

Local Food Promotion Program (LFPP) – 2014  
**GRANT NARRATIVE FORM AND INSTRUCTIONS**

This narrative form is mandatory. AMS strongly recommends reading the form [instructions](#) (see page 5) and the “[LFPP Announcement and Guidelines](#)” before completing this form.

<b>1. Project Title: Planning Study for the Expansion of True &amp; Essential Meats</b>			
<b>2. Organization Name:</b> [REDACTED] <b>Email:</b> [REDACTED] <b>Phone:</b> [REDACTED] <b>Fax:</b> [REDACTED]	<b>Mailing Address:</b> [REDACTED]		
<b>3. Primary Project Manager Name:</b> [REDACTED] <b>Email:</b> [REDACTED] <b>Phone:</b> [REDACTED] <b>Fax:</b> [REDACTED]	<b>Mailing Address:</b> [REDACTED]		
<b>4. Grant Application Type (check only one):</b> <input checked="" type="checkbox"/> Planning Grant <input type="checkbox"/> Implementation Grant			
<b>5. Requested LFPP Funds:</b> \$22,320 <b>Matching Funds (25% match required):</b> \$7,440			
<b>6. Entity Type (check only one):</b> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> Agricultural cooperative  <input type="checkbox"/> Nonprofit corporation  <input type="checkbox"/> Local government  <input type="checkbox"/> CSA association  <input type="checkbox"/> Tribal government  <input type="checkbox"/> Producer network  <input type="checkbox"/> Other (please specify): _____           </td> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> Producer association  <input type="checkbox"/> Public benefit corporation  <input type="checkbox"/> CSA network  <input type="checkbox"/> Economic development corporation  <input type="checkbox"/> Regional farmers market authority  <input checked="" type="checkbox"/> Agricultural business entity           </td> </tr> </table>		<input type="checkbox"/> Agricultural cooperative <input type="checkbox"/> Nonprofit corporation <input type="checkbox"/> Local government <input type="checkbox"/> CSA association <input type="checkbox"/> Tribal government <input type="checkbox"/> Producer network <input type="checkbox"/> Other (please specify): _____	<input type="checkbox"/> Producer association <input type="checkbox"/> Public benefit corporation <input type="checkbox"/> CSA network <input type="checkbox"/> Economic development corporation <input type="checkbox"/> Regional farmers market authority <input checked="" type="checkbox"/> Agricultural business entity
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<b>7. Priority Project Selection:</b> Priority will be given to project proposals that are located in and/or serve populations in <i>at least one</i> area of concentrated poverty with limited food access. To be considered under this priority area, the application must meet the low income and low food access criteria as defined by the USDA Economic Research Service’s <a href="#">Food Access Research Atlas</a> . Additionally, priority consideration will be given to high-scoring applications submitted by eligible applicants in partnership with <a href="#">Promise Zone Lead Applicant Organizations</a> . See Instructions on Page 5 for more information.			

Should USDA consider the project proposal under this priority area?  Yes  No

**8. Executive Summary (200 words or less):**

██████████ intends to conduct a Planning Study in partnership with ██████████ to determine the most effective, efficient, and economical way to expand our USDA-inspected small meat processing plant ██████████. The Planning Study includes:

- 1) Evaluation of our facility to identify alternative expansion plans
- 2) Analysis of phasing and costing for each alternative plan
- 3) Identification of related equipment and technology needs
- 4) Selection of the Preferred Plant Expansion Alternative, including a description of architectural details, a list of necessary equipment and technology acquisitions, a phasing schedule, and a cost projection.

The ultimate goal of the ██████████ Planning Study is to support the expanding meat processing needs of our existing producers and the burgeoning demands of new farmers. Currently, ██████████ is unable to meet those needs.

The expected outcome of this Planning Study is to select the Preferred Plant Expansion Alternative. The ultimate outcome is to implement the plant expansion. Specifically, we intend to double our processing output from one million to two million pounds per year and to offer value-added meat processing, including cooking, smoking and curing.

We intend to complete this Planning Study in eight months, from start to finish.

