

# Summary of Webinar

“Mobile Abattoirs in Ontario”

October 30<sup>th</sup> 2012

## **Tarrah Young of Green Being Farm in Neustadt, Ontario**

- She's interested in the idea of mobile abattoirs because they seem to have the potential to vastly improve animal welfare – which is a concern for her in raising animals, so she would prefer if more human methods of slaughter were options. Wants to “give her animals the best life possible, and for that to extend until their dying breath”
- She'd be willing to pay more for the services of a mobile abattoir (to prevent animal stress & save transportation costs/time). At present, her shipping costs are around \$100 per trip.
- She mentioned that one benefit of mobile abattoirs is that no concentration of wastes occurs; instead, animal offal is left on the farm from which it comes – which, for biodynamic farmers, is actually very helpful in supplying them with parts needed for particular preparations.
- She mentioned 'dark cutting', which occasionally happens due to animal stress pre-slaughter.
- Says we need to consider how Ontario varies...potentially more common for mobiles in BC b/c of thin population in some regions, but maybe Ontario would make a good fit b/c of the amount of development in the “golden horseshoe” that causes farmer numbers to decrease.
- Also should consider that mobile abattoirs have no opportunity for road accidents – they've had a few close calls – these are potentially quite devastating.

## **Cory Van Gronigen of Hillview Farm and VG Meats, Cayuga Ontario**

- He's involved with OIMP (Ontario Independent Meat Processors), Beef Improvement Ontario.
- He gave us some background info on the livestock industry....
- Interestingly, the biggest decline in animal production in Ontario recently has been in pork... beginning in '97...
- Slaughter numbers indicate a decline in the number of animals being produced; there have been significant declines in both beef and hogs. There have been massive increases in white meat going to federal slaughter; however, there have been declines in provincial numbers.
- Overall, there have been increases in federally-slaughtered animals with corresponding decreases in provincially-slaughtered animals (e.g. number of provincial red meat abattoirs declined from 165 in 2005 to 114 in 2011). Goes to show that smaller producers, who direct-market their meat and use provincially-inspected slaughter facilities, are producing less meat now than they were in 2004.
- There also are *many* more (60 in 2005 to 390 in 2011) licenced free-standing meat plants than there used to be (\*these plants don't do the slaughtering, but do take part in category 2 process: curing, smoking, wholesaling); however, this is likely because existing plants were forced to become licenced due to new regulations.
- What's been happening.... many closures; some provincial plants becoming federal ones; consolidation (esp. in white meat industry); co-pack arrangements (**where** farmer works with other meat plants....?); change in business plan (a place stops butchering but continues processing, or stopped smoking/curing but remained open as a butcher shop).

- Reasons for closures? Not always due to regulatory problems, according to a survey of OIMP members
- Also have had 15 provincial new plants open in 2012.... We are still seeing interest in facilities becoming provincially licenced.
- Less livestock in the province...has had impacts on abattoir operators. Has forced them to spread capital investments over lower volumes.
- He emphasized changing in peoples' eating habits....used to be all "freezer trade" – now that's only 5% of their business! People are no longer buying whole sides to stock freezers but instead looking for specific cuts – he calls it having out pick of "the king's menu"! and how this requires butchers to get creative in finding new markets for the end cuts – "whole carcass utilization" – and sustainable demand for these cuts. (One way: through value-added products, like meat pies).
- bi-product revenue is declining – hides worth half what they were worth in the past. Specified Risk Material (from ruminants) is another expense for processor operations.
- Custom cutting .... The price that they charge hasn't been increasing in accordance to the increase in their costs – it doesn't make them any money; certainly doesn't enable them to expand at all, invest in anything new.
- They're trying to expand on custom-cutting business... they're trying to better serve farmers and help them to use the whole carcass by making beef jerky, meat pies, roast beef, etc out of carcasses if a farmer so chooses.
- Re-investment into businesses is very important, but many farmers aren't doing it ... 31% of processors surveyed invested less than \$30,000.
- Need for succession planning: a survey found that 33% of Ontario agri-food business owners plan to retire within 5 yrs, and another 25% in the next 6-10 years.
- Finding skilled workers is another key part of the equation....
- Aiming to find sustainable demand for end cuts of carcasses.

