



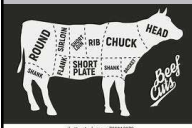
Collaborative Meat Processing Opportunities

Carolina Common Enterprise
Matson Consulting
SC Center for Cooperative and Enterprise Development
VA Fairs

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Presenters

- Steve Richards, Director
SC Center for Cooperative & Enterprise Development
- Jim Matson, Principal
Matson Consulting
- Thomas Beckett, Executive Director
Carolina Common Enterprise
- Tony Banks, Sr. Assistant Director
Virginia Foundation for Agriculture, Innovation & Rural Sustainability

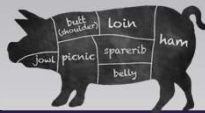
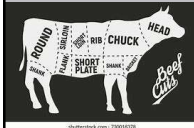




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Agenda

- Enterprise Entry Challenges
- Local Retail/Wholesale Meat Marketing
- Local Meat Processing - Challenges and Opportunities
- Opportunity for a Regional Cooperative or Collaboratively-owned Meat Enterprise
- Cooperatives vs. Other Business Ownership Models
- Grants and Other Financial Assistance Options



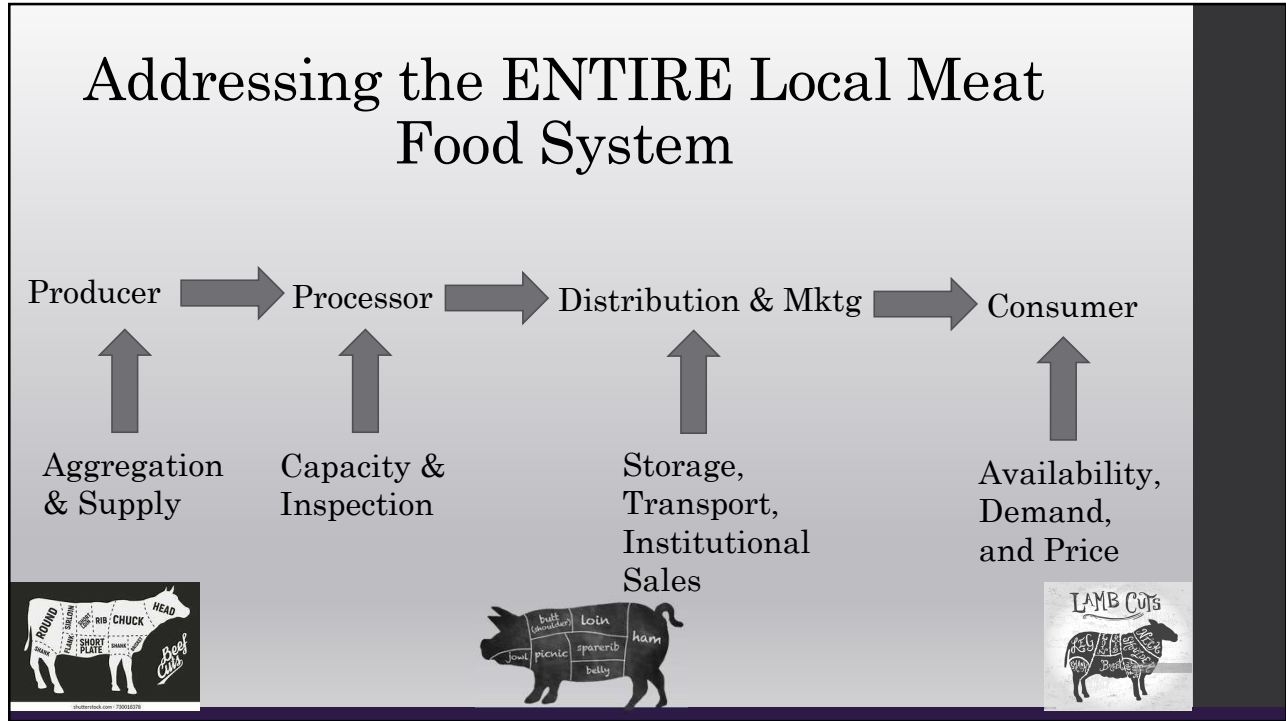
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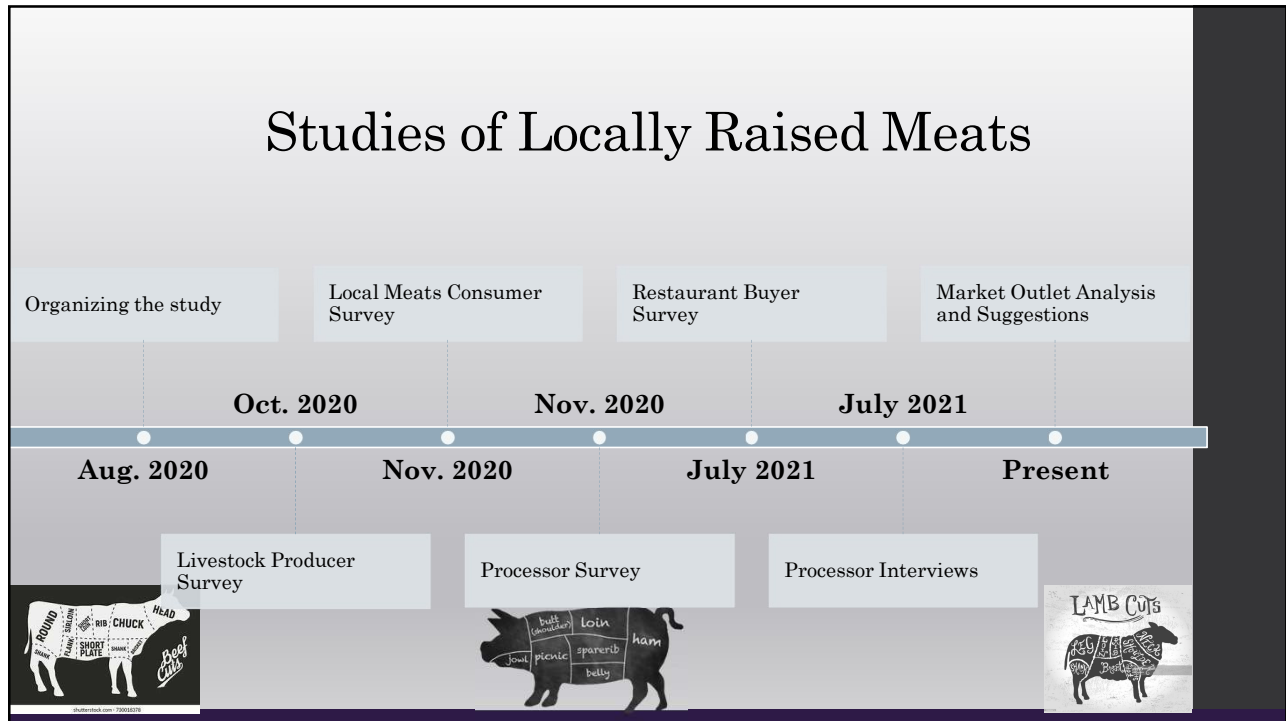
Opportunities & Challenges for Local Meat Products

