

FLEISHER'S FOUNDER  
**JOSH APPLESTONE  
IS BACK,**

WITH NEW IDEAS ABOUT  
SUSTAINABILITY AND HOW  
TO GET PREMIUM PROTEINS  
INTO THE HANDS OF  
AVERAGE FOLKS  
AT A REASONABLE PRICE.

by Michael Fielding,  
managing editor of technical content

**A dozen years ago**, Josh Applestone embraced the craft of butchery, launched the nose-to-tail foodie movement and built the Fleisher's mini-empire of retail grass-fed and organic meat in Brooklyn and upstate New York. With his wife, Jessica, he wrote "The Butcher's Guide to Well-Raised Meat" in 2011, which *Bon Appetit* called "the new Bible for conscious carnivores." A half-generation of farm-to-table advocates apprenticed with his operation.

In 2013, he quit. The 46-year-old Applestone is back on the scene, still in the rolling hills of New York's Hudson River Valley with two federally inspected processing facilities in Accord and nearby Stone Ridge, where he lives with his wife and son. Applestone Meat Co. has the capacity to process up to 15,000 pounds of locally sourced meats weekly, among other items — but no storefront.

Photos by Talisman Brolin

# AUTOMATA FOR THE PEOPLE





# TED APPLE

Applestone, a one-time vegan chef and long-time butcher, still considers himself a butcher despite operating two processing facilities. "It's something that never leaves us," he says.



# COMPANY *profile*

## TIME MACHINE

**April 9, 1991**

Last Automat in New York City closes  
[meatm.ag/nyautomat](http://meatm.ag/nyautomat)

**May 7, 2004**

Jessica Applestone and Joshua Stein marry

**May 21, 2004**

Fleisher's Grass-fed & Organic Meats opens

**Sept. 2004**

Josh, a vegan, returns to eating meat

**July 7, 2009**

First mention in *The New York Times*

**July 26, 2006**

NYT heralds new generation of "rock star" butchers, making half a dozen mentions of the term in 1,700 words.  
[meatm.ag/rxtar](http://meatm.ag/rxtar)

**April 2010**

Applestone butchers pig on "Martha Stewart Show"  
[meatm.ag/joshmartha](http://meatm.ag/joshmartha)

**Nov. 2011**

Smart Butcher fresh meat vending machine installed at Alabama convenience store

**Dec. 2007**

Applestones honored in *Savueur's* annual "100" issue

TIME MACHINE CONTINUES ON P. 38



## AT A GLANCE

**COMPANY**  
APPLESTONE MEAT CO.

**FOUNDED**  
2014

**LOCATIONS**  
ACCORD AND  
STONE RIDGE, N.Y.

**FACILITY**  
TWO 4,000-SQUARE-FOOT  
FACILITIES

**LEADERSHIP**  
JOSH AND JESSICA  
APPLESTONE, OWNERS;  
SAMANTHA GLOFFKE,  
GENERAL MANAGER/  
PART OWNER;  
RICKY HANFT,  
ASSISTANT  
PLANT MANAGER

**SALES**  
\$2 MILLION  
PROJECTED IN 2017

**EMPLOYEES**  
12

**ANNUAL  
PRODUCTION**  
800,000  
POUNDS CAPACITY

**PRODUCTS**  
RAW AND  
READY-TO-EAT SAUSAGE,  
GROUND BEEF PATTIES,  
PRE-PORTIONED  
COLD CUTS,  
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MEATBALLS,  
HOT DOGS,  
SPIRAL HAMS

**CUSTOMERS**  
WHOLESALE, RETAIL,  
CO-PACKING

Applestone co-packs for other brands, sells direct online and, increasingly, via the half-dozen vending machines he has set up in various locations in the Hudson River Valley — and soon to be in Manhattan within the year.

"[Josh] seems to 'get it' at pivotal moments. We launched Fleisher's at that moment," wife Jessica says. "People are just now starting to acknowledge how elitist the sustainable food movement has been, and he's figured out how to make [sustainable food] more accessible."

