



Processors on the Fast Track

How small and medium-sized meat processors are scaling up to meet customer demands

The pandemic exposed the perils of a concentrated meat and poultry processing industry, as consumers experienced high prices and shortages, and many producers were unable to sell their animals. According to Joel M. Jackson, pilot plant manager at Oklahoma State's Robert M. Kerr Food and Agricultural Products Center, the pandemic fueled demand for custom meat processors.

It also changed buying habits. A study from Midan Marketing found almost half (47%) of meat consumers purchased meat online during the first part of 2022. Another study in March 2022 found 23% plan to use online shopping as their primary method for purchasing meat and poultry moving forward. In the 2023 Power

of Meat study, 63% of consumers surveyed want to know more about the who, what, where and how behind their food. Together these trends have created a tremendous opportunity for smaller processors.

Retailers seeking to win over consumers are also sourcing more local foods. The Kroger Co.'s Go Fresh & Local Supplier Accelerator is enhancing the selection of local items sold in the Kroger Family of Companies. The program enables American-based growers and producers a chance to work directly with the retailer. Similarly, Whole Foods launched its Local and Emerging Accelerator Program (LEAP) in 2022 to grow local and emerging producers through education and mentorship.



LOCAL MEAT PROCESSORS INCREASE CAPACITY AND EFFICIENCY

Ann Marie Roerink, principal with 210 Analytics, sees partnership opportunities growing between independent grocers and small local processors. “One of the issues with the small local processors is that they often don’t have the volume to deal with a larger retailer or a larger restaurant chain. The combination of independent grocers and local meat producers is one that works extremely well.”

The Biden administration has fueled increased capacity in meat processing with an investment of \$73 million in 21 grant projects through the first round of the Meat and Poultry Processing Expansion Program (MPPEP). Phase 2 will release another \$123 million in grant funding. Qualifying processors include private, non-profit, tribal, cooperative and state or local government. Additional funds for processors have come from state programs such as those available in Illinois, Missouri, Wisconsin and Oklahoma.

NIMROD MEATS IMPROVES PACKAGING EFFICIENCY

Rocky Damiano learned about butchering meat from his father, an executive chef who butchered meat for use in his restaurants. An avid outdoorsman, Damiano was frustrated by the lack of a meat locker in his area. He recognized there would be demand from local farmers and hunters for custom butchering. He answered by opening Nimrod Meats, a state-of-the-art, 9,800-square-foot custom

meat processing facility in Iowa Falls, Iowa, in May 2022. A retail store soon followed. Under the Cooperative Interstate Shipping program, Nimrod Meats, a state-inspected facility, is allowed to ship products across state lines.

“We were at a pivotal point in our business growth, and we needed the equipment to expand. The creative financing options from MULTIVAC were key for us.”

Rocky Damiano, owner of Nimrod Meats

“There’s just so much growth potential where we’re at right now, we’re fine-tuning our processes and programs,” says Damiano. “We’re improving every single month, adding more products and more facility space.” Nimrod Meats focuses on serving mom and pop shops and Iowa-based companies. “Ninety-nine percent of what we process is from local farmers, within 40 miles or less of our shop,” says Damiano. The company also processes for third parties, which Damiano says many meat lockers won’t do.

Labor is one of the biggest issues for this expanding business. Based on the current number of employees Damiano believes they should be processing 6-7 beef per day and 10-20 hogs. “We’re not quite at that level,

because of labor issues,” he says. “The people we hire usually have zero experience.”

Upgrading equipment has enabled Nimrod Meats to improve efficiency. They recently replaced a double-chamber vacuum machine with a MULTIVAC R126 thermoformer. According to Damiano, it would take an hour and a half to package a whole beef using the vacuum machine but with the MULTIVAC thermoformer it takes approximately 30 minutes. “That’s an entire hour off our processing and packaging of a whole beef,” he says.

Purchasing the machine from MULTIVAC’s stock program meant Nimrod Meats was able to have the machine delivered and set up in approximately nine weeks. “They were really good at making sure that they resolved all our problems, and I couldn’t be happier with the way they did all that,” says Damiano.

One of the deciding factors in the purchase was the availability of financing. “We were at a pivotal point in our business growth, and we needed the equipment to expand,” says Damiano. “The creative financing options from MULTIVAC were key for us.”

EQUIPMENT UPGRADES PROPEL GROWTH AT HERTZOG MEATS

When Hertzog Meats opened in May 2021 in Butler, Mo., its focus was on processing for local ranchers and their retail butchery. “We quickly built a nice book of business,” says Mike Quick, co-owner and partner. The company now sells its premium meats to restaurants and foodservice in Kansas City, and in 2022, they began selling direct to consumers through their website.

“We are so busy,” says Quick. “As you grow you need equipment that’s more efficient and reliable, and can handle the throughput. Packaging—how your product is cut, its appearance—matters, even in foodservice.”

