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**LFPP Poultry Processing Project
Meeting Agenda
2-19-15**

6:30 – 6:35 Introductions

6:35 – 6:50 Recap of Previous Work/Updates from Last Meeting

6:50 – 7:10 Aggregation Logistics Discussion

7:10 – 7:30 Aggregation Standards Discussion

7:30 – 7:45 Wrap-up and Next Steps

Funding for this project was made possible by the Local Food Promotion Program managed by the Agricultural Marketing Service, U.S. Department of Agriculture, in addition to matching funds from Golden Hills RC&D.

2-19-15

Poultry Processing Meeting Notes

Attendance:

Name	Affiliation	City	County
Matt Duncan	Duncan's Poultry	Missouri Valley	Harrison
Dale Raasch	Bridgewater Farm	Bridgewater	Adair
Denise O'Brien	Rolling Acres Farm	Atlantic	Cass
Rod & Mindi Baxter		Harlan	Shelby
Daniel Rosmann & Ellen Walsh-Rosmann	Farmtable Delivery/Pin Oak Place	Harlan	Shelby
Elaine Baughman	WACER Gardens	Kirkman	Shelby
Kevin Ellis	NCAT		
Lance Brisbois	Golden Hills RC&D		

Building a new processing facility may be desirable but also long-term and more expensive. An immediate solution to the lack of a local processor is aggregating locally and shipping to USDA-certified facility for processing. Closest facility is Plum Creek Farms near Burchard, NE, about 290 miles roundtrip from Harlan. They have offered to let us use their facility once we determine a schedule. They will need at least 700 birds to make it worthwhile for them, but can only process up to 1000 birds in a day. So we would need to find 700-1000 birds for each trip. It could be once a month, once every six weeks, or some other option depending on the supply and their processing schedule.

Ellen runs Farmtable Delivery, a delivery service that helps producers get their products to various markets. She is in the process of getting a warehouse facility in Harlan that will have cold storage for processed poultry. She could also help deliver directly from processing facility to consumers, or back to the producer to sell to their consumers. Harlan site will have coolers that could be used for freezing. Storage will not have a fee for producers, as it is passed on to end consumer.

This grant includes funds for using Farmtable Delivery service so producers do not need to pay transportation costs. Grant includes some money for liability insurance. Liability tracing will go to Farmtable Delivery.

Producers might be able collectively purchase chicks and feed at discounted bulk rates. Duncan's currently purchases about 30,000 chicks at a major discount from a hatchery, so that is one option for producers.

Whole Foods and other grocers could be potential customers but we need to find out what minimum thresholds they have for number of birds.

Standards: in order to sell cooperatively, producers will need to agree on a set of minimum production standards. Some producers are organic and some are not. Kevin has experience and knowledge of developing standards and can provide us with additional resources.

Things to consider include:

- Feed (non-GMO, certified organic, etc.)
- Antibiotics
- Hormones—not allowed in any poultry, but consumers may not know this, so adding on label could be appealing to some people
- Free-range does not actually mean much; pastured is a better option but also may be more difficult for some producers, especially in winter
- Humane standards – several options:
 - <http://animalwelfareapproved.org/standards/>
 - <http://certifiedhumane.org/how-we-work/our-standards/>

Some options for buying feed include:

- Riverside Feeds - Riceville, IA <http://www.riversidefeeds.net/>
- Bluestem Organic Feed - Webster City, IA <http://www.bluestemorganic.com/POULTRY.html>
- Professional Proteins - Washington, IA <http://www.professionalproteinsltd.com/>

Organic Prairie could be a good option for standards for a cooperative:

http://www.organicprairie.com/transparency_page

Options for incorporation in the future: look at Iowa Choice Harvest, LLC.

<http://www.iowachoiceharvest.com/>

Poultry Processing in Western Iowa

Iowa Food Systems Council

United States Department of Agriculture- Rural Business Enterprise Grant (RBEG)

Project Summary

Market Research

Small rural producers are often not in a position to conduct assessments and feasibility studies necessary to collect market information. Effective training and resources depend on such information to be most meaningful for the growers in a particular regional area.

This project focuses specifically on a six-county region in western Iowa (Shelby, Cass, Harrison, Mills, Montgomery and Audubon) with high percentage of persons below poverty level, lower retail sales per capita and a higher unemployment rate than the state average. IFSC will specifically work to expand the growth of rural business in these counties through broader sales base development, implementation of value-added food processing business, and expansion of poultry processing business by increasing processing units.

A survey was conducted to measure the demand of poultry in the food shed of Des Moines and Omaha. It was sent to 70 major purchasers of mostly local food. This survey was open for 2 months with weekly reminders to respond. **Only 20% responded** to the survey.

