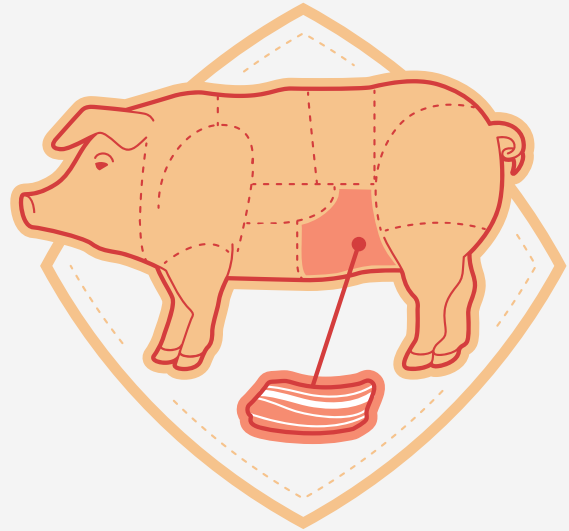


STARTING A FARMER-TO-FARMER BUTCHER SHOP

KEY RESOURCES FOR LIVESTOCK FARMERS

In 2017, our two livestock farms partnered with a chef. Together, we set out to open a butcher shop that would work for us. We sell meat locally in southern Indiana. After several years of frustration at area butchers, we decided to see if we could solve our own problem. Right now, we have a USDA SARE Farmer-Rancher Grant to test the feasibility of opening a butcher shop that's for farmers, by farmers. If you're on a similar path, we made this guide for you. Details are on the back about accessing the open source floor plans, financial assessments, and more we mention here.



ASKING THE TOUGH QUESTIONS

Before digging into planning, we recommend working through some tough questions. Gather any collaborators, including your family, to ask:

Your Goals & Quality of Life

- Why do you want to open a processing facility?
- Will opening a processing facility improve your quality of life? How?
- What problems or stressors will this facility solve? Will it create others?
- What would success look like?

Time, Money, & Resources

- How much time and money do you have to put towards this project?
- Have you tried all of the existing processors near you?
- Are there any allies in your area that might want to collaborate on a processing facility?

- How do you want to spend your time? Are you comfortable with slaughter? Do you enjoy butchering? Do you want to spend hours inside, in a cooled room, butchering?
- Do you want to add another enterprise to your business or start a new business?
- Does your state or farming association have grants or loans that you could utilize?
- Have you talked with other livestock farmers or meat customers to assess demand?

Scale and Inspection

- What scale do you image for your facility: slaughter and cut/wrap? Only butchering? Only value-added? Other?
- What level of inspection does your idea require: custom-exempt? State-inspected? USDA-inspected? Other?
- What will be your niche: ethical treatment? Customer service? Value-added products? Something else?
- Which animals are you planning to process? How does that impact the facility plan (example: slaughtering cattle requires at least 20' tall ceilings and a high rail system)?

FINDING PARTNERS AND SELECTING A SITE

Zoning

Ask if your site can host a processing facility, or if you would need a variance.

Septic and Sewer Capabilities

You may need an independent septic system. Find out what your scale requires, and have your septic capabilities tested.

Neighbors and Family

Would your facility be within site, sound, or smell-distance of your neighbors (or your family)? If so, how can you plan for success?

Proximity to Home

Talk with your family about the pro's and con's of having a processing facility on your property.

Allies

We're working with a trusted chef on our butcher shop. Maybe you have a key ally, too.

Market

Identify your target customer (nearby farmers who need butchering services? Retail meat customers? other?) and assess demand for your services or products.

Consultants

The price tag might be daunting, but working with consultants can help you find answers more efficiently and add an objective perspective. Consider NMPAN's list of consultants, and talk with farmer-processors in your state – they may be willing to help as a consultant.

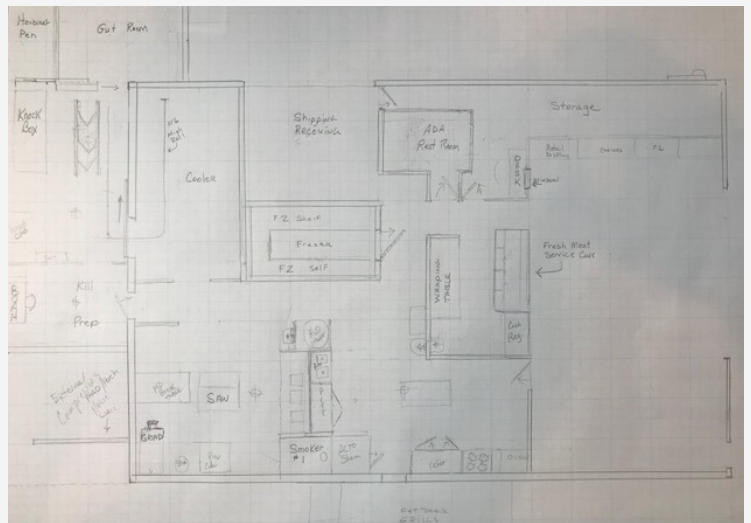
Connecting with Regulatory Bodies

Pick up the phone and call introduce yourself. In our experience, these folks are open and excited to talk with potential processors.