Steven Richards
South Carolina Center for Cooperative and Enterprise Development

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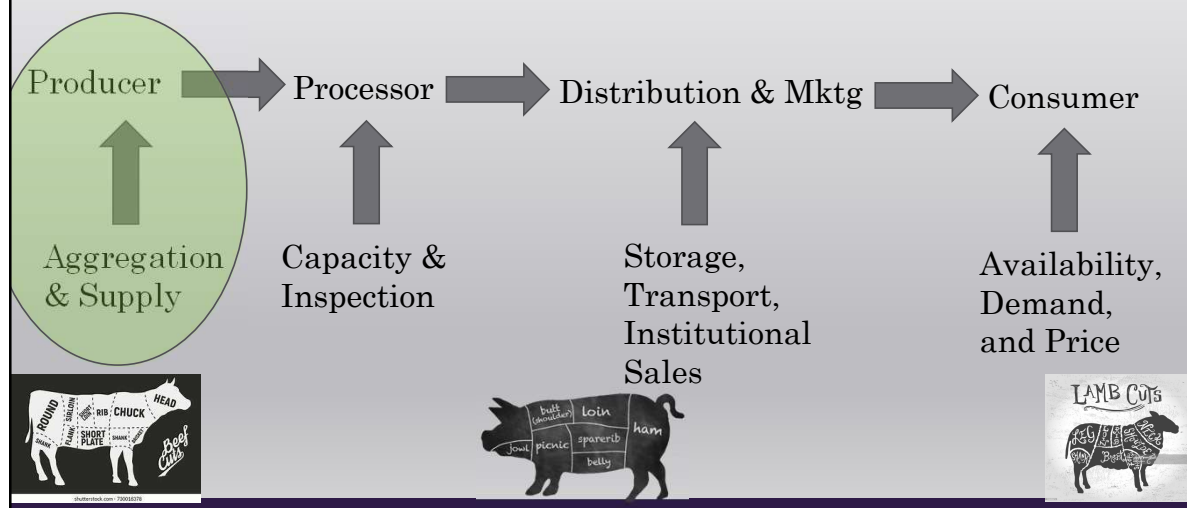


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LIVESTOCK PRODUCER SURVEY

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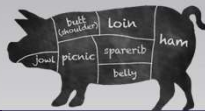
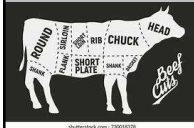
Addressing the ENTIRE Local Meat Food System



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Livestock Producer Survey

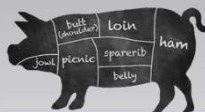
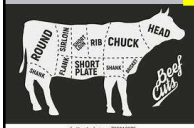
- 317 complete responses – 47% sell some of their livestock as meat
- Marketing channels are on-farm sales, farmers' markets, and direct to consumer sales/delivery.
- Advertising mostly on the internet/social media and word of mouth. Sales to retail outlets (groceries, restaurants) were few.
- Most livestock producers (60%) saw processing capacity as a critical obstacle in the future of their businesses.



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Estimated Demand for Additional Processing

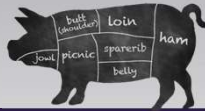
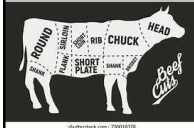
- **Estimated Current Demand from Respondents**
 - 3000 head of beef, 1100 swine, 350 lambs, 150 goats, 35000 chickens, 1000 turkeys.
- **Estimated Future Demand from Respondents**
 - 3800 beef, 1400 swine, 450 lambs, 200 goats, 45000 chickens, 1300 turkeys
- **Extrapolating to Entire Producer Population - ?**
 - Appears that beef and poultry are the top two needs



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State, Federal, and Exempt Inspection

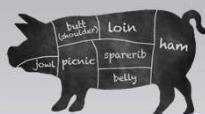
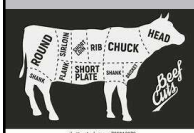
- There is a gap in the amount of inspected chicken processing options, but on-farm processing accounted for **59% of chicken and 50% of turkey** processing.
- In terms of producer needs, it is mixed
 - **Custom Exempt 29%**
 - **State Inspected 24.2%**
 - **USDA 46.8%**
- If State inspected:
 - Do you feel the inability to ship across state lines is hindering sales? **Yes = 46.7%**.
 - In favor of legislation changes? **Yes = 93%**
- Legislation “pending” to address issues of interstate commerce? **Not anytime soon.**



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Processing Inspection Types

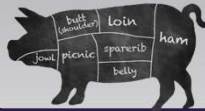
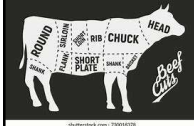
1. Federally Inspected
 - Talmadge-Aiken States (state contracted to do Fed Inspection: VA and NC)
2. State Inspected
 - Cooperative Interstate Shipment Program (not SC, NC, or VA)
 - State Sales Only
3. Custom Exempt
4. Retail Exempt



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Interest in Collaborative Efforts/Pooled Investments

- Beef finishing operations: 72% of respondents interested in the idea and 67% willing to invest in these operations.
- Slaughter and processing operations: 70% of respondents interested in collaborating with this idea and 78% willing to invest.
- “Invest” was \$1000 to \$4000 range.....

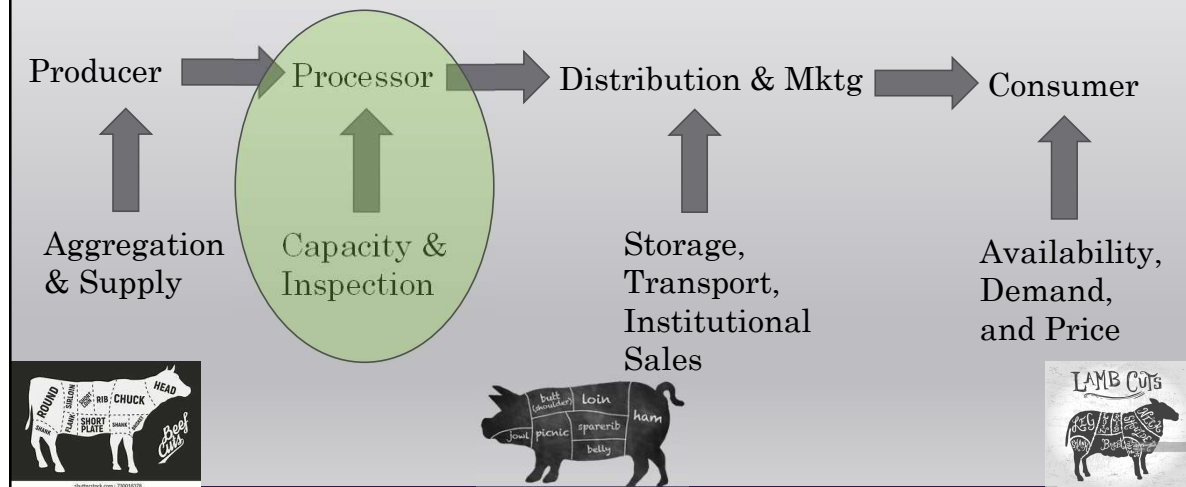


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MEAT PROCESSOR SURVEY AND INTERVIEWS

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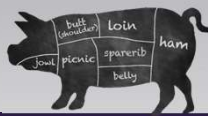
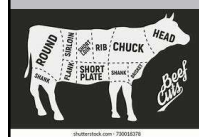
Addressing the ENTIRE Local Meat Food System



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Local Processor Interviews: Capacity