A GMS 400 portioning machine, sourced from MULTIVAC’s stock program, has already made a difference in operations. “Before we had the portioner, I had six or seven guys cutting steaks, now four of those guys can focus on other things,” says Quick. While one person can operate the machine, Quick says it’s more efficient to have one person trimming the meat before it goes in the portioner, one person operating the

machine, and another ensuring the product loads into the roll stock machine.

“The more experience our teams have on the machines, the faster the machines can run,” says Quick. “We’ve seen a nice increase in productivity.”

“The machine is quieter than other machines we tested and owned,” he says. “It creates a more work-friendly environment.” The footprint and size of the machine also worked well in the company’s space.

Hertzog also purchased a MULTIVAC R105 thermoformer to package the additional throughput created by the portioner.

When selecting equipment, Quick looks at the capability of the equipment and the quality of the build. Support after the sale is also key. “We have known MULTIVAC

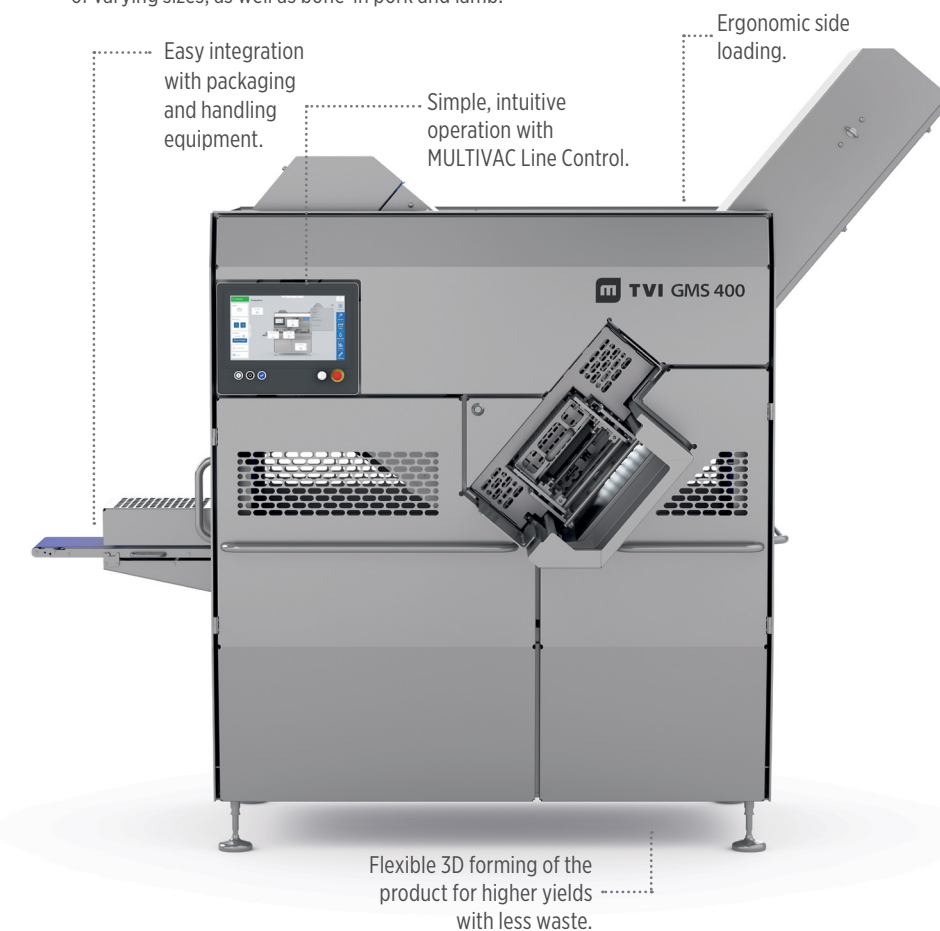
for a long time and know other processors who have used their products,” he says. “After a few years in the business and learning what we need, we decided to go with MULTIVAC.”

Quick appreciates how quickly they were able to get up and running because the equipment arrives fully assembled, while competitive machines would need to be assembled on site. The MULTIVAC team completed the installation, calibrated the machine and trained the operators.

According to Quick, Hertzog won’t sign up new customers until they know they can produce the product. “Every piece of meat has a home,” he says. “Now we have the capabilities to add more foodservice customers and more efficiently produce retail-ready products.”

MULTIVAC GMS 400

The new GMS 400 portioning machine from TVI is included in MULTIVAC’s Stock Machine program. It precisely portions fresh boneless meats, diced or stew meat of varying sizes, as well as bone-in pork and lamb.



HELPING CUSTOMERS GROW FASTER WITH STOCK MACHINES

“When you have an opportunity to grow, quick delivery is important,” says Matt Swenson, National Sales Director at MULTIVAC. “Stock machines that could be delivered within 30 days, can help meet growing customer demand,” he says.

