

The Cost of Raising Grass-Fed Beef in the Northeast United States

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Cornell researchers recently conducted two studies examining the economics surrounding grass-fed beef production in the Northeast. The study described in this article examines farm-level costs and revenues from 31 existing grass-fed beef farms to analyze current operations.¹ The other study develops scenarios that describe the potential for expanding grass-fed beef production by using currently under-used land in the Northeast to theoretically scale-up production in order to lower operational and overhead costs. Larger operations could also see reduced assembly and distribution costs.²

Main Takeaways

- Grass-fed beef production in the Northeast shows clear economies of scale, with cost per head declining from ~\$3,160 (small farms) to ~\$1,175 (large farms).
- Labor is the largest cost driver, especially for small farms where it represents ~45% of total expenses.
- Most farms are not profitable when unpaid labor is included, with small and medium farms averaging negative operating income.
- Direct-to-consumer and carcass sales dominate revenue, accounting for ~70–90% of total receipts depending on farm size.
- Many operations rely on unpaid labor, usually provided by the owner or family member, and diversified income streams, raising questions about long-term economic sustainability.

The Study

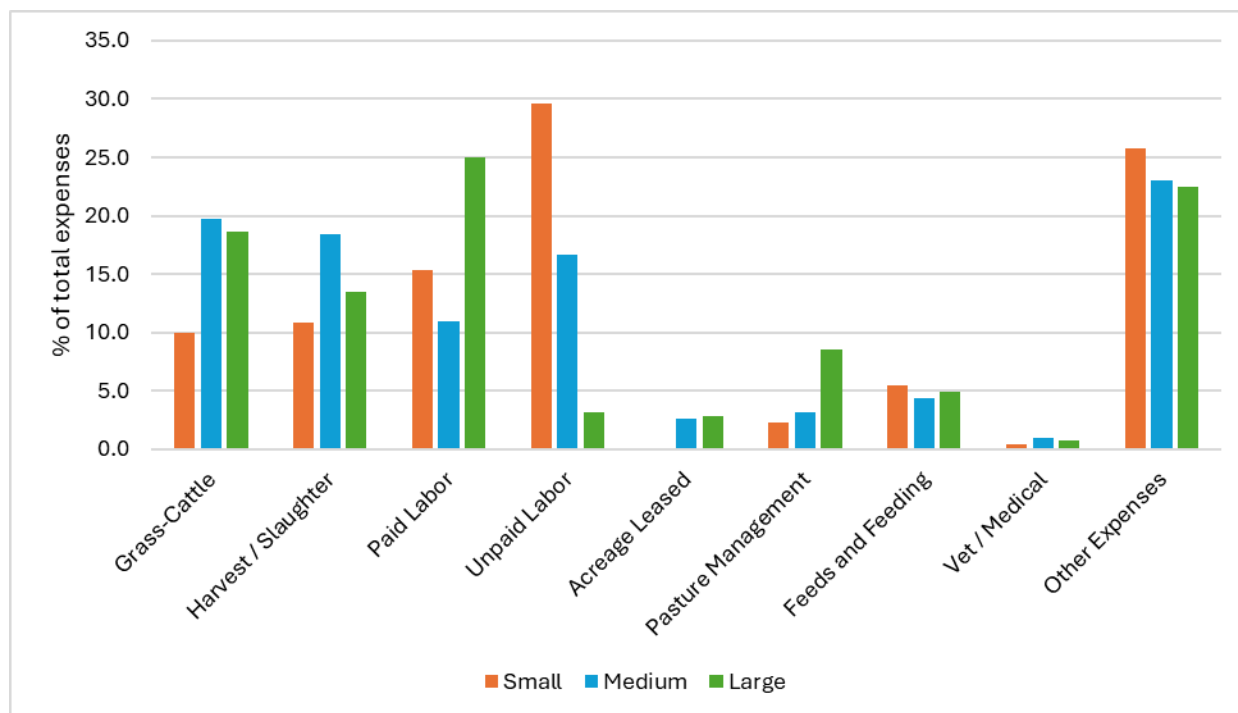
Grass-fed beef production in the Northeast is driven as much by producer values, such as land stewardship, animal welfare, and support for local food systems, as by economic returns. This study exposes several structural challenges, including a heavy reliance on unpaid labor, limited processing capacity, high labor intensity, and ongoing pricing pressure from conventional and imported beef. Looking ahead, the long-term viability of the industry will depend on

¹ The full report can be found at: https://dyson.cornell.edu/wp-content/uploads/sites/5/2026/04/Grass_Fed_Enterprise_Study__VD_.pdf

² This article can be found at: <https://www.sciencedirect.com/science/article/pii/S0308521X2600096X?via%3Dihub>