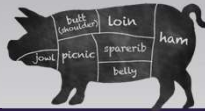
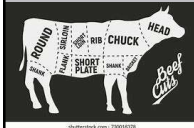
- **Hanging/cooling capacity, beef hang times, poultry processing limitations, and harvest floor capacity** are some issues that have been identified.
- **Skilled Labor.** Definitely a need for butcher training programs
- **Business Transitions:** somewhat surprising, but consistent with ag businesses
- **Custom Exempt:** Deer and BBQ pigs a larger part of the market than expected



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Assisting Meat Processor Associations

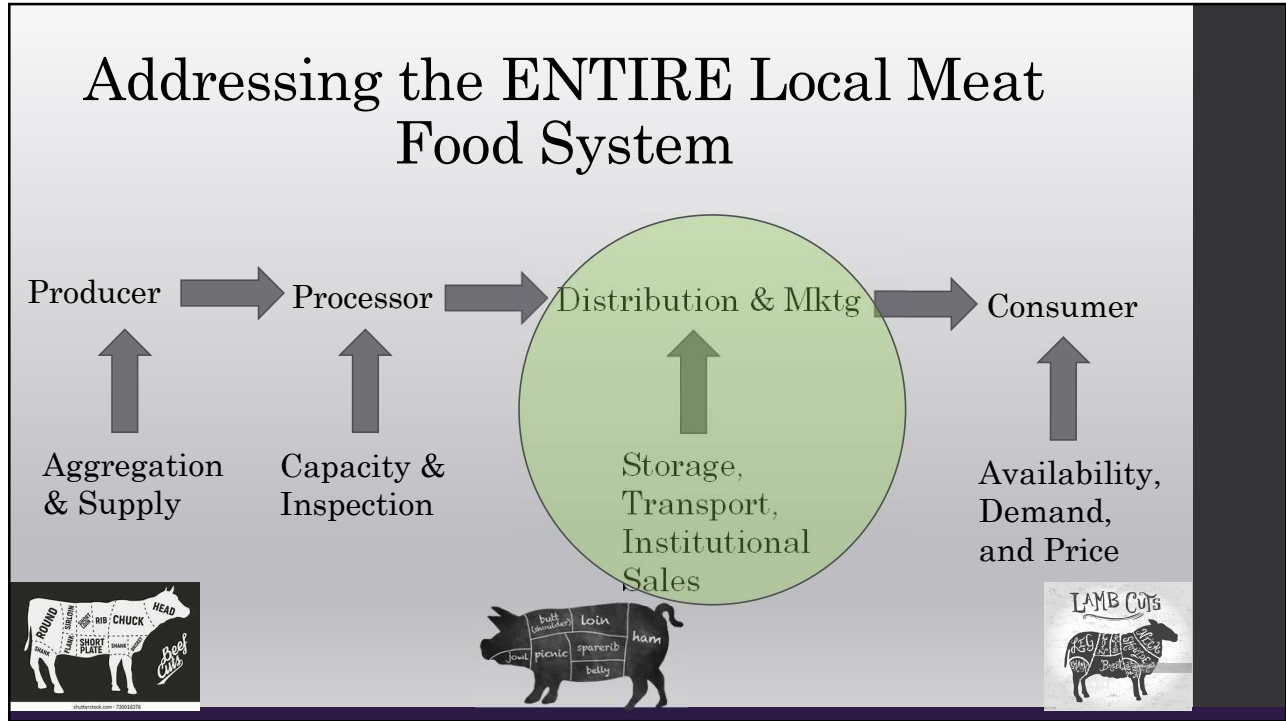
- It is very important that the industry have a voice.
- NC Meat Processors Association is active
- Virginia Association of Meat Processors is active with over 30 members.
- SC Association of Meat Processors currently defunct and needs a reboot.
- This “reboot” will be a focus for SC Center for Cooperative and Enterprise Development



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RESTAURANT SURVEY AND DISTRIBUTION LOGISTICS

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Restaurants Move Volume (Proteins)

Between 27% and 47% of all protein is consumed at restaurants in the US, depending on species

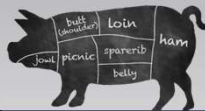
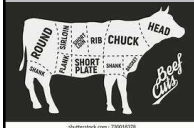
Source: USDA, Economic Research Service calculations based on 2013-16 What We Eat in America.

Protein	At Home (%)	Away From Home (%)
Beef	61%	39%
Pork	73%	27%
Chicken	53%	47%
Turkey	70%	30%
Fish	64%	36%

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Restaurant Procurer Survey

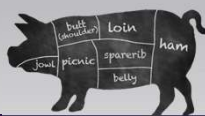
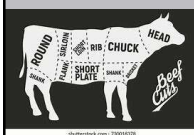
- 424 Restaurants Procurers in the U.S.
- Local Meat Traits Desired: **All Natural, Hormone Free, and Certified Organic**
- Restaurants more likely to purchase local meats: **smaller, higher entrée costs, higher years in business, and more likely located in the northern U.S.**
- Restaurants more likely to pay more and buy more local proteins: in addition to the variables above; they are more likely to be **fine dining, serve alcohol, and cater to local residents** (not tourists).



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Restaurant Procurer Constraints

- Willingness to pay for local proteins is grouped around a **1% to 24% premium** (median and mode). Many local meat products are priced higher than this.
- Cited barriers to buying (or buying more) local meat were:
 1. Inconsistent **Quality** or Unacceptable Quality
 2. High **Prices**
 3. Inconsistent **Supply** or Limited Availability



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What Meat Quality Issues?



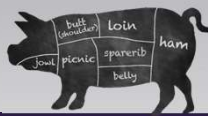
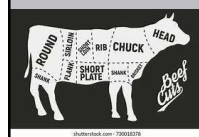
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Producer Logistics & Storage Issues

- What about producer ability to deliver meat to restaurants?

Livestock survey results show:

- **69%** of local meat producers have **limited or no freezer space** for storage.
- **88%** of local meat producers have **limited or no refrigerated transportation**

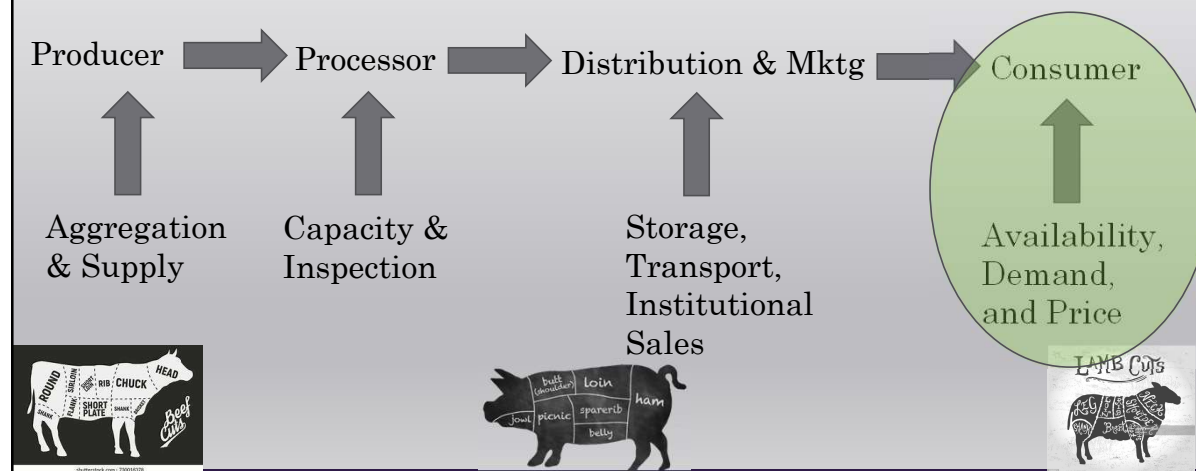


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LOCAL MEAT CONSUMER STUDY AND MARKET CONSTRAINTS

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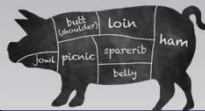
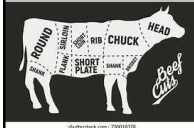
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Consumer Preferences