**9. Background Statement:**

*As stated in *A Community-Based Food System: Building Health, Wealth, Connection, and Capacity as the Foundation of Our Economic Future*, published by the Virginia Cooperative Extension, “Interest in and demand for local foods continues to grow in Virginia and across the United States. The unprecedented demand for local and regionally identified foods has created a myriad of economic and social opportunities for agricultural producers and communities.”*

At ██████████ we have enjoyed being an energetic participant in the local food industry in Virginia as the “unprecedented demand” for locally grown foods continues to expand in our State. We process meat for local producers, the majority of which is sold within a 200-mile radius of our facility. Since local meats cannot be sold in local retail stores, at farmer’s markets, at farm stores or in restaurants without USDA-inspected slaughter, meat processing, and packing, local meat-processing plants like ██████████ provide the critical portal for growth of any local meat economy. Consequently, it is imperative that local meat processing plants have the resources they need to expand their existing operations. The only other alternative—building new meat processing plants—is exorbitantly expensive, time-consuming, beyond the expertise of most people, and extremely difficult to staff and operate.

Currently, ██████████ is one of the most vital USDA meat-processing plants in the State of Virginia, providing the indispensable gateway for our local farmers to market their meat products locally. However, ██████████ faces a major business challenge: to expand and improve our plant facility so we can meet the ever-growing demand from our local Virginia farmers and producers.

The expanding local meat industry in Virginia is reflected in the consistent and healthy

growth of ██████ since mid-2008 when ██████ acquired the business. In 2009 ██████ slaughtered 1722 head of livestock and processed 500,000 pounds of meat. That number stands in stark contrast to our records from 2013, when ██████ slaughtered 3417 head of livestock and processed nearly 950,000 pounds of meat. This represents a growth rate of almost 100% over five years.

The expanding local meat economy is also reflected in the number of private-label customers that ██████ serves. In 2008, ██████ served only four customers who sold their meats under their own private labels. Now, in 2014, ██████ serves 56 customers who sell private-label meats. We expect continued and growing demand for our services as the local food movement continues to gain strength and as our customer base gains experience and marketing savvy. Most of our private-label producers are in their 20s, 30s, and 40s. They are investing significant time, energy, and resources to support farming as a career, so we believe that they will continue to be vigorous and productive for many years to come.

At ██████, our steady, significant growth has been supported by producers who are attracted to our high quality services. We excel at working with each customer individually to provide the specific meat cutting and packing services that they need, instead of offering only standard meat cuts. Our customers have also been attracted to ██████ because of our capacity to process their meats quickly. In addition, local farmers and producers partner with ██████ because we have demonstrated our responsiveness to both their current and future needs. And, our producers have been making it clear they have an escalating demand for value-added meat processing, including cooking, smoking and curing. Unfortunately, we cannot continue to provide our current level of service or add new services because of facility constraints.

Currently, ██████ has considerable reserve capacity on our kill floor, so we can easily double our capacity for slaughter. However, the meat processing areas of our plant are limited in size, with many specific constraints that are eroding our ability to serve both existing and new customers in a timely fashion. Specifically, ██████ has limitations related to the size of our butchering, sausage-making, and packing areas; the capacity of our carcass coolers and freezers; the size of our holding barn; and space for value-added meat processing.

Fortunately, ██████ has approximately 1,500 square feet of unfinished space within our 10,000 square-foot facility that we could potentially upgrade to meet our needs for expansion. This space is currently unused garage space with a gravel surface. ██████ also owns enough land on the site to expand the existing footprint of the building, if necessary. Our location is very appropriate for meat processing: it is zoned properly, the City of ██████ is very supportive of our business, and there are several related businesses in close proximity (poultry plants), so we feel the decision to expand at our current location makes sense.

██████ is applying for an LFPP Planning Grant because we need to create a plant expansion plan with cost estimates and a timeline for implementation. Without careful planning and consequent implementation, ██████ will not be able to expand our services, which will impede the growth of our local meat industry. Although ██████ has been profitable since 2012, we are unable to fund a comprehensive planning process for expansion at this time because we have made significant financial investments in equipment and our plant infrastructure over the past two years.

