Meat and Poultry Processing Expansion Program Phase 2

Application Template General Instructions

Carefully review the Meat and Poultry Processing Expansion Program (MPPEP) Request for Applications (RFA) before you complete this document.

The MPPEP RFA Funding Opportunity Number is **RD-RBS-23-02-MPPEP**. You will find additional information about the RFA on the MPPEP webpage at this link: rd.usda.gov/MPPEP. (Look for the "Grants.gov Posting" button located to the right of the "Fact Sheet" button near the top of the page.)

- This template is intended to help you, but you do not have to use it in order to submit an application.
- Regardless of whether or not you use the template, you must complete and submit all required federal forms and registrations and include documentation that supports applicant and project eligibility claims.
- Your project narrative must be typed, single-spaced, and in 11-point font. It must not exceed twenty (20) 8.5 x 11 pages (**excluding** the application template and supporting documents listed in Section 4.2.2 of the MPPEP RFA). For example, if the template is 15 pages **before** you begin entering your project narrative information, your application ultimately may be as much as 35 pages in length (15 template pages plus 20 pages of applicant content).
- Documents must be submitted as directed in Section 4.2.2 in the MPPEP RFA and attached to your application package in Grants.gov (www.grants.gov).
- You must ensure you provide complete responses to all eligibility and evaluation questions. Incomplete applications **will not** be considered for funding.
- Certifications, statements, and other standard terms used in this template (examples include "you," "I," "we," "it," "applicant," "entity," "grantee," among others) refer to the **legal entity** applying for the MPPEP grant. By checking, signing, or otherwise acknowledging these elements, you acknowledge they are true and correct.
- If you have questions regarding this template, email MPPEP@usda.gov.

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Section 1: Applicant Information

Identifying Information

Applicant Organization Name:	Northwest Food Processing and Innovation Center (FPIC)
Phone Number with area code:	(732) 558-7555
Email:	richard.cotton@asburyfarms.com
Facility Address:	218 Mt. Pisgah Avenue Oxford, New Jersey
Mailing Address:	1 Hawk Pointe Boulevard., Suite B, Washington, NJ 07882

1. **Date your existing business began operations**

   (Enter the four-digit year in the box at right. If new, indicate “start- up”) Start-up

2. Ownership structure | Describe your business structure. Note if your business model is a cooperative, or otherwise shares profits or ownership with producers.

   ☐ Cooperative

   ☐ Profit sharing, employee stock ownership plan (ESOP), or other shared ownership model

   ☐ Sole proprietor

   ☐ Corporation

   ☐ LLC

   ☒ Other 501C-3 Non-Profit Corporation

3. Species | What species are currently processed at your facility?

   ☐ Cattle

   ☐ Hogs

   ☐ Chicken

   ☐ Turkey

   ☐ Other

3a. What species will be processed upon completion of your project?

- ☒ Cattle
- ☒ Hogs
- ☐ Chicken
- ☐ Turkey
- ☒ Other | Lambs & Goats |

4. Current Inspection Status

Please select the inspection program under which your plant currently operates. Be sure to add your applicable license numbers or the anticipated date for obtaining any licenses during the period of performance of this project.

Select	Inspection Program	Establishment or license number -or- anticipated date of grant of inspection or other licensing
☐	State Meat and Poultry Inspection (MPI) program	
☐	Federal-State Cooperative Inspection Program -or- Talmadge-Aiken Program	
☐	Cooperative Interstate Shipment (CIS) program	
☒	USDA Food Safety Inspection Service (FSIS) Grant of Inspection (GOI), including conditional and permanent	Third Quarter 2025
☐	Voluntary USDA FSIS or state inspection of non-amenable species	

5. Hazard Analysis and Critical Control Points

Do you currently have – or plan to develop – a Hazard Analysis and Critical Control Points (HACCP) plan:

☐	Yes. Date in effect:	MM/DD/YYYY
☒	No, but it's in development. Anticipated completion date:	9/1/2025
☐	No.	

You can learn more about HACCP plan development at this link: https://www.fsis.usda.gov.

Authorized Organization Representative (AOR)

Identify the person who will be the main contact for correspondence and who is responsible for signing documentation in the event an MPPEP Phase 2 grant is awarded. This information must match box 21 of the SF-424 family of forms (available at tinyurl.com/28zbcbpx).

Name:	Mr. Richard Cotton
Title:	Chairman (Board of Directors)
Phone Number with area code:	(732) 558-7555
Email Address:	richard.cotton@asburyfarms.com
Mailing Address:	1 Hawk Pointe Boulevard, Suite B, Washington, NJ 07882

Market Share

Specify the species to be processed and confirm whether the applicant is within the top four processors in the industry for the species or provide to or sourcing from the top four processors.

Species	**Is the applicant within the top four processors nationally for the species?**	**Does the applicant provide to – or source from – an entity within the top four processors nationally for the species?**
Cattle	☐ YES ☒ NO	☐ YES ☒ NO
Hogs	☐ YES ☒ NO	☐ YES ☒ NO
Chicken	☐ YES ☒ NO	☐ YES ☒ NO
Turkey	☐ YES ☒ NO	☐ YES ☒ NO

Section 2: Project Information and Executive Summary

Project Title

Provide a descriptive project title in 15 words or fewer in the space below. This information must match box 15 of the SF-424 family of forms (available at tinyurl.com/28zbcbpx).

Enter your project title in the space below:

Northwest Food Processing & Business Innovation Center

Funding Request

In U.S. dollars, enter the total amount of federal funds you are requesting. This must match the total amount requested on Line 18a, "Estimated Federal Funding" of the SF-424 family of forms (available at tinyurl.com/28zbcbpx).

- The total cost share is the sum of Lines 18b – 18f on the SF 424.
- The total project cost is line 18g on the SF-424.

Enter the **Total MPPEP Funds** requested (up to $10 million or 30 percent of the total project cost, whichever is less) in the space below:

$3,011,918

Example: A processing project with a total project cost of $10 million can request grant funds of $3 million and would be required to provide $7 million in cost share.

Total Cost Share (must equal 70 percent or more of the total project cost)**:**

$7,027,807

Total Project Cost (must equal 100 percent of total project cost)**:**

$10,039,725

Period of performance

(The maximum project performance period is 48 months.**)**

Start Date:	**9/1/2024**	**End Date:**	**9/1/2028**

Executive Summary

Your executive summary must detail your project goals and objectives in 500 or fewer words. Please also describe:

- Your business model and ownership structure
- The type of processing facility or service you will provide
- The species you will harvest and process
- The proposed size of your operation, including the number of employees and number of animals you anticipate harvesting
- The size of your consumer or community market
- Any other information you would like to convey about your proposed project

This project will establish a new regional food processing and innovation center that will serve New Jersey and the broader tri-state region. The center will address the region's need for an accessible meat processing facility, while also serving as a training and education center.