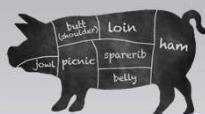
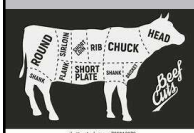
- Buying Points: **Grocery Store**, Farm, Farm Market, Butcher Shop, **Buying Online**.
- **83% not willing to travel** more than 20 miles to purchase local meats
- **No Growth Hormones, All Natural, No Antibiotics**, Grass-Fed/Free Range/Pastured, Humanely Raised, Organic, **Knowing the Farmer**
- **25% of consumers had purchased non-inspected meats** (Custom Exempt). Wild game also considered “locally raised meat”.
- Most were **not concerned or little concerned** about food safety



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Restaurant Buyers vs Consumer Preferences

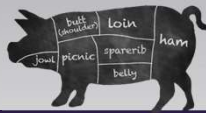
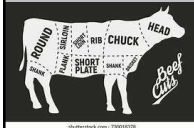
- | • Restaurant Procurer Preferences | • Consumer Preferences |
|-----------------------------------|--------------------------------|
| 1. All Natural | 1. No Growth Hormones |
| 2. Hormone Free | 2. All Natural |
| 3. Certified Organic | 3. No Antibiotics |
| 4. Grass Fed/Pastured | 4. Grass Fed/Pastured |
| 5. Locally Certified | 5. Humanely Raised |
| 6. Humanely Raised | 6. Certified Organic |
| 7. Knowing the Producer | 7. Knowing the Producer |



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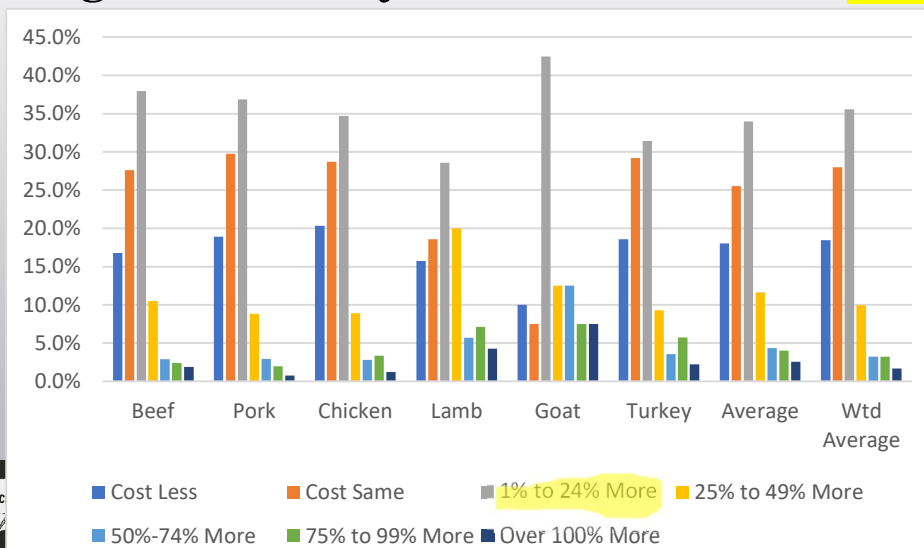
Encouraging More Purchases

- **Home Consumption**
 1. **Lower Prices**
 2. A Trusted **Local** Supplier
 3. More **Availability** of Local Meats
- **Restaurant Purchases**
 1. **More restaurants** serving local meats
 2. **Lower prices** for local meats at restaurants
 3. **Increased** menu offerings of local meats



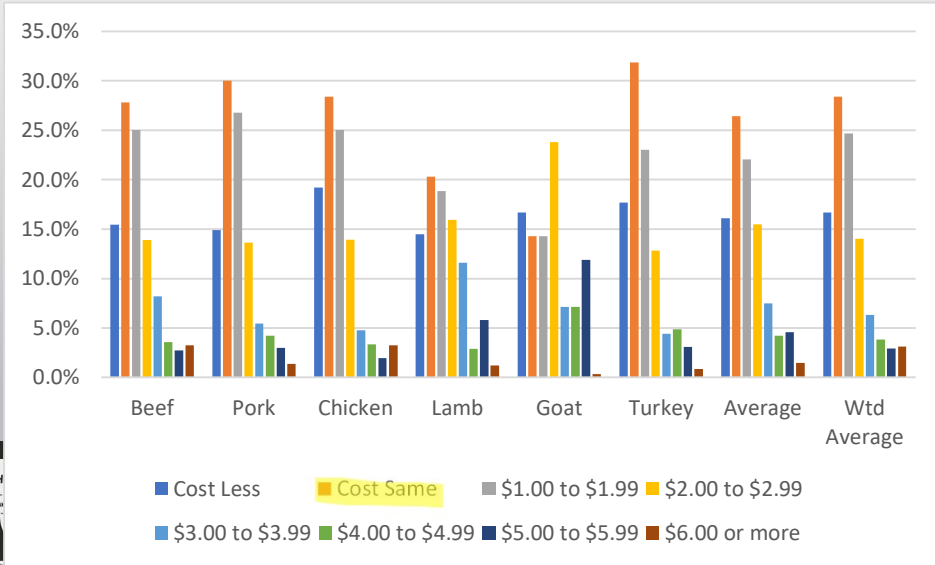
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Willingness to Pay: Local Meats at Home



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Willingness to Pay: at Restaurants



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Consumers versus Non-Consumers

Important Variables

Age (-) - younger

and

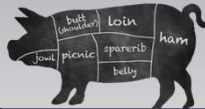
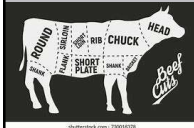
Household Income (+) - higher

Consumers	
(Intercept)	0.87 (0.44)
Gender	-0.09 (0.15)
Age	-0.18 *** (0.05)
Ethnicity	0.07 (0.16)
Education	0.08 -0.08
HHSize	-0.02 -0.06
HHIncome	0.15 ** -0.05
Tenure	0.05 -0.04

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Those More Likely to Consume/Pay

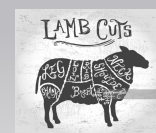
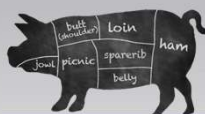
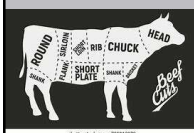
- Frequency of Consumption: HHSIZE (+), Education (+), Gender (F), and Length of Time Living in SC - Tenure (+)
- Willingness to Pay at Home: Age (-), Education (+), Gender (F/M) depending on type of meat
- Willingness to Pay at Restaurant: Age (-), Education (+), Gender (F)
- Those Willing to Consider Trying Local Meats: Tenure (-), HHSIZE (-)