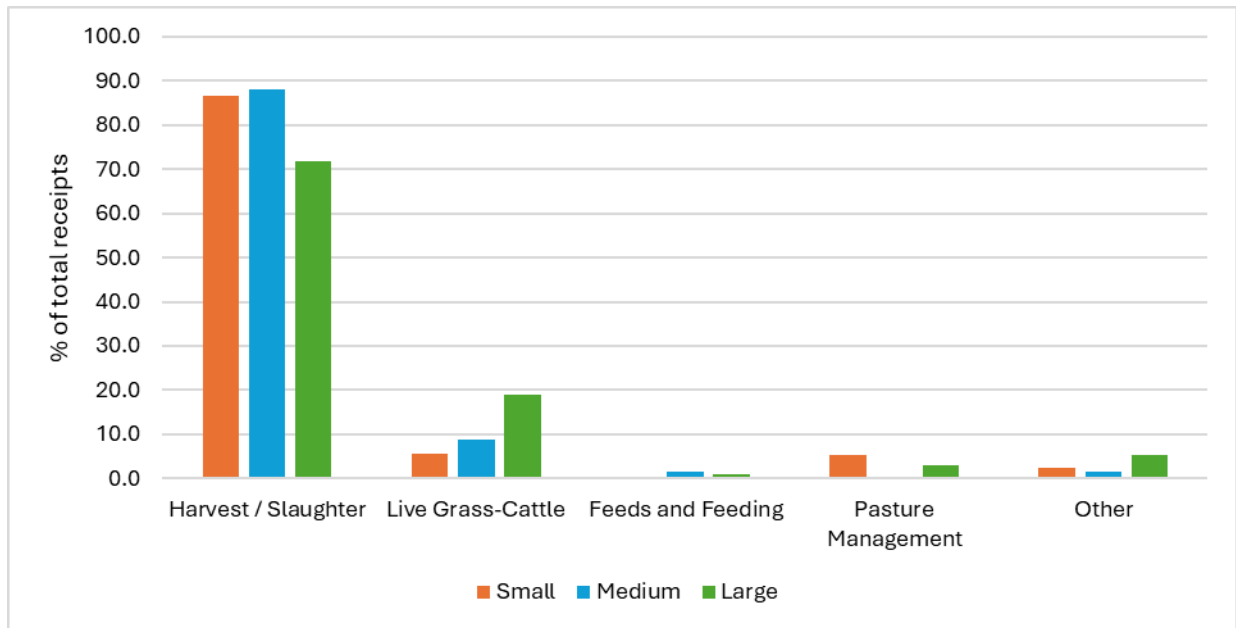
improving cost tracking and benchmarking, expanding market access and price premiums, and better aligning production costs with pricing strategies.

Figure 1. Farm Operating Expenses, percent of total expenses



Operating expenses increase significantly with farm size, averaging \$116,000 for small farms, \$215,000 for medium farms, and \$656,000 for large farms, with substantial variability across operations. In this study, small farms had 1-75 head of cattle, medium farms had 76-250, and large farms had 251 or more during the calendar year 2022. Labor is the largest cost driver across all farm sizes, accounting for up to 45% of total expenses on small farms. Other major expenses include cattle purchases and harvest/processing costs, each representing roughly 10–20% of total costs. In contrast, feed costs remain relatively low (around 5%), reflecting the forage-based nature of grass-fed systems.

Figure 2. Farm Receipts, percent of total receipts



Farm revenues are driven primarily by meat sales, with harvest (retail and wholesale beef) accounting for the majority of income across all farm sizes. Small and medium farms derive nearly 90% of their revenue from direct meat sales, while large farms diversify more, with additional income from live cattle sales (~19%). Average total revenues increase with scale, from ~\$61,000 for small farms to ~\$676,000 for large farms. Other revenue streams, such as pasture or feed sales, contribute minimally.

Table 1. Labor Efficiency

	Small Farms	Medium Farms	Large Farm
Average FTE per farm:	1.9	2.2	5.1
# Acres per FTE:	72	181	251
# Head per FTE:	20	69	110
Paid Labor (full-time and part-time):	0.6	0.9	4.3
Unpaid Paid Labor (full-time and part- time):	1.3	1.3	0.8

Labor efficiency improves with scale, with large farms managing more acres and cattle per full-time equivalent (FTE), averaging 110 head per FTE. Larger operations rely more on paid labor, while small farms depend more heavily on unpaid labor. Across all farm sizes, labor, both paid and unpaid, remains a critical input, highlighting the importance of labor efficiency and cost management in grass-fed beef production.

Conclusion

This study provides a comprehensive look at the economics of grass-fed beef production in the Northeast to date, based on data from 31 farms. Results highlight clear economies of scale, with larger operations achieving lower costs per head and greater labor and land efficiency. However, substantial variation across farms indicates that profitability is influenced not only by scale, but also by enterprise mix, marketing strategy, and labor structure.

A central finding is the widespread reliance on unpaid labor, which obscures true production costs and raises concerns about long-term financial viability, business growth, and market competitiveness. At the same time, many producers operate within diversified systems and remain motivated by values such as land stewardship and local food production.

Overall, the findings suggest that improving cost transparency, aligning pricing with true costs, and supporting diversified, multi-enterprise models will be critical to strengthening the economic resilience of the Northeast grass-fed beef sector. Continued data collection is needed to track performance and inform policy, investment, and producer decision-making.

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