

VERMONT FOOD SYSTEM PLAN PRODUCT BRIEF



PRODUCT:
Meat: Slaughter, Processing, and Products

What's At Stake?

It is critical to support Vermont's slaughter and processing industries in order for Vermont's 3,600¹ livestock and 256 poultry producers to meet consumer demand in local and regional markets. Slaughter, processing, and farm production of livestock for meat are interdependent. For example, unless processing services are expanded, slaughter capacity will not be maximized, and producers can't maintain or expand their operations, or capitalize on value-added products. Job growth over multiple sectors will be hindered without industry expansion, but additional workforce training is needed to develop the highly skilled employees who could support industry growth. The COVID-19 pandemic exposed weaknesses in the national meat supply chain that may open up additional regional market opportunities for the Vermont meat industry.

Current Conditions

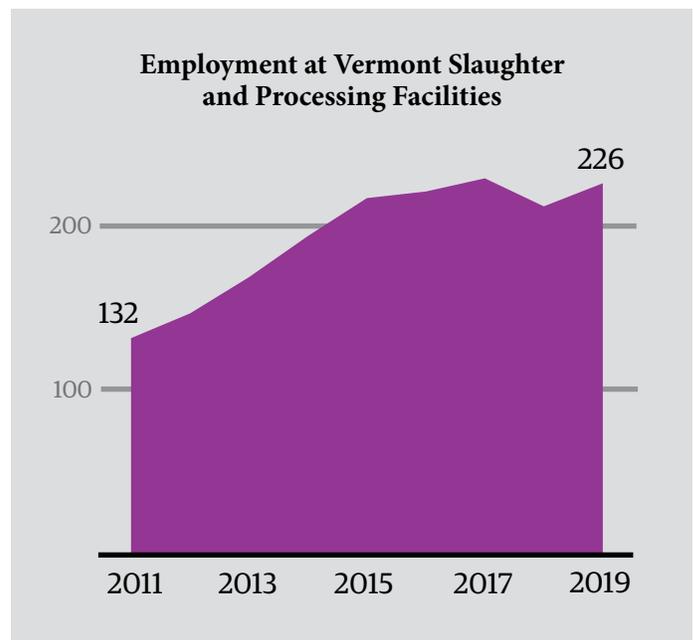
Vermont has 170 commercial operations offering slaughter, processing, wholesale distribution for livestock products, and animal food manufacturing, as well as 1,700 retail outlets (for a more in-depth look at poultry processing, see *Poultry* brief). Vermont-inspected and USDA-inspected facilities process carcasses into primal cuts or individually labeled packages for wholesalers and retailers (including small farms). Wholesale distributors market these cuts to retail outlets (e.g., restaurants, grocery stores). Shipping carcasses or primal cuts to retailers which have cutting operations increases the efficiency of the inspected facilities. Vermont regulations restrict specialty processes such as curing and smoking at the retail level, however, Vermont developed a variance program in which documentation addressing food safety hazards allows for a regulatory waiver, increasing market opportunities for these products.

Since 2005, overall meat slaughter and processing facilities have gradually expanded, and quality has improved, but more work is needed. New facilities in Lyndonville and Springfield are offering services that had been extremely limited across the state (e.g., curing, smoking, cooking). Expansion of the goat dairy industry, and rising demand for sheep and goat meat, increases the need for small ruminant slaughter, but most slaughter facilities concentrate on beef and pork due to better profit margins and higher demand. As expansion occurs, skilled workers are at a premium. Limited available technical training, working conditions, occupational hazards, knife skills, wages, and physical demands make it difficult to find and keep skilled help.

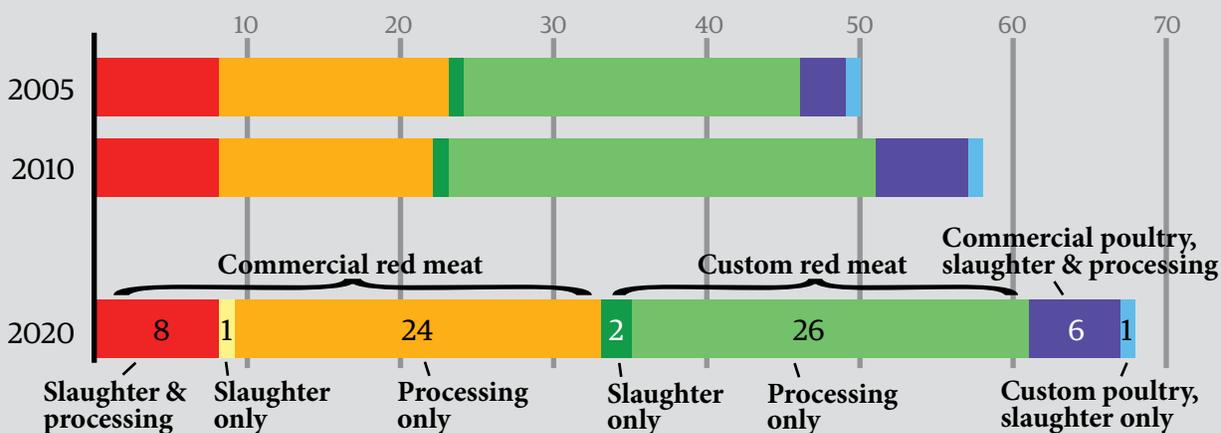
Higher costs associated with small-scale livestock raising, slaughter, and processing make it difficult to find lucrative markets within Vermont. Recent legislative changes exempting on-farm slaughter from inspection

