



New England Beef to Institution Marketing Study

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Goals

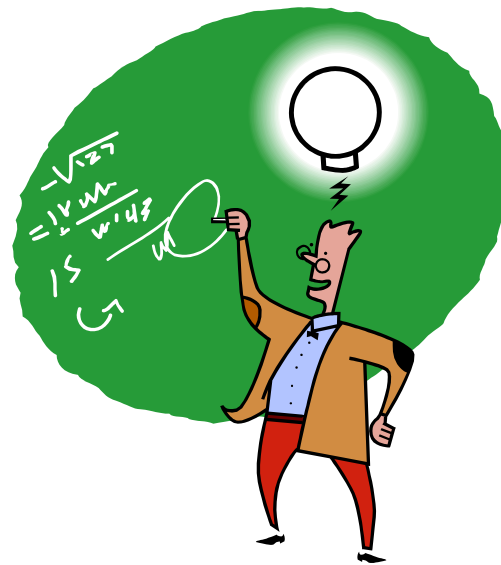
- ✓ Assess demand for regionally grown ground beef
- ✓ Analyze logistics & infrastructure
- ✓ Evaluate feasibility
- ✓ Propose a model





Methodology

- Background Literature Review
- Data gathering
 - Institutional Buyers
 - Food Service Providers
 - Producers
 - Processors
 - Distributors

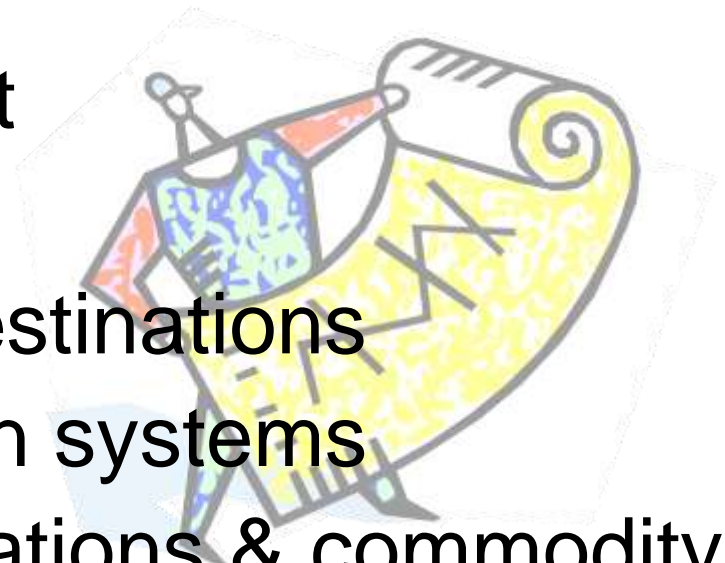




Literature Review

Topics covered:

- Local food movement
- Feasibility studies
- Dairy culls - use & destinations
- Local food distribution systems
- State & federal regulations & commodity purchasing





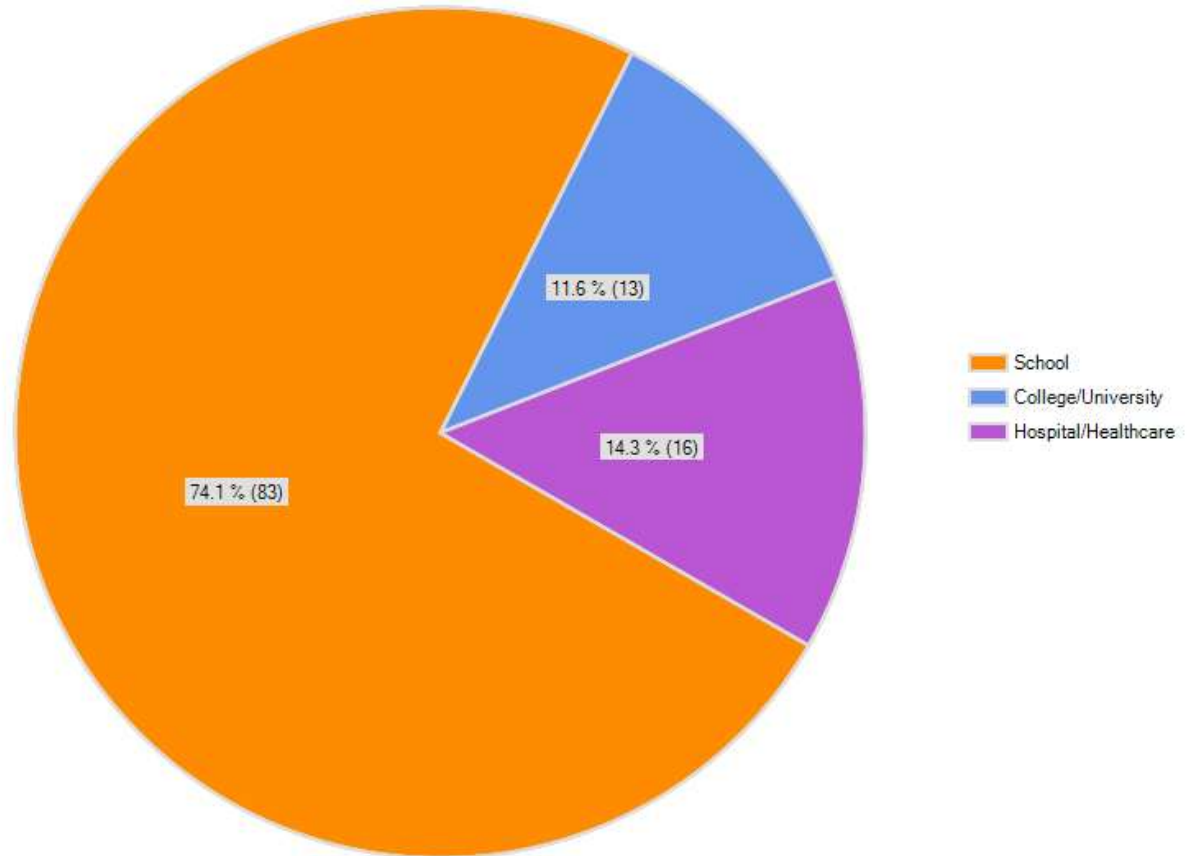
Institution Sampling

	Population	Sample Size	Sample Size (units)	Sample Size % of Population
K-12	2,160,676	878,560	286	41%
Higher Ed.	907,479	431,987	70	48%
Hospital	43,566	11,305	47	26%

