

Developing a Calf to Meat Marketing System in Central North Dakota

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Cattle producers are continually searching for markets that compensate more than traditional markets. Previously, the Central Dakota Cattle Association arranged semi-load lots of backgrounded cattle for marketing directly to feedlots. The cooperative also finances member's cattle to help increase the number of cattle backgrounded or finished in central North Dakota. Recently, the cooperative has looked at developing a market through a proposed local packing plant.

The Dakota Hallal Processing Company is proposing to develop a meat processing company in central North Dakota. The slaughter and processing business will focus on marketing hallal meat products for Muslims. Currently, there are relatively few large processors of hallal meat products in the United States and Canada. The marketing study indicates consumer demand and a rapidly growing market potential.

The directors of the Central Dakota Cattle Association have expressed interest in partnering with the Dakota Hallal Processing Company. Central Dakota Cattle Association is forming another entity, Central Dakota Beef, LLC to purchase 50 percent of Dakota Hallal Processing Company. Through this limited liability company's partial acquisition of Dakota Hallal Processing Company, cattle producers are vertically integrating and seeking to become a sole source of supply for fed cattle and cows.

Reduced market distance, decreased marketing fees, and premium prices for above-average cattle are benefits for cattle producers to market locally. Cattle producers are vertically integrating their businesses from producing cattle to producing meat products. Consequently, the ownership in the processing company should return dividends or increases in share value.

The Dakota Hallal Processing Company and Central Dakota Beef, LLC are presently in the development phase and are not currently selling stock. However, the Dakota Hallal Processing Company is currently approved to be "testing the waters."

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