were intended to assist small farmers. When livestock is pre-sold to consumers, then on-farm slaughter is allowed, but the practice has had limited growth.²

Consumer demand for locally produced meats rose during the COVID-19 pandemic, due in part to fear of food shortages, news of closures at national plants, and food safety concerns. Most commercial slaughter and processing facilities now operate at full capacity and wait times for additional processing slots can be several months. This can inhibit producers at all scales from meeting the growing consumer demand for their meat.



Number of Inspected Slaughter and Processing Facilities in Vermont



Slaughter

Current Conditions

Vermont has seven USDA-inspected, two state-inspected, two custom (i.e., acceptable facilities, no daily inspection, product labeled Not for Sale), and several exempt on-farm operations, all providing slaughter services to producers in Vermont and out of state. Most plants slaughter one to three days per week and also provide processing services. Some aggregate carcasses from multiple producers for larger orders or distributing for further processing under a label or to retailers. Some participate in more stringent third-party audits required by markets such as Whole Foods.

Bottlenecks & Gaps

- It is difficult to find and keep qualified staff, especially those with adequate stunning skills.
- Seasonality, the expense of providing health insurance, and an inconsistent quantity of livestock all impact the business viability of slaughter plants.
- A producers' lack of knowledge about inspection or regulations, or inadequate business planning, increases burdens on slaughter facilities.
- There is a shortage of facilities which slaughter sheep and goats.
- Additional financial and technical assistance for waste management and control is needed.

Opportunities

- Expanding slaughter to include small ruminants and Islamic Halal inspection can increase workload consistency, access to niche local and regional niche markets, and full-time employees.
- When exempt slaughter operations transition to state or federal inspection it increases profitability, available services, and Vermont meat sales.
- When farmers increase their herd size or act as contract growers supplying slaughterhouses with consistent numbers of animals each week, it expands the supply of Vermont meat.
- Small farmers can utilize the expanded on-farm slaughter exemptions.

Processing

Current Conditions

Vermont has 26 inspected and 24 custom meat-processing facilities. Most focus on processing their own products but are able to do private label, although few do so for small-volume producers. The larger facilities have equipment for streamlined efficiency and additional forms of processing. Few in-state facilities exist for producers who want to meet the growing consumer demand for value-added cooked and dry or semi-dry sausages (hot dogs, kielbasa, salami, etc.).

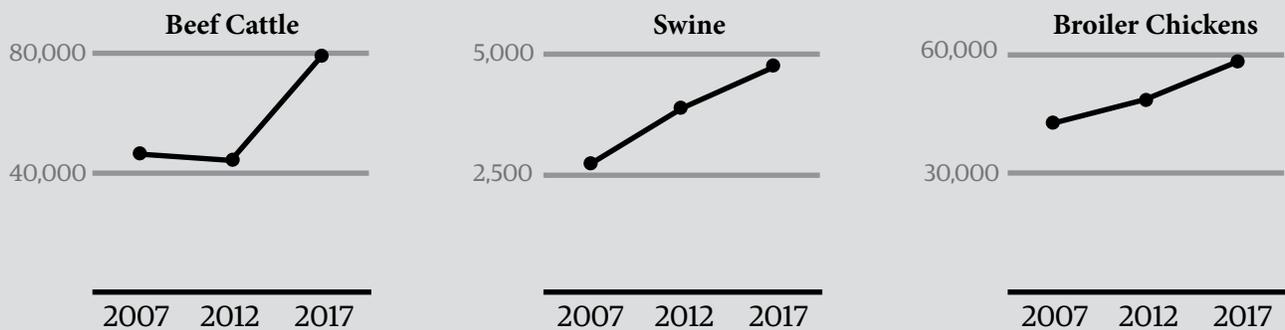
Bottlenecks & Gaps

- Limited value-added processing and co-packing options restrict market opportunities for small producers.
- There are not enough employees trained in safe production and handling of meat.
- Educational programs are limited, and expensive due to the high cost of raw materials for hands-on training.
- If the producer's paperwork for animal welfare and other label claims is lacking at time of inspection, the label cannot be applied, the producer will not be able to sell the product to the anticipated market, and relationships and finances suffer.

