

Scaling-Up New England's Value Added Meat Industry

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Submitted by

Chelsea Bardot Lewis
Agricultural Policy Administrator
Chelsea.lewis@state.vt.us
802-533-5573



AGENCY OF AGRICULTURE, FOOD & MARKETS

Background and Justification

The goal of this project was to promote viability and vibrancy of New England's value-added meat industry, with a focus on providing education, marketing tools, and exposure to innovation at the producer-processor nexus. This project supported the development of new partnerships and innovative approaches to support livestock producers, slaughter facilities and processors.

Many of the New England's small- and medium-sized food producers have remained viable in increasingly competitive markets by differentiating their products from those of their larger competitors. The following are basic concepts of value-added agriculture:

- Value-added agriculture converts agricultural outputs into products of greater value.
- Value-added agriculture is increasing the economic value of an agricultural commodity through real (or perceived) changes in processing or other treatment.
- Value-added agriculture is the process of increasing the consumer appeal of an agricultural commodity.

We have seen an increasing number of meat producers interested in adding value to their products through: 1) specialized production standards (e.g. grass-fed, organic, animal welfare); 2) further processing (e.g. charcuterie, specialty cuts); or 3) source verification and local/regional marketing channels. In order for producers to take full advantage of consumer demand for value-added meat, we must support our meat processing industry to reach its next phase of development.

The 2004 FSMIP project "New Market Opportunities for Value Added Meat" opened up many new possibilities for New England's value-added meat producers through research and education exchange. Market analysis confirmed that there were indeed opportunities to grow the value added meat industry, and marketing assistance for meeting that demand was provided to six branded meat programs and producer cooperatives. A series of well-attended educational workshops provided technical assistance to producers on the development of value-added meat and poultry products.

On the demand side, a study funded by the 6 state departments of agriculture and the John Merck Fund concluded that consumers in the Boston and New York City markets are willing to pay a premium for products that are made using environmentally friendly methods, ensure fair wages for farmers and farm workers, and have unique flavors that reflect the region where they are made.

Despite the interest in growing value added meat supply, capital constraints (both human and economic) prevent most producers from processing on their own, and many have expressed a lack of access to external processing services due to timing or service limitations. This project built on the previous FMSIP project with a targeted focus on processors, applying the following elements of the project evaluation conducted by Bon Temps Gourmet in 2006:

- Engage more processors as partners in scaling up to meet demand
- Develop a New England Meat Conference
- Continue and enhance New England regional partnership

Project Approach

This project achieved the following objectives in order to address the issues identified above.

Research

I. **Market Analysis to determine which characteristics of the meat processing stage of the supply chain carry the highest value for marketing to the end user**

Market research in the Boston and New York has shown that consumers are willing to pay a premium for products that are made using environmentally friendly methods, ensure fair wages for farmers and farm workers, and have unique flavors that reflect the region where they are made. However, meat processors have not been able to capture enough of the consumer dollar to achieve profitability at a level that will expand the sector.

A marketing consultant was hired to conduct targeted key-informant interviews with buyers and distributors, and glean information on how meat processors might better market the value that they currently add (e.g. humane handling, quality and consistent cuts of meat) for any kind of meat animal, and what they can do better to increase that value, and ultimately their market share.

The key finding was that while consumers don't want to think about where or how their meat is processed they want to be able to trust that "the system" works. They expect the system to provide food that is safe to eat from businesses conducting themselves in a manner that is ethical. They want to know who is producing their food, where it is from, what is in it. They want to buy meat that is appealing to look at, that is fresh and ready to cook. Top trends now and on the horizon are flavor-enhanced products such as "smoked," "dry-aged," and "cured," while the leading feature consumers will be looking for in five years will be "GMO-free" meat.