**Bert Dening, farmer near Barrhead, Alberta, and provincial government employee**

- stated as a test: 6 years ago. Designed a red meat abattoir; totally self-contained, and met all requirements of every other provincial abattoirs.
- Ended up being a 53 ft trailer that contains its own water supply; built in Washington state and delivered in 2007.
- 2008 first season of operation; slaughtered 150 animals (cattle, sheep, pigs, deer, bison)
- A goal of the project was also to test the cleanliness of the abattoir quite rigorously with people from Olds College.
- Another project was with Bison in 3 different ways: field slaughter (low stress); slaughter in a squeeze; regular slaughter where they were shipped in a truck.
- Talked about different types of tests done by the Olds College abattoir crew – testing cleanliness and quality with different manners of killing: in mobile abattoirs, with transportation, and "squeeze".
- With leftover funding, they decided to build a poultry slaughter plant (also totally self-contained). It was delivered in 2010 and retrofitted. (In hindsight, he would have contracted a nearby Hutterite colony to build the whole abattoir as they did very high quality work.)

- They went on the road; tested in many different situations. The poultry were air-chilled; with a good crew, can process a bird in 30seconds. That means about 110-120 per hour; 700 birds in a day.
- Birds stay right on the farm; dead within a few minutes. By that same evening the birds can be sold on-site. Retrofits included “trees” upon which to hang the birds.
- Interestingly, the initiative for the creation of mobile abattoirs came from the Alberta government, with a certain amount of opposition from industry.

**Kathleen Gibson, foods system special and policy analyst based in Victoria, BC.**

- Discussed changes to classifications within meat inspection system in BC.
- In 2004, the ministry of health in BC brought in the meat inspection regulation under the Food Safety Act which required anyone slaughtering meat for human consumption to have a licence (class A or B) – which required extensive facility upgrades.
- To deal with this, a few programs were put in place to assist people with these licencing efforts and the costs. In 2010, compliance was still a great challenge across the province, so Classes D and E were introduced. Now, there’s been a proposal to have provincial inspectors hired for the inspecting, as at the moment it is the CFIA on contract that is doing all of the inspections.
- Class A refers to meat which can be sold retail provincially (and do further processing, i.e. cutting); Class B facilities do slaughter only of meat that isn’t cut, i.e. for retail – the “end product” is a “bird in a bag” or a whole carcass. Mobile Abattoirs must have either A or B Class licences.
- When changes were introduced (2004), the number of provincially inspected abattoirs decreased from ~300 to just 11!!! Over the past few years they’ve been able to increase this number to 59 abattoirs (including 6 mobile abattoirs in operation).
- Still, some parts of the province want to have access to D & E options.
- Estimates of costs of upgrading to A or B Class status are \$1 million (for a fixed red meat facility). Mobiles are, at lowest, \$100,000.
- Currently CFIA is under contract to provide inspection services in BC, but this will end in 2013; concern remains as to how things will develop with that final change.
- Mobile abattoirs exist in: Slokan, Salt Spring Island, North Okanogan, Okanagan, Cariboo-central.
- A “kit” to create docking stations, valued at \$20,000, was provided (?) .... Because food safety licences issued to mobile units are only valid in connection with approved docking stations – which must have tested water & waste systems associated with them, and are at both community centres and on individual farms.
- Island Grown Co-op runs a successful red meat abattoir in Washington state, but they did get “a leg up” in that they acquired their until for \$1.
- Kathleen warns that mobile units are less cost effective than their unmoveable counterparts (for owners of the units)... this can be due to restricted volumes; downtime during transportation; need to pay crew for travel time (or find multiple crews...); it’s also often cheaper to move animals than to move a large unit like a MLA. Shorter trailers are less expensive to operate than 53 ft models.

-Downsides: downtime, when moving crew; ice – heavy for hauling; road access limits; workflow issues.

