



MPPTA
FLOWER HILL INSTITUTE

Opportunities for Processing & Marketing Certified Organic Meat and Poultry

*Midwest Regional Meat Summit
Des Moines, IA*

Dave Carter

Flower Hill Institute, January 2025

The Technical Assistance Commitment

- USDA committed nearly \$1 billion in 2022 to create a more resilient, diverse and equitable meat and poultry processing system.
- Technical assistance needed to help businesses establish, develop and expand successful enterprises
- A strong emphasis on connecting with underserved producers & communities



The Technical Assistance Commitment

- [Flower Hill Institute](#)
- [Oregon State University - Niche Meat Processors Assistance Network](#)
- [Intertribal Agriculture Council](#)
- [American Association of Meat Processors](#)
- [American Meat Science Association](#)
- [Agricultural Utilization Research Institute](#)
- [Tuskegee University](#)



What is Flower Hill Institute?

Flower Hill is a Native-owned, community-directed nonprofit. It serves as the overall Technical Assistance Coordinator for the MPPTA Program, working closely with AMS and the TA Providers to connect meat and poultry processors, USDA grant applicants, and grant-funded project managers to the resources and expertise best suited to support a project's needs.

<https://flowerhill.institute/usda-mppta>



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Our MOU Partners to Date



Our Scope of Work Through December 2026

- Federal Funding Technical Assistance
 - Meat and Poultry Processing Technical Assistance
 - Agricultural Business Development Technical Assistance
 - Supply Chain Development Technical Assistance
-
- *“For smaller plants, business diversification is most strongly and consistently associated with plant survival.”* Dr. Sarah Low
 - Differentiated marketing is key to survival and success

Don't Compete...Be Better



First...A Bit of History

- Organic emerged after Rachel Carson's "Silent Spring"
- Pioneers were alternative agriculture advocates
- Then came the 1980's
 - During the Farm Crisis, organic producers were profitable
 - "Organic" retailers emerged beyond the small health food sector (Whole Foods, Wild Oats, etc.)
 - Conventional farmers began to game the system
 - The organic community went to Congress with a request for national regulations



Birth of the Organic Standards

- Organic Foods Production Act included in 1990 Farm Bill
- Organic Standards implemented in October 2002
- National Organic Program (NOP)
 - Part of USDA AMS
 - Responsible for Enforcement of Standards
- National Organic Standards Board (NOSB)
 - 15 member citizen board appointed by the Secretary of Agriculture
 - Advises NOP on developing/updating standards
 - Gatekeeper of the National List of allowed and prohibited materials
- Accredited Certification Agencies

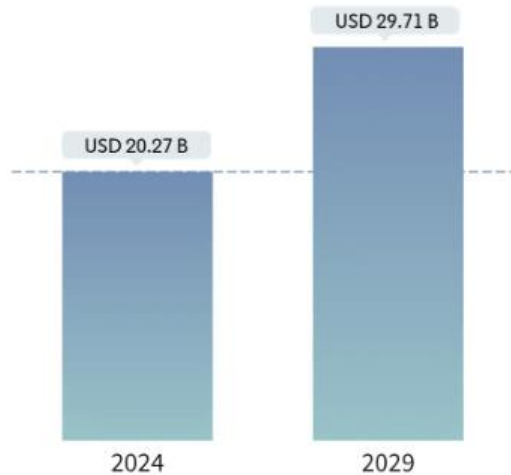


The Organic Meat Bottleneck Effect



The Organic Meat Marketplace

Organic Meat Market
Market Size in USD Billion
CAGR 7.94%



Source: Mordor Intelligence

Study Period	2019 - 2029
Market Size (2024)	USD 20.27 Billion
Market Size (2029)	USD 29.71 Billion
CAGR (2024 - 2029)	7.94 %
Fastest Growing Market	Asia Pacific
Largest Market	North America
Market Concentration	Low

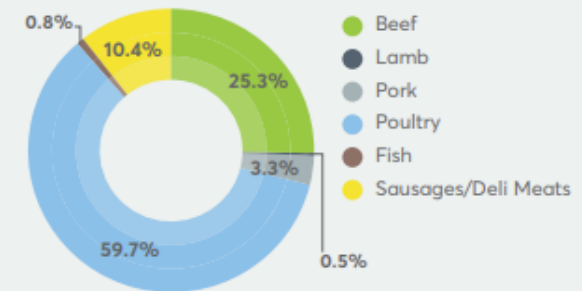
Major Players



*Disclaimer: Major Players sorted in no particular order

FIGURE 3.23.