Opportunities

- Farmers and food manufacturers have access to Inspected co-packing operations can create new staff positions to provide consulting services concerning food safety, labeling claims (e.g. grass-fed), and marketing for producers, or, to assist slaughterers, processors, and producers in understanding regulatory requirements, thereby streamlining operations.
- Inspected incubator kitchens provide producers with opportunities to test products and expand.
- Processors are allocated 40 hours for inspection at no charge, so custom processing after hours can extend employment opportunities.

Total Vermont Inventory of Select Species of Meat Livestock



Products

Current Conditions

Local hams and bacon continue to be popular. Farmers and processors are also increasing profits and capitalizing on consumer interest with value-added processing, turning “utility cuts” (e.g., shank meat) into products like salamis and fresh artisanal sausages, though higher production cost limits the markets in Vermont. Consumer interest in humanely raised and labeled products presents marketing opportunities, but these claims require documentation and traceability from the farm to the package.

Bottlenecks & Gaps

- The lack of in-state operations capable of complex processing for large brands and small company private labeling limits expansion and job growth.
- Many producers do not have enough animals to start a processed product line.
- Many producers lack the marketing expertise to promote processed products.
- When producers lack marketing skills for utility-cut products, it causes a backlog of unsold product.
- The required food safety documents for whole muscle curing (e.g., whole ham prosciutto) are difficult to obtain, as they are considered proprietary information by those who developed the recipes.

Opportunities

- Rising consumer interest in sausages (cured or uncured, cooked, dry or semi-dry, etc.) encourages processors to expand capabilities to include smokehouses, ovens, and aging chambers.
- Restaurants are able to create menu offerings from cuts normally considered utility cuts (e.g., shanks).
- Many cuts typically ground (e.g., chuck) can be utilized for additional value-added products.
- Collaborative marketing between processors and producers for claims like “Small Batch,” “produced by...” etc., on specialty products can differentiate one producer from another.

Summary

The continued growth of local meat production depends on sufficient well-operated inspected slaughter and processing establishments, and producers understanding their co-dependency with these establishments. Federal inspection allows for widespread distribution of meat products, and incubator kitchens (e.g., Mad River Food Hub) have helped producers to start businesses and graduate to their own processing facilities, expanding production within Vermont. However, the small scale of producers, cost of raw product and further processing, labeling, etc., often drives prices higher than Vermont residents can or are willing to pay. Across all operations, lack of a qualified, properly trained workforce also hinders expansion. Solving the bottlenecks in the industry should be a priority as we look to expand the agricultural economy in the state.

Recommendations

- Establish a position to educate meat producers on all aspects of the inspection system requirements as well as general information to be aware of when contacting establishments for contract work, such as Hazard Analysis Critical Control Points (HACCP), humane handling, labeling, and packaging for both slaughter and processing. This position could also help inspected operations understand requirements of third-party audits for facilities, quality control, and animal welfare. One FTE recommended at UVM Extension. Cost: \$100,000.
- Subsidize existing food safety training courses for operators, their staff, and prospective entrepreneurs, and the academic and technical tuition cost for workforce development. Offer curriculum for marketing so producers can determine what market approach is right for their farm (i.e., direct marketing, contract growing, wholesale, carcass sales, etc.). Costs depend on the number of attendees and length of study.
- Develop an interactive business directory for slaughter and processing in Vermont which would include slaughter and processing schedules and available dates at facilities, trucking days, services offered, etc., in a regularly updated and searchable format. Producers could utilize the directory, which would improve communication and lead to efficiencies, helping operators to operate full days instead of multiple partial days. Costs to establish the directory and maintain it will need to be determined.
- Continue to support the development of clear guidelines for wastewater disposal and composting operations with Vermont Agency of Agriculture, Food and Market's (VAAFAM) Water Quality division and the Vermont Agency of Natural Resources. Develop funding to assist with construction of systems.
- Continue to support the growth of VAAFAM Meat Inspection and Agricultural Development programs, which help expand Vermont products into the national marketplace and develop consumer education and public awareness campaigns around the steps involved in getting meat products from farm to table. Suggested: two FTE positions, estimated cost: \$200,000.

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 (VAAFAM) 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.

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