Sources: ProximityOne, American Hospital Association, research collaborators

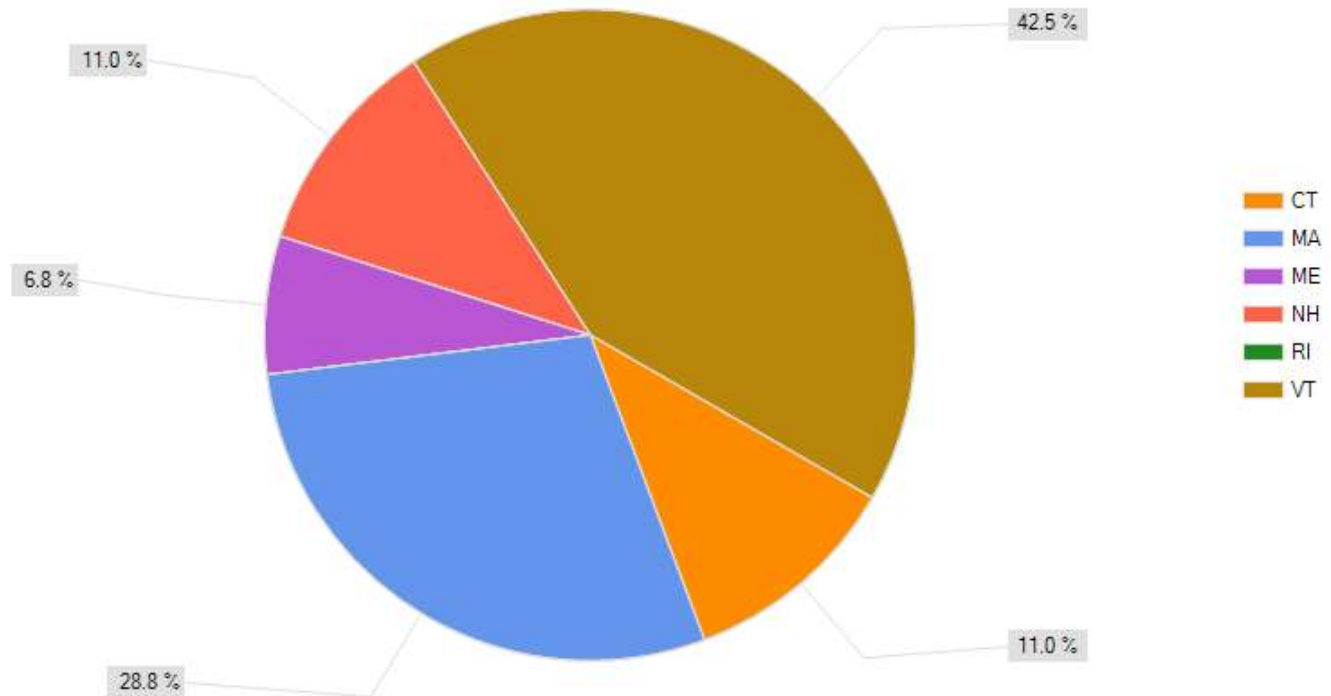


Institution Response Representation





Institution Response State Representation





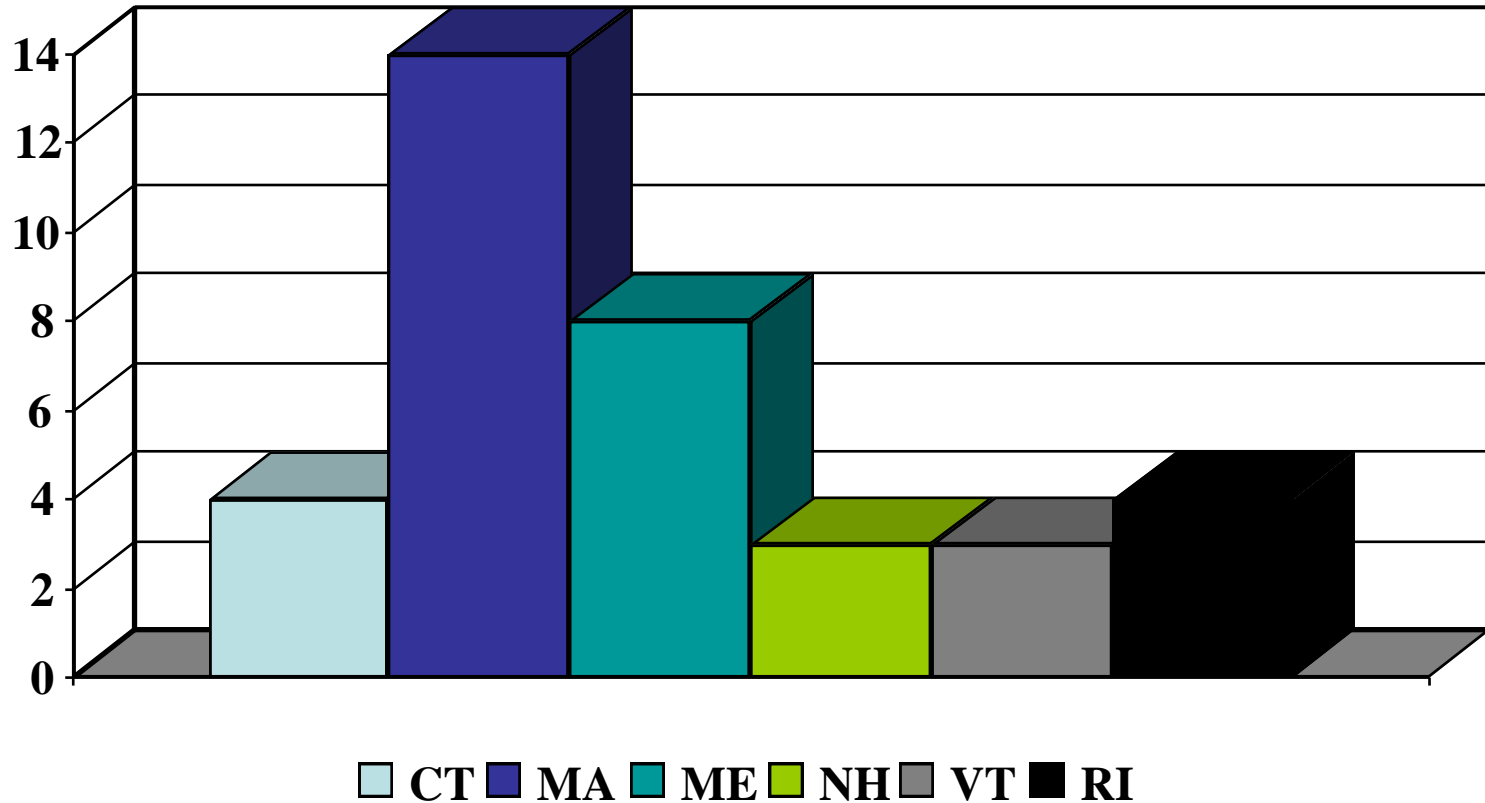
Producer Sampling

	Dairy Farm Population	Dairy Cow Population	Total Cattle (Dairy & Beef) Population	Sample Size Beef	Sample Size Dairy
CT	109	19,000	49,000	2	2
MA	101	14,000	40,000	18	13
ME	308	32,000	90,000	18	5
NH	131	15,000	34,000	5	7
RI	13	1,100	4,900	5	4
VT	1016	135,000	270,000	2	7
Total	1678	216,100	487,900	50	38

Sources: *keepfarmslocal.org, NASS, Research collaborators*



Producer Response State Representation



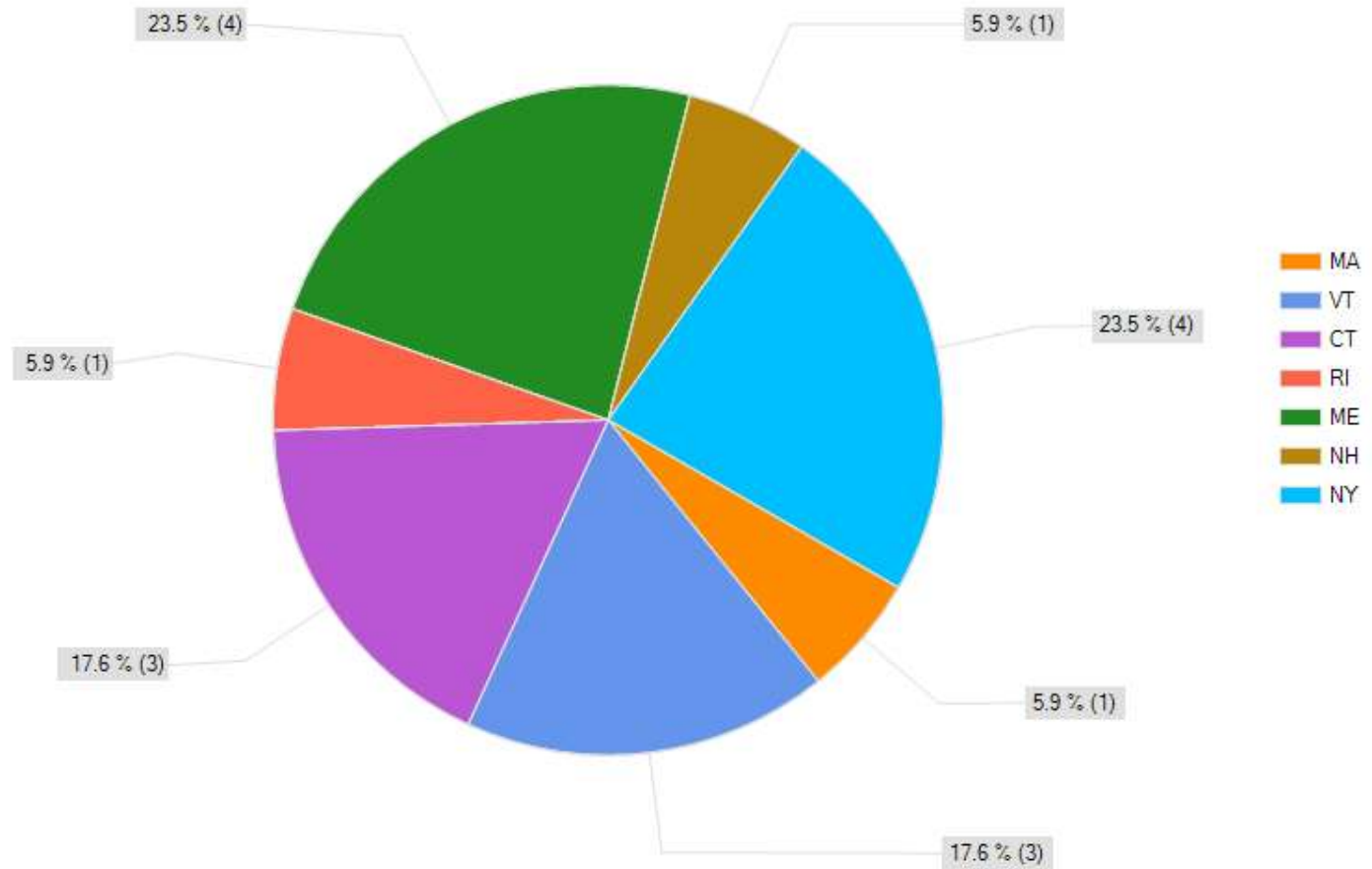


Processor Sampling & Response

- USDA Certified
- New England and New York
- 34 surveys via phone
- 50% response rate
 - 17 responses



Processor State Representation



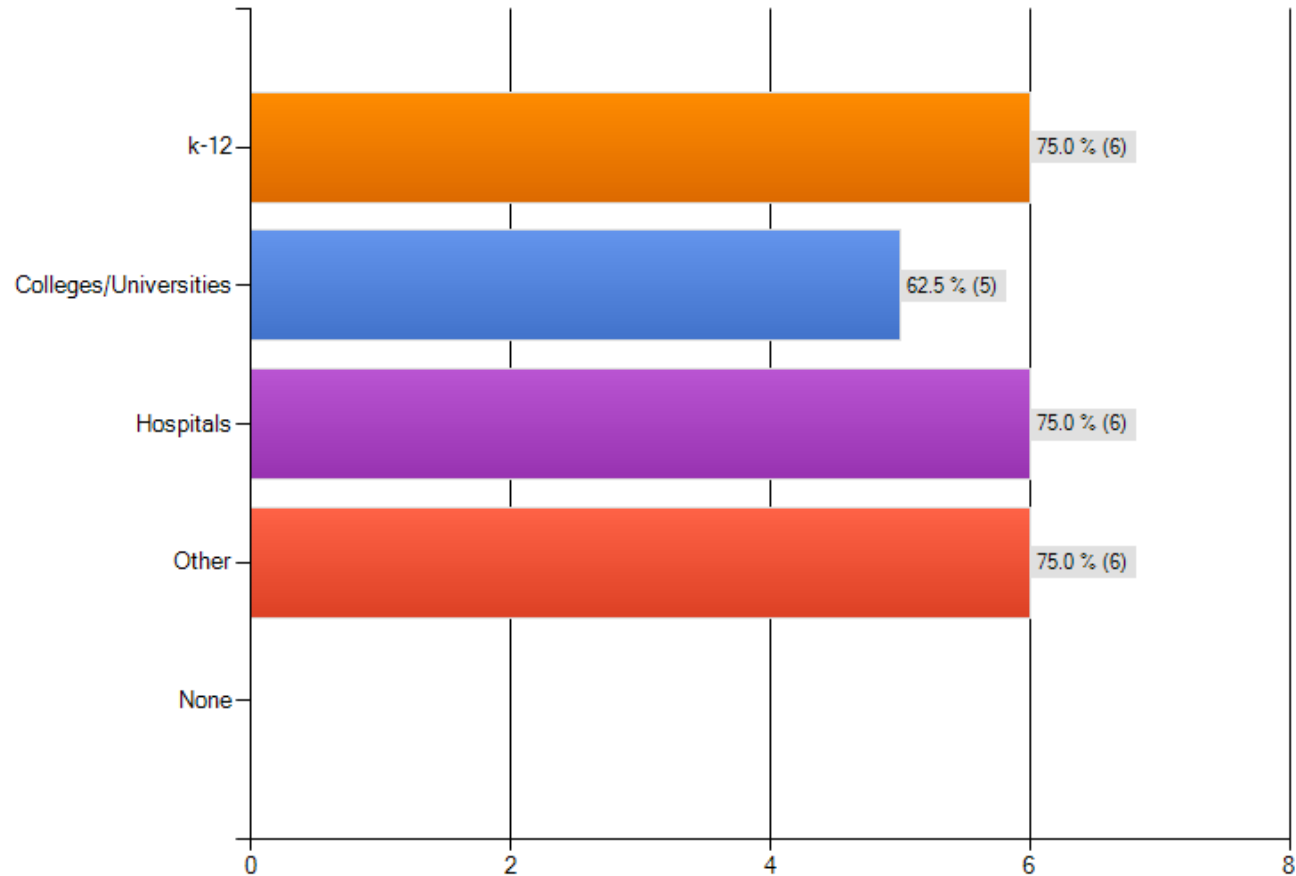


Distributor Sampling & Response

- Small to Multi-national
- Every state had at least one distributor surveyed who serviced them
- 16 surveys via phone
- 50% response rate
 - 8 responses

