

**Second Meeting of the New Hampshire Meat Producer Working Group
March 29, 2017**

Attendees: 7

1. Background:

This summary reflects a range of views expressed on the issues as discussed during meetings of the New Hampshire Meat Producer Working Group (NHMPWG), comprised of meat producers throughout the state. They do not reflect the formal or public position of any one group of people, organization or coalition. All errors and omissions are the sole responsibility of Environmental Mediation Center (EMC).

The NHMPWG began the meeting by discussing the list prioritized during the initial meeting. These issues included joint marketing, quality packaging, distribution, cooperative processing, and mobile slaughtering. While at first the group refined a few of these ideas, ultimately the discussion led to forming a meat producer cooperative that would be a more effective means to address most of the issues. One member commented that a cooperative would create leverage and give meat producers a voice and ability to change things. Nothing will change if producers work independently and don't coordinate their efforts.

Demand:

The working group members commented that they all have an established customer base but the challenge is creating room for expansion. The limiting factor is the market. To expand, the producers need to reach out and market beyond their existing customer base. While there are many potential large commercial buyers such as restaurants and grocery stores, those accounts demand consistent delivery of high volume of meat. The working group members believe a meat producers cooperative would help them sell to stores and restaurants that demand high and consistent volume. One member commented that producers can't change the way grocery stores do business. Instead, meat producers must figure out how to scale up so we can do business with them.

Business Model:

Currently, most of the small meat producers have a cyclical business operation due to the nature of their existing customers. Members of the working group believe that a meat producer cooperative could minimize the financial risk they now deal with because there would be more consistent revenue from multiple sources.

Some working group members have commented that one challenge to scaling up their operation is a shortage of locally available calves. It is possible to buy 5-7 head now, but if you want 30-40 with good genetics, you have to look out of state. A producer cooperative would

create additional purchasing power through buying from out of state operations at higher volume.

Examples of Cooperatives:

One member mentioned numerous farmer run cooperatives such as the Seacoast vegetable cooperative. The cooperative enables the roughly 25 members to offer consistent volume of vegetable and sell directly to restaurants.

Conceptual Development of a Meat Producer Cooperative:

The working group members had a conceptual discussion about forming a cooperative including geography, labeling, product development, standards, and transportation. One member commented that we should proceed cautiously and start small with existing relationships. All members agreed that this was just an exploratory conversation and that we would bring in expert consultants to guide future discussions.

One member commented that a cooperative could also promote the industry in general and hopefully attract more producers into the industry.

Although every cooperative is different, members discussed cooperatives that they are either members of or familiar with the operation. Members discussed the need for measurable and quantifiable standards including breeds, feeding protocols, and weights for processing.

After discussing multiple options, the working group members believe the cooperative should be open to NH meat producers for beef, poultry, venison, etc. Some working group members noted that the potential for expansion in the poultry sector was significant, especially since poultry farms do not require the land base that beef producers need.

Some working group members discussed how many cooperatives fail for a variety of reasons such as management problems. One member commented that cooperatives fail when members don't have enough "skin in the game." There should be an adequate "buy in" so coop members feel invested in the cooperative.

Working group members agreed that exploring formation of a cooperative is a high priority because it will enable expansion of operations. Individual farmers have little ability to negotiate price with processors. But the cooperative would have enough volume to negotiate a better price for processing. A few working group members noted that processing costs in Texas and mid-Atlantic states were a fraction of what they pay in NH. Members agreed that the lack of volume was one factor why it is more expensive in NH as well as other issues such as carcass disposal.

The working group members finished the discussion on cooperatives by deciding to invite Gail McWilliam Jellie from the NH Department of Agriculture, Agriculture Marketing Division to the

next meeting to discuss marketing efforts including what has been done in the past, what has worked and what has not worked, what marketing has been effective for other agricultural sectors, and what could be done.

The Working Group will also invite Lynda Brushett from the Cooperative Development Institute to a future meeting to talk about cooperatives including, how to decide whether forming a cooperative is prudent and what are the steps informing a cooperative.

Slaughtering and Processing:

The working group members discussed how if the cooperative is successful and meat production increases significantly, there will need for a corresponding increase in slaughtering and processing capacity as well.

Processors have been challenged by the need to cater to hundreds of individual customers each with their own demands. Some are micro operations and are not run like professional businesses. Working group members believe that a cooperative will make it easier for the processors because it will increase the volume but decrease the number of customers.

Working group members also believe that a cooperative will make it easier to work with processors because they will have a united voice and can work with the processors to establish standards of quality packaging.

The working group discussed different models to increase slaughtering and processing capacity including expanding existing facilities, using existing facilities to slaughter and quarter with a separate meat cutter finishing the cutting and packaging, and establishing a mobile slaughtering facility.

The mobile slaughtering unit would travel to 5 locations throughout the State (possibly county farms) to reduce producers' travel distance to processors to 20 miles or less. Once slaughtered, the carcasses would be transported to a processing facility. It was noted that transporting at this stage is much easier and could be done on a large volume that would open up opportunities to more processing facilities. The working group will further consider this concept at upcoming meetings.

Challenges to Increase Meat Production:

The working group members agree that access to good land remains a challenge to increasing production of local meat. One member suggested contacting the Forest Service, Nature Conservancy, or local land trusts to see if they are able to lease land for pasturing livestock.

