

## **Proposal for Expanded Meat Processing and Slaughter Capacity in Vermont**

The current demand for local meat products exceeds the processing capacity of the existing slaughter and meat processing facilities in Vermont. As the demand for local meats has risen in response to the pandemic, various mechanisms to increase meat processing capacity have been explored – including constructing new processing facilities, offering meat cutting courses, and upgrading, retrofitting, and expanding existing infrastructure. Construction of approximately seven new Vermont slaughter and/or processing facilities are under design and development with completion timelines generally beyond the 2021 calendar year. Some of these businesses and entrepreneurs are already engaged in planning and design efforts, while others are actively in the construction process.

Renovation, small expansion projects, and new equipment purchases to expand capacity, modernize facilities, and increase processing throughput could occur in our existing slaughter or processing establishments in 2021-2022. This increase to production capabilities and availability of local meat would require design and planning assistance, grant writing support, and infrastructure cost share funding be made available to prospective and established meat processing and slaughter businesses. One meat processing facility shared that with new processing equipment purchases, they anticipate 80% increase in throughput compared to their existing facility's production capacity. Additionally, purchasing equipment to facilitate ongoing skilled meat cutter training programs to ensure we have the skilled labor force to respond to the increased demand for local meat over the long term is also critically important to effectively expanding meat processing in our state.

**Use of Funds:** In response to these pandemic-induced local meat demand surges, AAFM proposes a two-phased meat processing and slaughter capacity expansion program and an education and training initiative to accommodate increased meat processing capacity and skilled workforce development opportunities.

### **1. Project 1: Meat Processing and Slaughter Capacity Expansion Program - \$2,700,000**

AAFM will establish a program to assist prospective and established facilities to increase production and processing efficiency, workplace satisfaction, safety improvements and availability of local meat. The program will include various stages, beginning with data collection and industry outreach, and will offer a cost share granting program to meat slaughter and processing establishments prior to their traditionally busy season beginning in fall-early winter. Funding would be available to inspected slaughter and/or processing facilities as well as custom facilities that are interested in coming under inspection. Success would be achieved if 6-10 establishments increased animal throughput and/or were able to increase meat processing capacity in response to the demand for local meat.

#### **Tasks and Timeline:**

- a. AAFM conduct slaughterhouse and processing facility outreach about establishment expansion, retrofit, and equipment procurement or new construction needs: March-April 2021
- b. Establish two-phased capacity expansion granting program: May 2021
  - o **Phase 1 (May-June 2021):** Coordinate and fund technical assistance to plan and design renovation or expansion projects with slaughter/processing establishments. Grant writing assistance to facilities to apply for state or federal cost share fund opportunities is also supported in this phase.
    - Up to \$300,000 available for Phase 1
    - Applications awarded to technical service providers, consultants, designers, and other industry partners prepared to assist establishments

- Application cap per planning grant: \$50,000
  - Any unobligated funding will be made available for Phase 2 or Project 2
- **Phase 2 (July-August 2021):** Launch granting program to provide cost share funding to beginning or established processing and/or slaughter facilities to expand their throughput capacity.
- At a minimum \$2.2M is available for projects that can include equipment procurement, facility renovation, expansion, or new construction
  - Eligible establishments must have relevant design plans and/or equipment specifications available to apply for cost share granting program
  - Applications must include how animal throughput and/or processing capacity will expand based on this project
  - Application cap per facility: \$750,000
  - Any unobligated funds would revert to FY22 WLEB program

**2. Project 2: Meat Processing Training Initiative - \$300,000**

AAFM would partner with a Vermont educational institution to establish an on-site meat processing training program and facility equipped with the necessary meat cutting equipment to offer skilled meat processing workforce trainings.

For expanded meat slaughter and processing capacity to remain viable long term, increasing the skilled and trained workforce available to work in these facilities is required. As a consequence, supporting a meat cutter program and training facility in Vermont will facilitate this career development opportunity. VT Tech has developed and offered a skilled meat cutters apprenticeship program in recent years to train meat processing skills and safety protocols and intends to offer this again in February 2021. Finding a reliable and consistently available location (traditionally a meat processing business) for these trainings has been challenging and has prohibited the course from being offered annually. As a result, VT Tech has committed to purchasing the necessary meat processing equipment to host the training program and offer other meat cutting workshops at the Randolph Center campus.

**Tasks and Timeline:**

- a. AAFM engage simplified bid for training course development: May 2021
- b. Allocate funding to educational institution to purchase equipment and establish a training facility: July 2021
- c. Any unobligated funding will be made available for Project 1 or would revert to FY22 WLEB program