

Scaling up Free Range Poultry Meat Processing

KRC Farm and Food Conference – November 18-19, 2016 – Manhattan, KS

Presenter: Chris Sramek, Sramek Family Farm

SARE Project Number : FNC14-978



High Plains Food Co-op Background

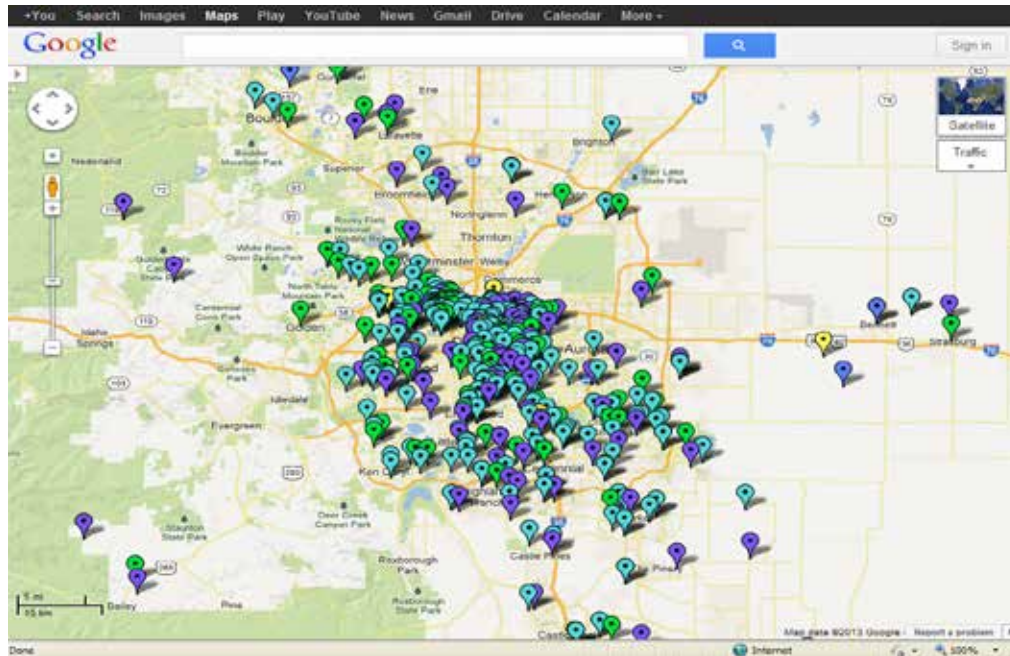


- Producer and Consumer Member for Profit Co-op
- Began as an on-line Farmers Market direct to the customer; transitioning to regional food-hub aggregator to volume buyers; for nearly 50 producers from 3 States and 400 customers
- Utilizes an on-line ordering system w/ 21 delivery sites in CO /NWKS
- Distributing over 1000 locally grown food or value added products 2 X per month to individual customers and 5-10 core items weekly to restaurants, corner stores and other co-ops
- Mission and Values
 - Producers and consumers uniting interests in locally grown food
 - To be environmentally sustainable, economically viable, and socially just
 - Cultivate farmer-consumer relationships
 - **Enhancing overall rural sustainability**

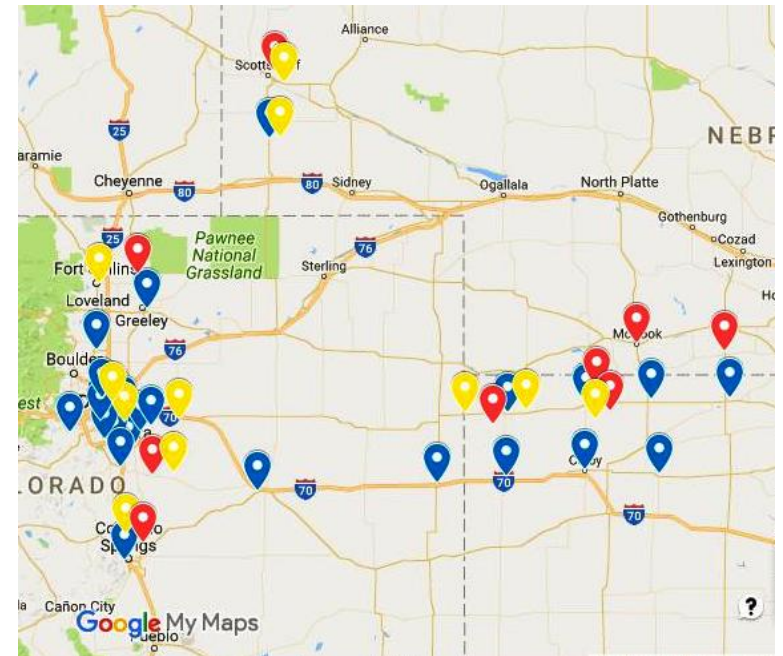
HPFC Service Area



Customers



Aggregation, Distribution & Processing



Food Hub Defined



A business or organization that actively **manages the aggregation, distribution, and marketing** of source-identified food products primarily from **local and regional producers** to strengthen their ability to **satisfy** wholesale, retail, and institutional **demand**.
*5-10 Anchor Producers Selling \$600K to 1M Annually



