

Prosperity *and* Sustainability: UI Livestock and Small Farms Project NEWSLETTER

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Research Initiative:
Developing Strategies to Increase
Prosperity for Small
Farms through Sustainable Livestock
Production, Processing and Marketing.
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Welcome and Next Steps

by **Darin Saul,**

Associate Director, University of Idaho Office of Community Partnerships

It's been a busy and exciting summer. We've completed much of our work to determine the feasibility of developing additional USDA-inspected processing capacity in the 14-county study area in northern Idaho and eastern Washington. We're in the process of writing up results, some of which are summarized in this newsletter.

One thing is clear, there are numerous options possible along the value chain. From production cooperatives and branding, to expanded USDA-inspected processing, to value-added processing, to marketing and distribution companies and co-ops—it really boils down to what people have the energy and interest to make happen.

Towards that end, we are planning a November meeting in Moscow to share research results, but more importantly, to see if people are willing to start working on one or more strategies for expanding processing and marketing livestock in the area. As a first step, we are forming a steering committee to plan the November meeting.

**Please join us if you want to advise us in how best to involve
producers in this effort and shape the content of the upcoming meeting.**

**To join the steering committee, simply contact us at
livestockproject@uidaho.edu or 208-885-6034**

Hope to see you in November if not sooner!



Livestock producers share ideas with UI researchers, Extension faculty and students at the Post Falls forum



University of Idaho
Office of Community Partnerships

Meat Processing in the Inland Northwest

Fifty years ago, the meat processing industry consisted of many small independent meat processors and packers who served their local markets. Thirty years ago, meat packers began consolidating into large operations, and today, 80% of US beef, and 60% of US pork, is processed by four companies.

In our 14-county study area, two meat processors are USDA-inspected and provide services from slaughter to packaging, where the meat can be sold in grocery stores, restaurants, farmers markets, and other commercial outlets. There are many other meat processors in the study area who are “custom-exempt,” meaning that the animals they harvest and package are not for resale. Custom-exempt shops have close relationships with the small and medium-sized ranchers with whom they work. These small meat processing plants provide a critical link in the local livestock supply chain.

In response to the growing interest in local foods and consumers wanting to know where their food comes from, we have spoken with many local meat processors to understand the state of the meat processing industry in this area.

Here are some of our findings:

- There are about 70,000 head of cattle in our study area. The majority of cattle go to the Lewiston or Cottonwood livestock auctions in Idaho, or to the auction in Davenport, WA.
- Custom-exempt shops employ 1 to 5 people each.
- Small custom-exempt shops process an average of 300 to 400 cattle and 200 to 300 hogs per year. Most, but not all, offer mobile slaughter.
- Many of our meat processing plants have been in business for over 40 years.
- Cooler space is often considered the biggest bottleneck to expanding the business. Some meat processors consider labor the biggest challenge – finding someone willing to learn the trade.
- Several meat plants have closed in the last five years because the owner wanted to retire and couldn't find a buyer, although the business was profitable.
- The recent increased interest in knowing where an animal was raised and in buying local food has been a benefit to small meat processors.
- Most of the custom-exempt shops supplement their main business by processing wild game, smoking hams, or making sausage.
- Demand for harvesting cattle peaks between August and January.
- Small plants still dry-age beef for their customers, the large plants age beef in wet-packs during shipping.



Livestock Project Study Area



Cottonwood Livestock Auction, summer 2011

Cattle Producers of Washington (Odessa, WA) and North Cascade Meat Processing Association (Bellingham, WA) are examples of the trend of ranchers forming a USDA-inspected meat processing cooperative. These ranchers feel there is demand for local meat but not enough capacity to support the demand.

Our study team would like to thank the meat processor owners and employees and the leadership at the meat processing cooperatives who have generously shared their time and knowledge.

Stay tuned for more news about your local meat processors in the next edition of the newsletter!

CALL FOR STEERING COMMITTEE MEMBERS

Are you . . .

- **committed to keeping the processing, distribution, and sale of livestock products local?**
- **a local livestock producer who wants to be involved in moving this project beyond the research stage?**

If you answered **"yes"** to either of these questions, you can help shape the future of local livestock production by joining the steering committee.

The first action for steering committee members will be to work with the project team to ensure a successful Regional Forum (November 2012) for livestock producers from all counties in the study region.

Please contact us today at
livestockproject@uidaho.edu or 208-885-6034
if you would like to join the steering committee.

We look forward to working with you!



Take Action Take Action

NEW FIVE MINUTE SURVEY

Complete this short, voluntary survey to help determine the potential livestock supply for various local processing locations as well as during what times of the year producers would be willing to supply different types of livestock for processing.