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Market Constraints: Demographics, Location, Convenience

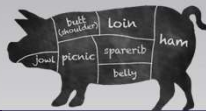
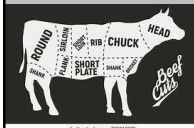
- Local Meat Consumer Demographics: Household Income (+), Age (-), Education (+), Gender (Female).
- General Meat Consumer Demographics (USDA ERS): Household Income (-), Education (-), and Gender (Male)
- Consumption limited by location: very few restaurants in SC serve local meat, limiting the market to home consumption
- Consumption limited by price: WTP results show that the most common responses are below current market premiums (0% restaurant, 1-24% home).
- Availability and Convenience: Lack of sales outlets, farm market locations and times, not willing to drive MT 20 miles, and most meat sold frozen (inconvenient)



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Local Meat Prices Dampen Demand

- Price cited as the #1 barrier for purchasing or purchasing more in surveys
- Those willing to pay higher prices are a minority of local protein consumers, with most only willing to pay a 1% to 24% premium.
- The freezer meat trade bucks this trend a bit – but has drawbacks, such as complicated transactions and knowing who to buy from



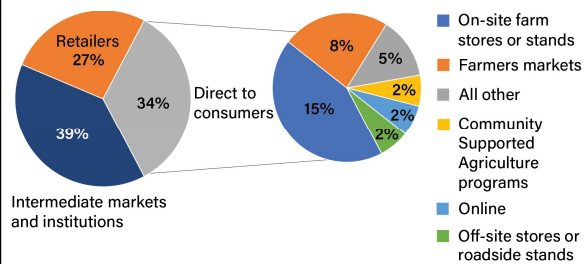
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Availability: Local Food Marketing Channels

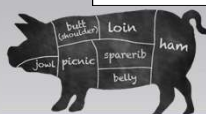
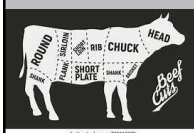
- Unless sales outlets and supply can be expanded, these will remain niche products
- Cooperatives, food hubs, protein hubs working together to increase supply and marketing support. Diffuse overhead costs among multiple members
- USDA and State processing initiatives are still to be seen and include all processing (meat, seafood, produce, etc.).

Foods sold through intermediate markets and institutions accounted for the largest share of local food sales in 2015

Percent of local food sales by outlet



Note: Intermediate markets and institutions include processors, wholesalers, schools, hospitals, food hubs, and colleges and universities.
Source: USDA, Economic Research Service using data from USDA, National Agricultural Statistics Service, 2015 Local Food Marketing Practices Survey.



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Local Food Availability is Constrained by Marketing Channels

Farmers' markets

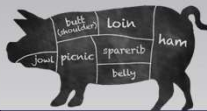
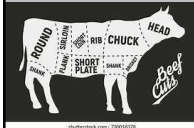
- Only serve 1/12 of demand for those that shop at farmers' markets (Source: USDA ERS Michele Ver Ploeg, Elizabeth Larimore, and Parke Wilde)

Online sales

- Growth in segment strong, but only represents 3.2% of meat and 7.9% non-meat (source: USDA ERS and FMI Industry Statistics)

Direct sales on the farm

- Most consumers not willing to drive more than 20 miles for local produce (source: local protein and oyster consumer survey)

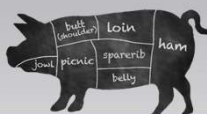
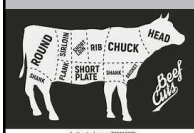
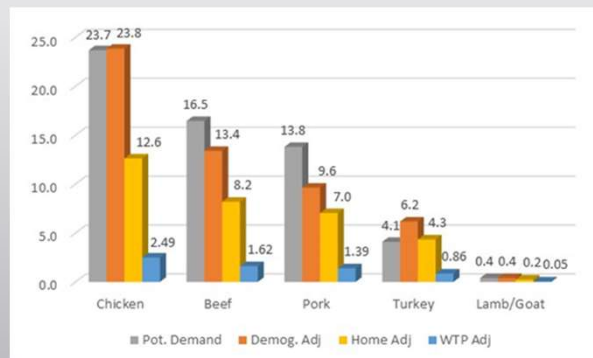


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Convenience and Lack of Market Channel Restrictions

If all barriers remain in place, then the market is limited by:

- Demographic adjustment, based on consumer profile
- Willingness to pay for local meats
- The lack of local meats in restaurants
- Marketing Channel Constraints



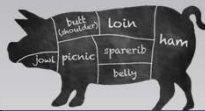
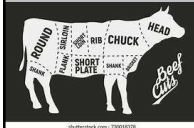
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Solution: Expanding Local Food Opportunities

Increase sales outlets: more retail sites, **grocery stores**, **restaurants**, food service

Increase the convenience of farmers' markets and other outlets

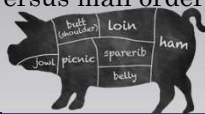
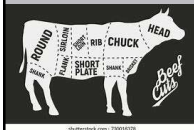
- **Hours, locations, days of operation, payment options**, etc.
- Assess why people are coming to the market (tourists vs shoppers)
- Weather considerations (rainy days = low sales)
- Seasonality plusses (fruit) and minuses (unknown what is in season)
- Locate more sales outlets near customers that are willing to pay
 - **More retail buying points are needed**



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Solution: Expanding Local Food Opportunities

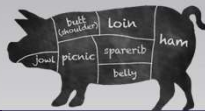
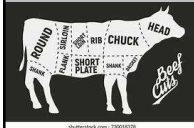
- Raise awareness and accountability through **Local labeling** programs
 - Certified Virginia Grown
 - Certified SC Grown
 - Got to Be NC
- Convenience, convenience, convenience
 - Convenience foods (prepared meals and/or partially prepared)
 - **Easy to find, easy to buy, easy to prepare (just unwrap and serve)**
 - **Grocery stores** – especially those in city suburbs
 - USDA time spent preparing food – didn't go up by much during COVID lockdown
 - Delivery services (versus mail order)



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Marketing Best Practices: Target Customers

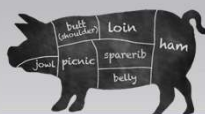
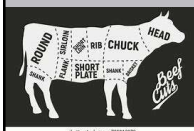
- Who is the **target customer** for these foods?
 - Younger, Higher Household Income, Married and Family Households, Female Buyers
 - Willingness to Pay: Younger, Higher Household Income, Higher Education Levels
- What **restaurants** are the most likely to buy these foods?
 - Smaller, Fine Dining, Locally Owned, Serve Alcohol, Have Higher than Average Entrée Prices, Do Not Cater to Tourists, and Buy Other Local Products
 - Located near where those who are willing to pay are located (not tourist restaurants)



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Further Items to Consider: Producer Supply

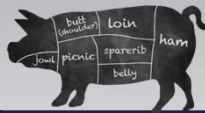
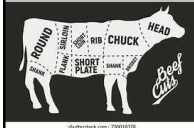
- Producers need to commit to **supplying a new facility**
 - Most common reason plants fail
- A firm **producer commitment** with money on the line
 - Producer cooperative for supply
 - Buying a “slot”
 - Refundable/Non-refundable deposits
 - Consistency of supply – everyone will want the fall slots
 - Mixing exempt processing with inspected processing (deer!)
- If plan is to **“build it and they will come”**, it might backfire
 - Shared use commercial kitchen as an example