Specifically, [REDACTED] took out a major bank loan in 2012 and another loan from a private investor in 2013 to finance a major construction project. Some of the bank loan also helped to pay off an outstanding debt from the original purchase in 2008. With these funds, [REDACTED] built a new walk-in product freezer, installed a new high efficiency gas-fired hot water system throughout the plant, and retrofitted our process room with energy-efficient doors.

In the past two years we have also made substantial investments in new equipment from our operating funds, including a new splitting saw, meat saw, clipper-tie machine, meat grinder, freezer door, and a vacuum stuffer machine for making sausage. [REDACTED] is prepared to approach our bank in the future to finance another construction loan, but we first need to have a feasible plan for expansion and a reasonable estimate of costs.

[REDACTED] was formed for the purpose of providing inspected meat processing services to the local farming community. If we do not find a way to expand, our healthy growth pattern will effectively end in 2014. Equally important, our customers' healthy growth patterns will be thwarted or end if we don't expand our facility because there is very limited private label and custom processing capacity in the State of Virginia. And, like [REDACTED], most of the other small plants that process local meats for local markets are bumping up against facility and staffing limits as well.

[REDACTED] serves our producers and farmers by continually investing in new systems and equipment, hiring and training staff, and developing new, more efficient procedures, which has enabled us to do more within the same facility. We look forward to undertaking a Planning Study that will pave the way for a plant expansion. And, we will enjoy, along with our producers, the consequent expansion of the local meat industry in the State of Virginia, with all of the economic and community benefits that attend such growth.

#### 10. Work Plan, Resources, and Timeline Requirements:

We plan to work with [REDACTED] and conduct a 26 week, 3 phase planning and design process. [REDACTED] is a very good fit for this work - the firm principals include both an architect and an engineer, and they have considerable experience with agricultural building types. Being an experienced small local firm, they are very cost effective. Attachment 4 contains [REDACTED] Proposal Narrative, and their Cost Proposal.

Attachment 5 illustrates an expected timeline of the planning process. Assuming a project start in early October, the project will be completed in late March. [REDACTED] will provide all of the architectural and engineering expertise required for the job, including drafting and printing. Most of the process will be conducted internally, with [REDACTED] employees. There is no public process per se that is anticipated or necessary. However, we may involve some of our producers as outside reviewers during the Schematic Design review phase, and the schematic Design drawings may be used as a part of our outreach efforts.

**Phase 1 Programming** is expected to consume nine weeks. It would begin with a kick-off meeting on-site. Main work tasks consist of developing base maps, looking at comparable facilities for relative spatial dimension studies, and preparing the program document identifying all space needs, including adjacency requirements and relative sizes.

**Final Phase 1 Deliverable = Program Document**

**Phase 2 Schematic Design** is expected to consume nine weeks. Alternative approaches to laying out the basic program will be explored in the context of adapting and adding on to the existing [REDACTED] facility. Functional evaluation criteria will be developed and/or identified and used to evaluate the different alternatives, culminating in the choice of the Preferred Alternative.

**Final Phase 2 Deliverable = Alternative Schematic Drawings(plans/sections/elevations)**

**Phase 3 Design Development** is expected to consume eight weeks. The Preferred Alternative is further detailed, an equipment list is prepared, and projected costs are estimated. Phasing is finalized. Major permitting issues, including waste water and building code concerns, are identified in meetings with appropriate permitting agencies.

**Final Phase 3 Deliverable = Final Feasibility Study**

## 11. Expected Outcomes and Intended Beneficiaries:

The expected outcome of this LFPP Planning Grant will be Plant Expansion Plan for [REDACTED]. This plan will be developed through a structured planning process exploring several alternatives, led by [REDACTED], a professional architectural and engineering firm. The final Plant Expansion Plan will include a Preferred Alternative, Final Architectural Program, Cost Estimates, a Phasing Plan, and a design narrative. Our ultimate outcome is to implement our Plant Expansion Plan. We intend to start the implementation process by submitting a LFPP Implementation Grant grant proposal in 2015.

