



# NW COLORADO MEAT SECTOR: Feasibility Study



## SUMMARY

There are ongoing concerns about livestock processing and storage capacity in Northwest Colorado. This report is intended to help support efforts to develop and expand value added agricultural enterprises and to increase consumption of regionally raised livestock.



## CONTEXT

Meat animals accounted for 53% of CO cash receipts in 2020, with cattle and calves accounting for 96% of all livestock products in the state. In 2022, Colorado ranked 17th in the United States in total beef inventory (USDA 2022). In 2021, Colorado had 12,407 beef cattle operations with 806,216 beef cows.



## PROBLEM

Changing consumer preferences, health concerns, and the rise of alternative protein sources have contributed to shifts in consumer meat product preferences. Recent supply chain disruptions, and growing interest in supporting local, has created unprecedented demand for regionally source meat products. Current processing capacity is limited.

## PROJECT PARTNERS



COLORADO STATE UNIVERSITY  
EXTENSION



community  
agriculture  
alliance

## THE FEASIBILITY STUDY

During the 2022 winter, the Northwest Colorado Development Council (NWCDC) conducted a series of Agricultural Producer Meetings in Moffat, Rio Blanco, and Routt counties. Livestock producers identified regulatory and infrastructure barriers to expanding value-added opportunities in the region. To assess these barriers and to identify potential solutions the Community Agriculture Alliance (CAA), in partnership with the NWCDC, applied and were awarded a grant from the National Just Transition Fund.

Interviews were conducted with 38 ranchers in NW Colorado currently utilizing local meat processing. Producers were found to be selling meat products to local and regional supply chains through informal exchanges with friends and family, through direct-to-consumer channels (e.g., online, word-of-mouth, farmers markets, etc.) and/or through intermediated markets (e.g., direct to institution, restaurant sales, and CAA Market). Most of the producers (60%) were looking to grow their current production, with 37% of producers looking to maintain. Producers identified access to additional grazing land, labor, and processing options as the major challenges to expansion.



## Supply

County	# selling locally/regional	Interviewed	%
Moffat	15	7	47%
Rio Blanco	21	18	86%
Routt	26	13	50%
<b>TOTAL</b>	<b>62</b>	<b>38</b>	<b>61%</b>

With feedback from the NWCDC Value Ag Working Group and key stakeholders, we developed a series of questions. Producers were identified through stakeholder engagement and snowball sampling. We identified 62 producers selling to local and regional markets. Accounting for approximately 9% of all the livestock producers according to the 2017 USDA Ag Census.

Interviews were conducted with beef (31), lamb (8), swine (4), goat (3), and poultry (2) producers. Nine producers raised multiple species. The average number of finished cattle was 15, lamb/goat was 40, swine was 40, and poultry was 1,475. Based on these numbers we can estimate, at current production levels, there is supply of 759 beef, 522 lamb, 261 swine, 195 goats, and 4,813 poultry.

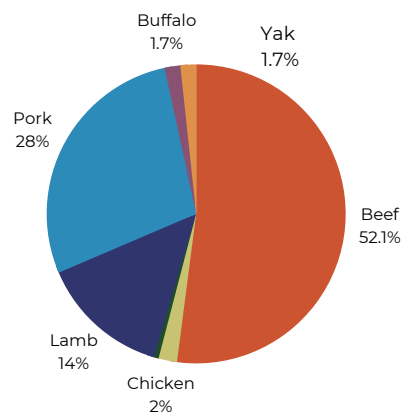


## Processing

Producers worked with six different processors, with three referencing on-farm processing. Conversations with local processors indicated that capacity is increasing but stressed the challenges associated with waste management, labor (recruitment, retention, and salary), and seasonal variability in processing demand create a precarious business model that stands to be adversely impacted by the addition of a competing facilities within the region. Traditional livestock finishing periods coincide with hunting season. While adjusting finishing time can improve the utilization of processing capacity, changes can result in increased costs of production.

## Local Demand

There are three main outlets for meat sales in the region - direct from the producer, farmers market, and the CAA Market. Survey data was collected from 64 Steamboat Springs farmers market shoppers. Ninety percent of surveyed shoppers indicated they would like to purchase their meat products from local producers and would be willing to pay a 25% premium. In 2022, there was a total of \$138,386 in total meat sales through the CAA Market. With the passage of the Healthy School Meals for All, there are new opportunities for institutional procurement. The six school districts in the 3-county area will have \$99,000 to purchase Colorado product each year.



## Next Steps

Processors in the area are expanding processing and storage; this will take time. Three more immediate opportunities were identified through this project:

1. CAA Market Ambassadors - CAA is working with ambassadors in Moffat and Rio Blanco counties to facilitate getting more producers in the market. Facilitation will include education, product identification and pricing, and coordinating transportation of product.
2. Shared Marketing - Many producers pointed to a lack of resources, time, and expertise in marketing. The CAA has hired a marketing firm to develop a region wide marketing campaign for local and regional meat.
3. Coordinated processing of culled cows - During the drought of 2022, Rocky Mountain Farmers Union worked with cattle ranchers to purchase and process 86 cows that were sold to Food Bank of the Rockies. Partners are exploring replicating this program to source ground beef for institutional buyers.