



# New Opportunities and Collaborations for CO's Meat Processing Sector

Webinar | March 11, 2021 | 12:30 – 2:00pm



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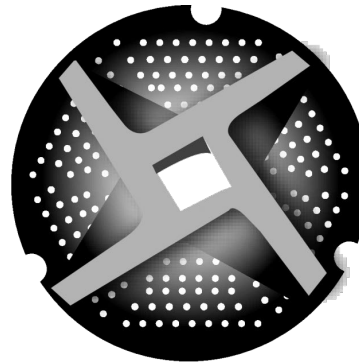
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# Goals for Today's Webinar

1. Identify resources available to support small and midscale meat processors in Colorado.
2. Support better coordination across current and proposed small and mid-scale meat processing businesses in Colorado.



# Today's Speakers

Colorado  
Department of  
Agriculture

Steve Blunt,  
Program Manager

Mark Gallegos,  
Section Chief,  
Division of  
Inspection and  
Consumer  
Services Division



**COLORADO**  
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Niche Meat  
Processor  
Assistance  
Network at Oregon  
State University

Rebecca  
Thistlethwaite,  
Director



**NICHE MEAT PROCESSOR  
ASSISTANCE NETWORK**

Colorado  
Legislature

Jerry  
Sonnenberg,  
Senator



Colorado State  
University

Jennifer Martin,  
Assistant  
Professor,  
Department of  
Animal Sciences



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U.S. Department of  
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Cindy Chadwick,  
Business &  
Cooperative  
Programs  
Specialist

P.J. Howe,  
Business Program  
Specialist



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# Agenda



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- 12:30 - 12:35 – Welcome and Introductions (Becca Jablonski)
- 12:35 - 12:45 – Meat Processing in Colorado (Steve Blunt)
- 12:45 – 1:00 – NMPAN Resources and Innovative Approaches to Supporting Small and Mid-Scale Meat Processing (Rebecca Thistlethwaite)
- 1:00 – 1:05 – Proposed Legislation SB21-079 (Jerry Sonnenberg)
- 1:05 – 1:15 – CSU and CAMP Resources (Jennifer Martin)
- 1:15 – 1:25 – USDA Rural Development Resources (Cindy Chadwick)
- 1:25 – 1:30 – USDA Agricultural Marketing Services' New Meat and Poultry Interstate Shipment and Inspection Readiness Program (Becca Jablonski)
- 1:30 – 1:35 – CDA's Move the Needle Grant Program (Mark Gallegos)
- 1:35 – 1:55 – Discussion and Q&A (Mark Gallegos)
- 1:55 – 2:00 – Wrap Up & Boot Camp Opportunity (Becca Jablonski)





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**Steve Blunt**  
Program Administrator





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# *Colorado Custom Exempt Meat Program*

**Steve Blunt  
Program Manager**



# *Meat Processing in Colorado*

- **USDA Inspected Plants**

At these locations, the animal is under continuing inspection, from arrival through packaging and distribution.

1. This means that an inspector conducts an antemortem exam to determine if the live animal appears healthy.
2. The animal is then slaughtered, eviscerated and the hide is removed.
3. A postmortem inspection of the carcass including the offal (eviscerated parts) to determine if the carcass is suitable for human consumption.
4. The carcass is also graded (Prime, Choice, Select, etc.) at this time







# *Meat Processing in Colorado*

USDA Inspected Meat products can be sold to specific customers, retail, wholesale, etc.





# ***Meat Processing in Colorado***

- USDA Personal Processing Exemption:

The animal owner, slaughters and processes (cuts) the carcass themselves.

The meat from a Personal Exempt animal is intended to be consumed by the animal owner, owner's family and non-paying guests.

Personal Exempt meat cannot be re-sold, offered for wholesale or retail sales



# *Meat Processing in Colorado*

- Custom Exempt Meat Processing

The animal owner takes their animal to a custom exempt meat processor who slaughters, eviscerates and further processes the animal.

The resulting meat is marked “NOT FOR SALE” and returned to the owner.

The meat of a custom exempt meat processed animal is intended for consumption by the animal owner, owner’s family and other nonpaying guests

Custom Exempt Meat cannot be re-sold, offered for wholesale or retail sales





# ***Meat Processing in Colorado***

The Colorado Department of Agriculture regulates custom exempt meat processors through a cooperative agreement with USDA.

CDA inspects the processing facility for:

Humane Handling, Recordkeeping, Operational Sanitation, Pest Control, Inedible Material, Marking & Labeling, Pathogen Control.

CDA does not inspect the live animal or carcass to determine if the animal was healthy.