- Of those who responded, 28.5% were from the Des Moines area food shed and 71.5% were from the Omaha food shed.
- Of the purchasers surveyed, 57% were chefs, 21% were grocery stores, 7% were wholesale purchasers, and 15% identified themselves as other.
- The total number of whole birds in a calendar year that is currently purchased is 31,000. It is possible that this number could grow with a local poultry processing facility available.
- 100% of respondents purchase chickens currently.
- 43% of respondents purchase turkeys currently.
- 36% of respondents purchase ducks currently.
- 14.5% of respondents purchase quail currently.
- Purchasers are willing to pay per pound in a wide range from \$1.20-3.00/lb for chicken, \$3-3.50/lb for duck, \$1.15-3.50/lb for turkey and \$5.50 per bird for quail.
- All requested having delivery of the product.

Possible Solutions

Key Lessons Learned in Research Project

- Sufficient volume must be attained to make processing project work.
- This requires a process of moving from convenience to commitment.
 - Poultry growers need to commit to production numbers and slaughter numbers.
 - USDA inspected facilities that utilize infrastructure and capital during only short periods during the year usually do not work without significant subsidy.
- For many facilities, there must be an anchor tenant(s) in order to cash flow the system. Small scale growers or producers are the “cream on top” for the overall facility income. It can be difficult for a facility only do small batch processing and succeed without subsidization.
 - General Information
 - Usually minimum batches are imposed.
 - Small Scale Poultry Processing in North Carolina showed the following fee schedule for custom processing:
 - Processing: \$2.40/bird
 - Processing and Packaging Whole Birds: \$2.50/bird
 - Processing, Packaging, and De-boning: \$3.10/bird
 - The sales price of premium pastured birds has ranged from \$6.00 to \$15.00 depending on the venue.
 - Mobile Processing Facility Specific Information
 - With four employees 200-250 birds were processed per day.
 - Brick and Mortar Facilities
 - An existing model:
 - 2,500 square feet
 - With four employees this model was processing 200 birds per day
 - Cost of facility was approximately \$150,000

