

Development of a Producer-integrated Meat Processing Firm - Dakota Halal

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North Dakota beef cattle producers are seeking alternatives to marketing beef cattle through traditional commodity routes. Rather than solely selling weaned calves, producers are expanding into backgrounding and finishing their cattle. This change is supported by an abundance of relatively low cost feedstuffs that are grown locally.

These cattle are then marketed and shipped to feed yards or packing plants located in another state. Retaining those cattle in North Dakota would reduce shipping expenses and possibly feeding and other miscellaneous expenses. However, this would require development of a harvesting facility and marketing company due to the recent closure of North Dakota's only major packing plant from environmental and other concerns.

Area beef cattle producers from Maddock, ND, had a history of working cooperatively via the Central Dakota Cattle Association's cattle finance and marketing program. Noting the traditional transportation distance to a finished market, the board of directors inquired into the feasibility of developing a local packing plant. Independently, a local entrepreneur was developing a business plan for a religious-orientated market.

The NDSU Extension Service fostered communications between both groups to develop similar goals and mutually beneficial arrangements. The cattle producers arranged to supply a source of beef cattle for the business and substantial equity. Through development of Central Dakota Beef, LLC, 60 cattle producers became majority owners in Dakota Halal Processing Company.

Dakota Halal Processing Company is currently building a processing facility in Harvey, North Dakota. The 5000 head-per-year initial capacity facility will become operational in January 2001. The business will be producing fresh meats and cooked meats for Muslim markets located nationally and internationally. In addition, local non-ethnic markets will be developed. Initially, market development will take place at the Business and Technology Center in Maddock, ND.

Through ownership and delivery of cattle to a meat processing facility in North Dakota, cattle producers are now feeding cattle for this market. Certain market specifications, for example no animal byproducts and no added hormones or antibiotics, are being incorporated into the cattle supply network.

A small group of cattle producers are changing from selling weaned calves to marketing beef. Through visionary leadership and creative solutions, these cattle producers have developed the largest beef harvest and processing facility in North Dakota.

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Ground breaking for the Dakota Halal Processing Company facility in Harvey, North Dakota.