



What's At Stake?

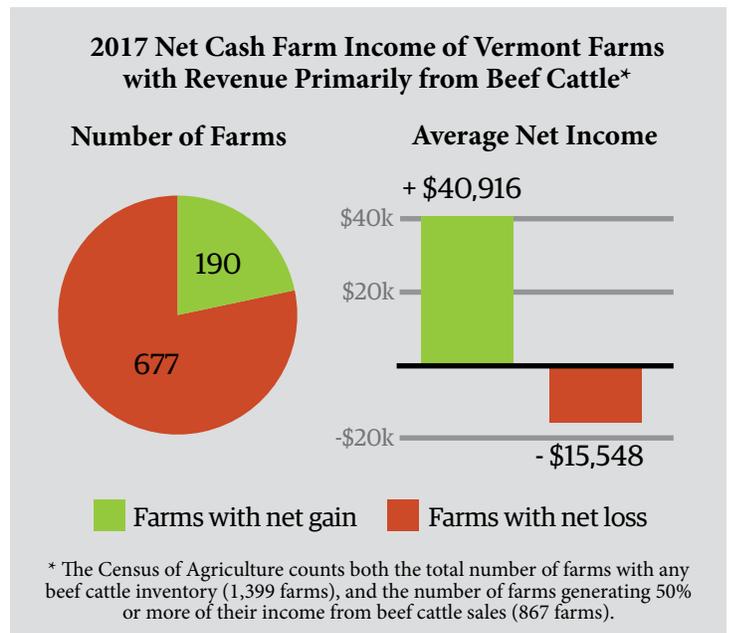
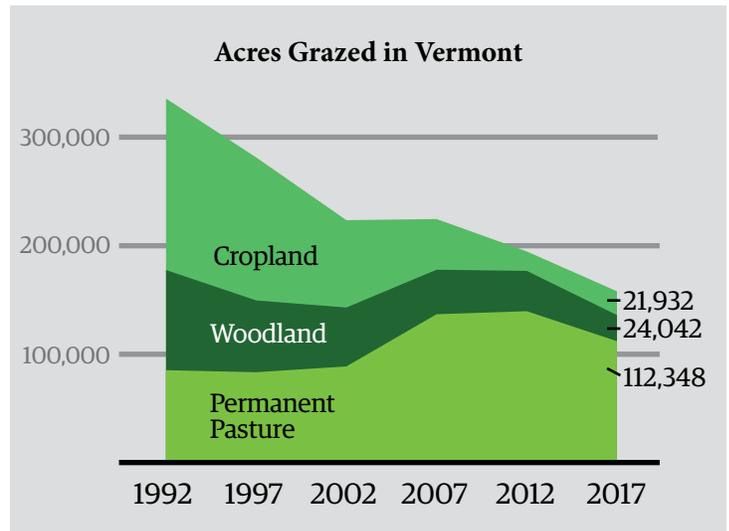
The market for beef labelled “grass-fed” has been growing quickly across the nation, from \$17 million in 2012 sales to \$272 million in 2016 sales.¹ Adding value through a production system and/or marketing label can bring higher prices paid to the farmer, and potentially higher farm profitability overall. That said, with increased demand comes increased national and international competition as well as a heightened need to improve Vermont beef genetics and grazing management in order to create year-round quality and consistency for local and regional wholesale markets. Beef represents an exciting opportunity for young and aging farmers, whether animals are grass- or grain-finished in Vermont or sold live into larger regional outlets, but will require focused coordination in order to grow within regional markets and maximize profitability and the benefits to Vermont’s farm economy.

Current Conditions

Grass-fed beef is experiencing a rising demand from consumers regionally, nationally, and internationally. Vermont is well positioned to serve grass-fed beef market demand in the Northeast, as we are able to grow grass at times of the year when other parts of the country experience drier conditions due to climate change-induced droughts, and because additional acreage could be converted from corn and hay that had been serving the dairy industry into grassland for beef production.