The following suggestions were offered on how producers and processors can work to meet these needs:

1. Focus on package and presentation appeal. Make product cuts look appealing to eat, make the label eye catching to see, and make the product easy for buyers to handle and stock (stackable packages).
2. Focus on fresh as opposed to frozen local meat. Consumers are thinking of their next meal when they shop, most meat sales are in the form of fresh vs frozen product. Selling "previously frozen" meat is a strategy many retailers employ to reduce shrinkage while enabling them to stock their fresh case. Use this as a way to begin getting more Vermont meat into the fresh display case.
3. Focus on adhering to production and processing protocols to improve ability to consistently deliver the same quality and presentation a product has come to be known for to retain consumer base.
4. Provide discrete, indirect marketing tools to educate consumers and raise awareness for how your products are raised and processed. For example, on packaging provide a link to your website for consumers to "learn more about your products and how they are made."
5. Consider joint marketing efforts in which producers and processors organize "open houses" to encourage consumers and buyers to develop a connection with their meat, and gain an understanding of who and how

it is raised and the processes it goes through in between. Help create awareness and respect for the livestock industry and processor profession.

6. Consider investing in the infrastructure upgrades or management changes necessary to meet third party certifications to both production and processing practices so more Vermont meat can meet the requirements of large scale retail buyers such as Whole Foods and regional aggregators such as Pineland Farms Natural Meats and be competitive with brands such as Niman Ranch.
7. Take advantage of trends in consumer marketing to drive sales:
 - Focus marketing messages and visuals on promoting the family and people involved in the production and processing process. Focus on the Vermont connection. Consumers respond better to pictures of people, and are more interested in who grew the food and where it was grown than in the animals themselves.
 - “Smoked,” “cured,” and “dry-aged” are in. Consider making products with these attributes and highlighting them in your packaging and messaging.
 - GMO-free is the wave of the future. Consumers are increasingly asking for GMO-free meat. Explore the financial and logistical viability of offering GMO-free meat in your operation. Make a point of highlighting your GMO-free product lines in your packaging and messaging.
 - Consider how your operation, product, or marketing efforts could be refined to best help Vermont meat take advantage of the top factors influencing consumer purchasing behavior.

The top attributes influencing meat purchases were cited as follows:

1. Price
2. Being a Local Product/Family Story
3. Visual Appeal at Point of Sale/Immediate Applicability Towards Meal Preparation
4. Animal Welfare protocols
5. Feed/Production protocols
6. Food Safety protocols
7. Flavor Enhancers/Ingredients
8. Social and Environmental Justice

The report has been made available online at:

http://agriculture.vermont.gov/producer_partner_resources/market_access_development/meat_industry_development

II. Exposure to appropriately scaled technology and process innovation at the American Association of Meat Processors' Convention

The AAMP Convention is the annual convening of meat industry leaders. On July 17-20, 2013, hundreds of meat processors, service providers and suppliers gathered in Charlestown, South Carolina to learn about the newest technologies and current market trends. Five industry leaders from the region attended the Convention. In addition to attending Convention seminars and a robust tradeshow, the delegation also participated in two site visits. One was to a local restaurant that specializes in cured meats, where the chef toured his curing facility and described his process. The second was to a small-scale slaughter and processing facility using some cutting edge

systems for humane handling and animal welfare. Both cured meats and humane livestock slaughter are key areas of interest for the development and branding of Vermont's meat industry.

Additionally, connections were made with a number of trade show exhibitors. The New England Meat Conference (NEMC), launched under this grant, hosts the only meat industry-specific trade show in the region. During our conversations at AAMP, industry suppliers were enthusiastic about the opportunity to connect with meat processors in New York and New England, and many of them participated in our trade show as a result of connecting in South Carolina. Software for inventory management and lot tracking were of particular interest for small-scale processors, and two companies we met at AAMP exhibited at the NEMC.

Education

III. Producer-Processor workshops series

We continued to build on past success of having workshops that brought together producers and processors and highlighted the value of shared knowledge and information exchange. There were five workshops, two of which were intensives. They were attended by over 170 livestock producers, meat processors and other stakeholders in the regional meat industry. The workshops were:

- VT Pig and Pork and Pig Field Day – Covering the production and processing of value-added pork with national expert Dale Rozeboom, Swine Nutrition & Production Management specialist from Michigan State University Extension and Dave Viola, meat processing specialist VT Salumi.
- Strategic Marketing Planning for Livestock Producers – Covering the development and implementation a marketing strategy to save on marketing labor and improve the impact of marketing efforts.
- Efficient Swine Rations from Piglet to Adult – Covering feeding programs and their effect on the processing and marketing of the final product with regional expert Jeff Mattock
- Income Positive Poultry: Breed, Feed, and Management Considerations for Poultry – Covering the science behind management strategies to run a profitable poultry operation with regional expert Jeff Mattock
- Beef Butchery: Hindquarters and Smoked Sausages – Morning session covering the breakdown a hindquarter of beef, learning about the different cuts, meat quality, and the dry-aging process. The afternoon session covering making smoked kielbasa and summer sausage and reviewing the equipment, science, and food safety behind their production. Lead by two of Vermont's leading butchers, Cole Ward and Frank Pace, along with Polish meat processor and Stanley Marianski.

All these workshops received strong positive feedback on the quality of the content, the knowledge of the presenters, and the building of relationships between livestock producers, meat processors, and other industry stakeholders.

IV. New England Meat Conference – 2013 and 2014

The inaugural New England Meat Conference took place on March 22-23, 2013 in Concord, NH, and has been widely recognized as a huge success, bringing together over 350 producers, processors, distributors, chefs, technical assistance providers, government representatives, and many other industry stakeholders. A trade show attracted national suppliers of new technologies that may be adopted by local producers and processors. The 25 breakout sessions included "The Art and Business of Cured Meats," "Scaling Up: Opportunities with

Distributors and the Wholesale Marketplace,” and “Humane Handling through the Life Cycle.” Cutting demos happened throughout the two days of the conference. The “Meat Ball” gave participants a chance to relax, share a meal, and network with their peers. The first ever “New England Meat Awards” were presented to

Building upon the success of the 2013 event, a second New England Meat Conference was held on March 7-8, 2014, also in Concord. The event was sold out for the second year in a row, with 400 attendees. Due to contacts made in South Carolina, as well as the momentum from the 2013 conference, the trade show grew in number and variety of exhibitors. The New England Producer of the Year award was presented to Carolyn Wheeler of Wheel-View Farm in Shelburne, MA; the Processor of the Year went to Daniele, Inc. in Pascoag, RI; and the New England Food Professional of the Year award was presented to John Lash, School Food Service Director for the Concord, NH School District. All 2014 presentations have been posted online at <http://www.newenglandmeatconference.org/workshops/2014presentations.html>.

Market Development

V. Project partners delivered targeted technical assistance and matchmaking for Institutional Market Coordination

The goal of the New England Beef-to-Institution (NEBI) Initiative is to increase the amount of local ground beef entering New England institutions and increase farm viability by offering access to a large-scale marketing stream. The question posed is: As consumers become more interested in the origins of their food, are there opportunities to leverage the huge purchasing power of institutions to increase the sales of regionally produced beef? The New England Departments of Agriculture and the John Merck Fund invested in a New England Beef to Institution marketing study to begin to explore this question. JMF funding has enabled the Steering Committee to continue to discuss barriers and opportunities related to the production, processing, and purchase of regional beef by institutions.

Steering committee members include:

- Sean Buchanan, Black River Produce
- Erin Buckwalter and Sam Fuller, NOFA-Vermont
- Lisa Damon, Massachusetts Farm-to-School
- Jean King, Connecticut Food Policy Consultant
- Richard Kersbergen, University of Maine Extension
- Carole Soule, Miles Smith Farm

Yellow Wood Associates, Inc. was contracted by the Steering Committee to help guide monthly conversations, take notes, schedule meetings, and serve as a thought partner. Yellow Wood created a final report with recommendations that can be made available upon request.

Steering Committee members participated in the following activities:

- Participated in monthly conference calls to learn about innovations and best practices from other states, share success stories and challenges, and work collectively on marketing strategies.

- Attended a variety of educational workshops at the New England Meat conference, and heard from experts on innovative models for building the institutional supply chain;
- Built relationships between meat processors, institutional buyers and distributors through strategic partnership meetings and one-on-one matchmaking.