Notes Josh, "When we were doing Fleisher's we realized that, really, we were a packing house that does retail."

### AT THE CROSSROADS

After Applestone sold Fleisher's in 2013, he began noodling with a new idea.

The market research data was coalescing around a new trend — convenience without compromising quality — and Applestone did what he's done so successfully before — he seized the opportunity.

Consumers increasingly are pressed for both time and money. The craving for convenience is feeding the growth of take-home prepared food sales at supermarkets, the development of 'grocerants' — foodservice at the retail store — meal kits, online food sales, and a host of other supply chain shifts aimed at making the 34 minutes the average U.S. consumer spends preparing the evening meal really count.



This is part of a multimedia package (see p. 27) that examines the growing consciousness among consumers for sustainable food — and how both producers and processors are responding.

## COMPANY *profile*

Meanwhile, the most oft-cited reason for not eating fresh meat at home more regularly is that it's too expensive, according to 45 percent of meat-eating consumers in 2015's "Protein and the Plate" research, conducted by The NP

Group exclusively for Midan Marketing and *Meatingplace*, and sponsored solely by Yerecic Label. Still, 54 percent of consumers say that fresh meat is a necessary part of their diet.

Meanwhile, research firm Mintel

has identified a surge in the "ethical animal" category (responsibly raised, no antibiotics, etc.), which jumped to 15 percent awareness in 2015 from just 5 percent one year earlier.

A growing factor at work is consumers' desire for clean labels, minimal processing of "natural" meat, derived from humanely handled livestock raised near where the finished product is sold — elements that consumers associate with higher quality. According to 2016 data compiled by the Center for Food Integrity, mothers polled by the group strongly agree that the less processed a food is, the healthier it is, and that they prefer to buy locally produced products when they're available.

And that intersection of convenience, affordability and quality is where the Applestones are planting their flag.

"A butcher shop isn't something

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## VEND DIAGRAM

Popularized in Asia, and more recently Germany and France (See "Vive le France," p. 59), meat-stocked vending machines may yet hit a chord with Americans increasingly conscious about what they're feeding themselves and their families. But Josh Applestone isn't the first to serve up steak by machine. In 2011, a company called Smart Butcher, founded by Rob Harrison and Chase Evans of Birmingham, Ala., stocked vending machines around mostly rural Alabama with cuts of meat. Five years ago, the Smart Butcher charged \$4 for a 1-pound tenderloin, \$5 for a 12-ounce rib-eye, \$6 for New York strip, \$6.99 for 2 pounds of hamburger beef and \$8.95 for 2 pounds of sirloin tips, according to the *Los Angeles Times*. Smart Butcher has since been taken off the market, although Harrison says that the concept is being improved and may be re-introduced at some point. ("We think there is a very good market for it," he says.)

Applestone says he's pleased with the reception



# “PEOPLE ARE JUST NOW STARTING TO ACKNOWLEDGE HOW ELITIST THE SUSTAINABLE FOOD MOVEMENT HAS BEEN, AND HE’S FIGURED OUT HOW TO MAKE [SUSTAINABLE FOOD] MORE ACCESSIBLE.”

that’s for everyone. We wanted to help farmers more,” Applestone says. “How can we get this stuff less expensive? You can’t. How can we get it to people less expensive? It costs a lot to do a butcher shop. ... I needed to make myself more accessible. Who do I want to sell to? Direct-to-consumer, wholesale, low-margin turnaround places like supermarkets. ... How can I replicate that? I can cut down on my overhead.”

He has taken a cue from web retailers by cutting the overhead associated with conventional retail operations, largely through retail kiosks with next-generation vending machines.

his half-dozen machines have garnered in the Hudson River Valley, and he is planning to put special-order lockers at both facilities as well. Each locker, which he customized himself, has six doors. Inside each door are three lockers with individual codes. Customers place orders and pay online; they’re sent the code via text message when the order is ready.

