

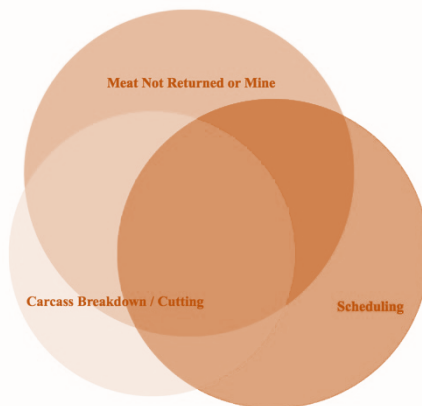
Processing and butchering options are a barrier to business development for small meat farmers in Indiana

Objective

Farms that raise, finish, and sell meat to local buyers are rebuilding the capacity of food systems to circulate a supply of local livestock, poultry, meat, dairy, and eggs. As an inevitable step in bringing meat and poultry to market, slaughter and butchering facilities make up a critical part of a region's capacity. Here we present a study of how Indiana's meat farms that sell locally view their options for processing, and recommendations they make for improving those options.

Examining Barriers

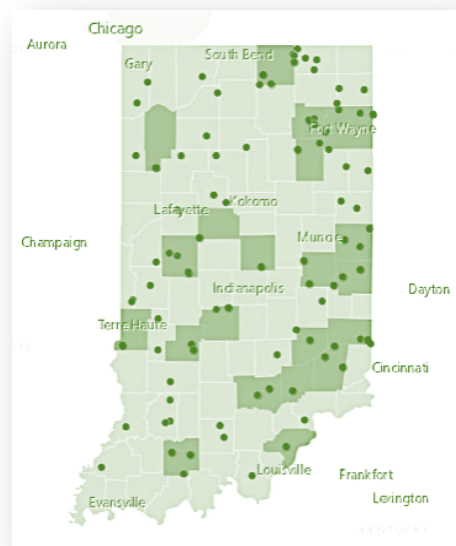
- **Business Barrier:** Nearly every respondent (88%) cited their processing situation as a barrier to expanding their farm business. Much of this group even ranked processing as a moderate or extreme barrier to expanding their business.
- **Service Barrier:** More than 70% of respondents pass by processors closer to home to get better service.
- **Scheduling Barrier:** Farmers ranked transparency and ease of scheduling higher than proximity and cost as factors more pivotal to their choice of a processor. Farmers reported having to schedule their animals for slaughter an average of 107 days (3½ months) in advance, with the range of responses from 14 to 365 days. Farmers' responses indicated that they would ideally like to book their processor 29 days in advance.
- **Trust Barrier:** Farmers had processors who did not return all of their meat, and often questioned if the meat actually came from their livestock. Farmers indicated that the following factors would help build their trust in a processor: good treatment of animals, consistent meat quality, following a farmer's cutting instructions, and accuracy of the animal's live and hanging weights.



Proportional Venn diagram depicting overlap in top three reasons for changing processors.

Data and Approach

In 2019, eight Indiana service providers distributed an online survey to their networks of meat farmers. A convenience sample of 80 meat farmers from 30 Indiana counties responded. These farms raised and butchered more than 180,000 animals in 2018, using all regulatory and market channels, including on-farm processing, BOAH limited permit, custom exempt, state inspected, and federally inspected. Meat comprises the majority of farm income for 45% of respondents, and the average gross sales of meat was \$68,000 (range of \$1,000 to \$650,000). Most respondents (63%) sold direct to consumer (for home preparation), 19% sold to wholesale buyers such as restaurants and food service, and 5% sold to distributors. Most respondents have diversified enterprises on their farms, raising more than one type of animal (51%).



Indiana meat processing facilities (dots) and location of farmer respondents (counties).

