

HILARY TORRES, JUDE BARRY, AND RICH PIROG
CENTER FOR REGIONAL FOOD SYSTEMS

BEFORE WE SEEK CHANGE, IS THERE A DEMAND FOR LOCAL MEATS?

A REVIEW OF 19 REPORTS
FROM ACROSS THE NATION



MICHIGAN STATE
UNIVERSITY



MSU CENTER FOR REGIONAL FOOD SYSTEMS
480 WILSON ROAD, EAST LANSING, MI 48824
FOODSYSTEMS.MSU.EDU

DECEMBER 2014

➤ INTRODUCTION

Multidisciplinary researchers in Michigan State University’s Center for Regional Food Systems (MSU CRFS) Livestock Workgroup (known as “CRFS livestock workgroup”) have a vision of supporting the development of economically viable meat value chains within Michigan. Meat and Livestock businesses in Michigan contribute to the state’s economy through profitable operations that strive to meet dynamic and diverse regional and local market demands. The CRFS Livestock Workgroup facilitates discussions between stakeholders representing producers, processors, distributors, wholesale markets, state and government agencies, and consumer groups to identify and address local and regional challenges in Michigan’s meat industry.

From February 2013 to April 2014 the CRFS Livestock Workgroup held three stakeholder meetings that included a total comprising of 77 different individuals from the various sectors of the local meat and livestock industry. At the first meeting, numerous challenges associated with production, processing, marketing, and purchasing local and regional meat products were identified. These findings were published in a report entitled, [*Supplying Local and Regional Markets: Challenges and Solutions for the Michigan-Based Meat and Livestock Value Chains*](#).

Conversations in these stakeholder meetings made it increasingly apparent to the MSU CRFS Livestock Workgroup that to move forward, it is first necessary to better understand the demand for local and regional meat products across the state of Michigan. This report gives the results of a national literature search we conducted to find and examine the most up-to-date studies accessing demand for locally produced meats. Currently, there are no studies that access the demand for locally and regionally produced meats in Michigan, highlighting the need for further research. We feel that the articles and publications highlighted in this document, which are specific to different regions of the United States and based on similar findings across the nation, are likely to echo some of the trends in similar socioeconomic regions in Michigan.

The findings of these 19 studies and articles

collectively suggest that there is a demand for local meats across the United States. Not only was local meat sourcing named as the number one culinary trend for 2014, but reports also showed that consumers have an increased interest in sourcing local meats and are willing to pay higher prices for local meats. The interest in local foods, including locally produced meats, has additionally manifested in an overall increase in sales of locally produced foods across the country. Livestock producers and processors cite an increase in sales and interest among consumers as evidence of the demand. However, this increase in demand is not necessarily being met due to supply chain issues—such as seasonality, bottlenecks at processing, and whole-animal utilization—in the local meat industry in general. The extent of the demand for local meat and consumer purchasing patterns remains largely unknown and requires considerably more research.

This paper is comprised of three sections:

- Studies from across the USA on demand for local meat.
- Demand for other specialty meat products and
- Meat processing feasibility studies.

STUDIES FROM ACROSS THE UNITED STATES ON DEMAND FOR LOCAL MEAT

1. A.T. KEARNEY. (2014). RIPE FOR GROCERS: THE LOCAL FOOD MOVEMENT
Retrieved from
<http://www.atkearney.com/documents/10192/4503223/Ripe+for+Grocers+The+Local+Food+Movement.pdf/cf378a17-8e42-4082-a038-0df1806ddca6>

In December 2013, 1,100 U.S shoppers participated in an online survey to assess growing interest in local foods. The study found that 70% of shoppers are willing to pay a premium for local foods, including local meats. They also found that a willingness to pay more was not limited to individuals of higher socioeconomic status, across the economic spectrum shoppers place a high value on locally sourced foods. The researchers acknowledged the challenges that retailers face when sourcing local foods, but highlighted the importance of using different strategies to bring these foods into their stores.

2. NATIONAL RESTAURANT ASSOCIATION (DECEMBER, 2013). WHAT'S HOT IN 2014 CULINARY FORECAST CONFIRMS SOURCING, NUTRITION TRENDS.

Retrieved from
<http://www.restaurant.org/News-Research/News/What-s-Hot-in-2014-culinary-forecast-confirms-sour>

(DECEMBER, 2014). WHAT'S HOT IN 2015 CULINARY FORECAST.

Retrieved from
<http://www.restaurant.org/Downloads/PDFs/News-Research/WhatsHot2015-Results.pdf>

The National Restaurant Association surveyed approximately 1,300 professional chefs in 2013 and 2014 and predicted that the number one culinary trend for both 2014 and 2015 is the sourcing of locally produced meat and seafood.