Resources

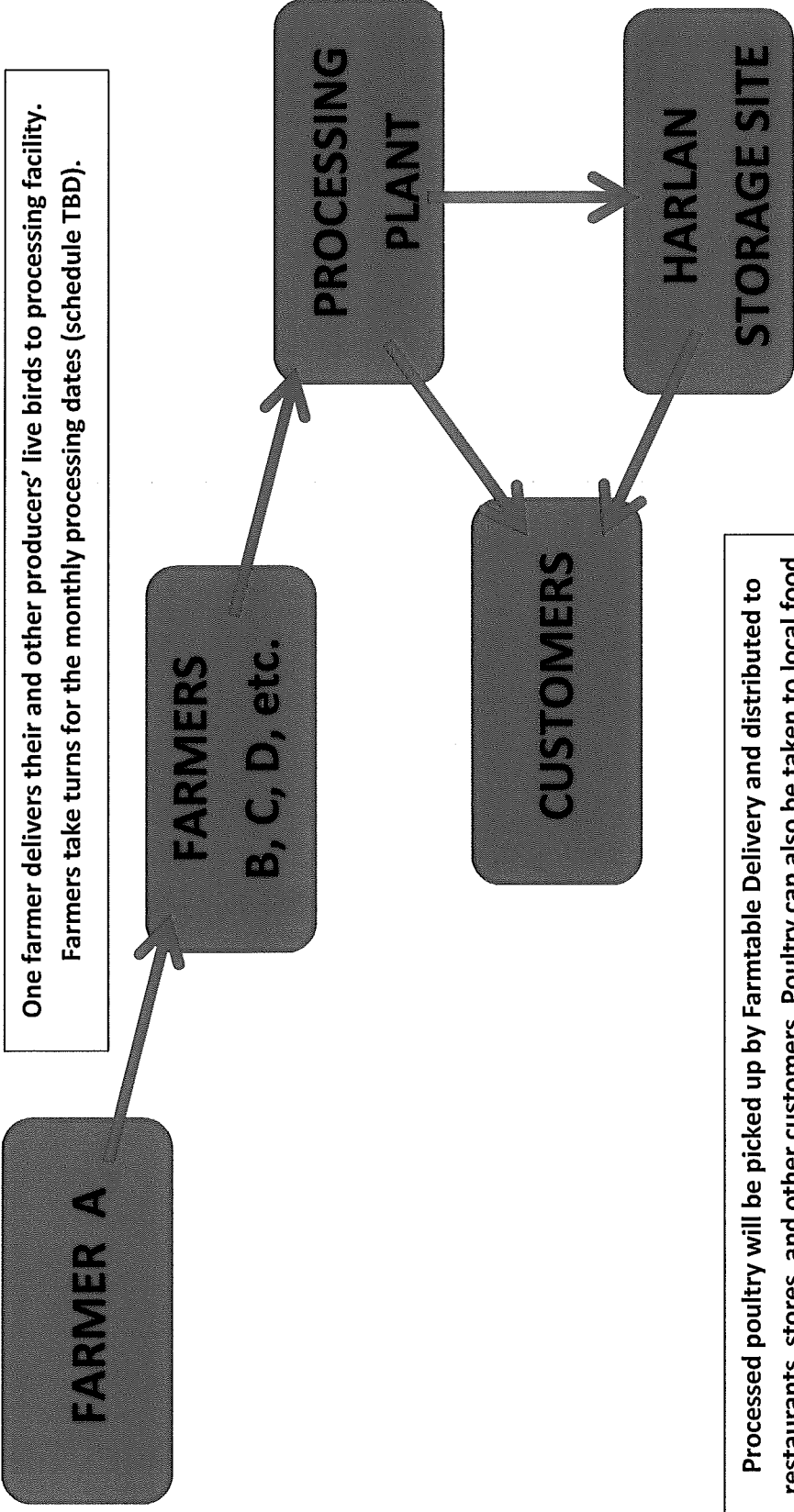
- Mobile Poultry Slaughter
 - Iowa Poultry Slaughter, Processing, and Sales Guidelines for Small-scale Producers-
<http://www.extension.iastate.edu/publications/pm2068.pdf>
 - Montana Poultry Growers Cooperative's Mobile Processing Unit Training and Use Manual-
<http://www.chicken.coop/wp-content/uploads/2010/05/Poultry-Manual-web.pdf>
 - Best Practices Guide to Open Air Poultry Slaughter- http://smallfarms.oregonstate.edu/sites/default/files/small-farms-tech-report/bestprxopenairpoultryslaughter_september_2012.pdf
 - Local Meat and poultry-<http://www.usda.gov/documents/5-Meatandpoultry.pdf>
 - Kentucky Mobile Poultry Processing Unit-<http://www.extension.org/pages/16092/kentucky-mobile-poultry-processing-unit>
 - Mobile Poultry Processing Unit, includes a profit calculator http://www.smallfarm.org/main/special_projects/mppu/
- Additional Resources for Brick and Mortar Slaughter
 - Exploring Small-Scale Meat Processing Expansions in Iowa. Leopold Center for Sustainable Agriculture
 - Small-Scale Poultry Processing
 - <http://whatcom.wsu.edu/ag/documents/poultry/SmScalePoultryProcess.pdf>
 - Design Considerations for the Construction and Operation of Meat and Poultry Processing Facilities
 - <http://facilityengserv.com/WhitePapers/meat%20and%20poultry%20processing%20facilities.pdf>

Safer Management Practices for Small Poultry Processors By Kevin Backes

Niche Meat Processing, business plans, research, case studies <http://www.nichemeatprocessing.org/>

Small Plant Help Desk can be reached between 8am and 4pm EST, Monday through Friday, at 1-877-FSISHelp.

Cooperative Interstate Shipment Program - <http://www.fsis.usda.gov/OPPDE/rdad/FSISDirectives/5740.1.pdf>



One farmer delivers their and other producers' live birds to processing facility.
Farmers take turns for the monthly processing dates (schedule TBD).

Processed poultry will be picked up by Farmtable Delivery and distributed to restaurants, stores, and other customers. Poultry can also be taken to local food aggregation facility in Harlan for temporary storage.