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Conclusions/Implications

- If the investments into processing are made, it may no longer be the bottleneck
- Potential consumer demand exists for the expansion desired by producers
- The critical bottleneck is to expand marketing channels for local meats
- **Producers** must concentrate on quality and supply
- **Processors** must also concentrate on quality – especially for beef cuts (labor)
- **Price** may become more competitive as supply increases



43



Contact Information

Steve Richards: Stricha@Clemson.edu 843-473-6024

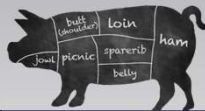
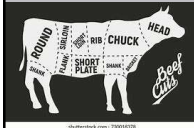
44

Local Meat Processing (challenges and opportunities)



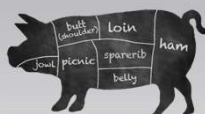
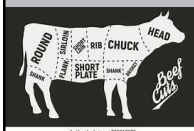
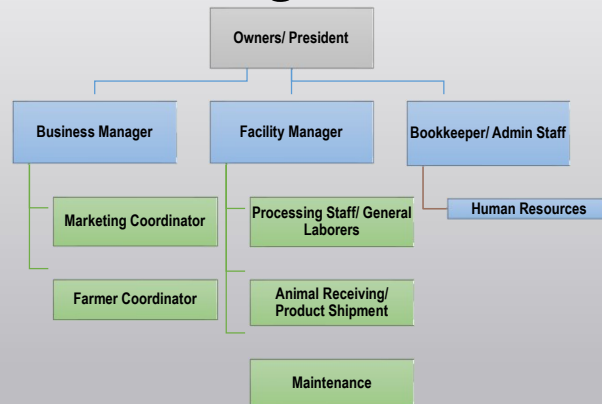
Jim Matson

Matson Consulting



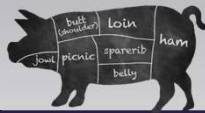
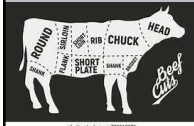
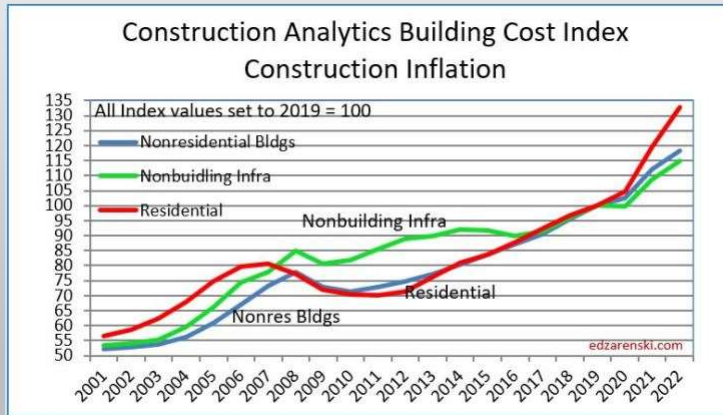
45

Basic Processing Staff Needs



46

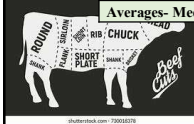
Construction Costs Inflation



47

Past Feasibility Costs (adjusted to 2020)

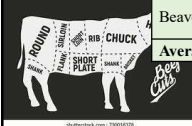
Study	Date	Labor Costs (\$)	Equipment Costs (\$)	Facility Costs (\$)	Facility Size (Sq. Ft)
Central Virginia Study	2003	467,997	201,652	2,278,621	8,280
Pride of Vermont Processing Study	2005	159,597	286,178	579,310	3,000
Hudson Valley Meat Processing Study	2000	615,784	207,645	865,455	5,000
Private Study A	2007	154,000	398,000	1,673,000	6,680
Del Norte Meat Processing Feasibility Scenario A	2011	158,650	119,477	476,000	2,600
Western Massachusetts Processing Study	2013	136,516	114,998	-	2,500
Private Study B	2014	194,000	245,880	1,968,000	6,200
Averages- Small Facility		269,473	224,776	1,306,670	4,894
Del Norte Meat Processing Feasibility Scenario B	2011	196,279	119,477	1,946,700	5,250
Southern Maryland Meat Processing Study Scenario A	2006	1,080,526	110,243	1,530,968	4,000
Southern Maryland Meat Processing Study Scenario B	2006	1,253,511	210,754	2,264,000	5,000
Beaverhead County, Montana Processing Study	2006	339,461	421,508	5,888,000	16,000
Averages- Medium Facility		717,444	215,496	2,907,417	7,563



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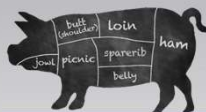
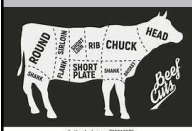
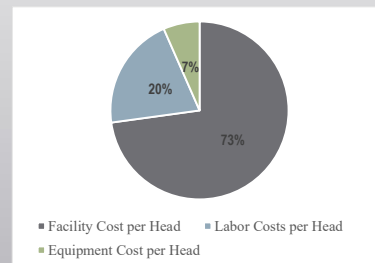
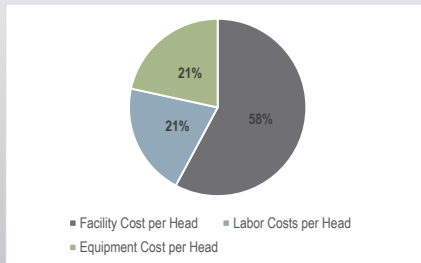
Employment and Labor Costs

Study	Date	Jobs Created	Labor Costs (\$)	Jobs per X head	Labor Costs per Head (\$)
Central Virginia Study	2003	7	467,997	583	115
Pride of Vermont Processing Study	2005	7	159,597	79	288
Hudson Valley Meat Processing Study	2000	11	615,784	187	158
Private Study A	2007	6	154,000	200	128
Del Norte Meat Processing Feasibility Scenario A	2011	4	158,650	525	76
Western Massachusetts Processing Study	2013	4	136,516	65	523
Private Study B	2014	9	194,000	161	99
Averages- Small Facility		7	269,473	257	198
Del Norte Meat Processing Feasibility Scenario B	2011	4	196,279	1,500	33
Southern Maryland Meat Processing Study Scenario A	2006	29	1,080,526	197	137
Southern Maryland Meat Processing Study Scenario B	2006	34	1,253,511	168	162
Beaverhead County, Montana Processing Study	2006	7	339,461	1,456	33
Averages- Medium Facility		19	717,444	830	91



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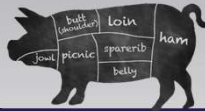
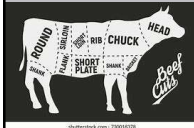
Factor Cost Comparisons: Small and Medium Processing Facilities



50

Optimistic Financing Costs

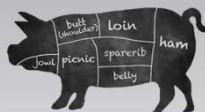
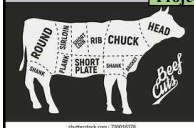
Facility Finance	Head Count		
	1,000	2,500	5,000
Facility Size	3,000 sq. ft.	4,500 sq. ft.	6,000 sq. ft.
Facility	\$ 840,000	\$ 1,260,000	\$ 1,680,000
Percentage Financed	80%	80%	80%
Loan Amount	\$ 672,000	\$ 1,008,000	\$ 1,344,000
Term Years	30	30	30
Rate	4%	4%	4%
Annual Payment	\$ 38,862	\$ 58,293	\$ 77,724
Interest Payment	\$ 26,880	\$ 40,320	\$ 53,760
Principal Payment	\$ 11,982	\$ 17,973	\$ 24,922
Depreciation	\$ 28,000	\$ 42,000	\$ 56,000