As for food safety, Applestone says he minds his HACCP requirements: The vending machines are always monitored, both by direct observation (the machines are stocked every three days) and by temperature monitors. If the machines go above 38 degrees for 30 minutes, they shut down and lock, and customers can’t buy anything.

“You’re now taking the ability to leave [products] in these machines for up to two weeks, and you still have two weeks’ [shelf-life] left.”

The company gets a nightly report on the machines’ inventory, but “nothing sits in these things very long,” he says.



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# COMPANY *profile*

## Sept. 2012

World's first fully automated convenience store opens in Oklahoma City Greyhound bus station  
[meatm.ag/autocstore](http://meatm.ag/autocstore)

## Aug. 2013

Applestones sell Fleisher's

## Dec. 2014

Applestone Meat Co. opens

## July 2015

Federal lawmakers introduce the Processing Revival and Intrastate Meat Exemption (PRIME) Act, which would allow for intrastate distribution of custom-slaughtered meat directly to consumers, foodservice and retail outlets

THE MACHINE CONTINUES ON P. 60 >

"I don't need salespeople," Applestone says. "You have to make these things more accessible. And the way to do that is to make it less expensive, on [consumers'] terms, and something that's 24-7."

### ROAST IN THE MACHINE

Selling meat products through a vending machine is cutting-edge, but not as radical globally as it may seem in the United States. Having lived in Japan three years, Jessica knows their allure: "If you're sitting around at night and you realize you're out of beer, you head to the local

vending machine," she explains.

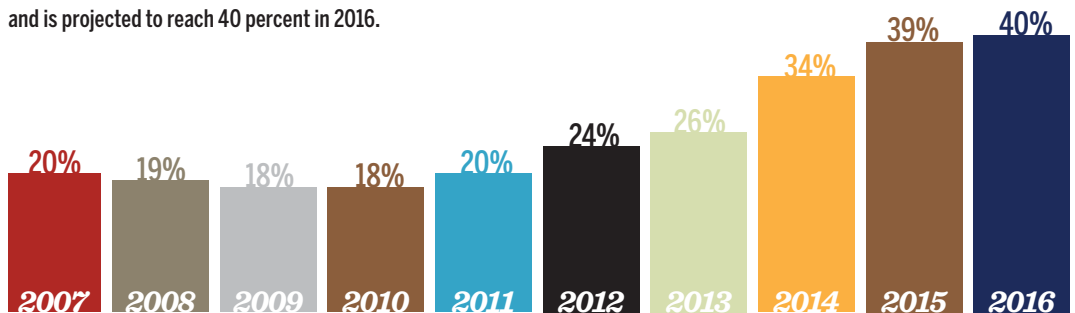
In the U.S., "on every college campus there are dozens of vending machines that sell terrible food. These kids are living on pretzels and nuts and candy bars. The only thing you have to change is what's being sold in vending machines, and that's not going to be hard."

In the first half of 2016, Applestone Meat sold nearly 40,000 pounds of product through its vending machines alone.

Josh packs them as he would a butcher case: Seasonal items with a variety of semi-prepared foods and a full range of proteins. There, the sim-

## TAKING IT A STEP FURTHER

Household penetration for natural/organic meat and poultry is on a six-year growth path, and is projected to reach 40 percent in 2016.



Source: The Power of Meat 2016

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## VIVE LE FRANCE



Dozens of butcher shops pack the center of the 11th arrondissement in eastern Paris, but just one of those shops, L'ami Txuette, offers something the others don't. Earlier this year, owners Florence and Michel Pouzol invested 20,000 euros (\$22,000) to launch the French capital's first vending machine that sells vacuum-packed meat.

The machine takes both credit cards and cash, and product offerings at the traditional Basque butcher range from beef carpaccio and duck confit to steaks (€34/kg, or about \$17.25/lb., if you're curious). Overall, though, products in the machine are about €0.20 more expensive than those sold inside the shop.