The project will be developed by the Northwest Food Processing and Innovation Center (FPIC), a non-profit 501 C-3 corporation formed by Mr. Richard Cotton, a real estate developer, livestock producer, and businessman. Mr. Cotton is the Chair of a three seat Board of Directors. The Board of Directors will hire a General Manager and serve as the main administrative body for the organization. The focal point of the project is a new greenfield meat processing plant to be constructed with the support of donated funds, grant(s) and debt on land on which the organization is finalizing negotitiations with Warren County to be dedicated for the project in Oxford, New Jersey.

The new livestock harvest and processing plant, sized at approximately 24,500 square feet (32,000 square feet with animal pens), will be designed as a multiple species plant for 25 beef equivalents per day (3 hogs = 1 B.E. and 6 lambs = 1 B.E.). The plant will be capable of processing 4,200 beef cattle, 1,200 hogs and 7,200 lambs/goats per year. It will operate under the purview of USDA FSIS inspections and food-safety requirements, with an on-site inspector. The plant will focus on harvest, processing and further processing of beef cattle, hogs, lambs and goats and will sell services to other producers for a fee. All custody meat products will be sold via wholesale channels. The plant is expected to employ approximately 37 employees.

The project will address the following goals and objectives:

a) Improve accessibility and expand processing services to livestock producers and meat marketing companies, alleviating processing capacity constraints and reducing travel times for producers.

b) Enhance local food security and combat food deserts by establishing a reliable, local source of high-quality meat products.

c) Ensure safe, efficient processing and the regional distribution of high quality meat products through the implementation of a state of the art plant, while also advancing the global goal of reduced climate pollution.

d) Stimulate economic and social growth in the region by generating local job opportunities, and

improving livestock producers work-life balance and overall profitability.

e) Establish a local center for training community college students, vocational agriculture students and culinary institute students.

The community/consumer market to be served by the center is both local and regional. Oxford/Warren County New Jersey is not huge in population, but it is in close proximity to the Newark, New Jersey and New York City metropolitan areas. The proximity to such a massive customer base, while being in a rural setting suitable for small producers, presents a true competitive advantage. It will have equal benefit to the livestock production community as well as area consumers, especially the underserved populations of the urban centers to the east and south of the area.

Section 3: Land ownership and access

Land ownership

Describe how the applicant owns or controls the land where the proposed project is located. **NOTE:** For projects located on Tribal lands in which the applicant is not a Tribal member or entity owned or operated by the Tribe, a Resolution of Support is required from the governing body of the Tribe with jurisdiction over the land where the proposed project is located.

The proposed project is to be located on property owned by Warren County, New Jersey. FPIC is in negotiations with Warren County to secure dedication of the property, approximately 19.5-acres adjacent to the County land-fill, through a long-term lease agreement. The terms of the lease agreement are currently being finalized, but has been agreed to in principal by the Warren County Board of Commissioners.

The physical address is 218 Mt. Pisgah Avenue, Oxford, New Jersey (Block 26, lots 88, 88.01 and 89). The site has been serving as the county's waste to energy facility, operated by Covanta. It has not served that purpose for several years. Covanta is required to demolish the existing infrastructure on-site and return the property to its natural condition. This is scheduled to be concluded by the end of 2025. The project also has the support of the Oxford community, a municipality with a population of 2,500 people according to the 2010 census.

The project area sits along Route 31, a major north-south highway, as well as Route 46, a major east-west highway. These state highways provide easy access for most northern New Jersey lifestock producers as well as for the delivery/distribution of meat products the New Jersey-New York metropolitan market and beyond.

The Oxford/Warren County community is supportive to agricultural business and understands the value of establishing a processing facility at the proposed location and supports the same. The property is suitably zoned for the operation of a processing plant and due to the surrounding industrial development and natural buffers there should be minimal impact on the local community visually, ecologically, and environmentally.

The property possesses from prior uses, access to fresh potable water, wastewater utility services, energy services (electric and natural gas). Most importantly, the land area is sufficient for the envisioned operation with space for expansion in the future.

Section 4: Performance metrics

Quantify your progress toward satisfying the program metrics listed below. If a particular metric does not apply to your project, type "N/A" in the space provided.

NOTE: Your Responses in Section 5: Merit Evaluation, must demonstrate how you will achieve these performance metrics.

Performance Metric	Unit of Measurement	Amount at Project Start	Target Amount at Project Completion
Processing space added	Square feet	0	24,500
Processing volume of cattle added annually	Number	Head: 0 Pounds: 0	Head: 4,200 Pounds: 2,421,440
Processing volume of hogs added annually	Number	Head: 0 Pounds: 0	Head: 1,200 Pounds: 262,003
Processing volume of chicken added annually	Number	Head: Pounds:	Head: Pounds:
Processing volume of turkey added annually	Number	Head: Pounds:	Head: Pounds:
Processing volume of other species added annually Enter Other Species here: Goats/Lambs	Number	Head: 0 Pounds: 0	Head: 7,200 Pounds: 476,640
New value-added products developed	Number	0	71
Increase in meat or poultry producers served	Number	0	250
Increase in new sales channels	Number	0	50
Full-time equivalent (FTE) jobs created	Number	0	72
FTE jobs retained	Number	0	N/A

Section 5: Merit Evaluation

All eligible, complete applications will be evaluated using the scoring criteria in the MPPEP Phase 2 Request for Applications (RFA). In some instances, discretionary points will be added to the total score prior to generating a final score.

Competitive applications will accurately and fully describe project objectives that align with the MPPEP goals described in Section 1.2 of the RFA, and with the Performance Metrics in Section 4 of this document. Please be certain your responses are specific to your project, market, and community. A failure to address any of the following questions – or to otherwise sufficiently communicate relevant project information – will result in a lower score.

Alignment and intent (up to 10 points possible)

Describe how your proposed project aligns with MPPEP program goals to:

- Provide new, better and more processing options to meat and poultry producers
- Promote competition
- Create resilience against disruptions in food supply chains

The project will produce a new greenfield meat processing plant in northwest New Jersey where currently no local USDA Inspected processing facilities are available to livestock producers. According to a 2021 Rutgers University survey of New Jersey cattle, hog and small ruminant producers, the majority of respondents traveled between 20 and 60 miles for processing, and a small amount of respondents transported their livestock over 100 miles for processing. The survey also found producers in New Jersey were dissatisfied with current processing capacity in the state and that the availability of slaughter and processing limited their growth potential.