Two matchmaking events were held – one in New Hampshire and one in Connecticut. In Connecticut, representatives from 6 schools and 6 farms took part in a matchmaking meeting. Strengths, challenges and opportunities were identified by buyers and farmers. School representatives talked about their efforts to locate sufficient quantities of meat at the time they needed it. There are distinct differences among schools operated by food service companies and those who are self-operating. The Hotchkiss School has been proactive in meeting food service company requirements, including the need to source meat that has been slaughtered and processed at a facility that has completed a third party audit. There are opportunities for one-on-one agreements among farmers and schools for purchase agreements that cover an entire school year. School food service leaders see that they share responsibility in working through issues of food safety and inspection that can make it possible for them to buy locally. Requirements for meeting food safety standards of major food service providers are not insurmountable.

VI. Point of sale materials for wholesale and institutional buyers

A branding specialist was hired to create a logo and develop the value proposition that resonates with consumers. Eye catching point of sale material was developed to spur demand for local meat in institutional settings, and identify New England as a premier source for high quality, value-added meat. The messaging to accompany the POS materials is below:

Program Name: Harvest New England Farm Raised Beef

Tagline: Savor the taste of the region

Target Markets:

The broad target is consumers at institutional cafeterias in New England. This can range from students to government employees to hospital patients and visitors and beyond. Due to this broad spectrum, the messaging is designed to speak to the consumer making the purchase decision.

Materials should be displayed in the cafeterias by labeling food prepared with New England beef. Messaging can be used to educate consumers prior to purchasing and to reinforce the purchase decision. Please feel free to use the below in your newsletters, on menus or on your website.

Talking Points

- New England Farm Raised Beef supports local farms
- Proud to serve New England Farm Raised Beef
- Farm Raised New England Beef is full of flavor
- Savor the taste of the region by eating farm raised beef from New England
- Our menu features farm raised beef from New England
- We are proud to support family farms in our region by serving New England Farm Raised Beef

- New England Beef is the best because it is from where you live

Copy & Articles for Institutions:

- **Proud to Serve Farm Raised Beef from New England**

Here at INSTITUTION NAME, through a partnership with farms in our region, we are proud to serve farm raised beef from New England. This partnership supports our commitment to providing you with the best food possible while supporting family farms in the area and our regional economy. Next time you dine with us, look for the Harvest New England Farm Raised logo while you check out our beef options.

- **5 Great Reasons to Eat New England Beef** - Eating farm raised beef from New England has many advantages. Here are the top five:
 1. **It is a powerful protein** - Beef is packed with essential nutrients.
 2. **It connects you with your farmer** - Know your Farmer, Know your Food!
 3. **It benefits the environment** - By eating regionally, you are supporting family farms that keep the land open in your town and state.
 4. **It supports the regional economy** - The dollars you spend on farm raised beef from New England are reinvested in businesses in the region.
 5. **It is full of flavor** - Enjoying farm raised New England beef means savoring the taste of the region!

Harvest New England has agreed to take on the administration of the point of sale materials. To control unauthorized use of the brand, the materials are available only upon request.

Project partners

This was a collaborative, multi-faceted project that brought together many different partners from across New England.

- **Northeast Organic Farming Association of Vermont** was the primary partner, playing a co-facilitation role for all aspects of the project.
- The **Vermont Meat Processing Task Force** served as an advisory group to VAAFM and NOFA in all aspects of the project. The Task Force is composed of: University of Vermont Extension, Vermont Beef Producers Association, Vermont Grass Farmers Association, Vermont Sheep and Goat Association, Vermont Farm Viability Program, Vermont Farm to Plate, Vermont Economic Development Authority, Rural Vermont, and the Castanea Foundation. Task Force members also played an outreach and information dissemination role with their members and clients.
- **Meat and Poultry Processors Association** members were the primary beneficiaries of this project, and they contributed their time and expertise to ensure that objectives were met.
- The **New England Meat Conference (NEMC) Steering Committee** contributed many hours of their time to implement two highly successful conferences. The Steering Committee was composed of producers, processors, state officials, extension agents, nonprofit service providers, and marketing experts from across all six New England states.

- **Farm to Institution New England (FINE)** contributed matching funds and expertise to support the New England Beef to Institution initiative. FINE offers a platform for continued outreach and dissemination of research and marketing tools.
- **Harvest New England** has been identified as the appropriate partner to oversee the marketing materials for the “Farm Raised Beef” marketing materials.