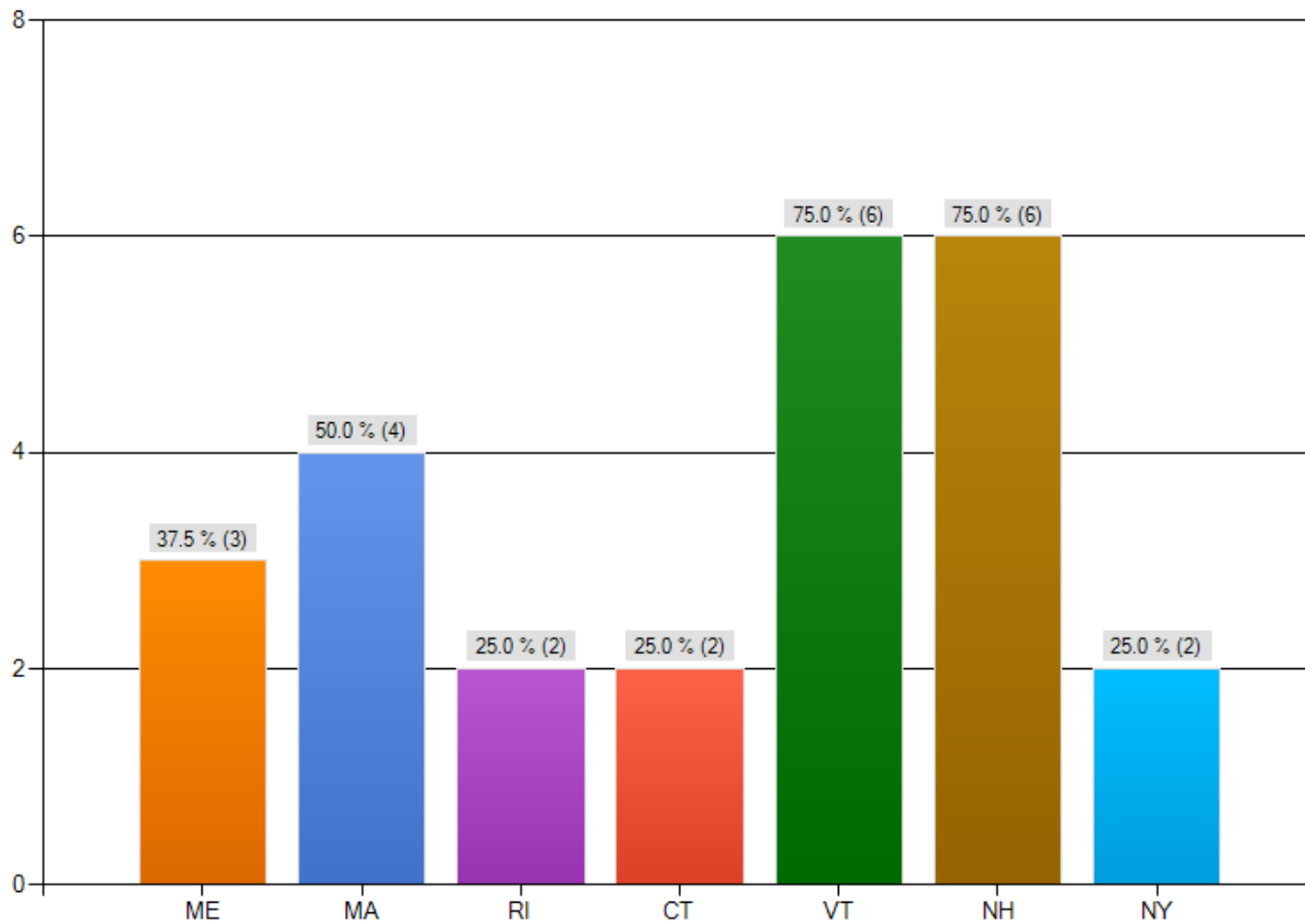


Distributor Response - Institution Serviced





Distributor States Serviced

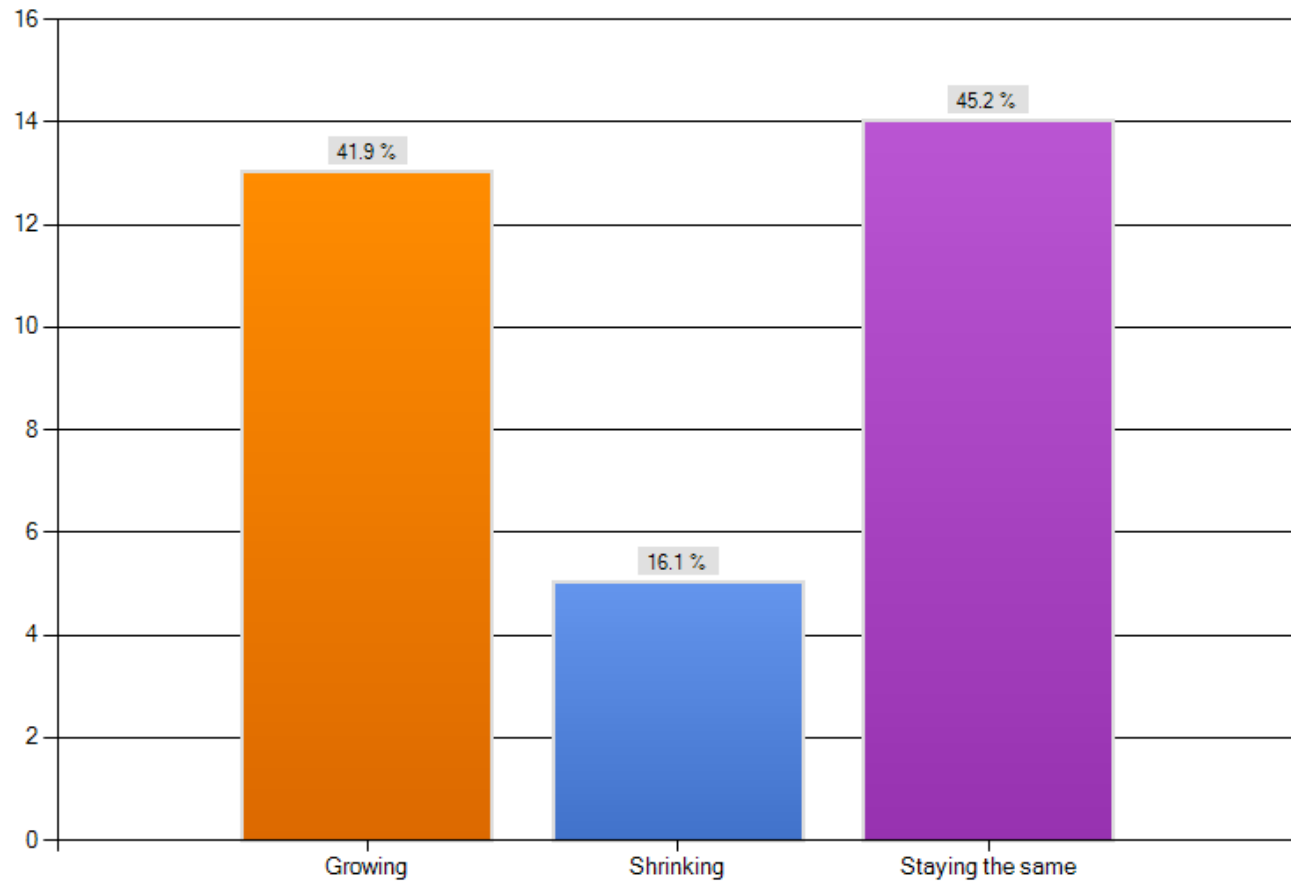






Producers

Do you foresee the size of your herd growing, shrinking or staying the same over the next ten years?



Average
Mature
Heads

Beef
89

Dairy
139



Producers

Culls Average:

Dairy = 27/farm/year

Beef = 2/farm/year

Type	Low	High	Avg.	Fair
Dairy	0.37	0.85	0.54	0.65
Beef	0.37	0.89	0.63	0.81

Perceived Weight

	Average Dairy Cull	Beef Cull
Live Weight:	1,304	1,130
Hanging Weight	568	671
Ratio of hanging to live weight	44%	59%

Interestingly, the processors perceptions were slightly different:

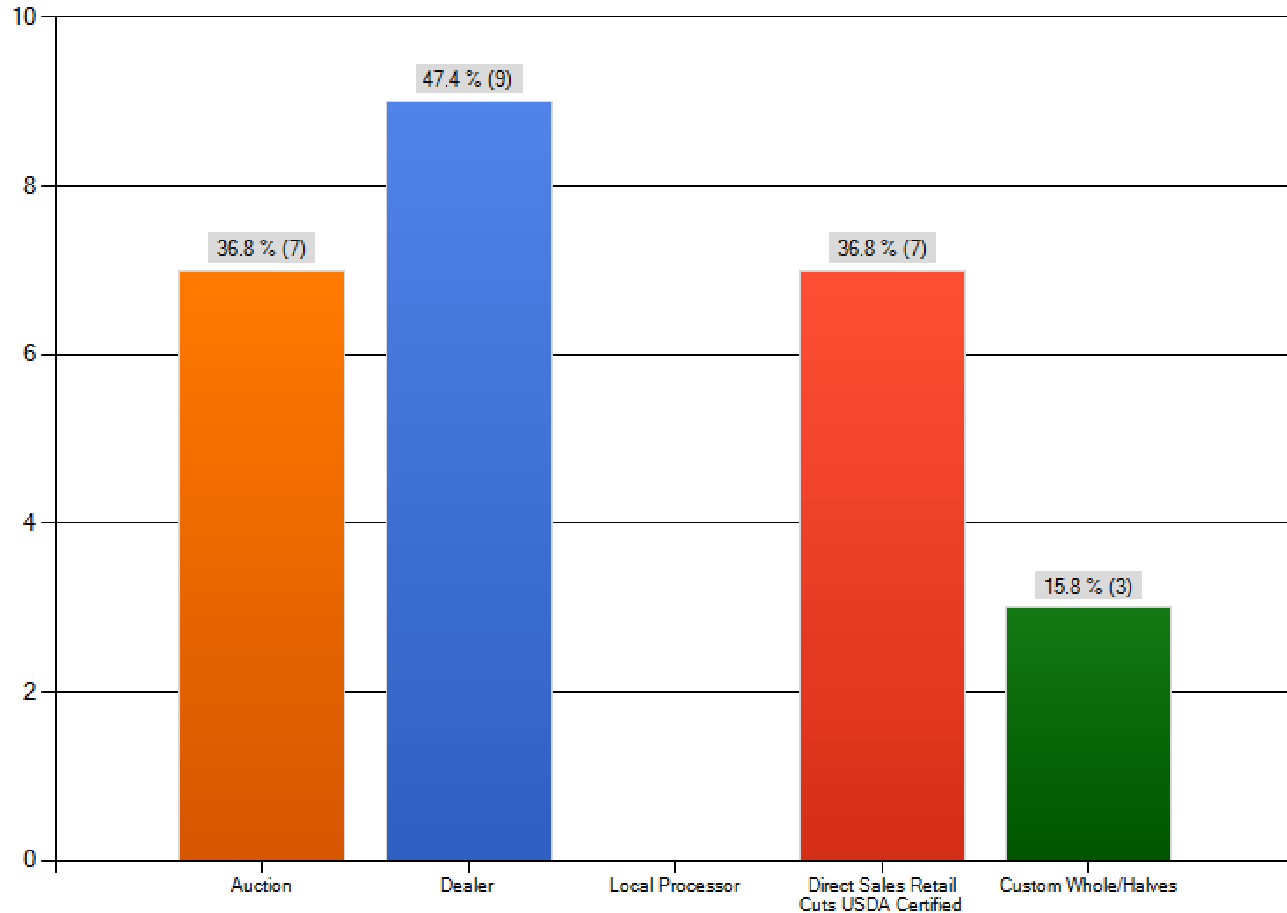
	Average Dairy Cull	Beef Cull
Live Weight:	1,214	1,250
Hanging Weight	640	623
Ratio of hanging to live weight	53%	50%



Producers

How do you currently sell your good cull dairy cows or non-freezer trade beef?