U.S. Organic Meat, Poultry, and Fish Sales by Subcategory in 2022



SUBCATEGORY	2022 SALES	2022 GROWTH
Poultry	1,141	3.5%
Beef	483	8.5%
Sausages/Deli Meats	198	8.7%
Pork	63	10.2%
Lamb	10	-11.3%
Fish	16	12.8%
Total	1,912	5.4%

Source: Organic Trade Association's 2023 Organic Industry Survey conducted 1/13/2023-4/1/2023 (\$mil, consumer sales)



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From *Meatingplace*: January 2025

- 52-weeks ending November 3, 2024:
 - U.S. organic meat sales of \$2.8 billion were up 14.1%
 - Overall meat sales were up 6.4%
 - Organic beef sales were up 25% compared to 9.2% overall growth.
 - Organic pork sales rose 46.7% compared to 3.4% in the overall category
 - Organic lamb sales rose 11.6% compared to 4.4% in the category



Source: Circana market research firm



Domestic Production/Processing

State	Total	Poultry	Cattle	Swine	Sheep	Beef Slaughter Cos.
Illinois	568	9	7			2
Indiana		23	200			0
Iowa	199	74	65	8	2	1
Kansas	7	1	1	2		2
Minnesota	162		32			5
Michigan	110	4	50	2	1	2
Missouri	227		8			0
Nebraska	22	13	5			3
North Dakota	5	1	3			0
South Dakota	10	1	4			3
Wisconsin	670		61	2		10
Totals	1980	126	436	14	3	28

- None of the Big 4 have certified organic beef slaughter in these states.
- None have significant organic beef slaughter in the U.S.



The Organic Meat Opportunity

Market Drivers for Organic Meat

- Growing Health Consciousness
- Sustainability
- Ethical Concerns
- Transparency & Traceability
- Flavor and Perception of Quality

Source: Market Research Intellect, 2024

From Power of Meat 2024

Claims that are seen as purchase priorities across meat and poultry shoppers.

44% Raised in the USA

40% Humanely raised

38% No added hormones

37% Natural

36% Raised without antibiotics

34% Raised locally

32% Free range

28% Grass-fed

22% Organic

Source: 210 Analytics, Dec. 2023



Organic Meat Opportunities

- Product Innovation and Variety
- Direct-to-Consumer and Online Sales
- Emphasis on Local and Regional Production
- Sustainability Initiatives in Packaging
- Organic Byproduct Opportunities



Understanding Organic Labeling

- **100% Organic**

- Just what it says, the product is 100% organic (e.g. organic fresh apple)
- This can carry the USDA Organic seal

- **Organic**

- Product must contain 95% organic ingredients, excluding water and salt
- The other 5% must be organic, if commercially available
- Otherwise, ingredients in the 5% must be on the *National List* as approved
- Product can carry the USDA Organic seal

- **“Made with Organic xxxx”**

- At least 70% of ingredients must be organic
 - Other 30% cannot be GMO, or produced with radiation or sewage sludge
 - These products cannot use the USDA Organic Seal
- *Any product with less than 70% can only mention “organic xxxx” in the ingredient panel*



Organic Requirements (CFR7 §205)

- §205.202 - §205.207 – Organic Crop Production
- §205.236 - §205.241 – Organic Livestock Production
- §205.242 - Organic Livestock Transport and Slaughter
- §205.270 - §205.272 – Organic Handling (processing)

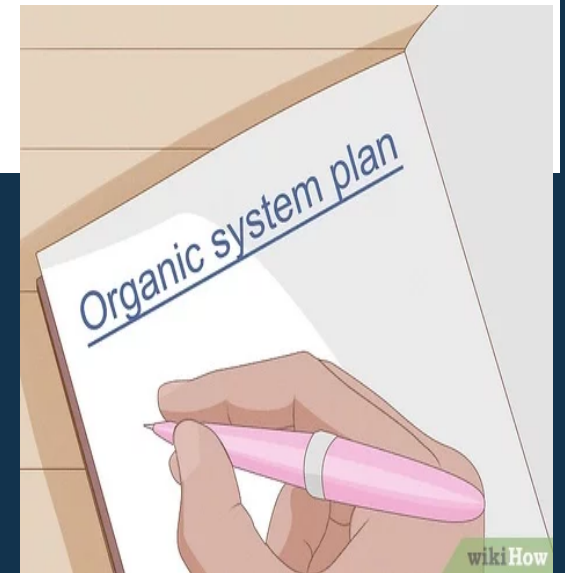
- The National List
 - §205.601 – Synthetic substances allowed in organic crop production
 - §205.603 – Synthetic substances allowed in organic livestock production
 - §205.605 – Non-agricultural substances allowed as ingredients in organic or “made with organic” (includes processing aids, sanitizers, etc.)
 - §205.606 – Non-organic ag products allowed to be used in processed organic products

Becoming a Certified Organic Facility

- Handling Requirements
 - Each operation must have strict protocols to assure that organic products are not co-mingled with non-organic products.
 - Each operation must have organic certificates from the suppliers of any ingredients to be used as a part of the organic contents in a product labeled as Organic or Made With Organic.
 - All materials used for food processing, sanitation, and pest management must be listed as allowed in §205.605 of the National List.
 - Any non-organically grown agricultural ingredient included in a certified organic product must be listed as allowed in §205.606 of the National List.

Becoming a Certified Organic Facility

- It begins with an Organic Systems Plan ([§205.201](#))
 1. A description of practices and procedures to be performed and maintained,
 2. A list of each substance to be used as a production or handling input,
 3. A description of the monitoring practices and procedures to be performed and maintained,
 4. A description of the recordkeeping system,
 5. Management practices and physical barriers to prevent commingling of organic and nonorganic products, and to prevent contact of organic production and handling operations and products with prohibited substances; and
 6. Additional information deemed necessary by the certifying agent to evaluate compliance with the regulations.



