

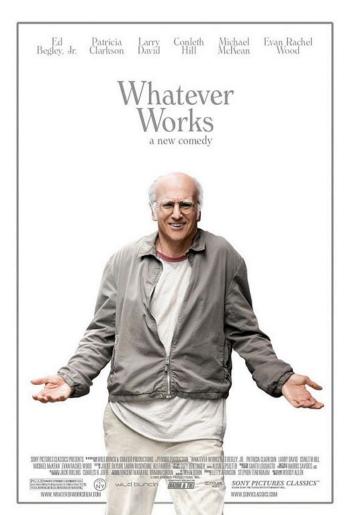
Whatever Works

Christopher R. Raines, Ph.D. September 28, 2011



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

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

		JANUARY 1, 2008				JANUARY 1, 2009			
		FEDERALLY	OTHER			FEDERALLY	OTHER		
		INSPECTED PLANTS	PLANTS	TOTAL	I	INSPECTED PLANTS	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 INDIANA	17 8	128 84	145 92		18 10	118 83	136 93	
	ILLINOIS	35	68	103		35	59	93	
	MICHIGAN	30	35	65		30	35	65	
	WISCONSIN	17	99	116		20	103	123	
	MINNESOTA	26	104	130		25	105	130	
	IOWA MISSOURI	25 42	116 164	141 206		25 41	116	141	
	SOUTH DAKOTA	7	87	94		7	86	93	
	ΝΟΡΤΗ ΠΔΚΟΤΔ	11	50	61		10	561	61	
		FEDERALLY		OTHER				FED	ERALLY
		INSPECTED PLANTS		PLANTS	TOTAL			INSPECT	red plants
			·		TOTAL				
NORTH ATLAN				10					
NEW ENGLAN	VD1	18		16	34				20
NEW YORK		36		31	67				36
NEW JERSEY		10		1	17				16
PENNSYLVAN	AII	91		154	245				91
					210				01
	KENTUCKY		28	48	210	21	27	48	01
	KENTUCKY TENNESSEE	18		48		18	8	26	01
	KENTUCKY TENNESSEE ALABAMA	18 6	33	48 00 39		18 7	8 33	26 40	
	KENTUCKY TENNESSEE ALABAMA MISSISSIPPI	18 6 5	33 17	48 20 39 22		18 7 5	8 33 16	26 40 21	01
	KENTUCKY TENNESSEE ALABAMA	18 6	33	48 00 39		18 7	8 33	26 40	01
	KENTUCKY TENNESSEE ALABAMA MISSISSIPPI ARKANSAS LOUISIANA OKLAHOMA	18 6 5 9 2 8	33 17 59 42 64	48 39 22 68 44 72		18 7 5 9 1 8	8 33 16 23 38 64	26 40 21 32 39 72	
	KENTUUKY TENNESSEE ALABAMA MISSISSIPPI ARKANSAS LOUISIANA OKLAHOMA TEXAS	18 6 5 9 2	33 17 59 42	48 39 22 68 44		18 7 5 9 1	8 33 16 23 38	26 40 21 32 39	
	KEN I UCKY TENNESSEE ALABAMA MISSISSIPPI ARKANSAS LOUISIANA OKLAHOMA TEXAS MOUNTAIN	18 6 5 9 2 8 47	33 17 59 42 64 74	48 39 22 68 44 72 121		18 7 9 1 8 49	8 33 16 23 38 64 62	26 40 21 32 39 72 111	
	KENTUCKY TENNESSEE ALABAMA MISSISSIPPI ARKANSAS LOUISIANA OKLAHOMA TEXAS MOUNTAIN MONTANA	18 6 5 9 2 8 47 8	33 17 59 42 64 74 145	48 39 22 68 44 72 121		18 7 9 1 8 49 7	8 33 16 23 38 64 62 152	26 40 21 32 39 72 111 159	
	KENIUCKY TENNESSEE ALABAMA MISSISSIPPI ARKANSAS LOUISIANA OKLAHOMA TEXAS MOUNTAIN MONTANA IDAHO	18 6 5 9 2 8 47	33 17 59 42 64 74 145 21	48 39 22 68 44 72 121 153 33		18 7 9 1 8 49	8 33 16 23 38 64 62 152 19	26 40 21 32 39 72 111 159 31	
	KENTUCKY TENNESSEE ALABAMA MISSISSIPPI ARKANSAS LOUISIANA OKLAHOMA TEXAS MOUNTAIN MONTANA	18 6 5 9 2 8 47 8	33 17 59 42 64 74 145	48 39 22 68 44 72 121		18 7 9 1 8 49 7	8 33 16 23 38 64 62 152	26 40 21 32 39 72 111 159	
	KENTUCKY TENNESSEE ALABAMA MISSISSIPPI ARKANSAS LOUISIANA OKLAHOMA TEXAS MOUNTAIN MONTANA IDAHO WYOMING COLORADO NEW MEXICO	18 6 5 9 2 8 47 8 12 23 9	33 17 59 42 64 74 145 21 27 20 6	48 39 22 68 44 72 121 153 33 27 43 15		18 7 5 9 1 8 49 7 12 24 10	8 33 16 23 38 64 62 152 19 26 20 6	26 40 21 32 39 72 111 159 31 26 44 16	