# *Meat Processing in Colorado*

- CDA Custom Exempt Meat Program also supports meat processors by:
  - Providing regulatory information to existing meat processor and potential new processors
  - Provides guidance regarding
    - General information pertaining to:
      - New plant layouts, workflow
      - Contacting other regulatory agencies



# *Meat Processing in Colorado*

- USDA Amenable Species:

Cattle  
Sheep  
Swine  
Goats  
Poultry

USDA Nonamenable:

Bison  
Domestic Deer  
Domestic Rabbits  
Pheasant  
Quail

CDA Species:

Licenses are not species specific





# ***Meat Processing in Colorado***

- Trends in Processing - CDA's Prospective

Beef and Swine continue to be the prevalent species

Poultry - CDA has seen continuing interest in the less than 20,000 birds raised and self processed USDA Exemption. This exemption requires a CDA custom exempt license and allows producers to sell to food handling establishment such as restaurants and grocery stores. Most inquiries do not result in new processors. CDA has 3 licensees utilizing this exemption.





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***Thank you!***





# Niche Meat Processors Assistance Network @ Oregon State University

Rebecca Thistlethwaite  
Director

NICHE MEAT PROCESSOR  
ASSISTANCE NETWORK

# Beginner's Guide to Local Meat Processing



## WHAT IS LOCAL MEAT PROCESSING?

Fact Sheet



## WHAT ARE THE RULES?

Fact Sheet



## SMALL PLANT ECONOMICS

Fact Sheet



## NEW PLANT CHECKLIST

Fact Sheet

Schedule with NMP  
powered by C

# Planning a New Facility or Expansion

A large-scale construction site showing the foundation and early walls of a new facility. The ground is uneven and covered in dirt. Several tall, grey concrete walls are being built, forming a large rectangular enclosure. In the background, there are industrial buildings and some construction equipment.

## PLANT DESIGN PAGE

Guidance on facility design (mobile & fixed), water and wastewater management, and equipment selection.



## BUSINESS PLANNING PAGE

Business planning guide, model business plans, feasibility study library, cash flow templates, archived webinars and more.



## WORKFORCE MANAGEMENT PAGE



## FINANCING OPTIONS PAGE

Funding and financing options





NICHE MEAT PROCESSOR  
ASSISTANCE NETWORK

## **Small Meat Processors** **BUSINESS PLANNING GUIDEBOOK**

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# Meat Processing Feasibility Studies

**Is this a good idea? Will it work for us? And what's it going to cost?**


Every meat processing plant needs the following equation to be successful: **Capital + Customers + Talent/Staff = Potential**

**Success.** What is the best way to ensure these key parts of the equation are there? Write a feasibility study first (watch [this webinar here](#) to learn more about what these studies should contain). Then if the project appears feasible, write a business plan. Then pull together the financing. Then the design & permits. Then find the builders. You get the drill.


Building a successful meat processing business is far from easy. The feasibility studies listed below detail many of the complications, challenges, and costs (sometimes in great financial detail).

We want to caution all readers that these are only studies, not real life. Some even have mistakes (we marked the ones we found). Yet we collected all these studies here for you because even imperfect information is better than no information. Plus, we hope you'll find the process used in these studies helpful as you plan your own business.


## EXPLORE the Niche Meat Processor Assistance Network

A close-up photograph of two goats with white and brown fur, looking upwards with their heads tilted back.


Beginner's Guide to Local Meat Processing

A photograph of a large industrial building under construction, showing the steel framework and concrete foundation.

Planning a New Facility or Expansion

A photograph of numerous long, light-colored cured sausages hanging in rows on a metal rack.


Regulations & Food Safety

A photograph of two workers in a meat processing facility, one in a blue uniform and the other in a white uniform, working near a large metal pot.

Running Your Facility

A photograph of a white mobile slaughter and processing truck parked on a dirt road.

Mobile Slaughter and Processing

A photograph of two pigs, one large and dark and one smaller and brown, standing in a grassy field.

Webinars & Case Studies

# Approaches to support processors

- [www.nichemeatprocessing.org](http://www.nichemeatprocessing.org) (join the listserve & newsletter)
- AAMP trade association (& CAMP)
- State departments of agriculture
- Land grant universities and Extension
- NGOs that can convene stakeholders, apply for grants, and help with cooperative development costs
- Grant & loan programs
- Employee training programs/skilled meat cutter programs
- Business Accelerators, like the National Western Center program

# State Policy Opportunities?

- 16 states used CARES ACT funding to start grant programs for small and mid-scale meat processors. Hundreds of plants benefitted from these funds for upgrades, new equipment, expanding coolers, etc.
- Pennsylvania has a small meat processor grant program that is part of their Farm Bill, to fund costs associated with coming under federal inspection.
- At least three states (Oregon, Washington, and Nebraska) are looking to start state meat inspection programs. OR already authorized it & developed three stakeholder groups to understand the needs better and plan for the new inspection program.
- A couple states are looking at broadening custom-exempt sales to more shareholders or to a “herd-share” model (TX & NE).