Although it is premature to state the ultimate outcome of our planning process, we can currently project that our expansion will include construction of a new beef carcass cooler, expansion of the rail system, and a new processing room dedicated to the cutting and packing of local beef. This expansion will allow [REDACTED] to use the new space for additional beef processing while utilizing our existing meat processing space to expand our pork processing services. [REDACTED] can make this projection based on our current business needs and the immediate availability of 1,500 square feet of unfinished space in our facility. We are currently turning business away due to the inability to meet all demand, particularly for pork processing, so implementation of this plan will result in an immediate increase in the availability of pork for local markets in Virginia. Ultimately, we plan to add space allowing us to add further processing, such as smoking and curing, allowing us to produce value-added products such as hams and bacon.

Although [REDACTED] is applying for a LFPP Planning Grant to create a Plant Expansion Plan, the *ultimate* outcome of the planning process is implementation of a Plant Expansion. Bearing in mind that the *ultimate* outcome is Plant Expansion, we have included the following discussion of the eventual impact on intended beneficiaries and the growth of the local/regional food system enterprise.

**Direct Jobs:** The eventual expansion of the [REDACTED] facility will result in job retention within our plant as well as the creation of several new jobs. [REDACTED] currently employs eighteen (18) full-time employees in addition to our owner-manager, [REDACTED]. Since the plant was purchased in 2008, our hourly rates have increased from a range of \$8 to \$13 per hour to a range of \$12 to \$16 per hour. [REDACTED] also offers a generous bonus program to our employees for reaching production goals. [REDACTED] is committed to increasing salaries as the business grows.

In addition to retaining all of our current employees, we estimate that our plant expansion will create new jobs for an additional ten to twelve full-time employees. All of these jobs will be located at our current location in [REDACTED] Virginia.

**Indirect Jobs:** Indirect jobs and economic activity are difficult to estimate, particularly for small-scale meat plants because available statistics and literature are scarce. However, one recent report

is directly applicable: “Exploring Small-Scale Meat Processing Expansions in Iowa” (Dave Swenson, Iowa State University Department of Economics, April 2011 – a technical report submitted to the Leopold Center for Sustainable Agriculture). In Iowa, they estimate that every one million dollars of additional meat output from small plants requires 13.3 jobs earning income of \$464,870. This supports our projections related to direct jobs. In addition, this output will have a job multiplier effect of 1.32, or a total job creation of 17.6 per million dollars of output.

The estimated additional induced and indirect economic impact is estimated to be \$483,000 dollars, for a total regional economic impact of \$1,483,000, for every one million dollars of meat output. This economic activity will be spread around the state, as taking the form of on-farm jobs and demand for agricultural support services. This is for Iowa, not Virginia, but the basic parameters of small-scale meat processing will not differ too much. We are estimating that our Plant Expansion should roughly double our current output, which would increase our production by one million pounds.

**Markets:** [REDACTED] works with farmers and livestock producers from all over Virginia, as well as the Allegheny Highlands of West Virginia. In 2013, [REDACTED] slaughtered, processed, and packed meats from 251 individual farms. All of the meats that we process and pack are humanely slaughtered at our facility.

Although we cannot track all of the meats sold by our producers, we feel confident to claim that about 85% the USDA-inspected meats that we process are sold within a 200-mile radius of our plant, with sales in Virginia, West Virginia, and the District of Columbia. Based on conversations with our customers, it appears that a small percentage of our producers’ meat is also sold in Maryland and other states, either directly or through Internet sales. The remainder of the meats that we process are packed and consumed locally on a “Not for Sale” basis.

During our first twelve months in operation, beginning in July 2008, [REDACTED] processed 360,460 pounds of meat for our private-label customers. During the twelve months ending in May 2014, we processed 878,650 pounds for our private-label producers, a gain of 528,189 pounds from that initial twelve months. This represents an increase of 151% not only for our plant, but for the local meat industry.

However, this number does not tell the whole story. When [REDACTED] began operations in July of 2008, we only had four (4) customers for whom we were packing private label meats, branded with their own farm name. Today, that number is fifty-six (56) farms, which accounted for 82% of [REDACTED] total revenues in 2013. Private label meats constitute the fastest growing area of [REDACTED] production. These producers directly market their own branded, local meats, through Farmer’s Markets, retail outlets, on-farm stores, CSA’s, buyers’ clubs, and restaurant sales. This increase in production constitutes a considerable expansion of market space and availability of local meats, as defined by the LFPP Program. We see no reason that this market expansion should subside.