Dairy

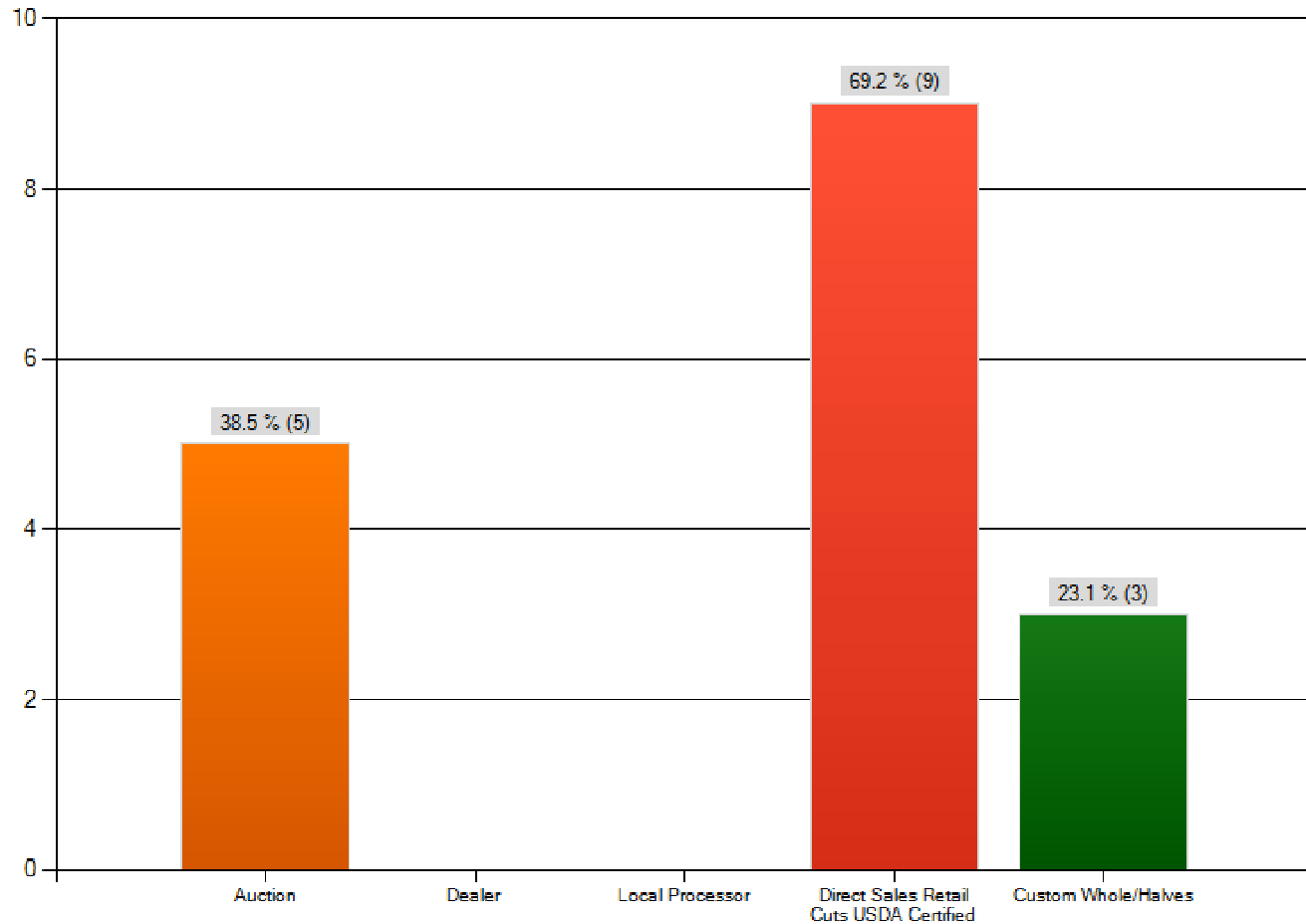




Producers

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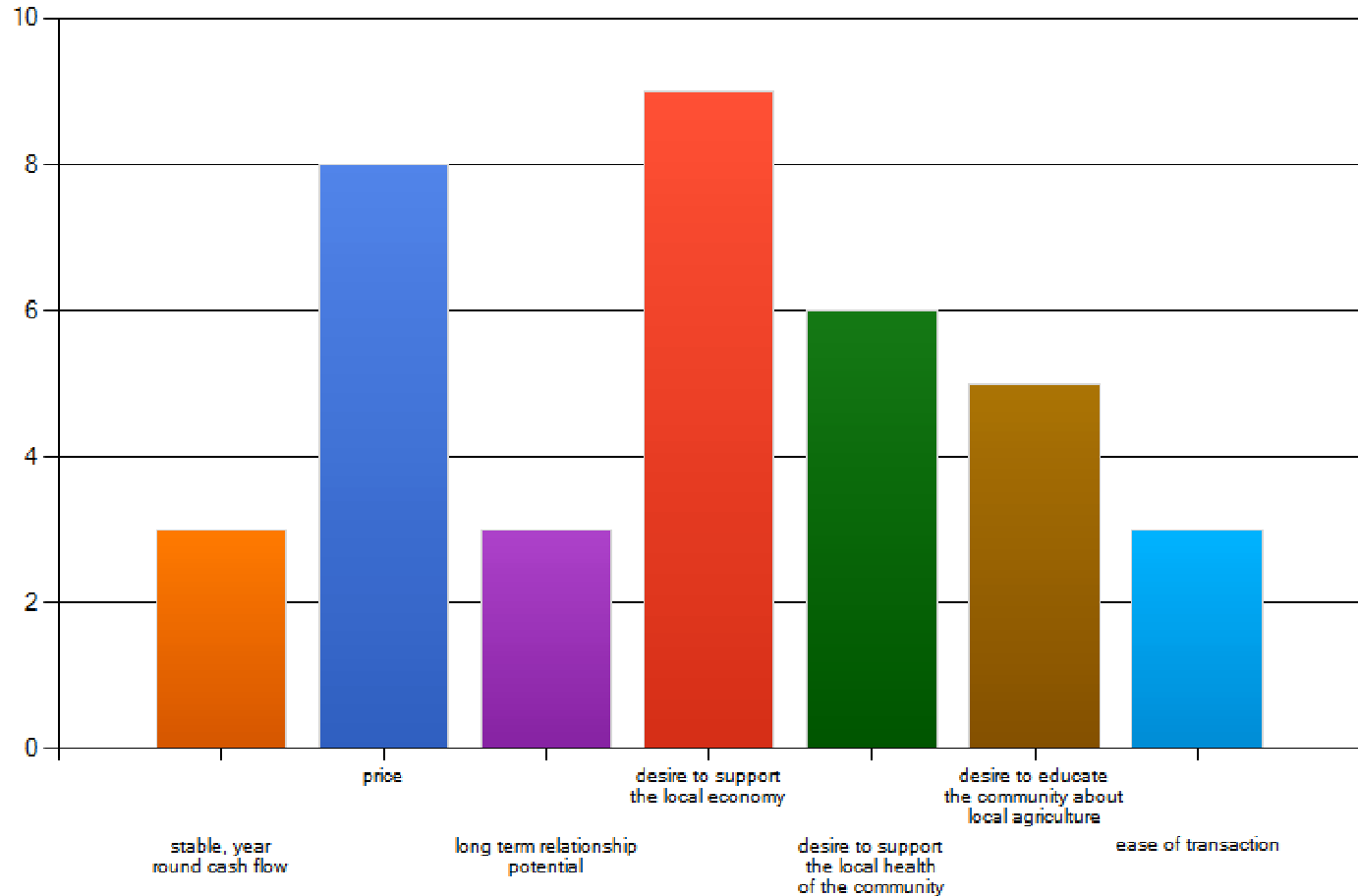
Beef