# Federal Policy Opportunities?

- **Strengthen Local Processing Act** (HR.1258 or S.370): would expand state inspection cost-share, expand Cooperative Interstate Shipment program, provide small plant grants, HACCP validation support, and career & technical training funds.
- **DIRECT ACT** (HR.7425): would allow retail quantities of state inspected meat to be able to be sold online nationally.
- **PRIME ACT** (HR.2657): would amend FMIA to allow custom-exempt meat to be able to be sold within states, subject to state laws.
- **RAMP UP ACT** (amended version passed in 12.21.2020 COVID relief bill): will provide grants up to \$200K to plants that want go from custom-exempt to state/ federal, or state plants to go federal. Is intended to increase the number of plants that can do inspected slaughter and processing services.





# SB21-079 Deregulate Meat Sales Direct To Consumers

Senator Jerry  
Sonnenberg



First Regular Session | 73rd General Assembly

# Colorado General Assembly

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SB21-079

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## Deregulate Meat Sales Direct To Consumers

Concerning the sale of animals for consumption to informed end consumers in a manner that exempts the sale from certain laws.

SESSION: 2021 Regular Session

SUBJECTS: Agriculture, Business & Economic Development

### BILL SUMMARY

**Section 1** of the bill allows a person to sell, without licensure, regulation, or inspection by a public health agency, ~~poultry meat, rabbit meat or fish meat~~ if the animal was raised by the seller and to sell shares in the meat of an animal, which includes cattle, calves, sheep, ~~poultry~~, hogs, ~~bison, goats, and rabbits, and fish,~~ for future delivery if:

### PRIME SPONSORS



Senator

**Jerry Sonnenberg**



Representative

**Rod Pelton**



Representative

**Donald Valdez**

<https://leg.colorado.gov/bills/sb21-079>



# Colorado State University & Colorado Association of Meat Processors Resources

Dr. Jennifer Martin  
Department of Animal Sciences  
Colorado State University





# USDA Rural Development Resources

Cindy Chadwick,  
Business & Cooperative  
Programs Specialist



Committed to the future of rural communities.







# Assistance Available to Small Meat Processors

Cindy Chadwick

Business & Cooperative Programs Specialist



# GRANT FUNDS

## Value Added Producer Grant

- \$250,000 max grant
- 10% or 50% Matching Funds Requirement
  - May 4, 2021 Application Deadline
- Must already produce 50% or more of the commodity



# LOAN FUNDS

## **OneRD Business & Industry Guarantee Program**

- Small rural business
- Start up, expansion, working capital
- See your local lender or contact us for a list of active lenders

## **Revolving Loan Fund**

- \$100,000 or less loan amount
- Start up, expansion, working capital
- Contact us for a list of entities in Colorado with active funds



FOR MORE INFORMATION CONTACT:

**Cindy Chadwick**

[cindy.chadwick@usda.gov](mailto:cindy.chadwick@usda.gov)

(720) 544-2924

# Meat and Poultry Interstate Shipment and Inspection Readiness Program (ISIRP)



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Agricultural Marketing Service

# The COVID stimulus language provides for the following:

- AMS will award funding under the ISIRP to meat and poultry slaughter and processing facilities who are currently in operation as of the date on which the facility submits to AMS an application for the grant; and is seeking:
- To obtain a [Federal “Grant of Inspection”](#) under the [Federal Meat Inspection Act](#) (21 U.S.C. 601 et seq.) (FMIA) or the [Poultry Products Inspection Act](#) (21 U.S.C. 451 et seq.) (PPIA); or
- To operate as a State-inspected facility that is compliant with FMIA or PPIA under the Food Safety and Inspection Service (FSIS) [Cooperative Interstate Shipment \(CIS\) program](#), in a State that participates in that program.



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Agricultural Marketing Service



# The following activities are allowed under the ISIRP:

- Modernization or expansion of existing facilities\*;
- Modernization of equipment\*;
- Compliance with packaging and labeling requirements under applicable law;
- Compliance with safety requirements under applicable law;
- Development of processes to ensure food safety; and
- Such other purposes as the AMS determines to be appropriate.

\*If USDA allows construction and equipment, must be limited to purposes specifically relating to this funding opportunity. (i.e. Obtaining a Federal Grants of Inspection and/or obtaining a Federal Grant of Inspection for CIS.)