3. NC GROWING TOGETHER. (2013). NORTH CAROLINA NICHE MEAT PRODUCERS: SURVEY 2013.

Retrieved from
<http://www.ncgrowingtogether.org/wp-content/uploads/2013/09/NCGT-NC-Choices-Niche-Meat-Producers-Survey-Summary-Dec-2013.pdf>

According to the Meat and Poultry Inspection Division of the North Carolina Department of Agriculture and Consumer Services, the number of farmer meat handler registrations increased from 78 in 2008 to 544 in 2013. The researchers of this study, NC Choices and North Carolina Growing Together, cite this as evidence for an increase in the demand for local meat products in North Carolina. Of those 544 meat handler registrants, 292 took part in a telephone survey collecting information to describe and measure the growing North Carolina local meat industry. The researchers found that despite the demand for these value-added products, North Carolina producers are still facing challenges in moving their products to markets.

4. PRATT, K. (2013, DECEMBER 23). LOCALLY GROWN MEATS GETTING MORE POPULAR, PROFITABLE IN KENTUCKY. SOUTHEAST FARM PRESS.

Retrieved from
<http://southeastfarmpress.com/livestock/locally-grown-meats-getting-more-popular-profitable-kentucky?page=1>

This news article discusses the increased demand for locally produced meats that Kentucky farmers personally experienced in recent years. The farmers' experiences provide anecdotal evidence to support the argument that there is a greater demand for locally produced meats in Kentucky.

5. SAND, S. (2013, JULY 9). THE MARKET SLOT: DEMAND FOR LOCALLY PRODUCED AND PROCESSED MEAT. IGROW DASHBOARD SDSU EXTENSION.

Retrieved from

<http://igrow.org/livestock/profit-tips/the-market-slot-demand-for-locally-produced-and-processed-meat/>

This article discusses the national increase in sales of locally produced farm products, from \$551 million in 1997 to \$928.9 million in 2007. The author uses these figures to assert that the increased demand for local food products extends to locally produced meats, but she argues that the shortage of local processing facilities is preventing locally sourced meat products from reaching their full market potential.

6. SNELL, W., & HEIDEMANN, K. (EDS.). (2013). *SERVICE ECONOMIC AND POLICY UPDATE, 13(5)*. LEXINGTON, KY: UK COOPERATIVE EXTENSION SERVICE, UNIVERSITY OF KENTUCKY COLLEGE OF AGRICULTURE.

Retrieved from

[http://www2.ca.uky.edu/cmsspubsclass/files/bluesheet/Economic and Policy Update May2013.pdf](http://www2.ca.uky.edu/cmsspubsclass/files/bluesheet/Economic%20and%20Policy%20Update%20May2013.pdf)

This short article was based on the University of Kentucky Food Systems Innovation Center's 2012 Consumer Meat Purchasing Survey, which was conducted among 2,620 consumers in Tennessee, Ohio, Kentucky, Indiana, and Illinois. The results indicate that among niche meat products, the "locally grown" category is the most popular with consumers, evidenced by a strong consumer interest in local meats and an increase in consumption of local meats. The article briefly discusses the many challenges within the niche meat industry.

7. THE REINVESTMENT FUND. (2013). THE SUPPLY CHAIN MATRIX: A PROSPECTIVE STUDY OF THE SPATIAL AND ECONOMIC CONNECTIONS WITHIN THE REGION'S MEAT INDUSTRY.

Retrieved from

http://www.trfund.com/wp-content/uploads/2013/08/TRF_MeatSupply_final.pdf

The Reinvestment Fund (TRF) studies factors that lead to food access inequality. TRF's proposed food system initiative would provide financing to local food production businesses working at the producing and processing level. This report focuses on a local and regional meat supply chain study in the Philadelphia metropolitan area and surrounding rural counties; through the use of a supply chain matrix model, TRF simulated the needs for local food businesses. This model could be expanded and used to regenerate similar supply chain data for other areas of interest.

8. SEED CAPITAL KENTUCKY & LOUISVILLE METRO. (2012). *THE LOUISVILLE LOCAL FOOD DEMAND ANALYSIS*. NEW YORK, NY: KARP RESOURCES.