Lessons Learned

The 2013 and 2014 New England Meat Conferences stand out as perhaps the largest success of the past two years of work. There is nothing else like this in the Northeast region, and there was incredible power in bringing together stakeholders from across the supply chain. Project objectives were far surpassed, as we held two conferences instead of one, and hosted 350 and then 400 attendees (compared with the 300 projected). The attendance was 40% producers, 21% processors, 10% distributors/buyers, and the remainder other service providers and industry stakeholders.

The market research demonstrated that consumers are not yet thinking about the processing step of the supply chain, and that they may not be ready to think about what happens to their meat between raising and cooking. However, the research did show that New England value added meat suppliers are well positioned to capitalize on consumer values. Many meat producers already have strong positioning around their farm story, animal welfare protocols, and feed/production protocols. With additional investment in visual appeal (packaging and branding), and technical assistance to build new market channels, producers are well poised to increase sales.

Our understanding about inventory management software for small scale meat producers has also advanced considerably over the course of the project. We spoke with two providers at the AAMP convention, both of whom attended the 2014 NEMC. Out of this work we supported a parallel project to assess the needs of small-scale food producers and processors to identify an affordable, easy to implement, and easy to use lot tracking system, in order to meet FDA, USDA, and market-enforced food traceability requirements. One meat processing business has implemented a digital lot tracking system, and another just received a grant to install a different system. We have identified technology diffusion and sharing of best practices as a goal for future work.

Finally, there remains significant opportunity for supplying the institutional market with New England meat. However, there remain a number of supply chain barriers, and pricing continues to be a key barrier. We learned a great deal about the complexity of creating and stewarding point of sale materials for local beef, and questions remain about how who should be utilizing it and how use will be monitored. Harvest New England would like to create evaluation tools to track the success of the materials created. We continue to work with Harvest New England on the roll-out and evaluation of these materials.

Current and Future Benefits

Overall, as a result of the past two years of work we have seen better integration across the supply chain, and greater sharing of information across the region. For instance, a Rhode Island processor has connected with a Vermont distributor to source New England pork for a local line of dry cured meats. Fewer producers are expressing that processing is the primary bottleneck for their business.

We collected evaluations during both conferences, which were overwhelmingly positive. 90% of respondents from both conferences thought the event was “Excellent” or “Very Good.” We have heard from attendees who connected with new clients, buyers, suppliers, and mentors. Comments included:

- My first and won't be my last
- Could not have asked for more!
- Hope to see it done annually
- What a "spot on" conference...you all did a great job with a diverse and relevant set of topics. Getting the diversity of attendees is a measure of success.
- Excellent mix of attendees, both geographically and professionally
- Great job pulling folks together from all sectors of industry
- Very collaborative and positive focus on providing quality, safe, products to consumers.

There is strong momentum to continue the conference again in the future.

We are also seeing new innovations, including implementation of new software, and launch of new products to capitalize on market opportunities.

Recommendations and Next Steps

Technology diffusion and technical assistance for market access will continue to be critical components for future work. We will be evaluating the implementation of two different inventory management and lot tracking software systems, and make recommendations to other processors about which system may be the most appropriate for their business. We will also continue to analyze new markets and open new market channels for New England meat. To respond to the need for market development assistance, in 2014 the Vermont Legislature appropriated \$50,000 to pilot a “Domestic Export Program,” which includes technical assistance and matching grants to help Vermont working lands businesses connect to new markets. We are currently looking for additional funding to leverage this initial investment to create a multi-faceted program with significant impacts to the agricultural economy.

Beneficiaries

Direct beneficiaries of this project included over 400 meat producers, processors, retailers, chefs, and distributors.

Additional Information

Additional information generated by the grant project such as publications, presentations, and websites.

Market Analysis available online at:

http://agriculture.vermont.gov/producer_partner_resources/market_access_development/meat_industry_development

Conference presentations posted online at:

<http://www.newenglandmeatconference.org/workshops/2014presentations.html>

Information about the Vermont Lot Tracking Project:

<http://vt.foodprotectiontaskforce.com/resources/lottracking/>