesalers of the entire animal are spread across both byproducts and meat.

In the U.S., edible offal (animal organs such as liver, heart, and stomach) is used to produce sausages, hot dogs, and other processed meat products; it is also a major ingredient in pet foods. In foreign markets, demand for U.S. edible offal, including variety meats (edible byproducts that are segregated, chilled, and processed under

sanitary conditions and are inspected for sanitation and wholesomeness by the U.S. Meat Inspection Service), is high because of its superior quality and low prices relative to domestic products. Over the past 10 years, byproducts accounted for more than 35 percent (volume) of U.S. beef and veal exports and 23 percent (volume) of U.S. pork exports. Together, edible beef/veal and pork byproduct exports account for more than 16 percent of the value of total U.S. beef/veal and pork exports. In 2010, beef/veal and pork edible offal exports reached a record level of \$1.2 billion, \$135 million more than the previous record set in 2009.  $\mathbb{W}$

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### This finding is drawn from . . .

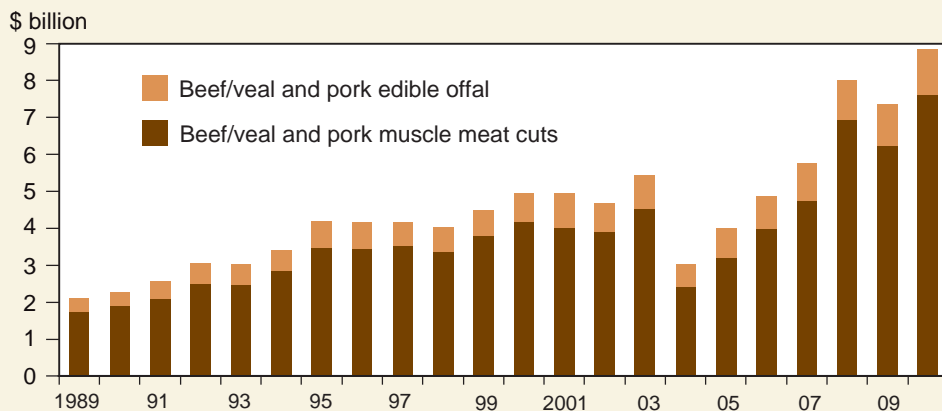
"U.S. Variety Meat Exports and the Global Marketplace," by Daniel L. Marti and Rachel J. Johnson, in *Livestock, Dairy, and Poultry Outlook*, LDP-M-195, USDA, Economic Research Service, September 2010, available at: [www.ers.usda.gov/publications/ldp/2010/09Sep/ldpm195.pdf](http://www.ers.usda.gov/publications/ldp/2010/09Sep/ldpm195.pdf)

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### In 2010, U.S. exports of beef/veal and pork edible offal reached a record \$1.2 billion



Source: USDA, Economic Research Service using USDA, Foreign Agricultural Service, Global Agricultural Trade System data.