

Agricultural
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Service

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Rapid Feasibility Assessments Could Provide All the Data You Need

In many instances, rapid assessments will suffice and can save time, effort and money compared to extensive feasibility studies.

INTRODUCTION

There were 14 AMS-funded meat projects between 1999–2017 that included conducting a feasibility study for a new meat processing facility. As of February 2020, only one of these, Meatworks by The Livestock Institute, Massachusetts, resulted in a new facility.

On the one hand, the studies funded by these grants successfully prevented public or private investment in facilities that likely would have failed because the perceived demand for services was not the real demand. Meat producers and buyers may want convenience but cannot make sufficient commitments (Gwin, Thiboumery, Stillman 2013¹).

On the other hand, it is highly probable that the “nonfeasibility” of these proposed facilities could have been determined more quickly and potentially at less expense by using the “rapid assessment” method. This method begins with a review of the regional supply chain perspective and combines selected primary interview data with findings from other, very similar projects.

Rapid assessments, infused with primary data, are an effective and efficient way of assessing feasibility and—more to the point— whether there is really a case for a new business.

A project from California is a good example of this practice at work.

California: “Supporting Central Coast Meat Producers Local Sales with Improved Access to Processing” (LFPP-2014)



Eco-Farm originally proposed hiring a well-known consultant to conduct an expensive but fairly standard feasibility assessment. The project directors asked the Niche Meat Processors Assistance Network (NMPAN) for guidance, and they proposed a different, less expensive approach:

1) Start by identifying similar and recent studies;

2) Collect targeted primary data on the production and marketing activities of a specific “ready” set of producers that has been identified from these previous studies and convene key stakeholders;

3) Analyze and make targeted recommendations, vetted by collective expertise (this assessment utilized NMPAN’s national community of practice) and body of applied research.

This rapid assessment (Quanbeck 2015²) was not only far less expensive and more accurate; it also propelled the group forward with more timely, actionable information about a modular, USDA-inspected processing option for pork and poultry. Eco-Farm, on its website, concluded that “there is not sufficient regional production to support a typical full-service slaughter facility. However, a separate analysis points to enough poultry and pork production in the region to support a “Plant in a Box” (PIB) that could be an alternative to a

1 <https://www.ers.usda.gov/publications/pub-details/?pubid=45095>

2 <https://www.nichemeatprocessing.org/testing-the-idea:-using-existing-research-to-assess-meat-processing-options/>

full production USDA-inspected facility.” Years later though, no new facility has been established because the collective will of the producers is still not sufficient to launch one, nor attract an entrepreneur to run it.

In many cases, there is simply not enough harvest-ready livestock and poultry produced in a region for a new meat brand or project. The market must appeal to new projects; not the other way around. If demonstrated market demand is not there, a project will flounder. A much simpler and rapid feasibility assessment can determine if a new meat business or facility could be established and succeed in a given region. Often, unfocused feasibility studies that test specific business ideas based on specific commitments are unlikely to result in actual businesses.

ACTIONS YOU CAN TAKE WHEN CONDUCTING A FEASIBILITY STUDY

- Utilize the rapid assessment method to complete a competitive analysis of production, processing and marketing.
- Determine if there are any existing supply chain commitments (such as contracts) or if the project idea is based on assumptions and desires.
- Invite supply chain experts to review your findings.
- Allow the data to help drive project development or the decision to not pursue a project. Do not get stuck on your initial idea being the only possibility.

CONTACT INFORMATION

For specific information about these grant projects, please contact AMSGrants@usda.gov.

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