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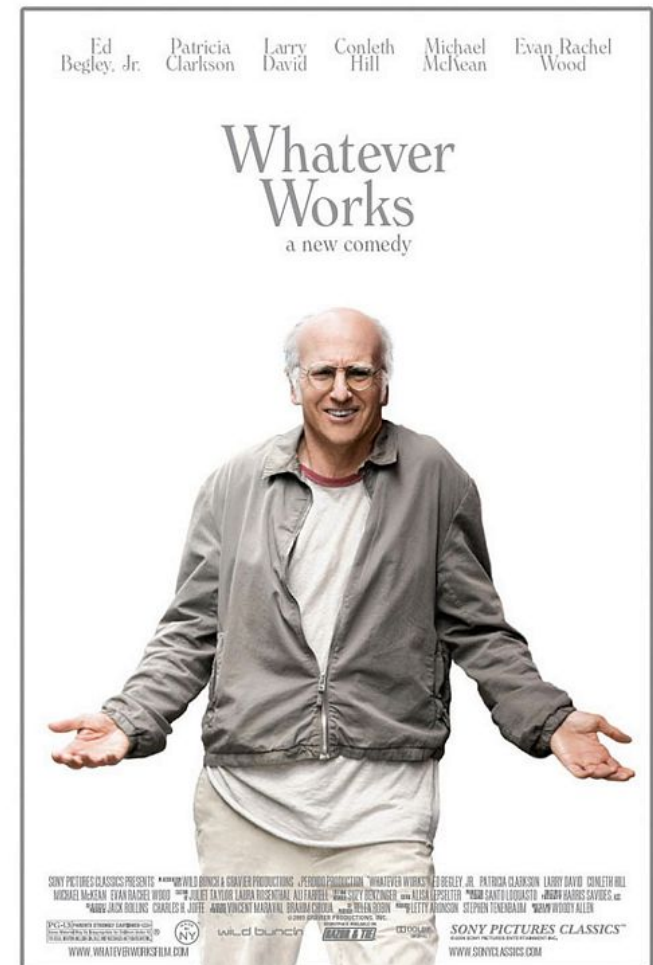
Whatever Works

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Why this title?

- *Whatever Works*, 2009 – starring Larry David and directed by Woody Allen
- Part ideological ranting*, part molding something into what you think it should be**
- “Whatever works”









**NUMBER OF LIVESTOCK SLAUGHTERING PLANTS,
JANUARY 1, 2008 AND 2009, BY STATE**

	JANUARY 1, 2008			JANUARY 1, 2009		
	FEDERALLY INSPECTED PLANTS	OTHER PLANTS	TOTAL	FEDERALLY INSPECTED PLANTS	OTHER PLANTS	TOTAL
NORTH ATLANTIC						
NEW ENGLAND ¹	18	16	34	20	16	36
NEW YORK	36	31	67	36	29	65
NEW JERSEY	16	1	17	16	1	17
PENNSYLVANIA	91	154	245	91	154	245
NORTH CENTRAL						
OHIO	17	128	145	18	118	136
INDIANA	8	84	92	10	83	93
ILLINOIS	35	68	103	35	59	94
MICHIGAN	30	35	65	30	35	65
WISCONSIN	17	99	116	20	103	123
MINNESOTA	26	104	130	25	105	130
IOWA	25	116	141	25	116	141
MISSOURI	42	164	206	41	153	194
SOUTH DAKOTA	7	87	94	7	86	93
NORTH DAKOTA	11	50	61	10	51	61

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PENNSYLVANIA	91	154	245	91	154	245
SOUTH ATLANTIC						
KENTUCKY	21	28	49	21	27	48
TENNESSEE	18	8	26	18	8	26
ALABAMA	6	33	39	7	33	40
MISSISSIPPI	5	17	22	5	16	21
ARKANSAS	9	59	68	9	23	32
LOUISIANA	2	42	44	1	38	39
OKLAHOMA	8	64	72	8	64	72
TEXAS	47	74	121	49	62	111
MOUNTAIN						
MONTANA	8	145	153	7	152	159
IDAHO	12	21	33	12	19	31
WYOMING		27	27		26	26
COLORADO	23	20	43	24	20	44
NEW MEXICO	9	6	15	10	6	16
ARIZONA	2	11	13	2	10	12
UTAH	10	21	31	11	21	31
NEVADA	3		3	3		3
PACIFIC						
WASHINGTON	13	8	21	13	8	21
OREGON	13	17	30	12	17	29
CALIFORNIA	31	38	69	31	43	74
HAWAII	10		10	9		9
ALASKA	6	33	39	3	33	36
TOTAL U.S.	807	2,119	2,926	818	2,030	2,848

Source: U.S. Department of Agriculture

¹ Maine, New Hampshire, Vermont, Massachusetts, Rhode Island and Connecticut

What hasn't worked?

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What hasn't worked:

- Too large of a group of investors with competing interests or ideas
- “Promise” that producers will buy into the cooperative
- Too much too fast – let’s make every product and provide every service possible!
- An anti-USDA attitude from square one
- Entering an already saturated market
- Not able to charge enough for services provided by nearby custom plants
- Not enough livestock to supply the plant
- Insufficient market research – products & services
- Underestimate expenses

What hasn't worked:

- Inability to obtain correct zoning or underestimate water / sewer costs
- Underestimate transportation costs*
- Income losses due difficult or non-cooperative producers
- "Cowboy" mindset
- No grasp of the time commitment
- Unable to find qualified labor
- NO MEAT INDUSTRY EXPERIENCE

What has worked?

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What has worked:

- Expansion of existing businesses (processing and retail)
- >90% of the successful operations have been multi-generational
- Well-managed and methodical approach; planning
- Filling gaps with drop values, by-product use, contracts
- Recognize regulations as a “cost of doing business”
- Thorough investigation of market
- Contracts vs. Highly Specialized
- Slow but steady expansion (started very small)
- MEAT INDUSTRY EXPERIENCE

Thank you.

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