Retrieved from

http://www.seedcapitalky.org/wp-content/uploads/2013/04/Demand_Study_Full_Report.pdf

This comprehensive study accessed the demand for local agriculture and livestock products in the Louisville metropolitan area, Jefferson County, Kentucky. The data were collected through a series of interviews involving producers, commercial buyers, and a diverse set of consumers. The results of the study indicate that the demand for local food products is unmet in the Louisville Metro/Jefferson County area. The results also indicate that consumers are willing to pay higher prices for locally produced foods and are interested in spending \$158 million more on local food products—in addition to the \$100 million that consumers are already purchasing per year—while commercial buyers are intentionally

buying local food products to meet the demand.

9. CURTIS, J., MCKISSICK, C., & SPANN, K. (2011). *GROWTH IN THE NICHE MEAT SECTOR IN NORTH CAROLINA. NC CHOICES & THE CAROLINA MEAT CONFERENCE.*

Retrieved from

<http://www.ces.ncsu.edu/wp-content/uploads/2013/11/Meat-White-Paper-final.pdf>

This study found that the “locally produced meat” category is the most popular and most consumer-demanded in the niche meat sector in North Carolina. Retailer Weaver Street Market in Orange County, which acquires meat produced within a 150-mile radius, reported that its percentage of local meat has risen over the past five years from 25% to 75% of total meat sales. National chain Whole Foods Market, another large grocer in North Carolina, sells meat from many niche categories, including “local,” which Whole Foods considers a high-priority purchase. The researchers also discussed the lack of supporting infrastructure and various challenges surrounding niche meats.

10. MARTINEZ, S., HAND, M., DA PRA, M., POLLACK, S., RALSTON, K., SMITH, T., ... NEWMAN, C. (2010). *LOCAL FOOD SYSTEMS: CONCEPTS, IMPACTS AND ISSUES* (ERR NO. 97). WASHINGTON, DC: U.S. DEPARTMENT OF AGRICULTURE, ECONOMIC RESEARCH SERVICE.

Retrieved from

<http://www.ers.usda.gov/publications/err-economic-research-report/err97.aspx>

This in-depth analysis of the literature pertaining to issues surrounding local foods concludes that there is demand for local agricultural and livestock products among consumers and food service

institutions. It also finds that consumers who purchase local foods are diverse and categorized by many different variables, and that restaurants are more willing to buy local food products because of perceived quality, freshness, and the belief that it appeals to their clientele.

11. YORGEY, G. (2008). *LOCAL MEAT FOR LOCAL MEALS: AN ASSESSMENT OF DEMAND FOR A MOBILE SLAUGHTERING UNIT IN PIERCE, KING, KITSAP AND THURSTON COUNTIES, FOR THE PUGET SOUND MEAT PRODUCERS COOPERATIVE.* (MASTER'S THESIS).

Retrieved from

http://www.extension.org/mediawiki/files/d/d7/LocalMeatforLocalMeals_Puget_Sound_Meat_Coop.pdf

This thesis discusses the need for a mobile slaughtering unit (MSU) in western Washington state. The study found that a large proportion of producers who are interested in the MSU classify their products as “locally produced meats.” The author also discusses and provides examples of the consumer demand for locally produced meat products, comparing the demand in western Washington to that in Seattle.

DEMAND FOR OTHER SPECIALTY MEAT PRODUCTS

1. RETAIL MARKETING. (2013). NATURAL/ORGANIC CATEGORY GROWTH: 3RD QUARTER 2014 VS. YEAR AGO. Retrieved December 16, 2013 from <http://www.beefretail.org/natural-organiccategorygrowth.aspx>

This chart compares growth of natural and organic beef sales to total beef sales. Natural/organic beef sales in dollars grew at a rate of 20.5% in the third quarter of this year compared to one year ago and total beef sales over the same period grew at a rate of 7%. In contrast, the sales in pounds for total beef decreased by 6.7% over a year from the 3rd quarter of 2013, whereas the growth of sales in pounds of organic/natural beef increased over the same period by nearly 4%.

2. MENARD, J., JENSON, K., & ENGLISH, B. C. (2012). *AN EXAMINATION OF CONSUMERS' PREFERENCES FOR DIFFERENTIATED BEEF PRODUCTS*. KNOXVILLE, TN: UNIVERSITY OF TENNESSEE DEPARTMENT OF AGRICULTURE AND RESOURCE ECONOMICS. Retrieved from <https://aq.tennessee.edu/cpa/Documents/Beef%20Report%20from%20Jamey%20M%2010%2011%2012.pdf>

A study was conducted to better understand consumers' willingness to pay for differentiated beef products in Tennessee. Locally produced meats were included in the product categories. It found that consumers were willing to pay \$1.00 to \$2.56 more per pound for niche meat products.