	KENTUCKY TENNESSEE ALABAMA MISSISSIPPI ARKANSAS LOUISIANA OKLAHOMA TEXAS MOUNTAIN MONTANA IDAHO WYOMING COLORADO NEW MEXICO ARIZONA	18 6 5 9 2 8 47 8 12 23 9 2	33 17 59 42 64 74 74 145 21 27 20 6 11	48 39 22 68 44 72 121 153 33 27 43 15 13		18 7 5 9 1 8 49 7 12 24 10 2	8 33 16 23 38 64 62 152 19 26 20 6 10	26 40 21 32 39 72 111 159 31 26 44 44 16 12	
	KENIUCKY TENNESSEE ALABAMA MISSISSIPPI ARKANSAS LOUISIANA OKLAHOMA TEXAS MOUNTAIN MONTANA IDAHO WYOMING COLORADO NEW MEXICO ARIZONA UTAH	18 6 5 9 2 8 47 47 8 12 23 9 2 10	33 17 59 42 64 74 145 21 27 20 6	48 39 22 68 44 72 121 153 33 27 43 15 13 31		18 7 5 9 1 8 49 7 12 24 10 2 11	8 33 16 23 38 64 62 152 19 26 20 6	26 40 21 32 39 72 111 159 31 26 44 16 12 31	
	KENIUCKY TENNESSEE ALABAMA MISSISSIPPI ARKANSAS LOUISIANA OKLAHOMA TEXAS MOUNTAIN MONTANA IDAHO WYOMING COLORADO NEW MEXICO ARIZONA UTAH NEVADA	18 6 5 9 2 8 47 8 12 23 9 2	33 17 59 42 64 74 74 145 21 27 20 6 11	48 39 22 68 44 72 121 153 33 27 43 15 13		18 7 5 9 1 8 49 7 12 24 10 2	8 33 16 23 38 64 62 152 19 26 20 6 10	26 40 21 32 39 72 111 159 31 26 44 44 16 12	
	KENIUCKY TENNESSEE ALABAMA MISSISSIPPI ARKANSAS LOUISIANA OKLAHOMA TEXAS MOUNTAIN MONTANA IDAHO WYOMING COLORADO NEW MEXICO ARIZONA UTAH	18 6 5 9 2 8 47 47 8 12 23 9 2 2 10 3	33 17 59 42 64 74 74 145 21 27 20 6 11	48 39 22 68 44 72 121 153 33 27 43 15 13 31		18 7 5 9 1 8 49 7 12 24 10 2 11 3	8 33 16 23 38 64 62 152 19 26 20 6 10	26 40 21 32 39 72 111 159 31 26 44 16 12 31	
	KENTUCKY TENNESSEE ALABAMA MISSISSIPPI ARKANSAS LOUISIANA OKLAHOMA TEXAS MOUNTAIN MONTANA IDAHO WYOMING COLORADO NEW MEXICO ARIZONA UTAH NEVADA PACIFIC WASHINGTON OREGON	18 6 5 9 2 8 47 8 12 23 9 2 10 3 13 13	33 17 59 42 64 74 145 21 27 20 6 11 21 21 8 17	48 39 22 68 44 72 121 153 33 27 43 15 13 31 3 21 30		18 7 5 9 1 8 49 7 12 24 10 2 11 3 3 13 12	8 33 16 23 38 64 62 152 19 26 20 6 10 21 21 8 8 17	26 40 21 32 39 72 111 159 31 26 44 16 12 31 3 3 21 29	
	KENIUCKY TENNESSEE ALABAMA MISSISSIPPI ARKANSAS LOUISIANA OKLAHOMA TEXAS MOUNTAIN MONTANA IDAHO WYOMING COLORADO NEW MEXICO ARIZONA UTAH NEVADA PACIFIC WASHINGTON OREGON CALIFORNIA	18 6 5 9 2 8 47 8 12 2 8 12 2 8 12 2 3 9 2 10 3 3 13 13 13 31 <th< td=""><td>33 17 59 42 64 74 145 21 27 20 6 11 21 21 8</td><td>48 39 22 68 44 72 121 153 33 27 43 15 13 31 31 3 31 31 31 31 31 31 31 31 31 3</td><td></td><td>18 7 5 9 1 8 49 7 12 24 10 2 11 3 13 12 31</td><td>8 33 16 23 38 64 62 152 19 26 20 6 10 21 21 8</td><td>26 40 21 32 39 72 111 159 31 26 44 16 12 31 3 3 21 29 74</td><td></td></th<>	33 17 59 42 64 74 145 21 27 20 6 11 21 21 8	48 39 22 68 44 72 121 153 33 27 43 15 13 31 31 3 31 31 31 31 31 31 31 31 31 3		18 7 5 9 1 8 49 7 12 24 10 2 11 3 13 12 31	8 33 16 23 38 64 62 152 19 26 20 6 10 21 21 8	26 40 21 32 39 72 111 159 31 26 44 16 12 31 3 3 21 29 74	