-Some operational logistical concerns... 1) “Work-flow issues”: sometimes the “chilling” piece is slower...more birds can be killed/processed before there is space for them in the chill room; 2) Storage is difficult, esp. for red meat. \*include some of the discussion that happened during the question period about having multiple trucks to enable transportation of chilled carcasses while slaughtering is still occurring; 3) Scheduling can be a challenge – typically, farmers demand slaughter services at similar times...try to encourage long-term planning by farmers/sharing of the infrastructure (this involves encouraging positive producer/processor relationships.) Online scheduling can really help here.

-Really need to think about “full cost accounting” – size is very important component; bigger = more expensive to move around but more crowded and could involve bottlenecks.

-Producer education days have been done with good success in places – doing a demo, or at least walking through the process with the producers.

-Mobilization needs to be carefully thought-out and limited.

-On Organic/Halal Meat: 4 of the 6 mobiles operating in BC process Halal and certified organic meat (one is “certified organic”) – unlike in Ontario, the abattoirs themselves get certified in BC.

**\*\*Additional Info\*\***

Meat inspection under the Food Safety Act has recently moved to BC’s Ministry of Agriculture but the key information on licensing and inspection is still accessible here:

<http://www.health.gov.bc.ca/protect/meat-regulation/> Changes to the inspection regime for A and B licensed facilities will be required as of January 2014 – the CFIA will cease providing contract inspection service to provincially licensed abattoirs at the end of December 2013. The current Minister of Agriculture is also considering further changes to the licensing regime.

For information about Salt Spring Island and BC mobiles projects generally, contact Murray Coates. He wrote the BC protocol regarding mobile operation that was negotiated with the BC Centre for Disease Control and the CFIA inspectors on contract to the province. He can provide Excel spreadsheets for calculating business case for red meat and poultry mobiles:

[m.coates@shaw.ca](mailto:m.coates@shaw.ca), [250.537.8527](tel:250.537.8527) He will be out of the country Nov 10-Dec 8, 2012.

### **Amy Proulx, Professor at Niagara College and former food safety inspector**

-As current food safety rules stand, a MLA operator would need to state exactly which farmers they’d be working with and on what days *when applying for the permit* because all water to be used must have been tested and allowed. Also, all water used must be approved (according to Ontario drinking water standards) in order to receive a permit.

-Also, a schedule of the dates and times when carcasses will be dressed /prepared must be provided prior to the issuing of the licence.

-Section 7: a licence can be refused if the premises, water, equipment aren’t satisfactory.

-Ways of segregating clean from unclean operations; this must be tightly defined. Also, washroom facilities for workers are required, as well as an office space available for the inspector.

-The in-between state is important; need a way to get carcasses to cut & wrap facilities.

-GMP and HACCP are required in Ontario; regulatory agencies are moving away from providing generic models, so Mobile Unit operators would have to produce their own plans.

-Overall, a *mobile-unit specific set of regulations* would be needed that includes a certain amount of compromise – esp. relating to the specificity of dates and how far in advance you are required to know dates of operation. In order to make that happen, a) studies clearly establishing no differences between sanitation and food safety in MLAs versus permanent abattoirs, and b) a champion within inspection services. Need a “flexibility” and “innovation” in inspection services – which is not what it’s supposed to be like, and yet, it could happen. “Proof of concept” is really valuable; to be able to show that these units are already being run “safely and successfully”.

### **Questions from the Audience**

-Does Ontario have a regulatory framework in place with the necessary flexibility to make mobile abattoirs work?

Amy: There are “set clauses” which will probably be used as barriers to those who want to champion this cause. It’ll take the right people – in industry, gov’t – to promote this idea.

-What about MOE (Ministry of the Environment) guidelines on dealing with animal waste?

Kathleen: That was huge. It gets more complicated with red meat... it’s an issue, but I won’t go into all the details now.

-Kathleen or Bert, were you able to find champions within industry, bureaucracy?

Kathleen: The issue at hand was helping people get A/B licences, not helping mobile operators exactly. Inspectors were most resistant, and gov’t did at times come to the defence of these attempts to help small, provincial plants.