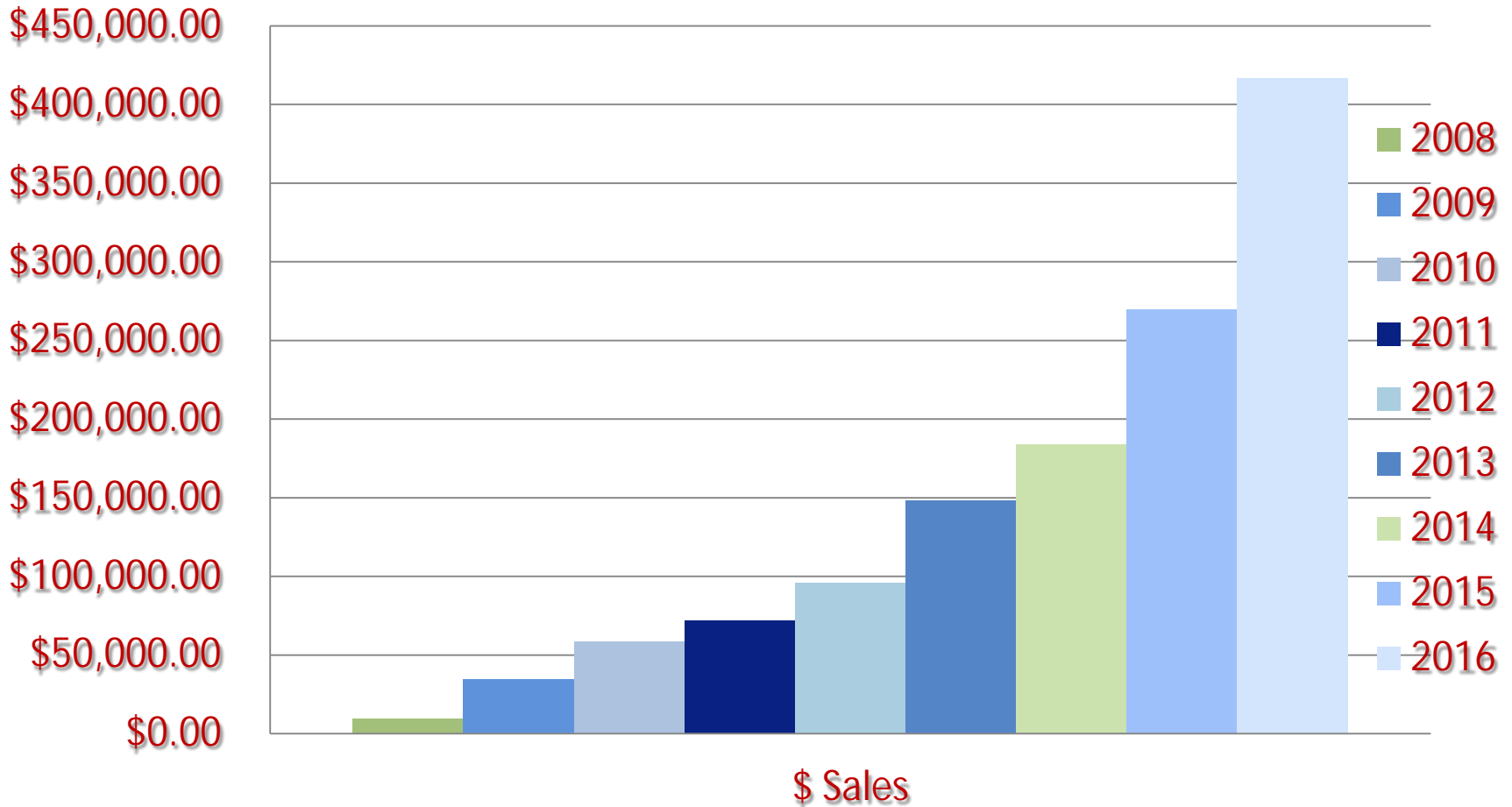
Food Aggregator Defined



- Develops producer connections, relationships and provides support
- Then sources food products
- Links production with market need
- Provides logistics and coordination
 - Drop sites
 - Labeling/tracking
 - Pick up and delivery
 - Sorting and distribution
 - Establish *values* chain