Although it's a first in Paris, four other sites across the country have installed vending machines, with the first opening two years ago in southwest France. Mme. Pouzol spoke with Meatingplace about their sidewalk venture.

**Meatingplace: When did you first install the vending machine?**

POUZOL: The dispenser was installed on Feb. 1, 2016. We only have one at the moment, integrated with our butcher, but we would like to develop other distributors in Paris. The machine costs [were] quite expensive, about €20,000 (\$22,000). The machine is refrigerated to between 1°C and 3°C (33.8°F and 37.4°F). The meat goes directly from our department [processing equipment].

**Meatingplace: What gave you the idea of installing a fresh meat vending machine?**

POUZOL: Our shop is closed Sunday and Monday, and customers complained of not finding [what they want on] the weekend. That's why we thought of this machine. In Paris



AP Images

and other major cities, many people work very late at night.

In France, grocery stores that close late sell industrial products. We wanted fresh, French and [local] available. It enables customers who work late to have good meat [from a] traditional butcher. The machine is integrated into our butcher shop window; consumers make the connection [between] the butcher and [the products in the machine].

**Meatingplace: How often do you change the products?**

We look every day to replace the products. Some [have] four days of shelf-life, others 15.

**Meatingplace: I understand the convenience of the machine, but to what degree do you expect this to change the way consumers buy their meat?**

POUZOL: The purpose of this machine is a complementary service, not to replace us. It is simply technology serving homemade products. I totally agree with your idea of convenience – not to mention the quality – and that is exactly our position: having the choice to eat well at any time. I do not think that this will increase the consumption of meat. But I think that customers are happy to be able to [have an alternative to conventional butcher shop hours].

**Meatingplace: How did you find a supplier for the vending machine?**

POUZOL: We saw an advertisement ... in a professional [butcher] magazine. The machine is sold in France, but [the] manufacturer is German.

**Meatingplace: How profitable has this new sales avenue been for your butcher shop?**

POUZOL: We [generated] about €1,000 (\$1,100) in sales for the first month.

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# COMPANY *profile*

**Jan. 2016**

Fully automated, totally unstaffed supermarket opens in Viken, Sweden

**Feb. 2016**

Paris butcher shop L'ami Txulette opens that city's first meat vending machine  
[meatm.ag/txulette](http://meatm.ag/txulette)

**Feb. 2016**

Applestone Meat Co.'s first fresh meat vending machine opens for business

**Sept. 2016**

Applestone Meat Co.'s second location for its vending machines opens in Stone Ridge, N.Y.

**“ON EVERY COLLEGE CAMPUS THERE ARE DOZENS OF VENDING MACHINES THAT SELL TERRIBLE FOOD. THE ONLY THING YOU HAVE TO CHANGE IS WHAT’S BEING SOLD IN VENDING MACHINES.”**



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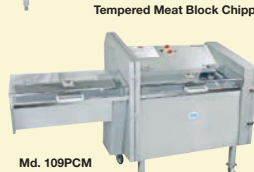
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ilarities to his experience with Fleisher's just about end.