The project aligns directly with the intent of the MPEPP program goals.

a) The new plant will promote competition and contribute to resilient food and agriculture supply chains by expanding processing options within the immediate project area and the region as a whole. There are 16 small USDA inspected plants registered in New Jersey and several more in Eastern Pennsylvania that comprise the competition for area livestock processing. As noted above, according to published survey results the largest respondents travel fairly long distances to process their livestock. The same study found that the average cost to harvest and process beef cattle was $114 + $0.78/lb.; hogs = $88 + $0.85/lb.; lambs = $46 + $0.57; and goats = $44 + $0.60/lb. The largest complaints from producers are the extended wait times and the cost of processing. The reason for both complaints is the size and scale of these plants. The new plant will provide a competitive and accessible alternative to producers; helping alleviate the current supply chain bottleneck, lowering travel distance, lessening wait times and most importantly providing affordable processing costs. It will also provide a new supply of fresh, diverse and quality meat products to the New Jersey-New York metropolitan region, which is within an hours drive of the proposed plant location enhancing the resiliency of the area food and agricultural supply chain.

b) The new plant will provide more processing capacity, and will expand both the diversity of services and the species that can be accommodated for processing to area livestock producers. The plant will be capable of processing 4,200 beef cattle, 1,200 hogs and 7,200 lambs and goats per year. It is expected that approximately 50% of the livestock processed will be custom processed as a service to regional livestock producers. The 4 counties in Northwest New Jersey that comprise the immediate area surrounding the project area represent 50% of the cattle in the

state. The number of lambs and goats produced in the 4 county area represent 43% of those produced in the state. The 4 county hog numbers are not as significant, but when Eastern Pennsylvania hog and other livestock production is factored in due to its proximity to the project area it bumps the numbers for all the above categories. The availability of a new kill facility will have a tremendous impact on these local and regional livestock producers who are seeking a local outlet for their livestock. It will not only provide them with an accessible option for processing, but by design, an opportunity to increase production and expand income earnings, which will ultimately benefit the rural communities that depend on these livestock producers for economic sustainability.

c) The plant will provide meat processing for human consumption. When the plant comes on line, there will be new markets of beef, pork, lamb and goats. The beef cattle will also be processed into ground beef, portion cut steaks, and some whole muscle cuts to be processed through the smokehouse for jerky, snack sticks, and other specialty products. For hogs there will be new pork products of fresh pork and cured and smoked hams, bacon and saugage items. Lambs and goats will largely be sold in carcass halves and wholes. Lambs and goats will not be processed on the same day as hogs so the meat can be certified Halal. The project location in Oxford Township is approximately 60 miles from Newark, New Jersey and the New York City metropolitan area. The non-profit organization that will operate the plant will be well positioned to deliver primals, sub-primals, portion cuts, and ground beef and pork within an easy drive to all market sectors; there is virtually an unlimited market demand within these sectors. The establishment of a meat processing facility in such close proximity to the New York-New Jersey metropolitan area will improve local food security and help combat food deserts in these urban areas that currently lack a local source of high-quality meat products. FPIC plans to specifically address these food deserts by partnering with local churches and area non-profits to distribute fresh meat products to these underserved communities.

Market impact and opportunities (up to 20 points possible)

Describe the planned impact of your proposed project on the producer, consumer, and other relevant markets, as follows:

1. **Animal procurement**

   Describe how you plan to procure animals and provide more opportunities for producers relative to the existing processing opportunities in the area. In your response, address how your proposed project will:

   - Increase processing volume or shackle space resulting in the procurement of more animals from meat and poultry producers
   - Increase the diversity of species procured by the processing facility
   - Increase the geography or region from which animals are sourced (in particular, from geographies with a concentration of underserved producers)

The procurement plan for the new plant is still being finalized, but will have a two-pronged approach. Livestock will either be purchased on current market conditions, or the livestock ownership will be retained through the plant into the meat where the plant is just performing processing services for a fee.

The leadership of the non-profit organization directing the project is actively engaged in developing business relationships with area livestock producers and the feedback thus far has been very positive regarding possible procurement arrangements for when the plant opens. The geographic location of the proposed project positions it favorably to attract producers seeking processing services or willing to sell animals for processing. The immediate area produces a high volume of livestock currently, but producers are limited by the lack of processing facilities in the immediate area and the more general lack of capacity regionally to process the available livestock. The non-profit will have to compete in the auction barns or direct from the farm in order to purchase livestock. For custom processing, the organization will have to compete with other small processors based on price and quality of service. Having analyzed this market as part of the feasibility and business planning for the new plant there is great confidence that livestock supply will not be a problem and the plant operation will be able to compete favorably.

As outlined in previous sections of this application the new plant will increase processing volume for the region, a need that area livestock producers have indicated through local forums and in survey responses. The proposed 24,500 square foot facility will provide space for harvest, processing, further processing (grinding, portion cutting, and cooking/smoking and will be centrally located in the 4 County region that supplies a good portion of New Jersey's livestock. Upon becoming fully operational (year 3), the operation anticipates having the capacity to harvest 4,200 head of cattle, 1,200 hogs and 7,200 lambs/goats and to process over 3.1 million pounds of meat products. By creating this processing capacity/shackle space in a highly accessible location to area producers, the plant will address the pent up demand for processing services and allow area producers to increase production.

The new plant will be designed as a multiple species plant for 25 beef equivalents per day (3 hogs = 1 B.E. and 6 lambs = 1 B.E.), increasing the diversity of species that can be processed in the area as well as volume. Each of these livestock production sectors which supply livestock into various product lines will have an increased opportunity for sales and throughput as a result of the new plant coming on-line.

The plant will not necessarily increase the geography from which animals are sourced, but it will ensure that the livestock producers in the region have a local USDA-certified meat processing option that is cost efficient and capable of processing their livestock for market in a timely manner. In other words, when the plant opens its doors, rather than having to leave the immediate geographic area to find processing services, local livestock producers will now be able to obtain those services in their geographic region. This change has been long called for by area producers and will be a welcome alternative when it becomes reality.

2. Commitments to producers

As applicable, provide a description of the prices and contracts you will provide to meat and poultry producers as listed below:

a. **Facilities that purchase livestock or poultry**: Include information about estimated purchase volumes, prices, and contract types (such as cash, formula, forward contract, negotiated grid, and so on).

b. **Facilities that own livestock or poultry**: Include a general description of any contract terms for the production of livestock or poultry.

c. **Facilities that provide fee-for-service processing:** Include a list of the services provided, along with anticipated processing volumes, and fees charged to producers.

d. **Facilities that provide further processing:** Include the plan for sourcing inputs from producers and note the percentage of inputs that will be sourced from them. Explain how further processing enables producers to access value-added markets and improve incomes.