Follow the link below to take the survey:
<http://tinyurl.com/livestockprocessing>

All responses which include contact information are confidential. This survey has received University of Idaho Institutional Review Board approval ensuring that procedures for managing data will maintain the confidentiality of all respondents.

Consumer Preferences for Local Beef

As part of this study, we designed and administered a consumer survey to determine how locality of production, production method, and price of beef influence consumer purchasing preferences in Eastern Washington and Northern Idaho.

Preliminary survey results reveal:

Where a product originates is key. Whether or not something was locally-grown influenced almost 60% of the consumer decision making process.

What is locally-grown? Respondents consider 'locally-grown' beef to originate within roughly 85 miles of purchase. This is less than estimates for similar regions and far below the federal definition of local (*The Consolidated Farm and Rural Development Act defines locally-grown as less than 400 miles from the origin of the product or within the State in which the product is produced.*)

Consumer demand is highly elastic when considering distance and production technology.

- Demand for 'conventionally produced' beef is most sensitive to price (when price is high demand drops, when price is low demand increases.)
- Demand for 'all natural' or 'certified organic' beef is much less elastic (the demand stays relatively stable as prices rise or fall) due to perceptions that the beef is of a higher quality since there are no hormones, no antibiotics and no vaccinations.

Consumer Economics 101

Consumer preference:

The set of factors that influence why a consumer will choose one item over other alternatives.

Price Elasticity:

The change in demand for an item in response to a change in price.

Case Study from the Palouse

Local livestock production and marketing has historically been an important part of U.S. agriculture. According to the National Agricultural Statistics Service, on-farm beef slaughter made up 3-5% of annual beef production before 1940. In recent years this figure has fallen to less than 0.5%.

Our research will help us understand if the change from on-farm to off-farm beef slaughter has improved the environmental health of America by reducing overall greenhouse gas (GHG) emissions. Results so far suggest that the change in slaughter location has increased the amount of GHG emissions per live weight output.

We did a case study on five small ranches in the Palouse region of northern Idaho and eastern Washington. The environmental analysis of these small and local operations shows that their GHG emissions are either on par or lower than many reported values for larger national and regional production schemes.

A breakdown of the average emissions from the ranches we studied is shown. (Fig. 1.) It is important to note the feed production emissions from these small operations. This was a major point of variation from emissions reported for larger operations. We believe that the combination of dryland farming (which is prevalent in the Palouse) and certain management practices such as reduced tillage, and low fertilizer use results in this disparity.

Also included is a graph showing the breakdown of emissions per ranch and how they varied (Fig. 2). We expect similar variation to be present across the Palouse. Though this variation may make small ranching systems difficult to analyze, it most likely enhances the resiliency of the local beef production system as a whole. This type of resiliency has probably helped the small and local beef production industry survive throughout decades of competition with larger operations.

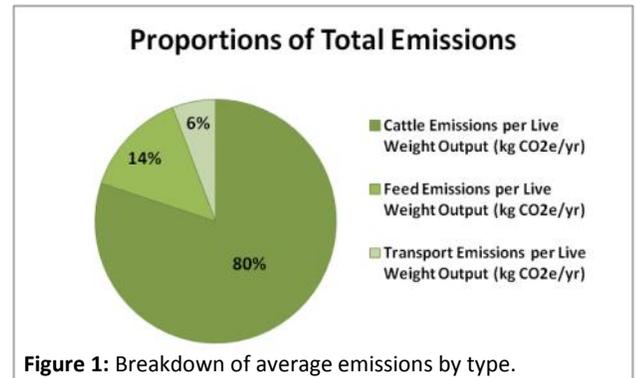


Figure 1: Breakdown of average emissions by type.