Bert: It was championed by gov’t, not industry...had some problems with other provincial plants. This led them to have high standards – make “Cadillac” units so that they’re capable of everything.

-More info about the “hot carcass” stage, please? Still a lot of work needs to be done that can’t be done in the mobile abattoir.

Kathleen: Yes, that is a big issue, along with adding more warm carcasses to the already-cooling ones... One example: an extra reefer unit takes off with today’s carcasses while the mobile kill unit stays put to do some more work the next day.... 2 vehicles licenced together. But then the transfer from one to the other, etc. all become concerns, which hasn’t been resolved yet.

Bert: they put in a really good-sized cooling unit in. Had to wait to transfer at 4 degrees to a cutting facility. Definitely is an issue. Idea of having 2 units is a good one; a kill floor, and then a separate cooling facility. This does tie up the whole facility (if you only have 1 unit) for cooling – even longer for larger animals... this would mean you could only slaughter once every 2 days.

Kathleen: A “super-docking” system onside is another option (docking station with a chill cooler right there).

-About quota numbers; do we need an increase in Ontario in order for the unit to pay for itself?

Bert: Efficiency depends so much over different situations. Cash costs associated with the unit were quite low; it's all about the labour you have, and what you pay for the unit. Their unit would probably have to be used every day of the summer months to make money.

Kathleen: One group in BC was very lucky / smart in that they got their unit for \$90,000 (with a lot of help from friends). They have a max capacity of 300 chickens/100 turkeys per day; don't move until more than once per week; looking at 3-5% profit. This is pretty standard for BC.

-Is there any economic model available to evaluate this? (Kathleen has access to some spreadsheets.)

-Freeman: it's very hard for abattoirs to predict costs of compliance – audits are always bringing new projects forward... This makes it very hard to make capital investments. (banks don't want to support)....

Kathleen: same situation in BC. Hard to predict.

-For Cory, do you think your farmers/customers would be interested in mobile abattoirs? Study by WCM (2005), for LFCFDC "Mobile Abattoir Feasibility" study. Capital cost they estimate of \$1.1 million for a mobile abattoir; operating costs of \$550,000 not included dept. repayment. This makes for \$220/head; Cory offers \$80/head – so his services are more cost efficient.

-This raises the question of how much of a premium farmers would be willing to pay to have slaughter services come closer to home?

Tarah: Cory's numbers imply an increase of about \$0.70/pound, which she thinks she could easily pass on to her customers. She thinks they would be willing to pay that premium if it meant that her animals didn't have to be moved from the farm.

-Enough money in cut/wrap alone?

Well, it would involve a change perhaps; but some businesses have already given up the abattoir portion of their businesses. Costs of running the plant are still the same... and becomes harder to keep the good labourers busy w/t the slaughter services.

-Has anyone looked at ethno-cultural markets – special places with organic /halal services?

-College programs in Ontario that teach butchering? Should we be encouraging more young people to go into this line of work without the current guarantee of employment?

Cory: on advisory committee at Conestoga; currently there is no program that teaches slaughtering/butchering skills. Seaway College in eastern Ontario does offer one, however.

Overall, it's a very expensive process to teach (pricey materials) – and not all schools are licenced to sell the products at the end of the process? They train their own staff – on the job training is really best; start new folks at the bottom and gradually train them.

Amy: Some basic training in general processes; then a good hands-on component. At Niagara they have charcuterie classes, but not high-level butchering courses. Apprenticeship model is the best way to go.

-Overall, we need to help abattoir operators be more able to predict their capital investment costs so that they can more easily get loans to help them comply with new food safety regulations.

-Kathleen: It might be worth talking to the North Okanagan poultry producers; producers there came together to make this abattoir happen to themselves.

## **ACTION ITEMS**

- Develop a good overview for Ontario of case studies from elsewhere.
- Identify champions in government and industry (incl. MOE, as well as the ministries of Agriculture and Health)
- Take immediate steps to support the meat industry in Ontario; short and medium term planning to support the sector while we work on these other things.