The proposed facility when it comes on-line will procure livestock supply through a couple of approaches. Livestock will either be purchased based upon current market conditions, or the livestock ownership will be retained by the producer and by contract the plant will perform processing services for a fee. Since the FPIC is in the planning stage of developing the new plant contracts have not yet been secured for the purchase of livestock or for custom harvest services. In lieu of specific volumes, pricing and contract details, the summary below provides an overview of the procurement plan with estimated purchase pricing, volumes and general information on the producer market with whom the organization anticipates engaging as suppliers to the plant operation.

Product

A major focus of the plan will be on Product. Custody (Owned) cattle, hogs, lambs, and goats will be purchased for harvest, processing and sale of meat by FPIC. After the plant is completely ramped-up and becomes fully operational, the financial model predicts this sector of production will comprise 50% of the throughput. The acquisition strategy for this product will follow one of two approaches, either competition through auction barns, or direct from the farm purchases of livestock. The leadership of the organization already has relationships with many of the region's livestock producers and the geographic proximity to others not yet familiar with the FPIC project is expected to facilitate a fertile market for the supply of livestock to the operation. It is estimated that the volume of animals to be processed through the facility once fully operational (year 3) will be as follows; cattle 1,800, 600 hogs and 7,200 lambs and goats. As noted above, approximately 50% of this volume will be product based. The estimated cost associated with the purchase of this product will ultimately depend on market conditions in the future, but based on current regional averages these costs are estimated as follows: $197/cwt (carcass weight basis) for grain-fed cattle $127/cwt for cull cows (>30 months of age), $91/cwt for market hogs and $350/cwt for lambs and goats. These estimates are all based upon previous year 2022 USDA averages.

Service

Initially, the primary focus of this business will be Product-based. Once the organization moves beyond the initial commissioning, and start-up "bumps" and line workers become fully trained and are producing high-quality butcher services, the plant will begin adding Custom-kill services for local and regional livestock producers. Custom harvest is a service provided to livestock producers. The plant does not purchase the animal, nor does it sell the meat. It merely provides the facility labor and service: the animal is killed, processed and packaged according to customer specifications. Of the 3,400 animals projected to be processed by the facility in year three of the operation (full capacity) 1,800 cattle, 600 hogs and 7,200 lambs and goats approximately 50% of this estimated volume will be fee for service. The estimated pricing modeled for this service is as follows:

	Cattle	Hogs	Lambs & Goats
Kill Fee $/hd.	$100	$85	$150
Processing Fee* $/lb.	$0.80	$1.00	

* Pounds of hanging weight

The above custom processing fees were estimated purposely low for the following reasons:

a) The Rutgers study demonstrated producers' contempt for what they are paying their processors currently.
b) This plant is legally organized as a Not for Profit, which means that one of the areas to best serve its patrons is to make the processing fees more affordable.
c) The fees proposed are purposely conservative to demonstrate what the financial impact would be to the company bottom line. If conservative numbers reflect adequate profitability, then higher fees would generate even more profit.
d) Because this plant is larger than other small processors in the state, the overhead costs per animal processed are lower and the plant can afford to charge less because it will be more efficient.

3. Producer impact

As applicable, describe the meat and poultry producers who currently benefit – or will benefit – from your project.

a. Enter the number of producers from which your facility currently sources (prior to project completion):	0
b. Enter the number of producers from which your facility will source at operational capacity (following project completion):	250+

Below, list current and future producers from whom you will purchase. Include their name, contract or agreement, and volume purchases.

Number	Producer Name	Current or Future	Agreement or Contract	Volume of Head Purchased	Volume of Pounds Purchased
1	John L., Lima Family Farms	Future	☐ YES ☒ NO	100 Head	60,000 Pounds
2	Baylee W., Wilson Family Farms	Future	☐ YES ☒ NO	100 Head	60,000 Pounds
3	Christian B., CMG Ag./Cool Breeze Farm	Future	☐ YES ☒ NO	50 Head	30,000 Pounds
4	Shane D., Doyle Family Farm	Future	☐ YES ☒ NO	50 Head	30,000 Pounds
5	Luke V.G., Cedar Ridge Farm	Future	☐ YES ☒ NO	45 Head	27,000 Pounds
6	Steve G., Layton Cattle Company	Future	☐ YES ☒ NO	40 Head	24,000 Pounds
7	Corne V., River Bend Farm	Future	☐ YES ☒ NO	40 Head	24,000 Pounds
8	Steve M., The Farm @ Glenwood Mountain	Future	☐ YES ☒ NO	40 Head	24,000 Pounds

9	Bryce C., Cotton Cattle Company	Future	☐ YES ☒ NO	30 Head	18,000 Pounds
10	Duke Farms	Future	☐ YES ☒ NO	25 Head	15,000 Pounds

Financial viability (up to 20 points)

Explain how – and when – you anticipate your proposed project will achieve financial viability.

The proposed project, a greenfield meat processing plant and training center, is in the design phase of a multi-year development/operation plan to be implemented by the Northwest Food Processing and Innovation Center (FPIC - a non-profit organization founded by Chair, Richard Cotton). The organization's business strategy is for Warren County to host the future processing plant with a long term lease on property owned in Oxford, New Jersey adjacent to the County owned landfill.

A financial model has been prepared to project economic performance of the project. Total Capital required to complete the project is estimated at approximately $11.4 million with an estimated $1.4 million of that being in the form of Working Capital to complete construction, purchase cattle (& inputs), and to begin first year operations.

Raising debt and equity for building the plant and funding operations will be less traditional under the FPIC business model. Because the business is organized as a 501 C-3 non-profit corporation, the County can offer a long-term lease to host the plant site. There are also several funding sources that will be available to FPIC because of its non-profit status. The funding of the facility and the business is being coordinated by Richard Cotton. A summary of the anticipated project funding is outlined below.

1. Lead Lender – Bank: FPIC will require a business loan(s) from a lender(s) to fund a portion of the project's capital costs. Efforts are underway to secure the capital financing required to advance the project.

2. Federal, State and Quasi-Governmental Grant & Loan Programs: The project, through this application is requesting up to 30% of the plant construction costs (estimated just over $10 million dollars). If approved, this grant program would provide approximately $3 million to be applied towards the capital needed to construct the plant. In addition, the State of New Jersey, the New Jersey Economic Development Authority and other Federal, Regional and Local government and non-profit programs will be solicited for as much capital funding as can be raised.

3. Bond Funding – FPIC, as a non-profit organization, is eligible to utilize bond financing as an approach to funding capital construction costs. This option is actively being explored as a component of the project's overall funding plan. With the property being owned by the County of Warren, there is also an opportunity for bond funding by Warren County.

4. Large Donor Contributions/Donations: As a non-profit, FPIC is able to solicit contributions from large donors because of the benefit to the local and regional community and regenerative agriculture. The organization's leadership is engaged with a number of potential donors to the project including the Doris Duke Foundation and William Penn Foundation.