Producers Decision Making Factors

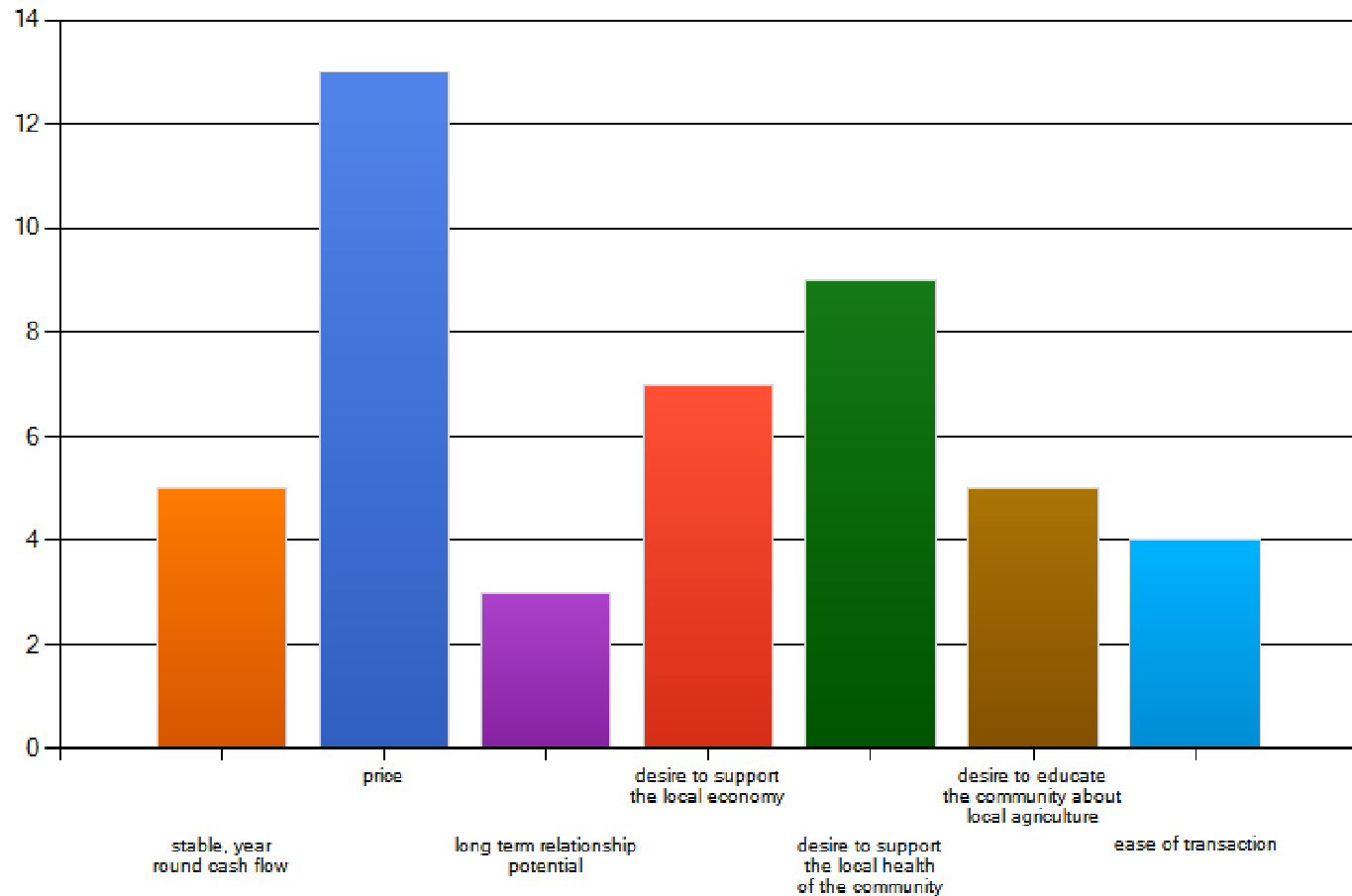
Beef





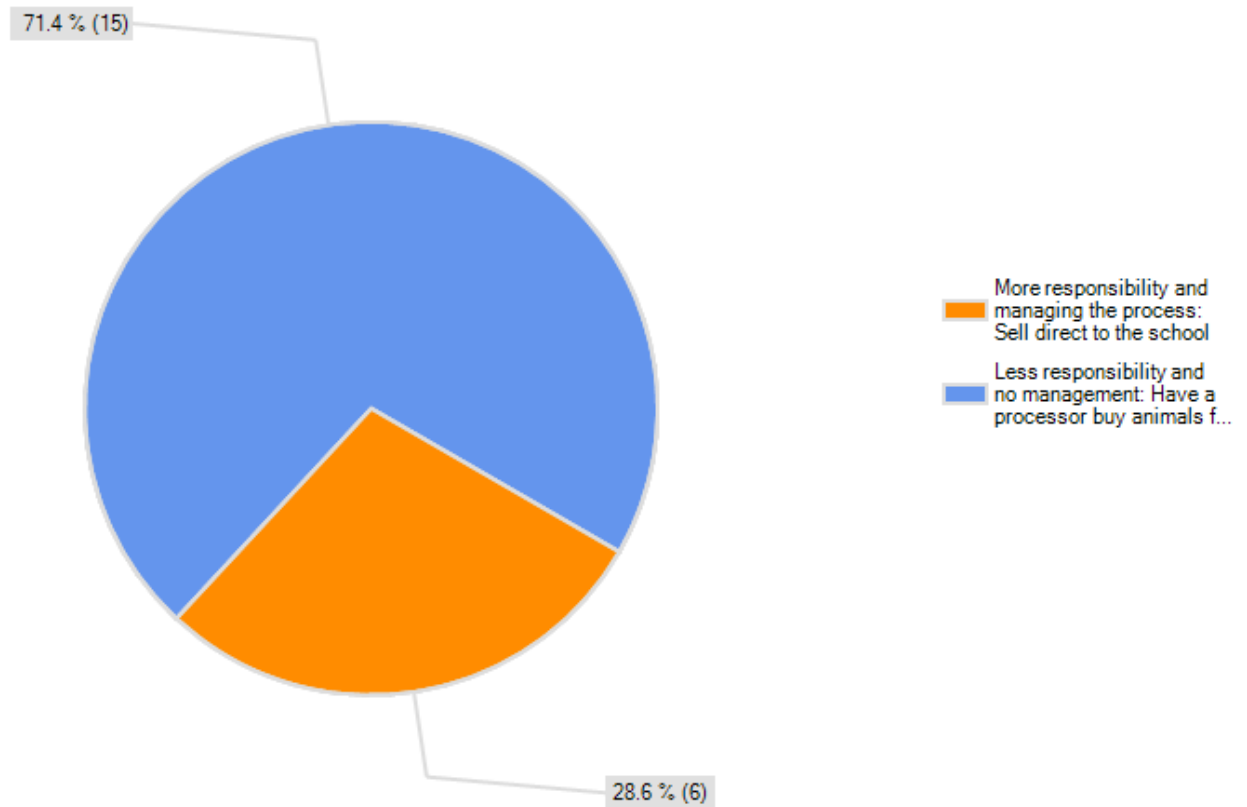
Producers Decision Making Factors

Dairy





Producers Involvement

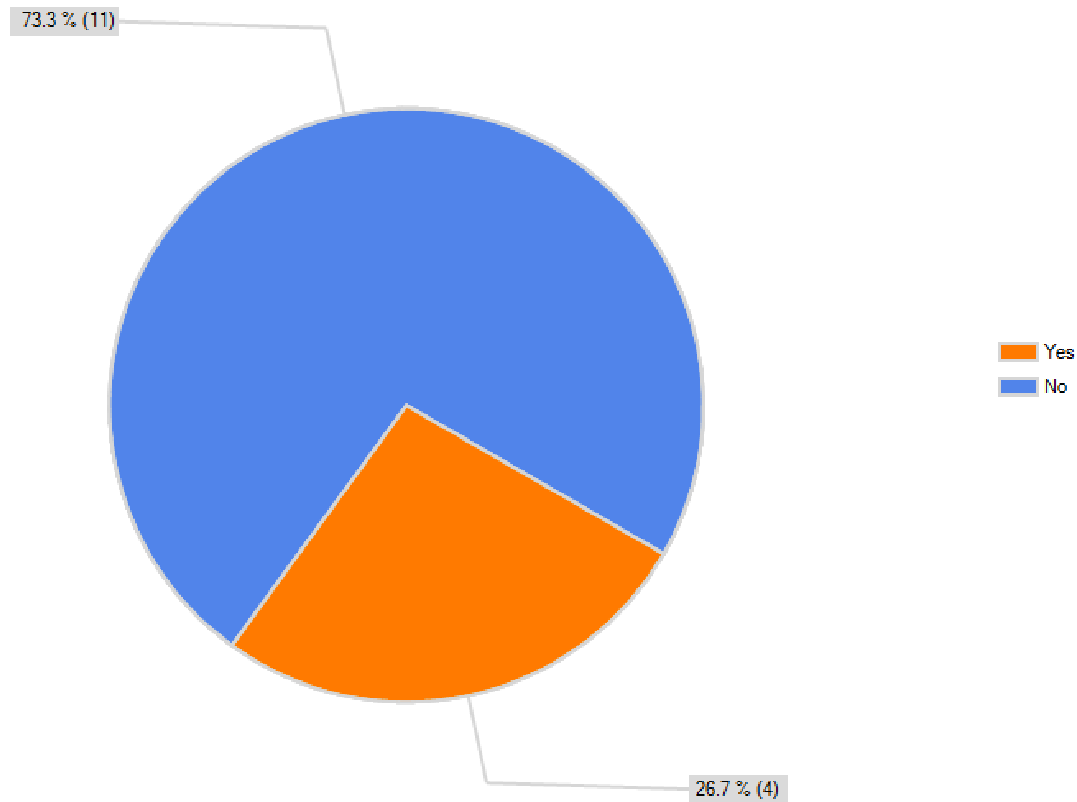






Processor

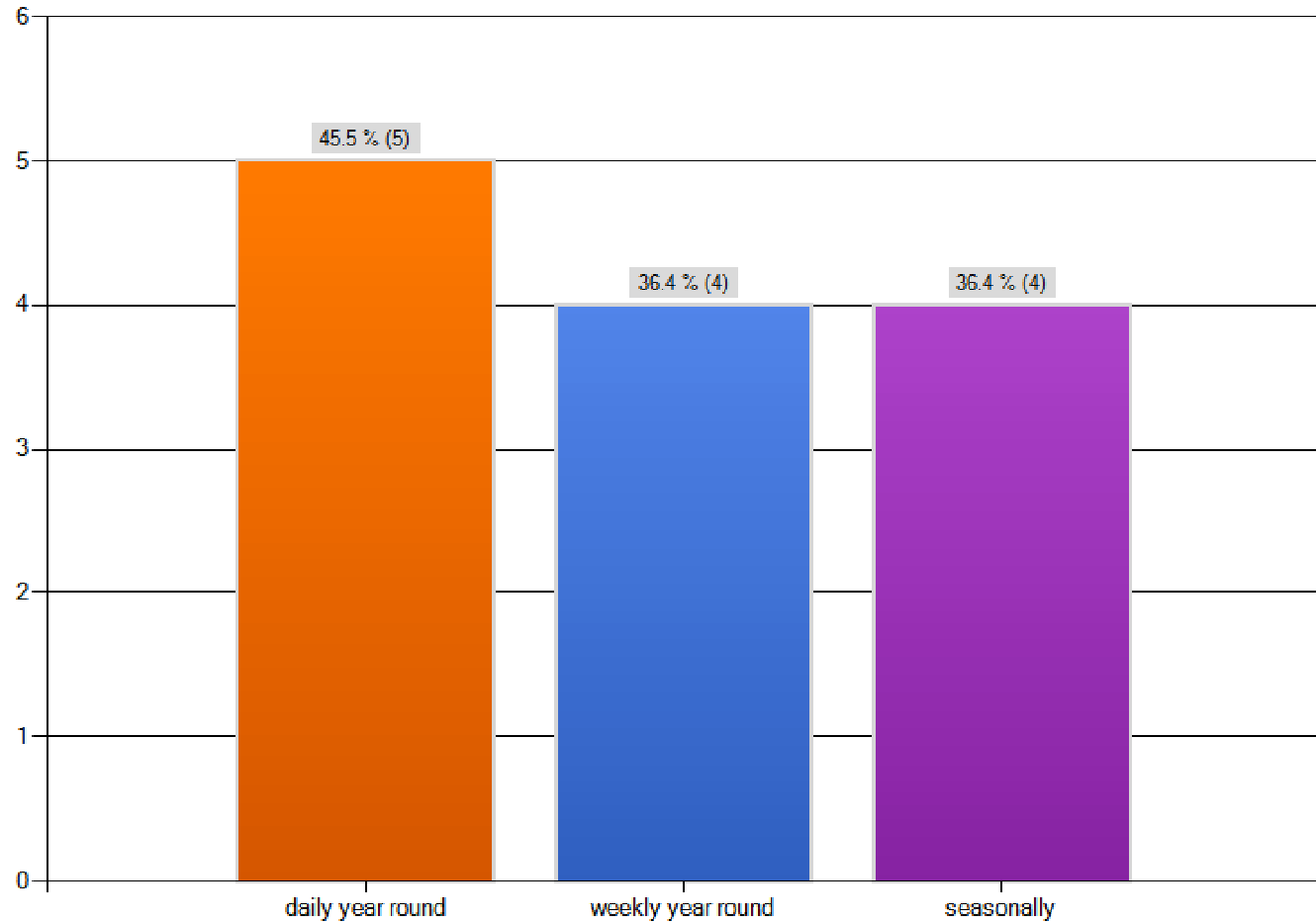
Is your facility operating at its full capacity?





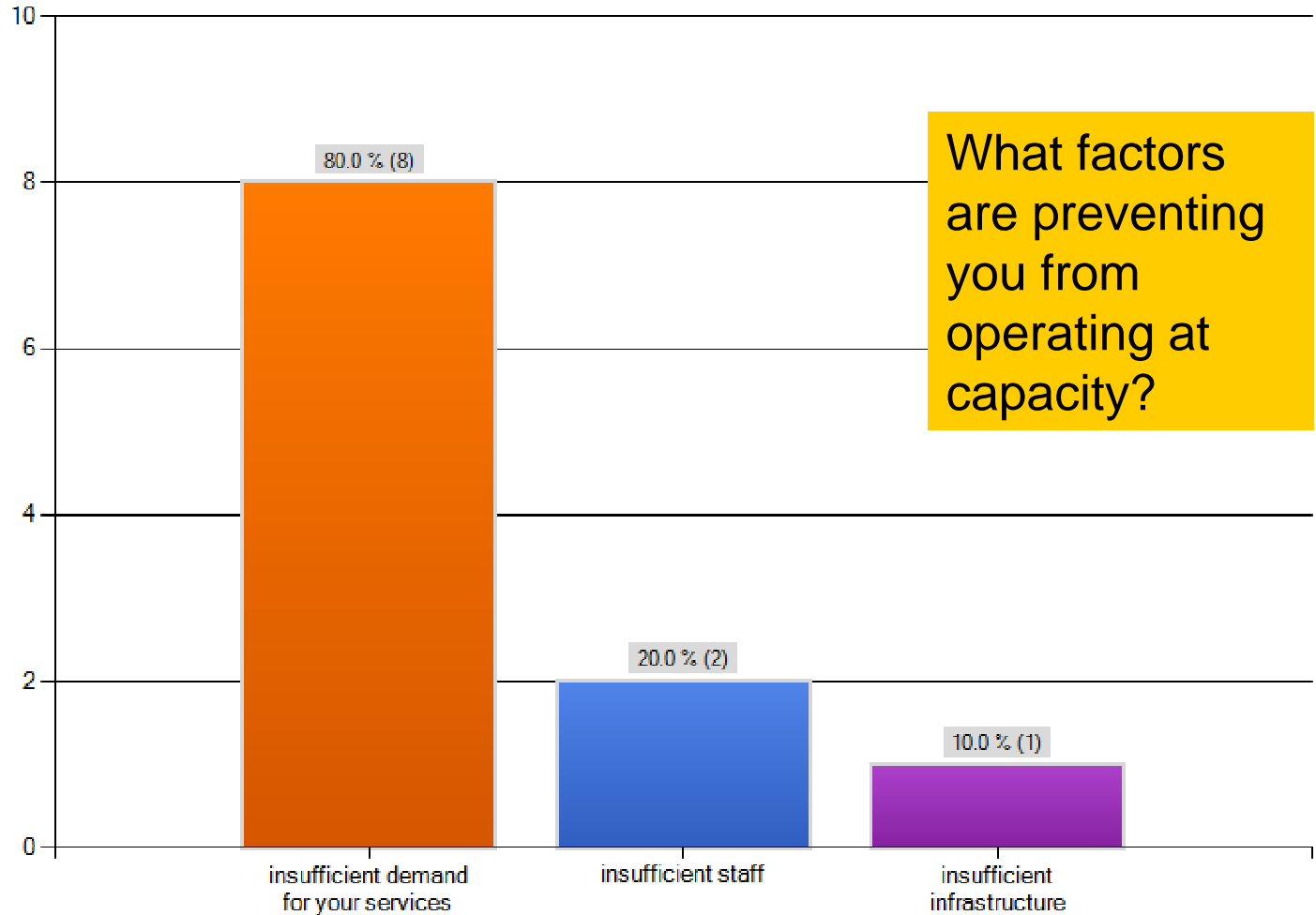
Processor

when is there opportunity to expand operations?