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Processing Facility Operations

Beef-Only Facility	Head Count		
	1,000	2,500	5,000
Revenue	\$466,390	\$1,165,975	\$2,331,951
Direct Labor Costs	\$(172,564)	\$(431,411)	\$(862,822)
Other Variable Costs	\$(163,237)	\$(408,091)	\$(816,183)
Variable Margin	\$130,589	\$326,473	\$652,946
Equipment Costs	\$(3,964)	\$(8,745)	\$(15,158)
Equipment Loan Interest Payment	\$(6,483)	\$(6,864)	\$(7,627)
Facilities Costs	\$(9,328)	\$(23,320)	\$(51,303)
Facilities Loan Interest Payment	\$(26,880)	\$(40,320)	\$(53,760)
Selling and Marketing Expenses	\$(9,328)	\$(23,320)	\$(46,639)
Indirect Labor Costs	\$(15,000)	\$(30,000)	\$(45,000)
General and Administrative Expenses	\$(34,979)	\$(87,448)	\$(174,896)
Unforeseen and Contingency Expenses	\$(18,656)	\$(46,639)	\$(93,278)
EBITDA	\$5,971	\$59,818	\$165,285
Depreciation	\$(41,506)	\$(56,301)	\$(71,890)
Project Net Income	\$(35,535)	\$3,517	\$93,395



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CONTACT INFORMATION

Contact Information

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What is a Cooperative?

International Cooperative Alliance

A co-operative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.

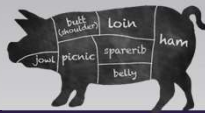
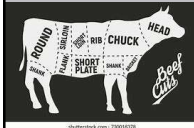




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What is a Cooperative?

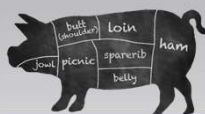
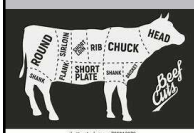
A cooperative is a business owned and controlled by the people who use its products or services for their common benefit.



55

Cooperative Values

Cooperatives are based on the values of **self-help, self-responsibility, democracy, equality, equity and solidarity**. In the tradition of their founders, cooperative members believe in the ethical values of **honesty, openness, social responsibility, and caring for others**.

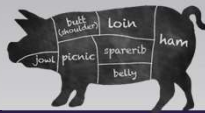
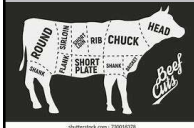


56

What is a Cooperative?

A cooperative is a values-driven business owned and controlled by the people who use its products or services for their common benefit.

- Shared Investment
- Shared Responsibility
- Shared Benefit

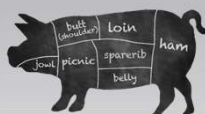
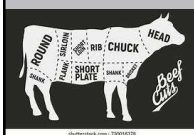


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What is a Cooperative?

A cooperative is not ...

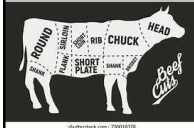
- ... a charity,
- ... a “nonprofit” or ”not-for-profit”,
- ... an investment vehicle.



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Why Cooperative?

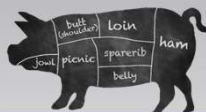
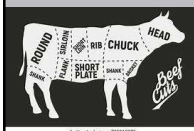
- The more you do yourselves, the more you get to keep.
- The more you do yourselves, the more control you have over your farm business.



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Why Cooperative?

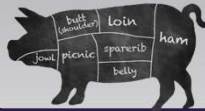
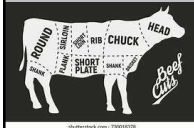
- Co-ops exist to provide benefit to their members.
- Co-ops retain more value – money – for their members & the community.
- Members retain control over their economic interests – their own livelihoods.
- Co-ops build community.



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What is Collaborative Farming?

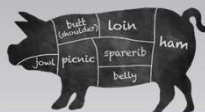
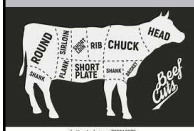
- “Collaborative Farming” is a farming business that results from the actions of two or more persons or organizations working together to achieve a higher degree of profitability than they would individually.



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Degrees of Collaboration

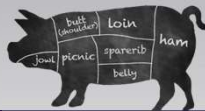
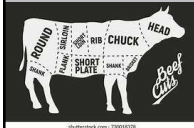
- Handshake “Deal” or “Favor”
- Written Agreement or Contract
 - Land and Equipment Leases
 - Temporary Employment Contracts for Farm Labor
 - Farm Business Operating Agreements
- Independent Legal Entity
 - Partnerships
 - Corporations
 - Cooperatives
 - LLCs
 - Nonprofit Associations



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Challenges of Cooperation

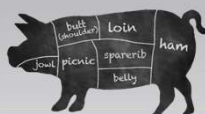
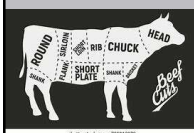
- Have to cooperate – get along with others where farm and money are at stake.
- Give up some control in exchange for mutual benefit.
- Stick to the commitment you make and ensure that everyone else does, too.



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Starting a Cooperative

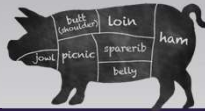
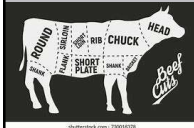
- Well defined business opportunity.
- Shared purpose in going after that opportunity – written out.
- Written commitment from all who want to start the business.
- Stepping up to do the work of starting the business. (Many hands make lighter work.)



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Starting a Cooperative

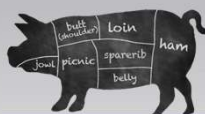
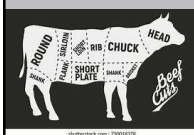
- Checkpoints:
 - Business plan and market feasibility study: will it have positive cash flow for all the members?
 - Solid commitment of participation from all who want to participate: financial buy-in, time, and farm contribution.
 - Select type and location of legal entity.



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Choice of Legal Entity

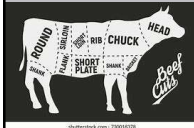
- State-law cooperative corporation – varies by state.
- Alternative: limited liability company (LLC) structured as a cooperative.
- Cooperative tax election with IRS.



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“A cooperative moves at the speed of trust.”

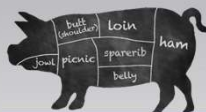
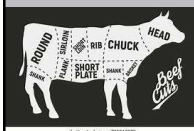
- Agreement on a governance and management plan to run the business fairly and cleanly.
- Transparent financial management and reporting.
- Promises kept and loving accountability.