The plan is for the operation to secure the funding needed for construction of the plant and initial working capital ($11.4 million) within the next 12-18 months. The operation is expected to achieve financial viablility by the conclusion of it's second operational year (Net Income = $433,000). The financial sustainability operation (Year 1 and beyond) will be detailed in the following section.

1. Financial Sustainability

Describe how your facility is currently profitable – or note your target date for achieving profitability or financial stability. Explain how the facility will sustain itself financially through revenue, cash reserves or other sources to ensure its success.

The overall capital cost of the project, as noted in the previous section, is estimated to be $10 million, plus an additional $1.4 million in working capital.

The financial model prepared for the project forecasts the managing organization FPIC to have a negative earnings before interest, taxes, depreciation, and amortization (EBITDA) ($347,000) with a negative net income ($1.3 million) in its first year of operation. In the second year, EBITDA increases to $1.4 million and net income becomes positive at $433,000. The plant is projected to begin cash flowing in month 21 of operation. When the plant is fully ramped up, the third year performance is projected to yield an EBITDA of $2.1 million with net income at $1.2 million. In Year 3, the Return on Sales (ROS) is projected to be 12% and a Return on Equity (ROE) is 24%; both ratios outstanding for a food business.

The model projects beginning the second year of operation, all species of animals resulted in positive net income as custody animals (animals purchased and meat sold by company) and custom processed for a fee. In the third year, the net income per animal processed increases significantly.

The facility will sustain itself financially by having the necessary working capital in place to initiate year one operations, and through a graduated hiring/production schedule. Any new processing plant must start with a reduced throughput during the first months of start-up. New employees will need to be hired and trained in new skills; there will be some lag-time in developing flow-through logistics (incoming livestock and outgoing product); and the new plant will need to have all the “bugs” worked out. Production (throughput) for FPIC in projected to ramp-up over a two-year period. Therefore, in the first year of operation, the minimum amount of beef equivalents is 2,366 (1,300 cattle, 600 hogs, and 5,200 lambs and goats).

During the ramp-up, employees will be added as needed and as can be trained. At full operational strength (in year 3), the financial model estimates 31 Direct Labor and 6 Management employees. By year 3 revenues are projected to cover the full cost of the operation, including maximum staffing levels and a profit margin is forecasted.

At full operational capability (Year 3) the throughput of cattle is estimated to be approximately 3,400 beef equivalents (1,800 cattle, 600 hogs, and 7,200 lambs and goats). In order to process this number of livestock, the plant is projected to expend approximately $6.69 million in operational costs, including product purchases, labor expenses, utility and other costs. Revenue in year 3 is projected to be approximately $9.52 million and the plant is expected to have a gross operating profit of approximately $2.83 million.

2. Operational Capacity

What is the plan and timeline for achieving full operational capacity once your project is complete? Describe commitments from producers and buyers and include any other factors that will contribute to your facility's ongoing viability.

The total size of this plant to be constructed in the next 24-48 months is estimated at 32,000 sq. ft. in size (including livestock pens).

The timeline for achieving full operational capacity is three years from the year the plant opens. For planning purposes, the animal numbers, and types to be processed include (estimated):

Animal Class	Year 1	Year 2	Year 3
Lean Cull Cows	270	475	600
Cattle (<30 mo. of age)	635	1,500	1,800
Custom Beef	395	1,450	1,800
Market hogs	345	495	600
Custom Pork	270	495	600
Lambs & goats	760	2,210	3,600
Custom lambs & goats	760	2,210	3,600
Total Beef	1,300	3,425	4,200
Total Hogs	615	990	1,200
Total Lambs/goats	1,520	4,420	7,200

The plan is to harvest and process the numbers of livestock listed above once the plant is completely ramped-up to full production capacity. Because new packing plants take some time to hire employees, establish markets, and work out all the “bugs” inherent in a new facility, the above model projects a steady, two-year ramp-up plan. By the start of the 3rd year, the plant is predicted to be operating at full capacity.

The major focus of the plant initially will be on Product-Custody (Owned) cattle, hogs, lambs, and goats to be purchased for harvest, processing, and sale of meat. After the plant is completely ramped-up and becomes fully operational, the plan is for this sector of production to comprise approximately 50% of the throughput.

Once the plant is through the initial commissioning and start-up “bumps”, and once line-workers become fully trained and are ready to produce high quality butchering services, the plant will add Custom-kill services for local and regional beef cattle and hog producers. The plan is to begin adding the Custom-kill services for beef and pork in month 4 of operation, a conservative, but reasonable expectation.

As the plant is in the design phase and is still a distance from coming on-line there is no formal commitment from producers or buyers. The project leaders, however, have been actively engaged in discussions across the region with both producers and buyers and there is strong interest on both fronts in the project. As noted in other sections of this application and in the Feasibility/ Business Plans, the results of the Rutgers University Livestock Processing Needs Assessment Survey there will be ample demand from livestock producers for the plant. Furthermore, the population of the Newark-New York City Metropolitan area (the primary market area for the proposed plant product) continues to increase, which is expected to drive demand by buyers for locally sourced/processed product. FPIC, utilizing seed funding from the New Jersey Highlands Council, will also be conducting a public engagement/outreach campaign to increase public

awareness about the project. This will enable the organization to begin developing customer contact information for project status updates.

3. Buyer Commitments

Discuss current or prospective buyer commitments. As applicable, include descriptions of both domestic and international markets, and note the impact on the volume of product sold from the facility as a result of your project. Also, discuss how you will secure sufficient quantities of livestock, poultry, and raw materials to ensure operational viability.

FPIC does not have any formal buyer commitments due to the fact the project is in the early design stage. However, there has been ample discussion with prospective buyers and a thorough analysis of the target market all of which supports the need for the project.

As the plant will be a completely new business, all animals processed through the new plant will be considered "New" markets. The plant's primary income will be derived from the following:

a) Selling processing services to livestock producers and meat marketing companies. As previously stated there is a dearth of Custom-kill service available in the region and a high demand for the same. With this pent-up demand, this aspect of the business is projected to grow rapidly with the initial target being regional producers in New Jersey and Pennsylvania.

b) Selling fresh and frozen subprimals, ground products, some portion-cut items, further processed items (curing, smoking, and sausage manufacture), edible offal, and byproducts from beef, hogs, and lambs. Also, selling fresh and frozen halves and whole lamb and goat carcasses.

The availability of livestock and associated demand for a local processing center has been well documented in studies conducted by Rutgers University and others. A new processing facility with greater capacity to process livestock than which currently exists in the state will alleviate a significant supply chain bottleneck. It will increase not only the volume of livestock made available for processing, but also the product to be created, as the new plant is well positioned to the greater New Jersey-New York metropolitan area where there is virtually an unlimited market demand.