Action	Start Date	End Date
Identify poultry producers committed to creating a cooperative	1/1/15	12/1/15
Conduct two organizational meetings with producers	1/1/15	3/1/15
Share findings of IFSC and Leopold Center Reports with producers	1/1/15	3/1/15
Secure producer agreements	1/1/15	4/1/15
Connect producers with ATTRA resources	1/1/15	9/1/16
Research processing facilities in Iowa and Nebraska	1/1/15	4/1/15
Identify and set up aggregation point and processing facility	1/1/15	6/1/15
Determine type and size of facility needed by producers	1/1/15	4/1/15
Provide technical assistance to producers on-site and through telecommunications	2/1/15	9/1/16
Conduct cooperative feasibility review	2/1/15	5/1/15
Identify and recommend consistent producer standards	2/1/15	5/1/15
Conduct on-farm visits	2/1/15	12/1/15
Develop a cooperative on-farm review committee to collaboratively monitor producers	2/1/15	5/1/15
Coordinate agreements with processing facilities to specify production schedules for spring and summer 2015	3/1/15	4/1/15
Identify method for brokering, transporting, and storing aggregated product through Lone Tree Foods and Farm Table Delivery	3/1/15	5/1/15
Develop business plan and decide on incorporation	3/1/15	12/1/15
Develop a cooperative marketing plan	4/1/15	6/1/15
Create website and other marketing resources	4/1/15	6/1/15
Design label and packaging design	4/1/15	5/1/15
Identify markets for products	4/1/15	5/1/15
Develop agreements with Lone Tree Foods to broker product throughout Iowa and Nebraska using online ordering system	4/1/15	5/1/15
Coordinate with producers, transportation, and processors to implement a cooperative processing schedule and identify intermediate cold storage location and resources	5/1/15	10/1/15
Hold demonstrations covering various pastured poultry topics for producers	5/1/15	6/1/16
Produce layout plan for new processing facility	6/1/15	12/1/15
Coordinate quarterly follow-up meetings with member producers	6/1/15	9/1/16
Monitor processing schedule	6/1/15	9/1/16
Complete implementation guidebook for adoption by the cooperative and to share with other organizations	10/1/15	9/1/16
Train technician to visit farms and ensure member producers are employing agreed-upon production standards after grant funds expire	12/1/15	9/1/16

Plum Creek Farms near Burchard, NE:

- USDA-certified facility
- Can do organic
- All air-chilled
- Can process up to 1,000 birds per day. Would prefer a minimum of 700 to make it worthwhile.
- \$2.50/bird
- Packaging would cost more but needs more details before he can give an estimate.
- Harlan to Burchard is 146 miles (290 roundtrip) from Harlan to Burchard.
- LFPP grant budgets \$2,400 for refrigerated truck lease plus \$600 for liability insurance for two years (2015 and 2016).
- Also includes \$11,800 for commercial freezers.

Air-chilled vs. Water-chilled:

Water-chilled birds are put in highly-chlorinated water for about an hour. Birds soak up some water, which can affect their weight and taste. Because they are in the same water, there is risk of cross-contamination, but chlorination helps kill bacteria. Uses a lot of water but less electricity than air chilling.

Air-chilled birds are sprayed with chlorinated water and hung on a track in cold air for a few hours. Does not add water weight, and less chlorine is used. Because they are not in the same vat of water, there may be reduced risk of cross-contamination. Requires less water but more electricity than water chilling. Typically costs more and takes more time but supporters believe it is safer and tastes better.

Current Poultry/Grazing Publications from ATTRA

Poultry

- Alternative Poultry Production Systems and Outdoor Access - IP300
- Arsenic in Poultry Litter: Organic Regulations - IP266
- Growing Your Range Poultry Business: An Entrepreneur's Toolbox - IP211
- Label Rouge: Pasture-Based Poultry Production in France - IP202
- Legal Issues For Small-scale Poultry Processors - IP199
- Meat Chicken Breeds for Pastured Production - IP256
- Organic Livestock Feed Suppliers Database - IP171
- Organic Poultry Production in the United States - IP331
- Organic Poultry Production: Providing Adequate Methionine - IP363
- Parasite Management for Natural and Organic Poultry: Blackhead in Turkeys - IP372
- Parasite Management for Natural and Organic Poultry: Coccidiosis - IP245
- Pastured Poultry Budgets: Slow Growing Broiler and Organic Comparisons - IP361
- Pastured Poultry Nutrition and Forages - IP453
- Pastured Poultry: An HPI Case Study Booklet - IP161
- Pastured-Raised Poultry Nutrition - IP227
- Poultry Basics Tipsheet - IP489
- Poultry House Management for Alternative Production - IP308
- Poultry: Equipment for Alternative Production - IP295
- Range Poultry Housing - CT125
- Ratite Production: Ostrich, Emu & Rhea - CT087
- Small Poultry Processing Plants and Services Database
- Small-Scale Egg Handling - IP348
- Small-Scale Poultry Processing - IP231

Grazing and Organic Publications

- A Brief Overview of Nutrient Cycling in Pastures - IP221
- Assessing the Pasture Soil Resource - IP128

- Converting Cropland to Perennial Grassland - IP244
- Integrating Livestock and Crops: Improving Soil, Solving Problems, Increasing Income - IP 475
- Multispecies Grazing - CT147
- Pasture, Rangeland, and Grazing Management - IP306
- Pastures: Going Organic - IP297
- Pastures: Sustainable Management - IP284
- Rotational Grazing - IP086
- Guide for Organic Livestock Producers - IP228
- Organic System Plans: Livestock Production - IP342