LAYOUT & EQUIPMENT

What can fit in your site? Touring nearby facilities can help generate ideas. We hope that our drawings with help, too.

We had floor plans drawn up for an extremely small slaughter and cut-up facility as well as a butcher-only facility, including a list of needed equipment.. They are available free on our website. We hope you will utilize, adjust, and learn from these open source materials.



PLANS & FINANCIALS

The numbers don't lie. We have tried to be honest with ourselves about the financial viability of our ideas. This can be difficult, because we know that a better butchering option would improve our quality of life and the quality of our meat. To ensure that we have thorough numbers, we hired a consultant to help us with the financials.

You can view our cash flow and financial projections on our website (link on back page). These projections are open source, so please utilize them and adapt them to your purposes.





FINDING FUNDING

Whether your facility is going to cost \$75,000, \$250,000 or some other amount, outside funding will be helpful. Here are a few options we're investigating for our facility:

State or Regional Grants

Indiana doesn't, but some states and regional organizations offer grants for farmers improving food infrastructure. Ask your farmer organization and your state department of agriculture.

Federal Grants

USDA's Value Added Producer Grants have funding for planning and building facilities.

Loans

Revolving farmer loans, small bank loans, or FSA Microloans might be a helpful tool, too.

VOICE OF THE CONSUMER

We want a processing facility that serves farmers' needs - so we need to listen to other farmers and meat customers in our area. We've partnered with Indiana University to host a survey for meat farmers and assess farmers' input. Consider asking potential customers some of these questions, formally or informally:

If you're focused on retail meat sales, your questions for retail customers will be different. We're focused on providing cut-up service for farmers. Our questions included:

- Basic questions for processing demand:
What animals do you process? When? How Many?
- What level of inspection do you require?
- What's working with current processors?
- What helps you trust a processor?
- Have you ever changed processors? Why (transparency? animal welfare? value-added options? packaging? other?)
- What value-added products would you like to offer your customers



KEY RESOURCES FOR PLANNING A BUTCHER SHOP

Learning from the Past and Incorporating New Ideas

Introduce yourself to knowledge holders in your area. Many of the older farmers still have equipment and knowledge about on-farm processing that can apply to your facility. Our parents' stories helped us understand the community's connection to processing and cooking – and they informed our ethos and branding.

Also reach out to the latest, greatest processors in your region. We visited processors in our tri-state region, and each one was eager to help us along our way. They offered tours, knowledge about equipment and customer demand, and regulatory insight.

Niche Meat Processor Assistance Network

NMPAN is the go-to resource for small, niche meat processors. We recommend grabbing a mug of tea and taking a deep dive into their website (<http://www.nichemeatprocessing.org/>). You'll find:

- Robust introductory resources, like a "Beginner's Guide to Local Meat Processing"
- A whole portion of the website focused on new facilities and expansions
- Help with business planning, including their "Business Planning Guide for Small Meat Processors"
- Contact information for consultants who work with meat processors.
- A listserv for current and future small meat processors of all stripes. it's free to join. You can ask the group questions or just see what folks are talking about.
- Peer consulting services for current processors

Template Feasibility Studies

Oklahoma State University offers a series of spreadsheets for farmers to manipulate. This includes a slaughter facility. Available at: <https://www.joe.org/joe/2012october/tt11.php>

OUR FARMER-TO-FARMER PROJECT & S.A.R.E.

Our farms aren't unusual: we raise animals on pasture and sell meat locally - and like many livestock farmers, we struggle with processing. Sometimes the challenge is scheduling, other times it's quality, transparency, or packaging and value-added products.

We wanted to test an idea: could we open our own processing facility, one that's structured by farmers, for farmers?

We received a Farmer-Rancher grant from the Sustainable Agriculture Research and Education program of USDA. With SARE's support, we set out to create a "shovel-ready" plan for a "farmer-to-farmer" processing facility. See what projects other farmers are tackling (or apply for your own grant to research new ideas at www.northcentralsare.org)

Our goal was to test the feasibility of opening a processing plant in our area, and to share all of our resources with the farming community. We're part way through the project now.

We're eager to share what we've learned through this guide. All of the materials we mention in this guide are available at: www.nightfallfarm.com/processing.html

We'd love to learn with you. Please be in touch if we can be helpful.

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