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Cooperative Values

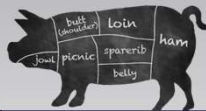
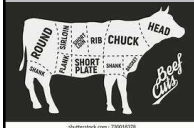
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68

Cooperative Values

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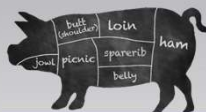
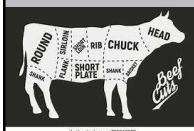
69

CAROLINA COMMON ENTERPRISE

Thomas Beckett, Kelly Liddington

<https://www.commonenterprise.coop/>

query@commonenterprise.coop



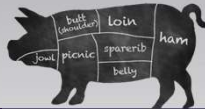
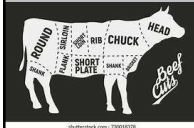
70

Grants and Other Financial Assistance Options



Tony Banks

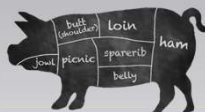
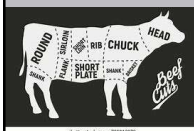
Virginia Foundation for Agriculture, Innovation
and Rural Sustainability



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New USDA Meat & Poultry Programs

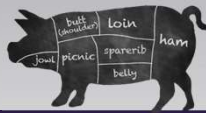
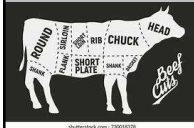
- Meat and Poultry Inspection Readiness Grant (\$22M)
 - Grants up to \$200K for existing meat processing businesses to obtain federal meat inspection coverage
 - Eligible costs include some construction, equipment, supplies, marketing, processing
 - Round 2 Deadline 05/24/2022, no match requirement, claw-back provision
- Meat and Poultry Processing Expansion Program
 - Phase 1: Gap Financing Grants (\$150M) with near-term impact
 - Applicants eligible for 20% of total project costs up to \$25M
 - Grant may be used for construction costs
 - Applications closed May 11, 2022
- www.usda.gov/meat



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New USDA Meat & Poultry Programs

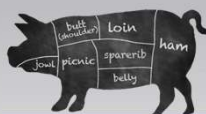
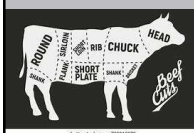
- Meat and Poultry Processing Expansion Program
 - Phase 2: Additional Financing Assistance Grants (\$225M)
 - USDA expected to release RFA in Summer 2022
- Meat and Poultry Intermediary Lending Program (\$275M)
 - Support loans and other assistance for meat and poultry processing projects. April 2022
- www.usda.gov/meat



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New USDA Meat & Poultry Programs

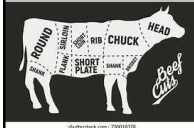
- Food Supply Chain Guaranteed Loan Program
 - 90% loan guarantee (\$100M - \$19M)
 - 90% loan guarantee on eligible loans up to \$40M
 - Meat & poultry processing, aggregation and distribution
- Workforce Development (\$100M)
- Innovation and Technical Assistance (\$50)
- Meat and poultry processing research (\$25M)
- Grant application and management assistance (\$25M)
- www.usda.gov/meat



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USDA Traditional Funding Sources

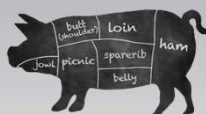
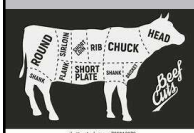
- USDA Rural Development
 - Value-Added Producer Grant (50% match, \$75K or \$200K)
 - Rural Business Development Grant (\$500k)
 - Community Facilities Direct Loan & Grant
 - Rural Economic Development Loan & Grant
 - Business & Industry Grant Loan Program
 - Socially Disadvantaged Groups Grant
 - <https://www.rd.usda.gov/programs-services/business-programs>



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USDA Traditional Funding Sources

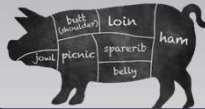
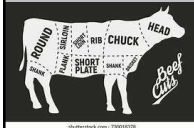
- USDA Agriculture Marketing Service
 - Local Food Promotion Program/Farmers Market Promotion Program (25% match, \$100K or \$500K)
 - <https://www.ams.usda.gov/services/grants/lfpp>
 - <https://www.ams.usda.gov/services/grants/fmpp>
- Other Federal Sources
 - USEDA Economic Development Assistance Program
 - Small Business Development Loan



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Appalachian Regional Commission Funding

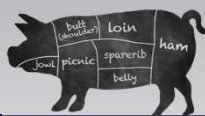
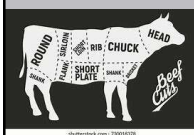
- Provides grants via the Area Development Program and other programs to support efforts to create or retain jobs and foster new investment and economic diversity
- State & local agencies, governmental & nonprofit entities, Indian tribes and higher education institutions may apply
- Match is required for grants, rates vary by locality and state
- Contact the ARC state program manager, <https://www.arc.gov/staff/>,
 - For more info visit <https://www.arc.gov/>



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South Carolina Funding Resources

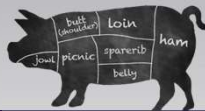
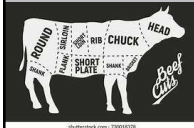
- South Carolina is considering using some of the ARPA (Federal COVID-19 relief funds) to expand processing in South Carolina.
- The results from the previously mentioned studies were used to convince state lawmakers that this was needed.
- If approved (and legislature in recess until Fall), then the SC Department of Agriculture may receive funds for a competitive grant offering to expand local meat processing and other processing.



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North Carolina Funding Resources

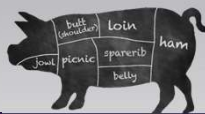
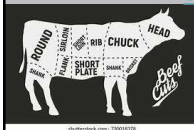
- Golden Leaf Foundation
 - Agriculture grants support the development of new crops, expanded markets for agriculture products, scientific research, training for farmers, cost-effective techniques and value-added ag enterprises
 - Community-Based Grants Initiative (up to \$1.5 mil)
 - Select Priority Zones, Fall application
 - Open Grants Program (up to \$200k, \$500k possible)
 - Rolling application periods
- www.goldenleaf.org/priorities/agriculture/



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Virginia Funding Resources

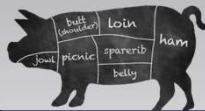
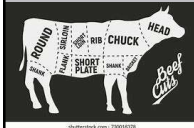
- Governor's Agriculture & Forestry Industries Development Fund
 - Planning Grant – develop community and project plans and studies to support economic development promoting agriculture and forestry (up to \$35,000)
 - Infrastructure Grant – small-scale infrastructure project up to \$25,000
 - Facility Grant – allows localities to support AFID projects up to \$500,000
 - Must add or save jobs
 - Requires the use of Virginia grown ag/forestry commodities
 - Localities must apply for the grants, Program is administered by VDACS
 - <https://www.vdacs.virginia.gov/marketing-agriculture-and-forestry-development.shtml>



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Virginia Funding Resources

- Tobacco Region Revitalization Commission
 - Business & Community Lending Program
 - Can provide up-front capital via low-interest fix-rate loans to qualifying applicants and projects
 - Localities, post-secondary education institutions and certain businesses within TRRC region are eligible to apply
 - Project must operate and spend loan funds within region and applicant must be creditworthy
 - Southside and Southwest Virginia Programs (grant or loan)
 - Agribusiness, Business Development, Industrial sites & Infrastructure, Tourism, Broadband
 - Governmental and Non-Profit Entities may apply for the grant which requires 1:1 match
 - Grant amount can vary** but do not exceed \$500,000 or 50% of project cost
 - Can be used for equipment/buildings/infrastructure supporting ag processing
 - Must benefit multiple producers and ideally multiple localities
- <https://www.revitalizeva.org/>



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Questions? Comments?

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