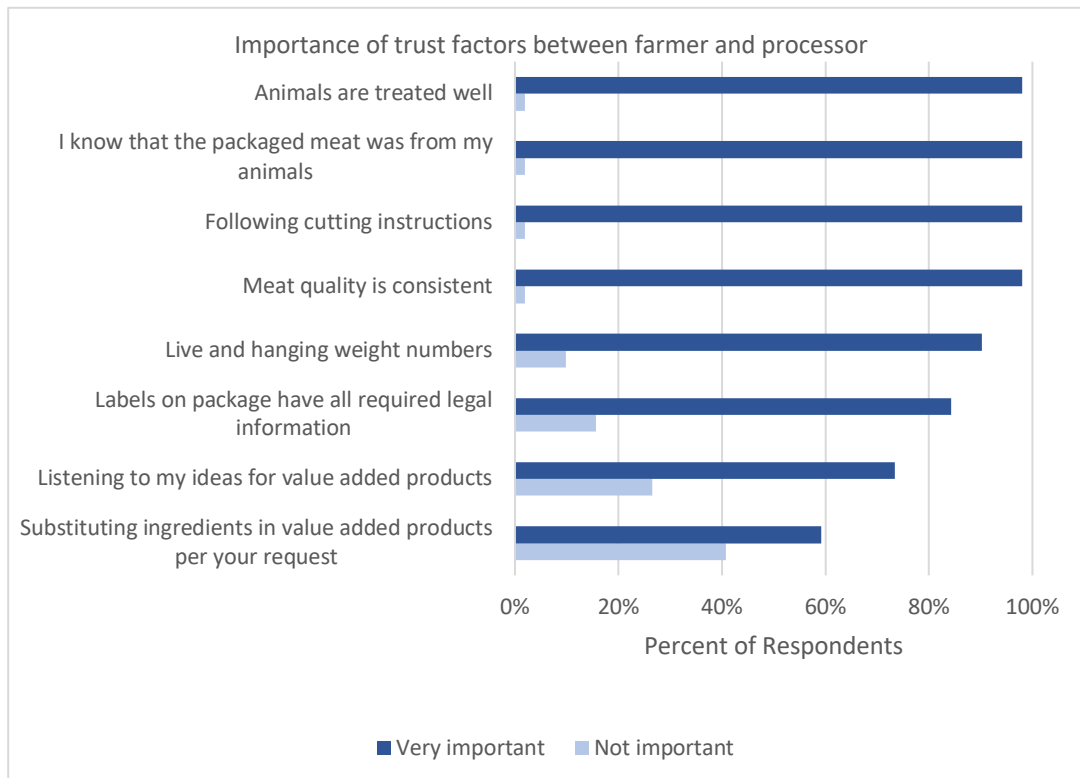
Data Sources

Gwin, L., & Thiboumery, A. (2014). Beyond the farmer and the butcher: Institutional entrepreneurship and local meat. *Journal of Agriculture, Food Systems, and Community Development*, 4(2), 81-96.



Farmer Satisfaction with Processors

- Since the majority of these farmers (68%) make quality claims about their meat to their consumers regarding their production practices, they need to label their meat in ways that make their models of husbandry clear. A processor's labelling service was a statistically significant negative factor in farmers' satisfaction. The quality claims in use by these respondents include: No-antibiotics (21%); Pastured (20%); Grass-fed (14%); Grain-finished (10%) and Grass-finished (9%).
- The other statistically significant negative factor in farmers' satisfaction was a processor's co-packing service. Co-packing stands for Contract Packaging, or the process of assembling a product into its final finished packaging.
- Processing poultry on the farm is an option some farms use because it's the best model for their business. Despite the cost savings and nimbleness of processing on the farm, farmers who do process poultry on-farm face particular obstacles to business development. These obstacles surround Indiana's few options for insuring a farm store, limitations within Indiana's Home-Based Vendor Rule, and county health departments' differing interpretations of state rules, when farms need to access markets in multiple counties, as they often do.



Key Takeaways and Recommendations

- There are few formal conversations convened among farmers, meat processors, and the agencies that oversee their work, and yet this dialogue is critical to developing capacity (Gwin & Thiboumery, 2014). States such as North Carolina, New York, and Vermont have facilitated conversations to examine and respond to the challenges farms and processors mutually face, such as inter-related issues of seasonality, fluctuations in volume and throughput, sustaining a workforce, storage, equipment, upgrades, waste, and interpretations of federal and state rules by the county health inspectors. We urge Indiana to convene just such a series of deliberate, focused conversations among farmers, processors, and their regulating agencies.
- Indiana's regulators should explicitly support models underway in other states for solving bottlenecks to processing, including inspected mobile slaughter enterprises.
- We recommend that similar research be conducted with the processors who serve Indiana's farmers who finish livestock and poultry for meat. It would be valuable to understand their barriers for business: managing workflows, employees, packaging, and storage, among other things, and obstacles to pursuing the Cooperative Interstate Shipment program.

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