**Sales:** During our first twelve months in operation, [REDACTED] had \$327,757 dollars in revenue from meat processing; during the twelve months ending in May 2014, we had \$940,531 in meat processing revenue. This represents an increase of 187%. Since [REDACTED] is currently limited by the insufficient size of our processing facilities, we are constrained from increasing our revenues except for marginal increases in production. The eventual implementation of our Plant Expansion Plan will open the door to increased production and revenues as described above, with projections to double both.

**Priority Areas:** [REDACTED] processes meat for farmers from all over the State of Virginia, many of whom farm in areas that are identified as Priority Areas. **Attachment 7** is a list of our customers who are farming in areas identified as Low Income/Low Access Priority Areas in the ERS Food Access Research Atlas. The list identifies only farmers in areas that meet the criteria

of “LI and LA at 1 and 10 miles.” These farmers sell their meats and also provide jobs in these areas. Given the scarcity of adequate processing facilities in Virginia, their growth is tied to our growth, which is clearly identified in the Letters of Support we are submitting with our proposal (**Attachment 6**). As one customer wrote “the ability of [REDACTED] to grow with us is critical.” Another farmer wrote, “Their ([REDACTED]) growth and our growth are intertwined.”

## 12. Outreach

[REDACTED] plans to disseminate project results to our target audience, which includes our farmers and producers, potential customers and other stakeholders in Virginia.

**Customer Engagement:** The growth of [REDACTED] is intricately connected to our farmers and producers, so we plan to engage our key stakeholders—principally our private label producers—in the development of our Plant Expansion planning process to inform the development of the architectural plan. We continually ask our farmers about their needs and ideas regarding meat processing, and their input, along with our own observations, has motivated us to apply for this Planning Grant. During the development of the Plant Expansion Plan, our farmers’ input will be particularly important regarding improvements to the barn and the customer delivery areas. Engaging our key stakeholders will help us to realize more effective architectural outcomes. These conversations will also develop deeper relationships among our key customers and create a buzz in our local, tightly knit farming community. In addition, [REDACTED] keeps an updated database of all customers, so we plan to send them information about project results via email.

As part of the outreach process, [REDACTED] plans to create a survey of our key stakeholders to solicit their input 6 months and then 12 months after the expansion project is completed.

**Media:** As a matter of course, [REDACTED] shares its major business development activities with the local community. We have a good relationship with our local newspaper, The Daily News Record, and we would send them a press release announcing the grant and our planning goals. Upon completion, we would send a press release for a potential follow-up article.

[REDACTED] has also worked with our local PBS station and their local “Virginia Farming” program. We plan to approach them with an idea for a program featuring our planning process, which would include some of our farmers and producers.

**Local Agriculture Events:** [REDACTED] also engages in local agricultural events. For example, we are active in the Virginia Association for Biological Farming (VABF). Their winter farming conferences take place in January, and we plan to exhibit some of our in-process Schematic Design drawings, since our schedule shows the Schematic Design phase ending mid-January.

The Virginia Farm to Table Conference also provides an excellent venue for disseminating project results. Last year’s conference was sponsored by the Virginia Cooperative Extension and the USDA NRCS (Natural Resources Conservation Service). We will have an exhibit space at the next conference to discuss our project.

**State Agricultural Contacts:** [REDACTED] interacts with many individuals within the State government of Virginia who are interested in the expansion of the [REDACTED] facility. For instance the Virginia Department of Agricultural and Consumer Services (VDACS) provides inspectors for our slaughter and meat processing operations every day that our doors are open for business, since Virginia is a Talmadge-Aiken state and shares responsibility for meat inspection with the USDA FSIS. These inspectors provide the USDA inspection required for all of the meats that we process, and they also provide key insights regarding our plant operations. In addition, they provide a major source of word-of-mouth communications in the local agricultural community, so they will undoubtedly spread the word that we are actively working on expansion.