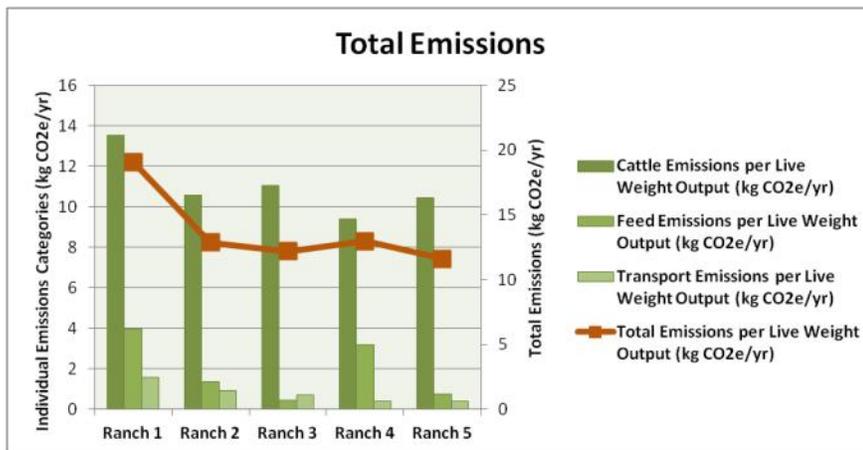
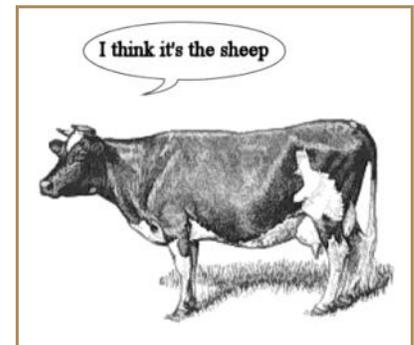


Figure 2: Breakdown of emissions by type and by ranch.



WSU Extension offers direct marketing meat workshops

A series of workshops for livestock producers on direct marketing meat will be offered this fall and winter by Washington State University Extension.

Tom Platt, a Washington State University Extension educator based in Davenport, WA, says the series will help livestock producers identify and manage the risks they take on when they begin direct marketing meat.

The four-workshop series is being offered in various eastern Washington locations. Held monthly, the series begins in early November and completes in early February 2013.

Workshop topics include: *Business and Contingency Planning; Understanding Production, Price, and Market Risk; Understanding and Complying with Regulations; and, Managing Food Safety Risk and Liability.*



For more information on location and registration, visit the workshop website: <http://livestocktopics.wsu.edu/> or contact Tom Platt: plattom@wsu.edu or 509-725-4171

Informational Websites

eXtension. An interactive learning environment delivering the best, most researched knowledge from the best land-grant university minds across America. eXtension connects knowledge consumers with knowledge providers—experts who know their subject matter inside out. <http://www.extension.org/>



Cattle Producers of Washington (CPOW). An independent organization for grass-roots ranchers, whose goal is to ensure the success of the American cow-calf producer. <http://www.cattleproducersofwa.org/>



Niche Meat Processor Assistance Network: Helping Expand Small-scale Meat Processing. A national network of people and organizations creating and supporting appropriate-scale meat processing infrastructure for niche meat markets. <http://www.nichemeatprocessing.org/>

North Cascade Meat Producers Cooperative. A farmers' co-op in Washington state that has proposed and is working to establish a new custom cut and USDA meat processing facility for Whatcom, Skagit and Island County. <http://www.northcascademeats.com/>



Ag Center. Get the latest in agricultural markets and news. The pages are updated often with the latest industry information. <http://www.agcenter.com/>

Idaho Cattle Association. The official voice for all segments of the beef business in Idaho - seedstock breeders, commercial operators and cattle feeders. It is the grassroots policy development organization for Idaho's leading agricultural industry, cattle. <http://www.idahocattle.org/>



Washington Cattlemen's Association. A statewide non-profit trade organization dedicated to promoting and preserving the beef industry through producer and consumer education, legislative participation, regulatory scrutiny, and legal intervention. <http://www.washingtoncattlemen.org/>



American Association of Meat Processors. North America's largest meat trade organization whose mission is to advance and improve the meat and related food industry. <http://www.aamp.com/>



Washington Cattle Feeders Association. Whether protecting feeder interests in the Northwest or the nation's capital, WCFA represents cattle industry members and their efforts to produce the best beef in the world and be profitable. <http://wafeeders.org/>

Producers Livestock Marketing Association. This co-op is owned by its members: a member is automatically enrolled when selling livestock through the association. A person can opt to not be a member. A benefit of being a member is the dividends paid out since profits are paid back to the members. The company is governed by a Board of Directors currently consisting of seven members and is able to sell livestock weekly in most western United States markets. <http://www.producerslivestock.com/>



Center for Rural Affairs. The center advocates for policies that support rural communities, create opportunities to earn a living in rural communities through work with small businesses, family farms and ranches and that advance communities by working to develop leaders, create innovative new approaches and provide resources for individuals working in small towns. <http://www.cfra.org/>



JOIN THE STEERING COMMITTEE

Help move this project from research to reality...

Contact us for more info:
livestockproject@uidaho.edu
208-885-6034

University of Idaho Extension

A special thanks to Cinda Williams, University of Idaho Extension Educator in Latah County, for helping to reach producers, facilitate forum discussions and connect project partners with other food systems research and activities.

Visit the project website:
www.uidaho.edu/livestockproject