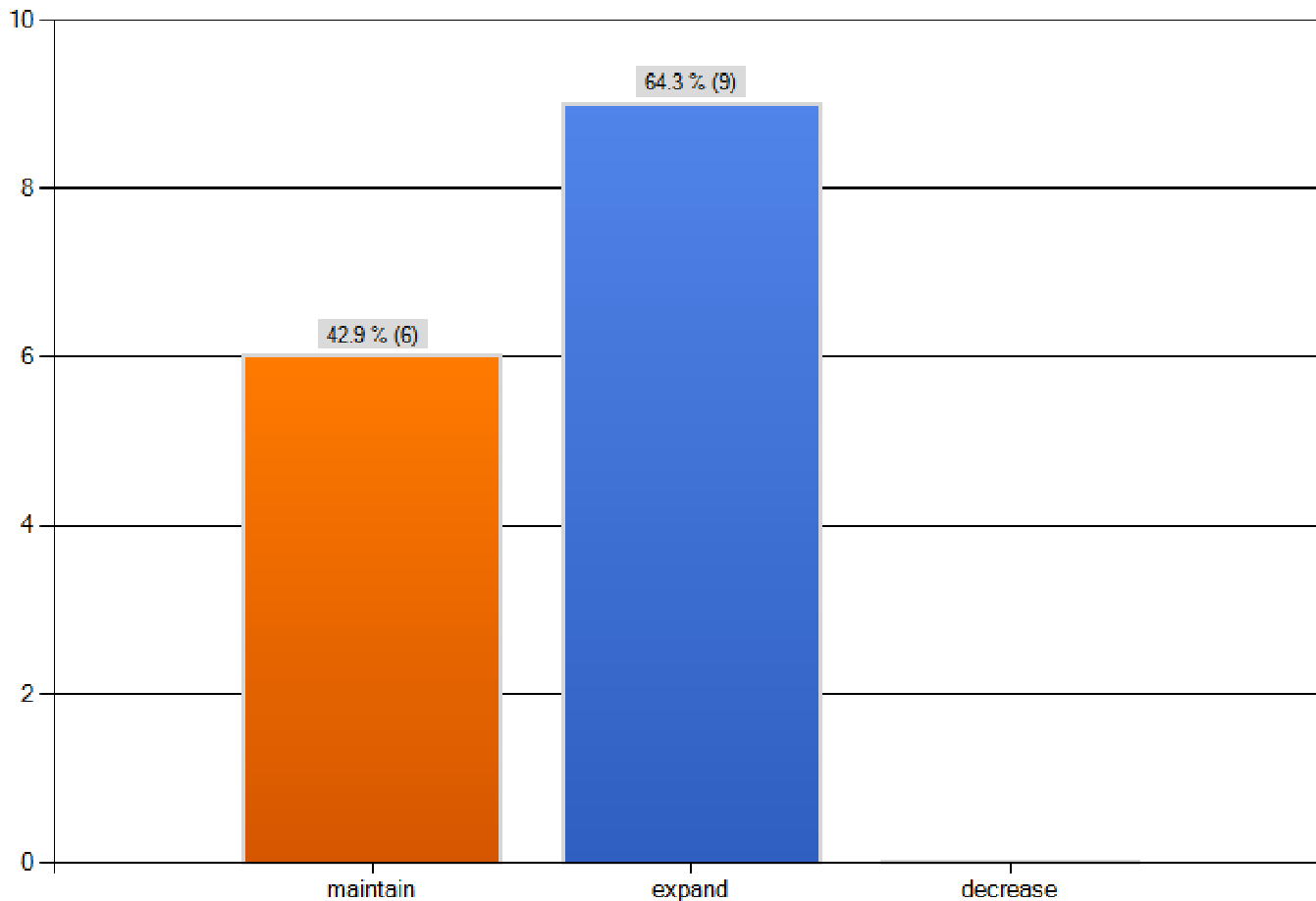
Processor





Processor

With respect to the size of your operation do you wish to maintain, expand, or decrease your current capacity?





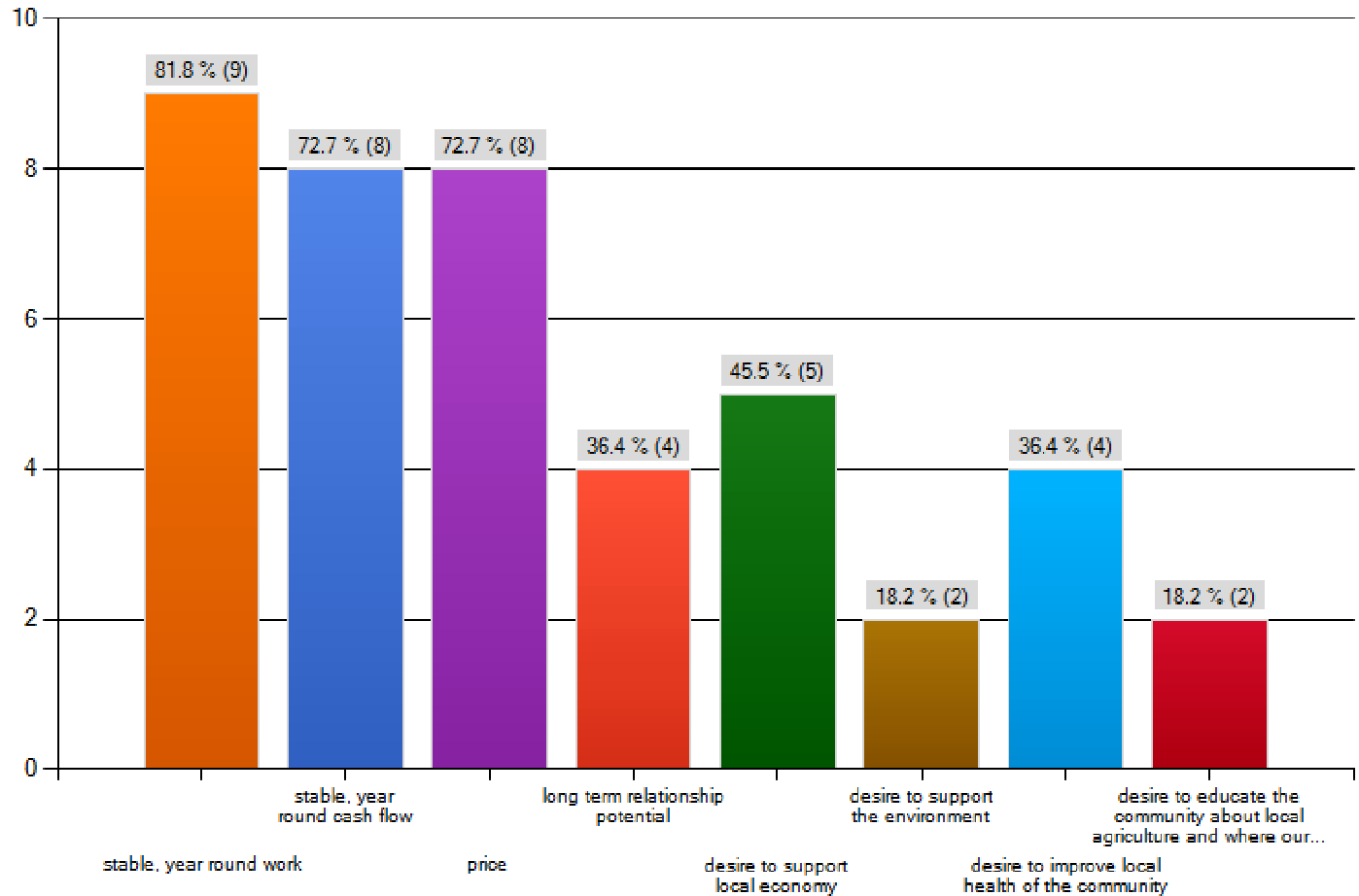
Processor Servicing Institutions

Processor	Processor Model	Producer Model	Local	Use Distributor
Baretta Provisions, CT	x			
Litchfield Locker, CT	x			
Herring Brothers, ME	x	x	x	x
Sanford's Butcher Shop, ME	x		x	
Royal Butcher, VT		x	x	
Westminster Meats, VT		x	x	x
VT Livestock & Slaughter	x	x	x	x



Processor

What is/would be the most important factors in making a decision to service the institutional ground beef market?

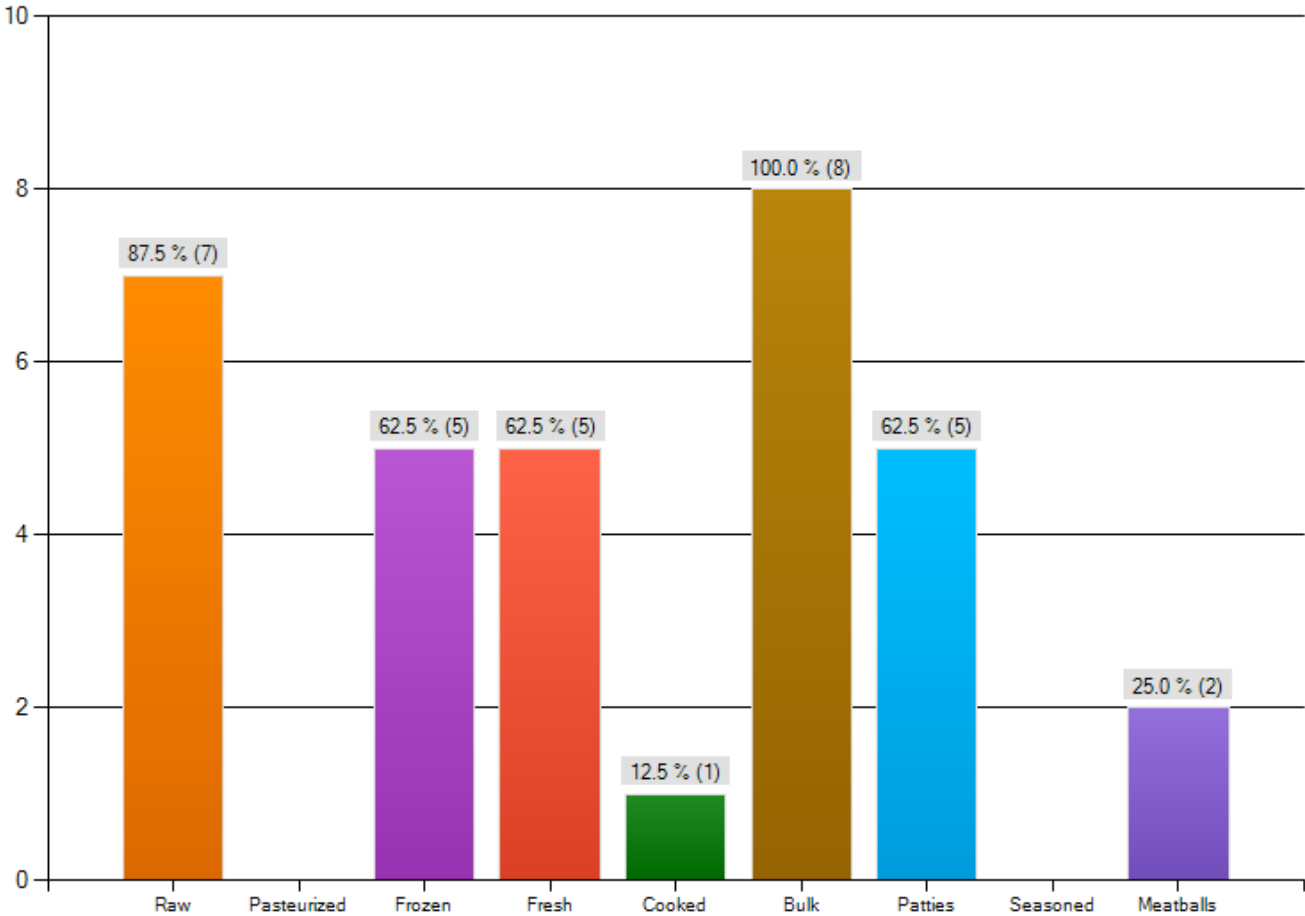






Distributors

What type of ground beef products do institutions buy from you?