The VDACS marketing department is also interested in our expansion because they know that it will increase the availability of local meats in Virginia. We would inform their marketing people

about our activities.

**Local Educators and Students:** As part of company's mission, we provide educational activities for our local community. We provide regular tours for high school and college students as well as community groups. Our tours always include information about our farmers, our meat processing activities and our facility. We plan to add information about our expansion planning process to our regular tours.

### 13. Budget Justification:

Attachment 4 includes [REDACTED]' fee proposal, with a total Lump Sum fee of \$24,560.

In-kind services will be provided by [REDACTED] General Manager, as [REDACTED] chief liaison to the [REDACTED] staff. It is estimated that [REDACTED] will spend an average of 2 hours/week over the twenty six weeks projected for the design and planning process, for a total of 52 weeks. This includes all time for meetings, coordination, project administration, and data gathering. Mr. [REDACTED] occasionally does consulting work in the sustainable meat community, and his standard billing rate is \$100/hour, so his services are estimated at 52 hours x \$100/hour, or \$5,200. Mr. [REDACTED] is ideally suited for this position, due to his professional background. He has a Masters of Landscape Architecture from Harvard University's Graduate School of Design, and worked in private consulting as a designer and planner for many years before entering the meat business. He was previously licensed as a Landscape Architect in Maryland (License #949), and was an AICP accredited planner and member in good standing of the American Society of Landscape Architects. He is also certified as LEED Accredited Professional by the US Green Building Council, and was a member of the Society of Military Engineers for many years. As an employee of EDAW, Inc., and then its successor company AECOM for twenty years [www.aecom.com], he was involved in many long-range facility planning, master planning, and environmental planning efforts, with a special emphasis on military communities. He has a very good understanding of the design and planning process, as well as the functional requirements of small-scale abattoirs.

The total budget is therefore defined as:  $\$24,560 + \$5,200 = \$29,760$ . T&E's 25% matching share is  $.25 * \$29,760 = \$7,440$ . Of that \$7,440, \$5,200 will be considered in-kind services as noted above, and the remaining \$2,240 will be provided in cash by T&E Meats. Attachment 3 includes our Verification Letter, confirming available funds.

*This section accompanies the completed "LFPP Project Budget and Match Request" form from the LFPP website: [www.ams.usda.gov/LFPP](http://www.ams.usda.gov/LFPP)*

**14. Project Planning, Implementation and Priority Areas:****14a. Applicant Business or Organization Physical Location(s):**

**\*\*This section required of ALL applicants. Include additional locations if applicable.**

Name of Business or Organization: [REDACTED]

Street Address: [REDACTED]

City: [REDACTED]

State: [REDACTED]

Zip Code: [REDACTED]

Email: [REDACTED]

@ [REDACTED]

Phone: [REDACTED]

**14b. Priority Area:**

**\*\*Only applicants who wish to be considered under the Program priority area under Section 7 of this form are required to fill out Section 14b. See attached Instructions for further information.**

**For Planning Grant Applicants:**

Provide the following information for *at least one* community organization that will participate:

Name of Business or Organization: [REDACTED]

Street Address: [REDACTED]

City: [REDACTED]

State: [REDACTED]

Zip Code: [REDACTED]

Email: [REDACTED]

Phone: [REDACTED]

Using the [Food Access Research Atlas](#), list the census tract(s) from the Atlas to identify the business/organization location(s) and/or targeted community/area(s) listed above: [REDACTED]

If the project is partnering with one of the five [Promise Zone Lead Applicant Organizations](#), indicate the specific Zone: \_\_\_\_\_

**For Implementation Grant Applicants:**

Provide *at least one* implementation address within the targeted community at which the awardee will conduct or deliver approved project activity:

Name of Business or Organization:

Street Address:

City:

State:

Zip Code:

Email:

Phone:

Using the [Food Access Research Atlas](#), list at least one census tract from the Atlas to identify the implementation listed above: \_\_\_\_\_

If the project is partnering with one of the five [Promise Zone Lead Applicant Organizations](#), indicate the specific Zone: \_\_\_\_\_