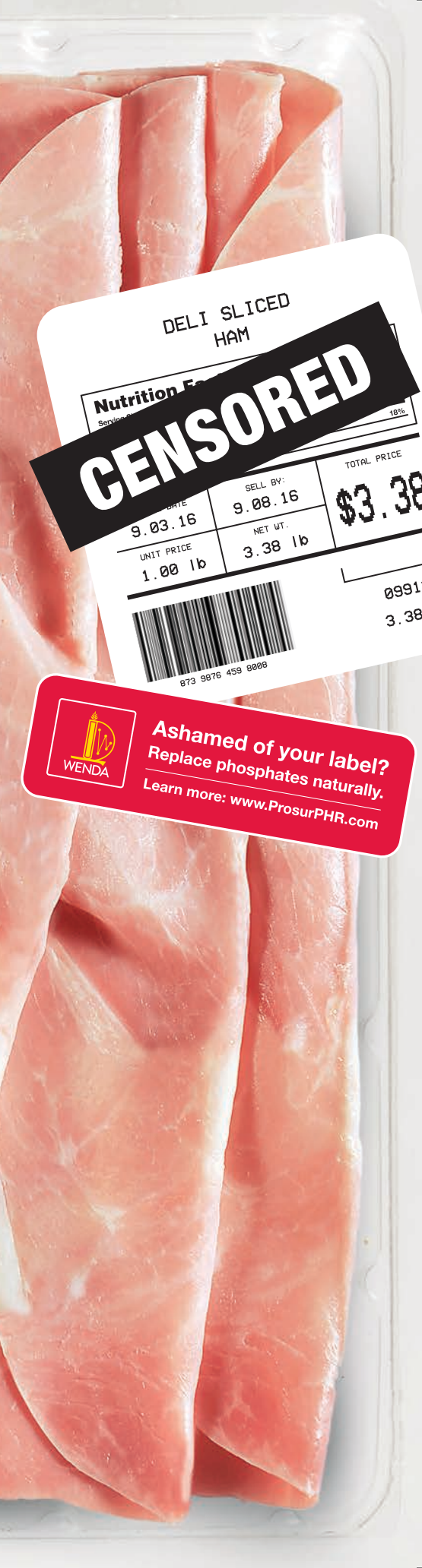
“I can run about 40 machines plus all processing with a staff of less than 25, soup to nuts,” says Applestone, who employed nearly 50 people at two Fleisher's stores and managed them and the stores' operations seven days a week.

“It's an innovative business model,” says Lauren Gwin, associate director of Oregon State University's Center for Small Farms and Community Food Systems and co-founder of the Niche Meat Processor Assistance Network (NMPAN).

Kansas City-based Sullivan Higdon & Sink's FoodThink report found that 65 percent of consumers believe it's important to know how their food is produced. David McMillan, co-owner of Montreal's Joe Beef, Liverpool House and Le Vin Papillon restaurants, sees a bright future for vending machine meat.

“It's meat that's been ... processed in a federally inspected facility, vacuum-packed with state-of-the-art equipment and put into a refrigerated unit. This will be the best thing to ever





## COMPANY *profile*

happen to vending machines,” he says.

“He’d never be able to finally open 15 butcher shops, but now he can have one plant and 35 meat machines.”

Says Executive Chef Billy Oliva of Delmonico’s Restaurant in New York City, “Especially in New York, everybody’s on the go all the time. People don’t mind paying for quality, but sometimes they don’t want to wait for quality.”

### BACK TO THE FUTURE

Applestone grabs a handful of razor-thin pastrami and tosses it in his mouth. He gently separates one slice and holds it above his head to the light. It’s so thin that his fingertips are much more than simply diffuse shadows. The piece is nearly transparent, and having been cured in a new formulation, it’s flavorful.

He spends much of his time between



## UP/DOWN



### SIX VENDING MACHINES

at each location in addition to special-order coolers. Inside each are multiple lockers. Customers place orders and pay online; they’re sent a code via text message when the order is ready, allowing customers to buy locally sourced meats at their convenience – 24 hours a day.



### THE NEW BUSINESS MODEL

cuts costs with less labor and new distribution models while offering high-quality cuts. Applestone says labor costs are just 10 percent of his overhead (compared to three times that much for a butcher shop). He’s saving more than \$100,000/yr by cutting just three counter staff.



### EDUCATION.

“[Consumers] don’t understand vacuum-packed meats,” Applestone says. “People don’t think that meat in a vending machine can last. People are happy to buy popsicles from vending machines but when you mention meat it’s like you’re from a different planet. It’s literally a meat case with a dispenser attached.”

## COMPANY *profile*



What Applestone's doing is an example of the kind of innovative entrepreneurship that will upend the standard supply chain and create a new kind of customer service, small processors say.