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# Funding and Conditions

- AMS may award up to \$200,000 to eligible entities.
- Match:
  - FY 2021: No match required
  - FY2022: \$1:\$1 match required.
- As a condition of receiving an ISIRP award the recipient has 36 months to:
  - Receive a [Federal Grant of Inspection](#) under the FMIA or the PPIA;
  - Become eligible for inspection under the FSIS CIS program.



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# Conditions (continued)

- Within 36 months USDA must deem that the recipient has made a good faith effort\* toward those goals.
- Awarded grant funds must be returned to the Federal government if the recipient:
  - Is not subject to inspection or did not receive a Federal Grant of Inspection under FMIA or PPIA;
  - Is not eligible for inspection under the FSIS CIS program that is compliant with FMIA or PPIA or;
  - Is not making a good faith effort\* to be subject to inspection under FMIA or PPIA or to be eligible under the FSIS CIS program compliant with FMIA or PPIA.

\* “Good Faith Effort”: AMS determining what qualifies with FSIS.

# Who is eligible?

- Meat or poultry processing facilities *who are already in operation* at the time they submit the grant application may be eligible if they are:
- A meat or poultry processing facility seeking to obtain a Federal Grant of Inspection; or
- A meat or poultry processing facility in a state that participates in the CIS program that wants to be eligible for a Federal Grant of Inspection under the CIS program.
  - If true, they may apply ONLY if they are seeking to obtain a FEDERAL grant of inspection, NOT state inspection.



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# Who is NOT eligible?

- A meat or poultry processing facility that is currently Federally-inspected.
- A meat or poultry processing facility that is in a state that DOES NOT participate in the CIS program.



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# ISIRP Current Status

- AMS is working closely with FSIS to develop the funding program.
- AMS will carry out the grants management aspects of the program while FSIS is responsible for deeming grant recipients eligible for Grants of Inspection.
- AMS is currently accepting feedback on the program. Contact [MeatPoultryISIRP@usda.gov](mailto:MeatPoultryISIRP@usda.gov) to share your opinion.



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Agricultural Marketing Service



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**Mark Gallegos**  
Section Chief, Division of  
Inspection and Consumer  
Services Division





# Move the Needle Grant

Anticipated to launch March 17, 2021



# COLORADO

## Department of Agriculture

### Markets Division

- Food and agricultural processors and manufacturers have a new grant opportunity. CDA will have access to an allocation of \$312,000 through the Governor's Office.
- Project funds are capped at \$100,000, for any single award with projects to be completed by December 31, 2021.
- Growth in Colorado's food and agriculture value chain, especially relating to food processing and manufacturing, continues to be constrained by a lack of funding for business start-up and/or expansion. To mitigate this constraint, CDA will use available funds to make grants supporting the development and expansion of agricultural value-added projects.
- Weaknesses in the U.S. food production and supply chain systems were revealed during the early days of the current pandemic and these grants will serve to strengthen local food systems, create greater resilience, and "move the needle" driving advancement within Colorado's food and agriculture value chain.
- Grants may be made to processors and manufacturers of Colorado agricultural products through a competitive application process administered by CDA's Markets Division.



# COLORADO

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### Markets Division

- There will be an announcement/media release from the department.
- Commissioner Kate said stay “shovel ready” for the potential for more grant opportunities with the upcoming stimulus package.









# Meat Processing Boot Camp

Part 1:  
May 13th - 14th

Part 2:  
June 17th - 18th

**What Can You Expect from Boot Camp?** *Four intense, focused days to learn and work on your meat processing business*

Cost=\$500

Learn more &  
register:

<https://edible-alpha.org/event/meat-processing-boot-camp/2021-05-13/>

- **Day 1: Optimizing Your Meat Processing Business Model** -- We leverage our experience working with other processors to help you develop a realistic, financially viable business model for your meat processing business and set you on a realistic path to meet your goals.
- **Day 2: Fixing Your Financial Infrastructure** -- Your financial infrastructure will be critical to your future success. We help you fully understand the financial side of the meat processing business and set up systems that can fully support your success.
- **Day 3: Developing Your Financial Plan** -- You are moving forward, so you need to look forward. We help you develop realistic assumptions for forecasts of sales, marketing, and operations and the capital structure you need to get there.
- **Day 4: Getting Ready to Raise Money** -- You will need to raise money to grow your food business. We help you learn how to do a great pitch and properly document your business so you can successfully raise money



# MEAT SUPPLY CHAINS

Strengthening relationships between ranchers, processors, distributors, retailers,  
and consumers in Colorado.

foodsystems.colostate.edu



## **Becca Jablonski**

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