3. FOOD MARKETING INSTITUTE & AMERICAN MEAT INSTITUTE. (2011). *THE POWER OF MEAT 2011*. REPORT PRESENTED AT THE ANNUAL MEAT CONFERENCE, DALLAS, TX. Retrieved from http://www.fapc.biz/workshops/2011researchsymposium/files/Sloan_PowerofMeat.pdf

This report aims to look at meat through the eyes of consumers. It does not specifically highlight locally produced meats, but it does discuss the rise of natural/organic meats and their emergence into the meat industry.

4. GWIN, L., & HARDESTY, S.D. (2008). *NORTHERN CALIFORNIA NICHE MEAT MARKET DEMAND STUDY*. UNIVERSITY OF CALIFORNIA COOPERATIVE EXTENSION. Retrieved from <http://ucanr.org/sites/sfp/files/144451.pdf>

For this comprehensive study to determine the demand in Northern California for niche meats, data were collected from interviews with institutional food service providers and restaurants, retailers, and distributors. The researchers found that locally produced meat was one of the most popular niche categories across those sectors. The PowerPoint presentation corresponding to this study (available at <http://sfp.ucdavis.edu/files/144715.pdf>) is also useful.

5. MENNECKE, B. E., TOWNSEND, A. M., HAYES, D. J., & LONERGAN, S. M. (2007). A STUDY OF THE FACTORS THAT INFLUENCE CONSUMER ATTITUDES TOWARD BEEF PRODUCTS USING THE CONJOINT MARKET ANALYSIS TOOL. *JOURNAL OF ANIMAL SCIENCE*, 85(10), 2639–2659. Retrieved from http://lib.dr.iastate.edu/cgi/viewcontent.cgi?article=1003&context=econ_las_pubs

Researchers performed a conjoint analysis of survey responses of 1,432 U.S. consumers and a small group of undergraduate animal science and business majors regarding the participants' attitudes toward various beefsteak characteristics. The researchers found that the region of origin was the most important factor to the participants. This finding is especially relevant for U.S. producers and processors who can add or maintain the value of their products by highlighting products' region of origin to consumers.

MEAT PROCESSING FEASIBILITY STUDIES

1. EXTENSION. (2014). MEAT PROCESSING FEASIBILITY STUDIES.

Retrieved from

<http://www.extension.org/pages/27357/meat-processing-feasibility-studies#.UtAQKRCNOW9>

This link takes the reader to an eXtension summary of different meat processing facility feasibility studies that have been conducted across the country. These studies show the scope of the feasibility work conducted and the results and conclusions of the study. The findings are intended to help prospective meat processors develop their own feasibility analysis and business plans for new meat processing facilities.

2. LOCAL FOOD RESEARCH CENTER. (2012). *LARGE ANIMAL MEAT PROCESSING FEASIBILITY IN WESTERN NORTH CAROLINA*. ASHEVILLE, NC: APPALACHIAN SUSTAINABLE AGRICULTURE PROJECT.

Retrieved from

<http://asapconnections.org/downloads/asap-large-animal-meat-processing-feasibility-in-wnc.pdf>

This feasibility study aimed to determine how a meat processing plant could help meet Appalachian demand for locally produced meats. According to the Appalachian Sustainable Agriculture Project's consumer studies, the demand for locally produced meats is unmet. This general interest in local foods and their purchase is supported by the increase in sales of local food from \$17 million to \$62 million between 2007 and 2010.

3. SLEEPING LION ASSOCIATES, INC. (2005). *SLAUGHTERHOUSE FEASIBILITY REPORT*. MONTPELIER, VT: AUTHOR.

Retrieved from

<http://www.uvm.edu/~susagctr/Documents/SlaughterhouseFINALREPORT.pdf>

This report was prepared for Pride of Vermont Farms, LLC, marketers for goat and sheep livestock producers within Vermont. The report assessed the feasibility of a cooperatively owned slaughterhouse among livestock producers in northern Vermont. The study includes an evaluation of the slaughtering, fabrication and processing capacity of the state. Additional information on regulations, competition and budget analysis were included in the study.

y

TO CONTACT THE AUTHORS

Judith Barry, Ph.D.

Food System Specialist

Michigan State University
Center for Regional Food Systems
Department of Community Sustainability
480 Wilson Road, Rm 309
East Lansing, MI 48824
Office: 517-432-0308
Barryjud@msu.edu

Rich Pirog

Senior Associate Director

Michigan State University
Center for Regional Food Systems
Department of Community Sustainability
480 Wilson Road, Rm 302
East Lansing, MI 48824
Office: 517-353-0694
Rspirog@msu.edu