HPFC Annual Sales



High Plains Poultry Background



- (2008) High Plains Food Co-op (HPFC) delivers 1st orders to the Front Range home to over 6 Million
- (2008-10) # of producers selling small quantities of poultry products direct to consumers
- (2011) Interest to expand but processing barriers exist
 - 300 miles to nearest USDA certified poultry processor
 - Producer purchased equipment and rented local USDA facility kill room
- (2012) HPFC received USDA funding to do a major 5-yr expansion plan
 - Meat and Eggs the most ready product to expand to volume buyers if processing barriers addressed
- (2014) group of poultry producer applied for SARE grant to explore feasibility of a Mobile Processing Unit (MPU)
- (2015) Newly constructed MPU goes into operation
- (2015) High Plains Poultry 1st HPFC Anchor Producer Selling Eggs & Meat

SARE Project Objectives/Performance Targets



1. Organize the project
2. Estimate the start-up and operating costs
3. Determine feasibility,
4. Site determination and permitting
5. Equipment purchasing and fabrication
6. Implementation and startup
7. Develop an expansion plan to scale-up processing

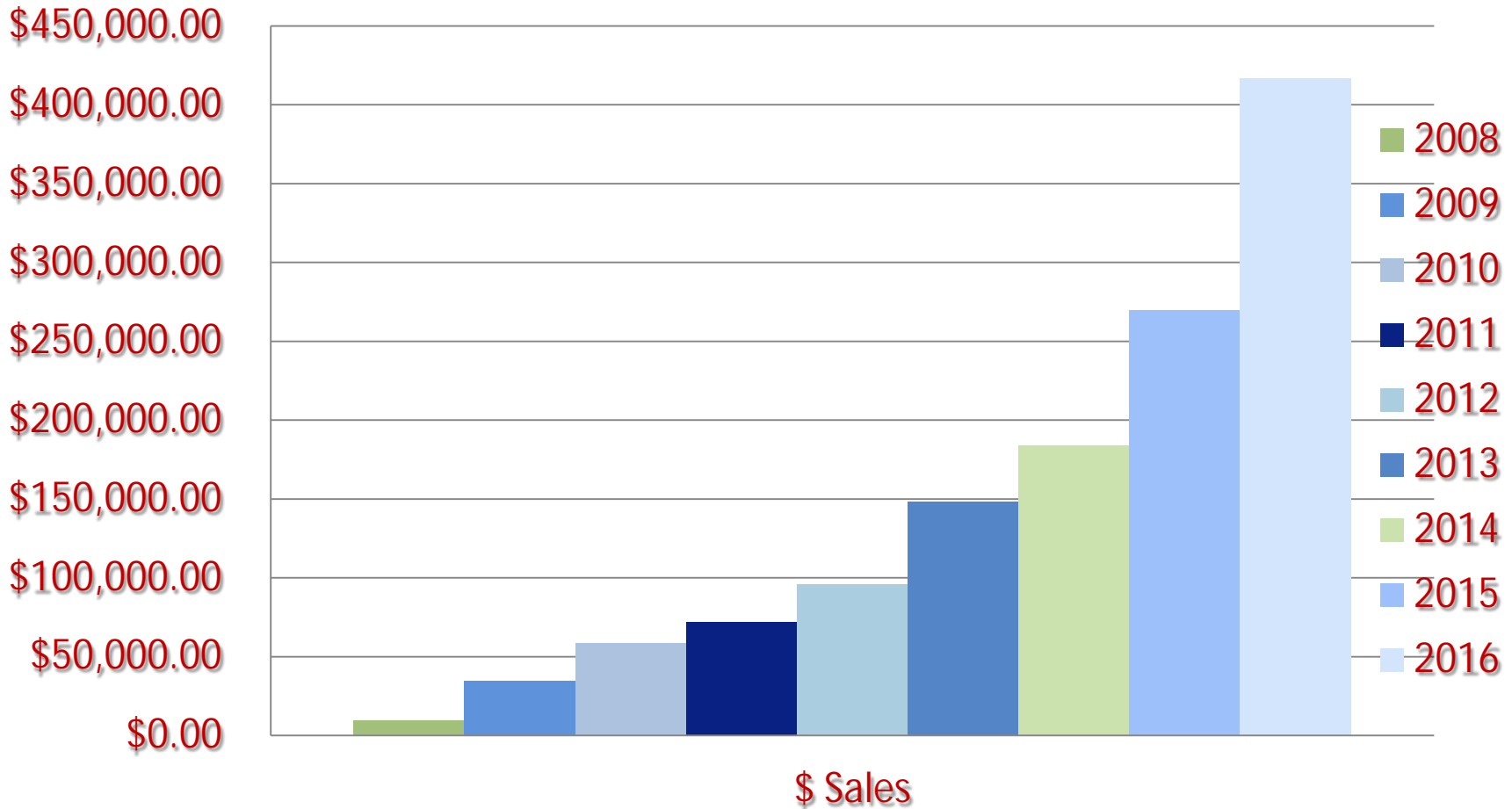
SARE Project Outcomes and Impacts



- Increased Production
 - 600 chickens / 23 turkeys (Oct-Dec 2015)
 - 8,000 chickens / 100 turkeys (2016)
 - 24,000 chickens / 1,000 turkeys (2019)
- Producer Revenues
 - \$10,000 - \$15,000 (2015)
 - \$90,000 - \$110,000 (2016)
 - \$280,000 - \$300,000 (2019)
- Jobs
 - Family part-time (2016)
 - 4-8 part-time (2016)
 - 1-2 full-time and 10-15 part-time (2019)



SARE Project HPFC Annual Sales Impact