Under (b) above the target markets will be:

i) Local and regional retail
Most grocery retail stores desire "local" products even though they have contracts with a larger wholesale distributor. FPIC will target retail store(s) in the community where the plant is located for featuring beef products from the plant and possibly as the exclusive supplier of the plant's products.

ii) Local and regional food service.
Local restaurants have an interest in buying "local" and are served by either national or regional foodservice distributors. Contracts will be sought with distributor(s) or directly with restaurants. Institutional food service (schools, hospitals) will also be a market for the plant's products.

iii) Direct to consumer
There are two direct-to-customer markets: Home delivery and internet sales. Once a plant has an established name and reputation, these two market approaches will be considered.

iv) Ethnic/Halal
There are many ethnic groups in the Eastern Seaboard (specifically the New York-New Jersey Metropolitan area) desiring Halal certified lambs and goats. FPIC intends to design the plant to accommodate Halal slaughter and will target this market aggressively for sale of products.

Technical Merit and achievability (up to 20 points)

Describe plans for addressing the technical feasibility of your project, including compliance and other related issues.

1. **Work plan and budget**

   Provide a work plan and budget that shows how your project's goals will be accomplished within the proposed timeframe. Task descriptions must be sufficiently detailed to give a clear understanding of the general workflow necessary to complete the project. You can describe up to five tasks below. A budget breakdown for each task is required.

Task	Key Personnel	Start Date	End Date	MPPEP Funds	Cost Share	Total Project Cost
1. Project Design/Contractor Selection	Richard Cotton Food & Livestock Planning, Inc. Diligent Innovation, Gladstone Design	9/1/2024	3/1/2025	$ 0	$ 485,000	$ 485,000
2. Permitting/ Sitework	Richard Cotton Diligent Innovation General Contractor TBD	3/1/2025	12/1/2025	$ 1,444,230	$ 3,369,870	$ 4,814,100
3. Building Construction	Richard Cotton Diligent Innovation General Contractor TBD	12/1/2025	9/1/2026	$ 509,700	$ 1,189,300	$ 1,699,000
4. Equipment Purchase/Interior Finish	Richard Cotton Diligent Innovation Plant General Manager TBD	6/1/2026	12/1/2026	$ 1,057,988	$ 2,468,637	$ 3,526,625
5. Construction Project Closeout/ Operational Ramp-up	Richard Cotton Diligent Innovation Plant General Manager TBD	12/1/2026	7/1/2027	$ 0	$ 2,065,000	$ 2,065,000

1b. Task Budget

Provide the budget for each task listed in your work plan and budget. Include the amount of MPPEP funds you are requesting, the cost share, and the total project cost for each category. Add additional line items as needed.

Task 1: Project Design/Contractor Selection

Cost Category	MPPEP Funds	Cost Share	Total Project Cost
Personnel			
Fringe benefits			
Equipment			
Construction			
Supplies			
Contractual	$0	$485,000	$485,000
Other			
Total	$0	$485,000	$485,000

Budget Narrative: Provide detailed information (assumptions used) to determine the total project cost for each identified cost category.

The primary line item for task 1 Project Design/Contractor selection is the contractual costs that will be paid to the design and architectural services firms – Diligent Innovation of Momence, Illinois and Gladstone Design of Peapack, New Jersey. Diligent has been retained by FPIC for designing the process flow and overall building, including detailed schematic drawings and technical details for every element of the project construction, including site work, mechanical and electrical design, construction documents (plans and specifications), and construction coordination/support for project contractors. Diligent has an in-house design/engineering division and an in-house manufacturing and construction division. The latter will provide all the utility demands, will manufacture the rails, shackles, and much of the infrastructure, and will install all process equipment, wastewater equipment, and the hot water system (the costs associated with the construction and installation have been broken out and are reflected in the construction cost phase of the workplan – the costs listed in this section are just for the design work to be performed by Diligent. Gladstone Design has been retained to provide architectural services for the project. Richard Cotton, the Chair of the Board of Directors and project lead will coordinate the selection of the general contractor for the project, who will oversee construction and manage the subcontractors on the project. The costs associated with this phase of the project will be born by the applicant (FPIC) and there are no grant funds requested to support the design work.

Task 2: Permitting/Sitework

Cost Category	MPPEP Funds	Cost Share	Total Project Cost
Personnel			
Fringe Benefits			
Equipment			
Construction	$1,444,230	$3,369,870	$4,814,100
Supplies			
Contractual			
Other			
Total	$1,444,230	$3,369,870	$4,814,100

Budget Narrative: Provide detailed information (assumptions used) to determine total project cost for each identified cost category.

Task 2 – Permitting and sitework includes budget funding for the permitting and inspection fees associated with the project, contractual costs to be paid the design firm Diligent for this phase of the project, contractual costs associated with other professionals needed for the permitting including Food & Livestock Planning, Inc., and environmental consultant needed to assist in the environmental permitting required for the project. The permitting and inspection fees include, but are not limited to, local constructing department fees/inspection costs, Regional Soil Conservation District fees/inspection costs, state permitting fees, and other regulatory/compliance activities. The primary cost center for this phase of the project is construction. The construction costs that are expected to comprise the estimated $4.8 million estimate for site work include, but are not limited to, grading, earthwork, exterior improvements, connection of underground utilities/plumbing, installation of various other site work such as access roads, parking areas, walk ways and other concrete work, seeding of disturbed areas and other surface improvements outside the building footprint. The payment of these funds will be governed by the contracts with the project's general contractor and subcontractors. MPEPP grant funding is requested for thirty percent of the construction costs, but not for any of the other line items referenced above.

Task 3: Building Construction

Cost Category	MPPEP Funds	Cost Share	Total Project Cost
Personnel			
Fringe Benefits			
Equipment			
Construction	$509,700	$1,189,300	$1,699,000
Supplies			
Contractual			
Other			
Total	$509,700	$1,189,300	$1,669,000

Budget Narrative: Provide detailed information (assumptions used) to determine total project cost for each identified cost category.

Task 3 – Building Construction includes budget funding for the contractual costs to be paid to the design firm Diligent for this phase of the project (both construction coordination as well as infrastructure fabrication/installation), but the primary cost line item in this phase is for construction costs. The construction costs that are expected to comprise $1.699 million include, but are not limited to the total construction costs to build the plant building structure, and DAF building (concrete, e.g. footings, masonry, metals, wood, plastics and composites, thermal and moisture protection, e.g. insulation and water barriers, openings, e.g. doors, windows and louvers). The payment of these funds will be governed by the contracts with the project's general contractor and subcontractors. MPEPP grant funding is requested for thirty percent of the construction costs, but not for any of the other line items referenced above.