Stock inventory, located at the company’s U.S. headquarters in Kansas City, Mo., includes a mix of chamber machines, thermoformers, tray sealers, slicers & portioners, printers labelers, metal detectors, x-ray and shrink and dry tunnels. There are three-, six- and nine-week delivery programs for thermoformers, and smaller equipment might ship sooner.

“Customers who need to ramp up quickly, appreciate being able to bypass the six- to eight-week transit time on machines shipped from Europe,” says Swenson. “Additionally, if the customer needs a custom factory solution, we can offer loaner equipment so they can start processing while they wait for the custom solution. Often, this will get them by while they wait for their machines to arrive.”

Whether purchasing from the stock program or ordering from the factory, MULTIVAC walks customers through their projects to determine what machine would best fit the process. “We have a robust system where we review the product, the packaging and the processing rate,” says Swenson. “Each one of our sales people, along with our sales application engineers is trained to optimize each of those aspects.”



MULTIVAC STOCK MACHINES AVAILABLE

- Chamber machines
- Thermoformers
- Traysealers
- Slicers
- Portioners
- Printers
- Labelers
- X-ray
- Shrink and drying machines

Before meeting with a rep, Swenson advises customers to know what they want from their packaging. “Think about the feel, form and function of the package,” says Swenson.

SUPPORT FOR GROWING BUSINESSES

Technical and financial support is critical for small and medium-sized processors. “MULTIVAC helps reduce the learning curve associated with new machinery by providing on-site training, as well as access to MULTIVAC University,” says Swenson. “Customers can send their associates to our state-of-the-art training facility where they can work on MULTIVAC equipment and gain practical, hands-on experience in thermoforming and traysealing.”

Customers can send their associates to our state-of-the-art training facility where they can gain practical, hands-on experience in thermoforming, inspection, automation, processing, and traysealing.

Matt Swenson, National Sales Director, MULTIVAC

According to Swenson, MULTIVAC has nearly 200 individuals dedicated to parts and service who can step into action if an issue arises. In addition, customers can link their equipment 24/7 to MULTIVAC’s Directech and Smart Services platform.

Financing options can make a difference. MULTIVAC offers a wide range of options to purchase, lease or rent machinery. Trade-ins can help reduce the purchase price, while bundle agreements enable customers to pay for the equipment through the purchase of film, bags or pouches. “Our sales team is well-versed in providing creative solutions to help customers maximize their buying power when managing their capital purchasing,” adds Swenson.

The outlook is bright for small and medium-sized processors who are ready to ramp up to meet growing demand. A wide array of funding and resources available can help you grow, including readily available stock machinery from MULTIVAC.



Students participating in the five-week Meat Mastery program at The Food and Agricultural Products Center at Oklahoma State.

(Photo by Kirsten Hollansworth, OSU Robert M. Kerr Food and Agricultural Products Center.)

ACCESS FUNDING, TECHNICAL ASSISTANCE AND MORE

Help for processors is available at both the state and federal level. Both Hertzog Meats and Nimrod Meats have received grants either from their respective states or from the USDA. Equipment upgrades are among the most common uses of the Meat and Poultry Processing Expansion Program (MPPEP) funding.

To help processors with labor challenges, the USDA allocated \$40 million to be used primarily to support workforce training at community, junior and technical colleges with programs specifically for meat and poultry processing. Oklahoma State University’s (OSU) Meat Mastery program targets 20 participants a year for a five-week hands-on meat-processing course. According to Joel M. Jackson, pilot plant manager, the program offers participants some advanced skills, food safety certifications, and education in sanitation and manufacturing practices. OSU’s Robert M. Kerr Food and Agricultural Products Center (FAPC) meat plant serves as a training space and processing center for OSU students and clients we serve. Cowboy Meats is operated by students.

FAPC also helps processors navigate the regulatory environment, create HACCP plans, solve technical issues and conduct feasibility analysis. “We have microbiologists, food safety specialists, ag business folks and engineers, as well as rooms, labs and equipment, so regardless of the problem, we can usually help.” According to Jackson, participants can be located in any state.

Similarly, the USDA, through its Meat and Poultry Processing Capacity Technical Assistance Program connects USDA grant applicants to additional industry resources. You can ask for assistance with federal grant applications, business development, financial planning, technical and operational support, and supply chain development. Flower Hill Institute, a native-owned nonprofit based out of the Jemez Pueblo in New Mexico, is the Technical Assistance Coordinator for the program. The program also taps into resources from Oregon State University’s Niche Meat Processors Assistance Network, the Intertribal Agricultural Council, the American Association of Meat Processors, the American Meat Science Association and the Agricultural Utilization Research Institute.



Consult your MULTIVAC sales advisor to learn about our stock machines.