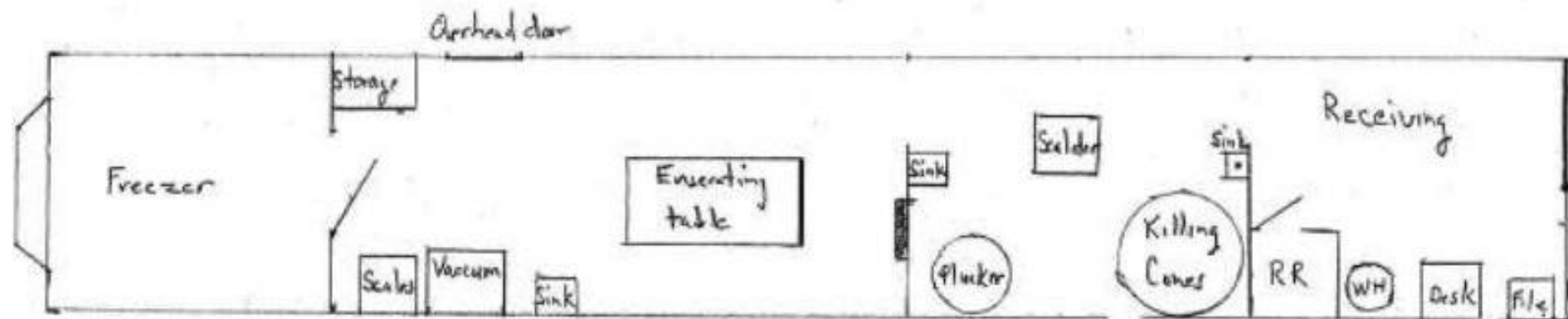


SARE Project Accomplishments



- **Start-up**
 - Formed High Plains Poultry, LLC
 - Start-up business plan, equipment and fabrication budget
 - Explore financing options
- **Feasibility**
 - Current situations not feasible; MPU vs. Stand alone facility
 - Site location; travel and available labor
 - Economics breakeven 2017 and save \$3 per bird
 - Construction time 1 yr. vs. 3-4 mo. and costs 30% higher
 - Lengthy time to USDA – FSIS permit HCCAP, SSOP and other safety regulatory requirements
- **Scale-up Plan**
 - 500 to 2,000 birds per month in 3 years
 - 100-150 birds 1-2 days per week to 150-200 birds 3 days per week
 - Breakeven 2017

SARE Project Floor Design & Equipment Layout



SARE Project Potential Contributions



- Benefits
 - Convenient and efficient
 - Cost effective
 - Easier access to USDA inspected facility
- Challenges
 - Construction time when doing it yourself
 - Regulatory processes; local, state and federal
 - Funding SARE grant helpful 33% higher than estimated @ \$75,000
 - Mobility regulatory challenges to moving it across State lines

SARE Project Publications and Outreach



- Healthy Communities Initiative tour
- New learning experience for USDA employees
- HPFC Annual Meeting

SARE Project

Future Recommendations



- Streamlined regulatory process
- Be honest with start-up funding requirements
- Be conservative with initial customers and market

Question & Answer Session



www.highplainsfood.org

(785) 626-6082

info@highplainsfood.org



www.advancingruralprosperity.org

(785) 738-8368

latwell@nckcn.com