Task 4: Equipment Purchase/Interior Finish

Cost Category	MPPEP Funds	Cost Share	Total Project Cost
Personnel			
Fringe Benefits			
Equipment	$571,988	$1,334,637	$1,906,625
Construction	$486,000	$1,134,000	$1,620,000
Supplies			
Contractual			
Other			
Total	$1,057,988	$2,468,637	3,526,625

Budget Narrative: Provide detailed information (assumptions used) to determine total project cost for each identified cost category.

Task 4 – Equipment Purchase/Interior Finish includes budget funding for the contractual costs to be paid the design firm Diligent for this phase of the project (both construction coordination as well as infrastructure and processing equipment installation), consulting costs to be paid Food & Livestock Planning, Inc. for their coordination work on equipment purchasing/installation, the cost of equipment to be purchased and the remaining construction cost for equipment/system installation and interior finishes. The construction costs, expected to be approximately $1.62 million, are comprised of the funding estimated for the installation of the fire suppression system, refrigeration & HVAC and air makeup system. The equipment costs, expected to be approximately $1.9 million, are comprised of the funding estimated for the rail system, Ultrasource for slaughter and fabrication equipment, Forklifts, bone grinder and skid/steer loader. MPEPP grant funding is requested for thirty percent of the construction and equipment costs, but not for any of the other line items referenced above.

Task 5: Construction Project Closeout/Operational Ramp-up

Cost Category	MPPEP Funds	Cost Share	Total Project Cost
Personnel	$0	$1,460,000	$1,460,000
Fringe Benefits	$0	$343,000	$343,000
Equipment	$0	$50,000	$50,000
Construction	$0	$75,000	$75,000
Supplies	$0	$15,000	$15,000
Contractual	$0	$50,000	$50,000
Other	$0	$72,000	$72,000
Total	$0	$2,065,000	$2,065,000

Budget Narrative: Provide detailed information (assumptions used) to determine total project cost for each identified cost category.

Task 5 – Construction Project Closeout/Operational Ramp-up is the most complex of the five work-plan tasks because it involves the estimated costs associated with the close-out of the plant construction as well as the ramp-up expenses anticipated for the facility's year one operation. The Personnel and Fringe Benefit line-items are the projected staffing costs for both the plant's management and line level staffing. The equipment and construction costs are the estimated costs associated with the final construction/outfitting expenses to complete the construction phase. The supplies line item is the estimated cost of supplies needed to support the year one operation of the plant. The contractual costs are the estimated cost for the design firm Diligent, project consultant Food & Livestock Planning, Inc. and any other contractual services anticipated for year one of the operation. The other line item is the estimated cost of miscellaneous expenses needed in support of the year one operation of the plant. A full budget estimate for the year one operation of the plant, along with year's two and three can be found in the attached Feasibility Study and Business Plan for the project. The costs associated with this phase of the project will be born by the applicant (FPIC). No grant funds are requested to support the construction project close-out or year one operational costs.

2. Key Personnel, including contractors and consultants, and their relevant experience.

List the key personnel you mentioned in your work plan and budget who will be coordinating, leading, and carrying out tasks under this project. Note any relevant experience. You can add extra rows if needed.

Name and Title	Role	Relevant Experience
Richard Cotton, Chair, Board of Directors FPIC	Project Leader	Real Estate Developer, Livestock Producer, Businessman. A fourth-generation area resident, Richard has spent most of his professional life land planning, serving agricultural organizations and effectuating a balance between economic development and environmental conservation in the community.
Dan Sambrooks, Michael Hodak, Diligent Innovation	Engineering Services	A world-wide leader in the field of design, fabrication and installation services for the food processing sector. Diligent has participated in over 700 plus projects globally, leading the way on how meat is harvested and processed.
Ron Kennedy, Gladstone Design	Architectural Services	A multi-disciplined consulting firm with over 30 years experience providing engineering, architectural and planning services in the New York-New Jersey metropolitan area. The firm has experience on a range of similarly scoped commercial and industrial projects.
Keith DeHaan and Matt Gibson, Food & Livestock Planning, Inc.	Project Management Technical Consulting Services	Food & Livestock Planning, Inc. has been in business since 2000 providing technical service to small and medium-sized food companies and conducts feasibility studies and business plans for future and current food companies. The company also commercializes new technologies in the food and livestock industries and will assist in the commissioning of new company start-ups.
Katherine Fina, Florio, Perucci, Steinhardt, Cappelli, Tipton & /Taylor, LLC	Legal Services	A full service law firm, widely recognized as one of the best in New Jersey. The firm possesses extensive experience in providing public and private sector clients with legal strategy, government advocacy, and business solutions.
Frank Pinto and Steve Mountain, Pinto	Grant Administration/Project	A New Jersey firm specializing in consulting services to farmers, land-owners, non-profits and local governments. Frank Pinto and his

Name and Title	Role	Relevant Experience
Consulting, LLC	Coordination Assistance	associates have decades of experience in the field of conservation, land preservation, land-use planning, grant writing/administration and government at the local, county and state levels.

3. Identification of major risks

Describe any major risks to the success of your project and note your strategies for mitigating them (for example, having contingency plans to offset the loss of inputs or markets). Examples of major risks include product recalls, labor availability, access to operating capital, sudden increased demand for processing services, among others.

Possible risk factors that could impact the success of the project and/or its on-going sustainability are outlined below, along with the organization's proposed strategies for mitigating their potential negative impact.

Inability to raise significant capital funds to construct the project: To mitigate the risk of being unable to raise the necessary capital funds, FPIC has a plan to raise funding through a diverse group of funding sources, so there is no overdependence on any one area of financing. The organization also understands it will need a lead lender- bank to support the project, and there is confidence the project will garner the financial support required based upon preliminary exploration of financing options.

Weather: Weather impacts on construction are inevitable, but to mitigate impact, the construction schedule will be designed to absorb such delays and weather will be monitored closely during the project to ensure anticipated work/deliveries are organized around potential weather impacts. As for operation, plans will be in place to ensure weather disruptions will not be a risk to service once the plant is in operation. Plans will include back-up power generators, redundant equipment and personnel staffing, temporary water service, and other risk mitigation strategies to avoid service interruption or delays.

National or international crisis (health, natural disaster, military conflict, etc.): The plant will have preparedness plan in place that includes a business continuity component. The plan will be complete with steps on how to restart operations after a disaster. It will also identify the people, resources and equipment necessary to run the operation and back-ups to each of these in case of emergency. Workflows and logistics will also be carefully documented so that production processes can be managed if a key individual(s) are unavailable due to a crisis.