In 2017, Vermont had 1,399 beef cattle farms with more than 15,000 animals, a 37% increase over 2012. When managed well, grass-based beef and other livestock farms have been shown to increase soil fertility, improve water quality, sequester carbon, encourage biodiversity of soil microbes and wildlife, encourage farm profitability and farmer quality of life, produce high-quality meat with increased beneficial nutrients, and preserve a working landscape that enhances Vermont’s visual attraction to visitors and residents.

While offering the above benefits², the way that grass-based beef has historically been produced has been challenging financially for producers. Vermont beef farms often manage a complete birth-to-death cycle, raising animals through one or two winters, which requires expensive winter feed (i.e., hay) that deeply affects profitability. Slaughter and processing plants are financially strained by the seasonality of demand for their services. Additionally, the limited availability of less-expensive cattle feed (such as grass), genetic variability, speed of weight gain, and wide differences in grazing management skills can cause inconsistent quality in the meat eating experience.



Bottlenecks & Gaps

- Beef production requires large amounts of capital to get started, outside of the cost of acquiring land.³
- There are longstanding cultural expectations among farmers and consumers that farmers must manage every stage of the beef life cycle, regardless of farm size, production system, or skill set.
- There is a need to balance importing animals from other U.S. regions, in order to improve genetics for weight gain in forage-based systems, with the necessary protections to track animal movement and reduce the spread of disease.
- We need grazing management practices that produce the most profitable beef.
- The lack of a clearly defined, USDA-recognized “grass-fed” beef label outlining specific production practices, ingredients, and/or attributes creates inconsistency in the eating experience.

Opportunities

- Young and beginning farmers with a strong managed-grazing skill set want to enter the livestock industry.
- Aging farmers, particularly dairy, beef, and crop farmers, are retiring without defined successors (see *Succession* brief).
- Semi-retired dairy farmers with existing infrastructure can utilize their stored feed and manage beef in winter.
- Regional partners are coordinating sales of Vermont cattle into the regional system, are identifying skilled “grass-finishing” farmers, and are collecting packaged beef from farms with shared production methods to market under specific brands, using technological approaches to transparency of labelling and improved consumer education.
- Crossbreeding dairy and beef cattle for export to specialized markets may increase the value of dairy calves and meet consumer demand.

Recommendations

- Develop a multi-year benchmarking/tracking program with beef production methods (high and low-intensity grazing management, grain-finished and grass-finished), markets (regional auction, aggregator-mode, direct sale, etc.), and profitability levels in order to assist farmers in making better business decisions.
- Establish financial support for shared-learning cohorts of beef producers in business planning and management programs. In addition, make grant opportunities available to Vermont graduates of Ranching for Profit, particularly participants in the benchmarking program.⁴
- Actively develop stronger beef-dairy partnerships to reduce feed and housing costs, share overhead expenses, and increase appropriate market channels for dairy beef as a complementary product.
- Create a targeted education and outreach program to improve beef quality and grazing management for all types of beef production, particularly for grass-finished markets, and to increase consistency to serve larger urban markets. Combined with this program should be improved matching of target markets to beef quality, land/soil quality, and grazing skills. Currently, staff capacity in this area is minimal and program establishment would require new funding.
- Identify and expand opportunities along the regional value chain focused on grass-based production. Models outside of our region include examples of shared services such as breeding technicians, veterinarians serving a cohort of partnering farms, co-owned equipment, and discounted rates on larger purchases of feed or supplies.

Farm to Plate is Vermont’s food system plan being implemented statewide to increase economic development and jobs in the farm and food sector and improve access to healthy local food for all Vermonters.

The Vermont Agency of Agriculture, Food & Markets (VAAFMM) facilitates, supports, and encourages the growth and viability of agriculture in Vermont while protecting the working landscape, human health, animal health, plant health, consumers, and the environment.

This brief was prepared by:

Lead Author: Jenn Colby, *UVM Center for Sustainable Agriculture*
Contributing Authors: Chip Morgan, *Vermont Beef Producers Association* | Meghan Sheradin, *Vermont Grass Farmers Association* | Kevin Channell, *formerly of the Intervale Center*
Marc and Cheryl Cesario, *Meeting Place Pastures*.

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