	KENIUCKY TENNESSEE ALABAMA MISSISSIPPI ARKANSAS LOUISIANA OKLAHOMA TEXAS MOUNTAIN MONTANA IDAHO COLORADO NEW MEXICO ARIZONA UTAH NEVADA PACIFIC WASHINGTON OREGON CALIFORNIA HAWAII	18 6 5 9 2 8 47 8 12 23 9 2 10 3 11 13 13 31 10 <th10< th=""> 10 <th10< th=""> <th10< th=""> <th10< th=""></th10<></th10<></th10<></th10<>	33 17 59 42 64 74 145 21 27 20 6 11 21 21 8 17 38	48 39 22 68 44 72 121 153 33 27 43 15 13 31 31 31 31 31 31 31 31 31		18 7 5 9 1 8 49 7 12 24 10 2 11 3 11 3 12 31 9	8 33 16 23 38 64 62 152 19 26 20 6 10 21 8 17 43	26 40 21 32 39 72 111 159 31 26 44 16 12 31 3 3 21 29 74 9	
	KENIUCKY TENNESSEE ALABAMA MISSISSIPPI ARKANSAS LOUISIANA OKLAHOMA TEXAS MOUNTAIN MONTANA IDAHO COLORADO NEW MEXICO ARIZONA UTAH NEVADA PACIFIC WASHINGTON OREGON CALIFORNIA HAWAII ALASKA	18 6 5 9 2 8 47 8 12 23 9 2 10 3 9 2 10 3 31 13 31 10 6 5 9 9 2 10 3 11 10 6 10 6 10<	33 17 59 42 64 74 145 21 27 20 6 11 21 21 21 8 17 38 33	48 39 22 68 44 72 121 153 33 27 43 15 13 31 3 21 30 69 10 39		18 7 5 9 1 8 49 7 12 24 10 2 11 3 13 12 31 9 3	8 33 16 23 38 64 62 152 19 26 20 6 10 21 8 17 43 33	26 40 21 32 39 72 111 159 31 26 44 16 12 31 3 3 21 29 74 9 36	
	KENIUCKY TENNESSEE ALABAMA MISSISSIPPI ARKANSAS LOUISIANA OKLAHOMA TEXAS MOUNTAIN MONTANA IDAHO COLORADO NEW MEXICO ARIZONA UTAH NEVADA PACIFIC WASHINGTON OREGON CALIFORNIA HAWAII	18 6 5 9 2 8 47 8 12 23 9 2 10 3 9 2 10 3 13 13 13 13 13 13 9 2 10 6 807	33 17 59 42 64 74 145 21 27 20 6 11 21 21 8 17 38	48 39 22 68 44 72 121 153 33 27 43 15 13 31 31 31 31 31 31 31 31 31		18 7 5 9 1 8 49 7 12 24 10 2 11 3 11 3 12 31 9	8 33 16 23 38 64 62 152 19 26 20 6 10 21 8 17 43	26 40 21 32 39 72 111 159 31 26 44 16 12 31 3 3 21 29 74 9	

PENNSTATE

OTHER

PLANTS

16

29

1

154

TOTAL

36 65

17

245

What **hasn't** worked?



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

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What hasn't worked:

- Inability to obtain correct zoning or underestimate water / sewer costs
- Underestimate transportation costs*
- Income losses due difficult or noncooperative producers
- "Cowboy" mindset

- No grasp of the time commitment
- Unable to find qualified labor
- NO MEAT INDUSTRY EXPERIENCE



What <u>has</u> worked?



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)

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MEAT INDUSTRY EXPERIENCE

Thank you.