**“I DIDN'T INVENT WHOLE ANIMAL BUTCHERY, AND I DIDN'T INVENT THE AUTOMAT. I'M JUST TRYING TO PUT THE PIECES TOGETHER SO PEOPLE CAN HAVE A BETTER QUALITY OF LIFE.”**

his two processing facilities, testing product constantly. He doesn't miss the stress of managing the retail side and its constant roil of human interaction.

“Running a business includes human error. Part of that is bad communication, not showing up, the chaos theory,” he says. But “automated” doesn't have to be meaning-free. On a recent weekend, Applestone dropped a free pack of hot dogs behind select packs of ground beef. “That concept of something being free, it's the same type of effect a human would create. You're making someone's day without standing there,” he said.

“I didn't invent whole animal butchery, and I didn't invent the Automat. I'm

just trying to put the pieces together so people can have a better quality of life.”

The people, in this case, aren't just the consumers but also the producers of the beef and pork that Applestone fabricates. He keeps it small and local. Four in 10 consumers place a high importance on traceability, according to the 2016 Power of Meat research — a promising statistic for those small, local farmers.

“He's investing in people he knows will do things differently and better,” says Samantha Gloffke, part-owner and general manager of Applestone Meat Co. “He sees people who are worthy of investing in. It's not just about meat. It's about the whole community,” she says.



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# COMPANY *profile*

While lawmakers are playing catch-up (see the latest on the PRIME Act, p. 30) Applestone is ahead of the game, continuing to develop ways to get more locally raised meats into the hands of more American consumers.

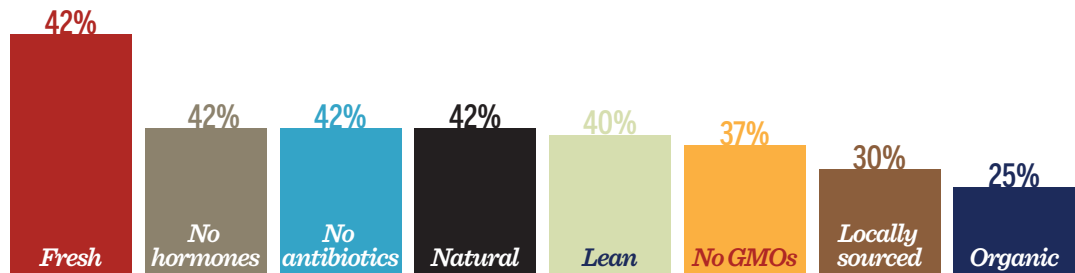
But shoppers are returning to traditional

channels for natural and organic products, leaving butchers at a competitive disadvantage and struggling to recapture that market share.

Applestone has that covered: Just as the craft butchery movement plateaued with 5 percent of shoppers using butcher shops as their primary

## FREE-FROM

Consumers increasingly are placing more emphasis on learning how their food is produced, and with increased desire for transparency, they are looking for many of the following labels. (Percentage of respondents who said that the following attributes are "extremely" or "very important" when buying food to be prepared at home.)



Source: "Evolving Trust in the Food Industry," Sullivan Higdon & Sink FoodThink, 2016

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# COMPANY *profile*



Plans include community movie nights, renovating the Airstream parked at the Stone Ridge site for food service with a rotating guest list of visiting chefs, a hot dog stand and permaculture garden.

store for meat and poultry, farm-direct stores, meat delivery companies and online portals are on a multi-year growth path. Five percent of buyers reported purchasing natural/organic meat and poultry in alternate channels, according to “The Power of Meat” study.

“Meat’s not the the sexiest topic, but it dovetails with this growing consciousness of what we are putting in our bodies, and they were smart enough to recognize that,” says Adam Kaye, vice president of culinary affairs at New York’s Blue Hill Farm, who has sourced from the Applestones for more than a decade. “They tapped into that latent desire and they were right,” he adds. “Boy were they right.”



To watch our short documentary on the locally sourced meat movement, visit [meatm.ag/applestone](http://meatm.ag/applestone)

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