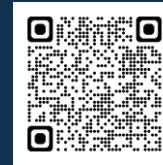
*Your HACCP
Plan will already
have a lot of this
information*

Becoming Certified (Cont.)

- Pest management plan (§205.271)
 - Flower Hill Institute has prepared a [guidance document on organic pest management](#) for meat processors
- Segregation and prevention of comingling with prohibited substances (§205.272)

Don't Despair: Resources for Developing an OSP

- Many certifiers have a template for Preparing an OSP (CCOF, Oregon Tilth, QAI)
- USDA NOP [Guide for Organic Processors](#)
- NOP Guidance Documents
 - [NOP 2601](#) – The Organic Certification Process
 - [NOP 5023](#) – Substances Used in Organic Processing
- Flower Hill Institute – [Guidance for Organic Pest Control Procedures](#)



Then...

- Submit an application to an accredited certifier
 - Certifier will conduct a desk audit, with the applicant notified of needed changes
 - Certifier will conduct an on-site inspection
 - Applicant will have an opportunity to correct deficiencies
 - Second on-site audit, if needed
- If approved, the processor will receive a certificate of organic operation
 - Certificate remains valid until surrendered, suspended or revoked
 - Operation will be audited annually

Consider this...

- Most organic products are produced in facilities that also handle conventional products.
- Suppliers of organic livestock must provide you with a copy of their certificate. You are not responsible for auditing them.
- Product segregation does not require separate rooms; proper shelving and signage can be used.
- Organic pest control procedures are not difficult and are effective.
- Organic certification creates new opportunities for ranchers.
- Organic certification provides you with a marketing advantage.



Finally...The Offal Opportunity



By-Product Drop Value (Steers) (Cattle) (NW_LS441 / 447)

Agricultural Marketing Service
Livestock, Poultry, and Grain Market News

Tue Dec 31, 2024

Email us with accessibility issues with this report.

Report for 12-31-24 - Final

Special Note: **This report will not be published on Wednesday, 01/01/25 due to Federal Holiday**

The hide and offal value from a typical slaughter steer¹ for today was estimated at \$11.30 / CWT Live (UNCH). Slaughter cattle² was estimated at \$11.17 / CWT Live (UNCH).

By-Product Values (\$/CWT) - STEER

Item	Yield (Lbs)	Wtd Avg Price	Change	Value (\$/CWT)
Steer Hides, Branded (Butt)	5.04	26.00	UNCH	1.86
Tallow ³	1.20	50.07	UNCH	0.60
Tallow, Packer Bleachable Tallow <.15% FFA	4.50	39.75	UNCH	1.79
Tongues, #1 Swiss Cut, IW	0.24	738.00	UNCH	1.77
Cheek Meat, trimmed	0.32	320.00	UNCH	1.02
Head Meat, trimmed	0.13	110.00	UNCH	0.14
Oxtails, selected, small box	0.24	430.00	UNCH	1.03
Hearts, regular, bone-out	0.38	98.00	UNCH	0.37
Lips, unscalded	0.13	297.33	UNCH	0.39
Livers, selected, 2/box	0.96	28.00	UNCH	0.27
Tripe, scalded, bleached	0.65	106.33	UNCH	0.69
Tripe, honeycomb, bleached	0.15	227.00	UNCH	0.34
Lungs	0.47	5.63	UNCH	0.03
Melts	0.14	6.75	UNCH	0.01
Meat And Bone Meal, 50% Protein	3.70	346.67	UNCH	0.64
Blood Meal, 85% Protein	0.60	1162.50	3.41	0.35
Totals:	18.85			11.30
			Dressed Equivalent Basis (63.0%):	17.94

Carcass value =
\$17.94/cwt.

882 lb. carcass

=**\$158.23/carcass**



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The \$430,000 Challenge...

- USDA quoted value \$ 158.23/animal
 - Small processor hide disposal cost \$ 4.00/animal
 - Small processor offal disposal cost \$ 10.00/animal
 - Difference \$ 172.23/animal
-
- 10 head/day = 2,500/hd./yr
 - Net Difference/yr. = \$ 430,575/yr.





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New USDA Organic Pet Food Standards

- In 2004, USDA:
 - Ruled that Organic Pet Food be manufactured under the organic human food regulations,
 - Directed the National Organic Program to develop Organic Pet Food regulations.
- The final regulations were published on December 23rd, 2024:
 - Pet food will now be manufactured under the livestock feed section of the organic regulations, and amends §205.237(b)(5) to allow slaughter byproducts to be used in pet food;
 - The new rule permits any vitamin and mineral allowed in organic livestock feed as well as any vitamins and minerals used in human food to be used in pet food; and
 - Synthetic taurine is added to the National List as allowed for use in certified organic pet food
-
- The new rule goes into effect on February 21st



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United States Department of Agriculture
Agricultural Marketing Service
National Organic Program
Transition to Organic Partnership Program



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