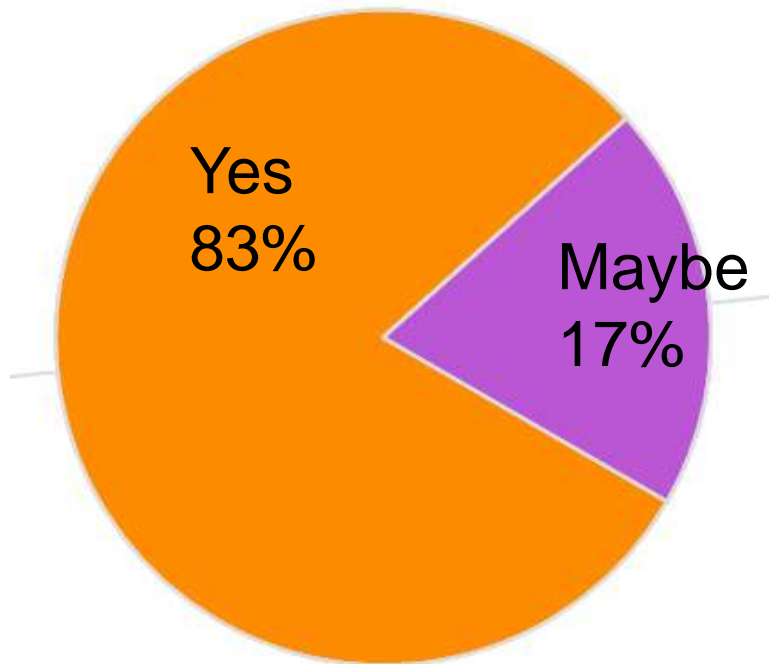
Distributors

Distributor	Institution	State	Product Form
Black River Produce	Higher Ed., Hospitals	MA, NH, VT	Raw, Frozen, Fresh, Bulk, Patties
Dennis Paper	All	ME	Raw, Fresh, Bulk, Patties
Donabedian Brothers	K-12	NH	Frozen, Bulk
Dole & Bailey	Higher Ed., Hospitals	CT, MA, ME, NH, VT, RI	Raw, Fresh, Bulk
D&S Distributors	K-12	VT	Raw, Frozen, Bulk
Reinhart	All	MA, NH, VT	Raw, Frozen, Fresh, Bulk, Patties, Meatballs
Sysco	All	All	Raw, Frozen, Fresh, Cooked, Bulk, Patties, Meatballs
Upper Valley Produce	All	NH, VT	Raw, Fresh, Bulk, Patties



Distributors

Requests for Locally Grown Beef?



NOW
7 of 8 Distributors
Selling Local, reaching
all 6 New England
States

Minimum volume
counted = 75,400+ lbs
Of Locally Raised Sold
in ME and VT



Distributors

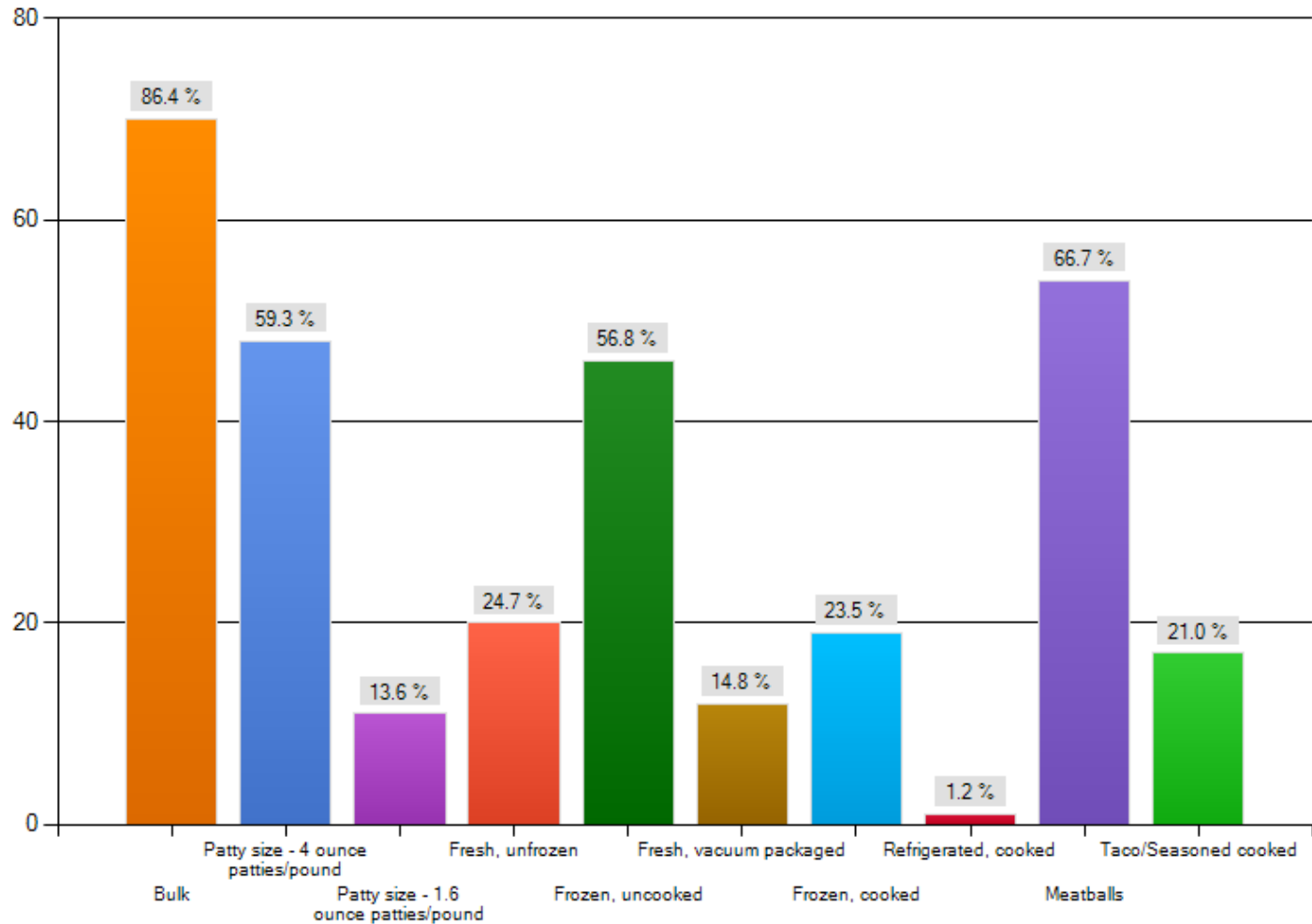
- Price
- Demand from buyers
- Access/Availability
- User Requirements
- Meeting guidelines for fresh ground
- Moving product
- Insurance requirements
- Private managed food service operations





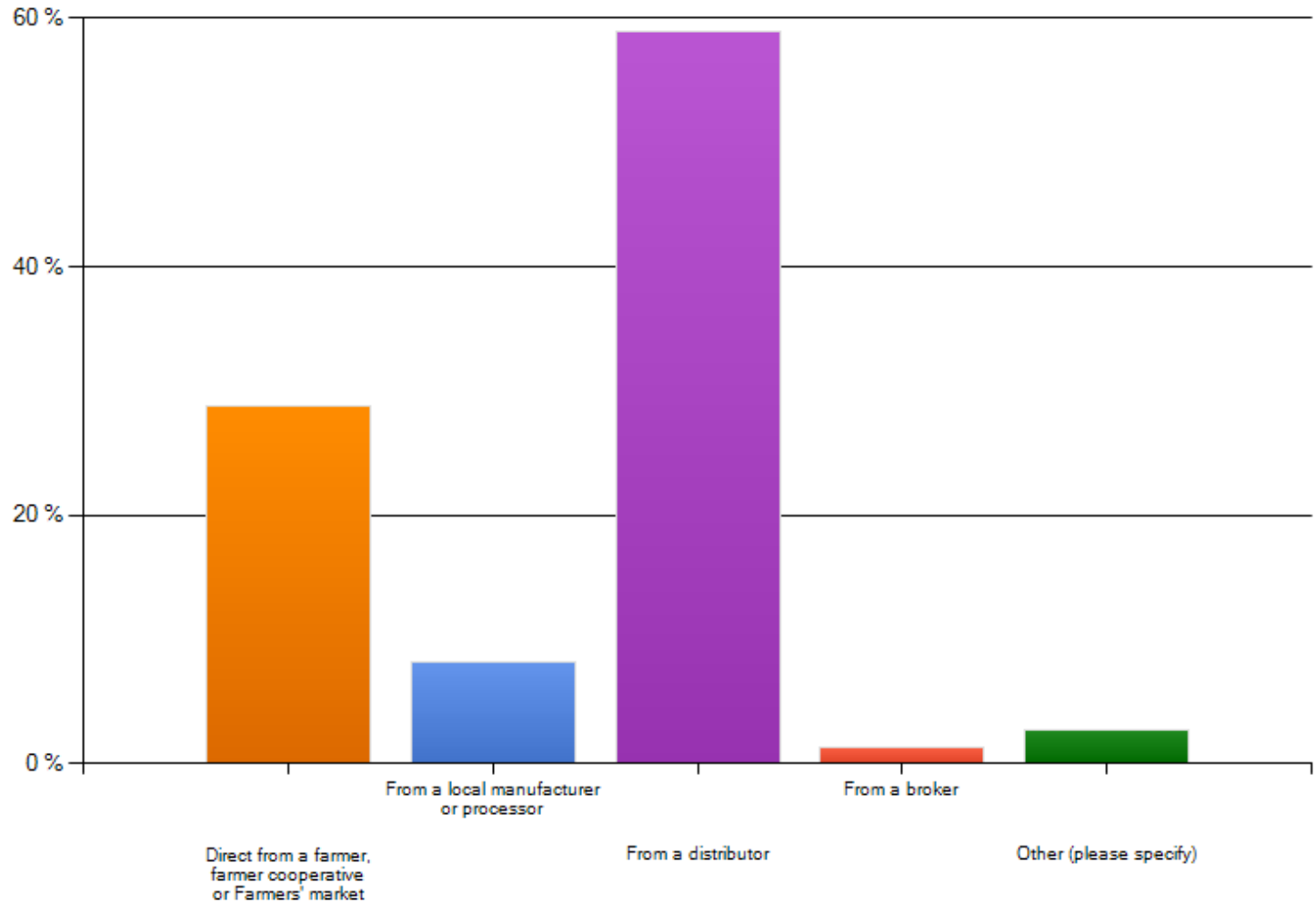


Institution Product Form



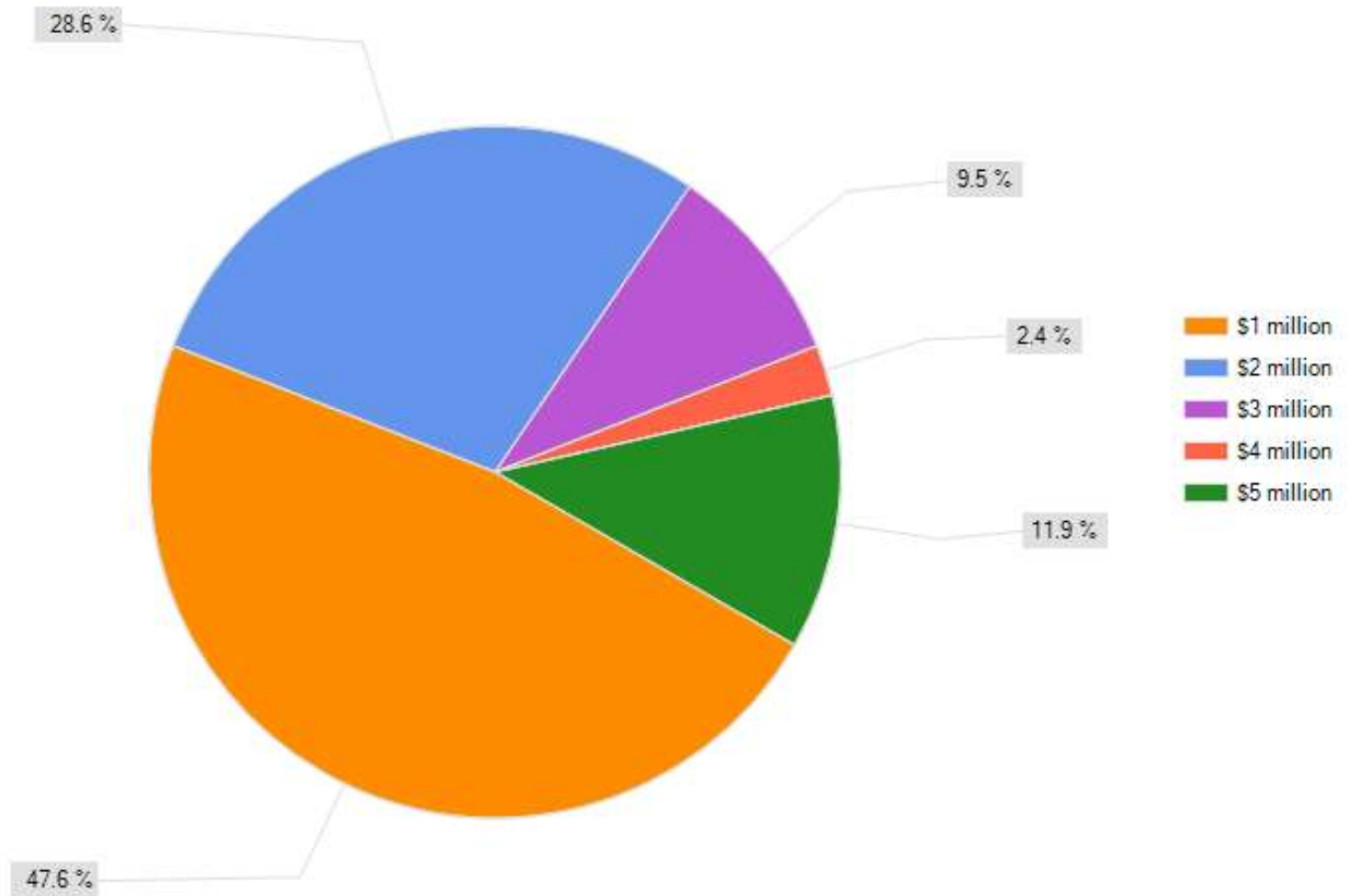


Institution Source Preference





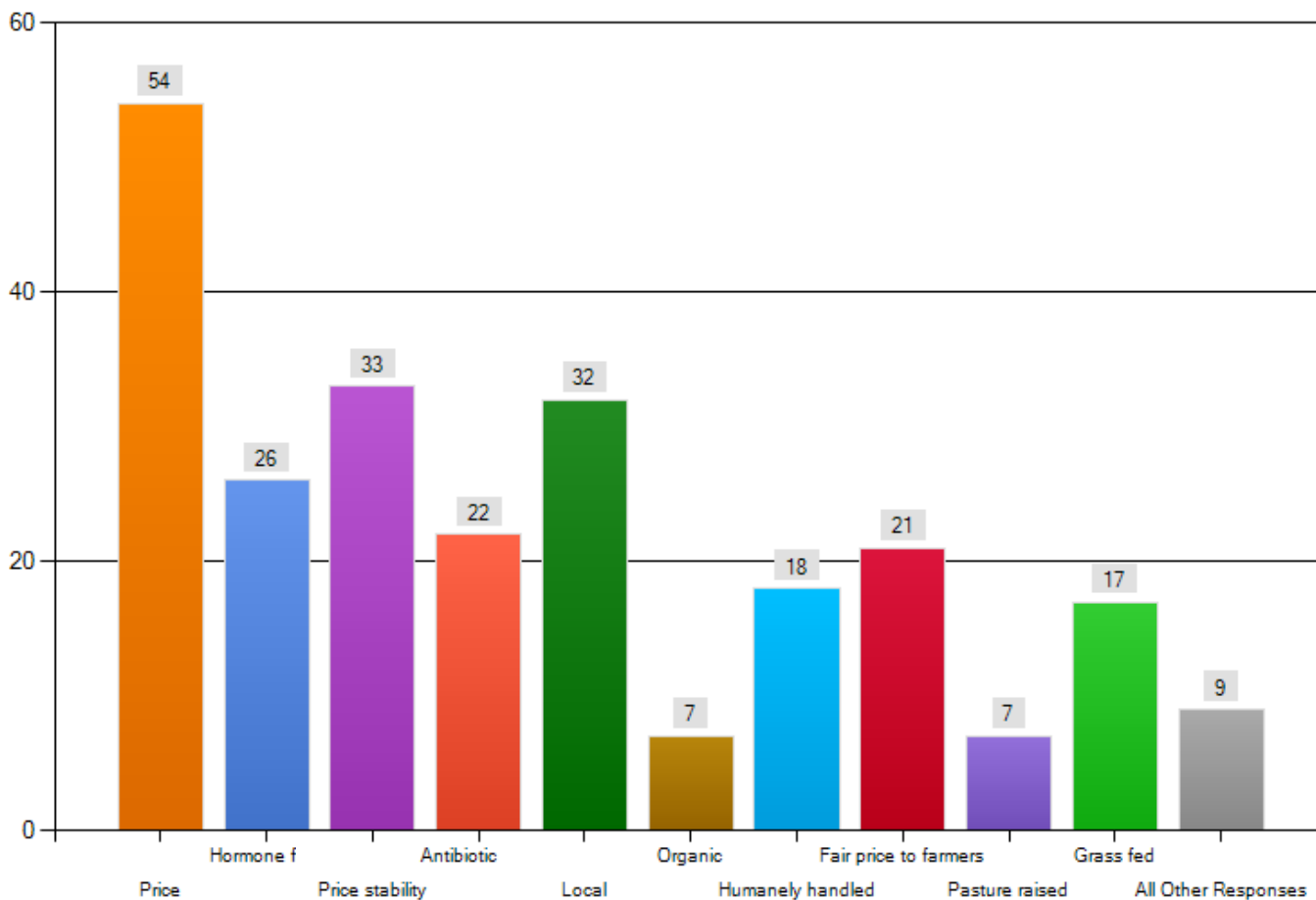
Institution General Liability Insurance





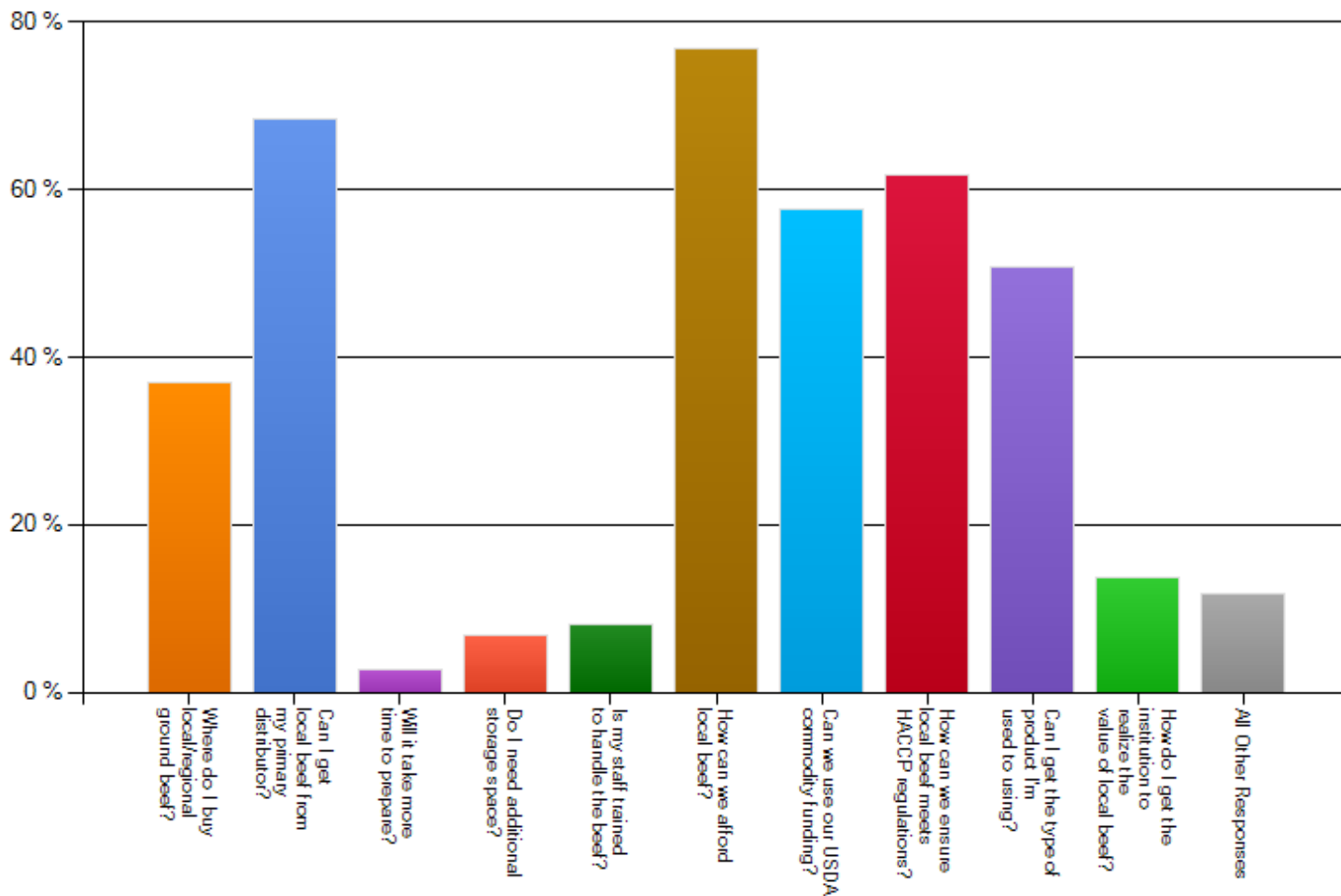
Institution

Please choose the top three qualities that are most influential in your purchasing decision of ground beef.





Institution Concerns when Sourcing





Institution Pricing

Maximum Per Pound Price Point & Percent Purchase at Price Point

Form	College/Univ.	Hospital	School
Bulk	\$2.50-3.00	\$3.85	\$2.00-3.00
Patty -4ounce	\$3.00-3.85	\$3.50	\$1.25-2.00
Meatballs	\$2.50-3.00	N/A	\$2.50-3.00
Frozen,uncooked	N/A	\$2.00-3.00	\$1.25-2.50

Hospitals purchase highest percentages of their volume.



Commodities USDA & Dept. of Defense(DoD)

Inspection requirements & bidding process =
bottlenecks

Opportunities for Change:

- Advocate for Farm Bill changes
 - splitting out bids by state
 - creating a designation for micro-processors
- Advocate for Meat to be included in DoD Fresh Program





Conclusions

- Opportunities for growth
- Two audiences
 - Buyers who have more autonomy & decision-making control
 - Buyers who are price sensitive & driven by routine



Recommended Models

Producer-driven

- Small scale volume
- Involved in sales
- Beef- selling on features and benefits of the meat not just local
- Premium price
- Institution seeks local
- Relationship, Community & Education building
- Logistical hurdles

Processor-driven

- Create markets
- Optimize resources
- Culls as costs
- Volume based
- Competitive price
- Local is the feature/benefit
- Existing channels
- Positive impact on many
- Slow adoption process



Thank you