Technological Issues: Technology has become an increasingly important component in the modern meat processing operation. Conversely protecting against issues which can disrupt or disable the plant's necessary technology is equally important. The plant will have a cyber-emergency plan that will include system redundancies, back-ups and temporary manual service options as well as training protocols, system recovery guidelines/procedures and cyber-protection practices for all employees to follow. IT equipment will be operated under 24/7 maintenance agreements and the plant operation will be set up to operate if connection to the internet is lost for any reason.

Product recalls due to contamination or other health related problems: The plant as a newly designed facility will employ state-of-the-art-equipment and design features aimed at limiting the potential for contamination or health related disruptions to the operation. Safe work policies and practices will also be employed to prevent such issues, including the provision of appropriate personal protective equipment (PPE), gloves, facemasks. Extensive training in the safe handling of meat products will also be a point of emphasis. The plant will also utilize technology to manage the storage and transportation of perishable products to lessen the risk of spoilage and potential contamination. In the unlikely event that FPIC is subject to a recall, or other liability incident, the company will carry recall insurance.

Labor availability: The availability of labor has become a challenge for many industries, but is particularly challenging in the meat processing field. Due to the strenuous and repetitive motions associated with the work worker retention and recruitment is a serious issue. FPIC will be seeking to install state-of-the-art technology to help workers in their day-to-day tasks and lessening the reasons for labor turnover. There is also a plan to utilize the facility as a training and workforce development center to improve the pool of skilled labor available to the plant operation.

Budget and Financial Issues/Access to operating capital: The organization will be structured professionally and will establish sound financial procedures from the outset to mitigate against internal fiscal issues or external issues such as access to operating capital being limited or disrupted. A conservative operating budget for the plant's construction and early years of operation has been developed through the feasibility/business plans prepared by Food & Livestock Planning, Inc. The budget and detailed financial forecasting provide a clear picture of the funding necessary to properly operate the business and will be used as a blueprint to take the business from construction through full operating capacity. Other actions such as monitoring indebtedness, maintain credit score and relationships with bankers, monitoring cash flows and maintaining an emergency fund will also be taken to ensure the operation is resilient to financial crisis.

Sudden increase in demand for processing services: Managing sudden shifts in demand for product has become an issue for a variety of issues in recent years (due to a variety of issues including the COVID pandemic). FPIC will seek to use predictive technology along with its relationships with both producers and suppliers to mitigate against such shifts. The plant's location positioned close to both producers and consumers will also help as the supply chain necessary for the plant's successful operation is not as long or as complex as larger and less geographically well located plants.

Economic Shocks:

a. Retail/Owned Product: The stress testing utilized in the enterprise financial model illustrate that economic shocks, which increase the cost of inputs, or the price of outputs will influence financial performance. However, under the given stressors, the 10% negative deviations should not cripple the plant and it should be able to weather this level of economic shock. Further, as the model indicates, when one of the listed stressors hits the business, the other will usually follow; there may be some lag time, but the relationship usually normalizes. The plant management will carefully monitor such trends to avoid impacts beyond those tested.

b. Custom: The plant has limited control over the custom supply of animals. However, the plant can shift towards owned animals and increase throughput for the retail channels. The plant intends to operate on a plan for up to 50% of the plant throughput to be contributed from custom kill. The operation could withstand this sort of economic shock for an extended period if they began to purchase, process, and sell meat from purchased livestock provided meat sales can be increased.

4. Food safety plan

Describe food safety measures (such as certifications and regulatory compliance) that reflect your facility's commitment to providing safe products to consumers.

FPIC will employ at the senior management level, reporting to the General Manager, a Director of Food Safety, who will lead an entire team of technicians to train workers and monitor and test equipment and meat products for possible microbial contamination. A USDA-mandated hazard analysis critical control point (HACCP) plan will be implemented. A highly reputable third-party company specializing in service to smaller plants such "We R Food Safety" will be engaged to oversee this important division. The HACCP program is expected to be virtual so there will be real-time discovery of issues and corrective actions delivered.

The USDA FSIS mandates on-site inspection. The organization will be fully compliant, and management has much experience working as a team with the USDA to keep food products safe.

In addition to employing individuals and third-party companies with the necessary certifications and an adherence to strict regulatory compliance, the facility will employ a range of food safety measures (including, but not limited to) to those described below:

A written plan outlining the plant's personnel qualifications/certifications and training requirements. The plan will also document the plant's standard operating procedures and safety protocols.

The plant will employ strict measures and policies for employee health and hygiene. The measures and policies will also cover the plant's health and hygiene measures for visitors to the facility. In addition to these policies, the plant management will provide employees/visitors with the necessary protective clothing and personal equipment to ensure the facility is protected from disease transmittal.

The plant will employ and require strict adherence to cleaning/santitation measures for all buildings, facilities, tools and equipment used in the processing operation.

The plant will have clear protocols for pest control, waste and chemical management.

The plant management will be held accountable for adherence to the critical food safety measures through a system of record-keeping and internal audit/inspection procedures.

The plant will be designed and constructed to facilitate food safety and will employ infrastructure/equipment which will maximize sanitation and food safety. Floors, walls and ceilings in the plant will be constructed to be easy to clean, fixtures, ducts and pipes will be constructed to not suspend over working areas and the facility's lighting will be designed to ensure the maintenance of good sanitation. The plant will be equipped with adequate refrigeration for the proper handling/storage of carcasses and product. The plant will be equipped with meat handling and processing equipment (ranging from the simple hand tools to the large automated machinery) that will maximize the efficiency of the operation, but also its sanitation and food safety standards.

Labor and personnel (up to 10 points)

Describe your workforce policies. If your business is a start-up and not yet operational, please describe what your workforce policies will be.

1. **Jobs**

   Describe your workforce policy and how it contributes to the overall viability of your facility. Include:

   - A discussion of pay scales relative to the position type and cost of living in the area where the facility is located
   - Whether your employees can engage in collective bargaining
   - Opportunities for professional training and advancement

The proposed plant is a start-up and is not operational. The following is a description of what the facility's labor strategy and workforce policy will be and how planned policies will enhance the overall viability of the operation.

The proposed plant will employ approximately 37 employees when it becomes fully operational. The organization will employ a competitive pay scale for all positions from management to line-worker. It is anticipated that the General Manager of the plant will receive as salary in the range of $140,000/year. Other management positions will be structured to have a pay scale in the range of $70,000/year to $100,000/year. Line-workers will be paid on an hourly rate pay structure, starting at $22/hr. and ranging to $29/hr. These salary ranges reflect the area's cost of living which is a little higher to the national average due to the proximity to the New York City market.

The global objective of the labor and personnel policies to be implemented by the plant is to promote effective employee recruitment, retention and overall well-being. These policies can be broken down into three primary areas, personnel management/compensation, employee development/workplace culture, and employee well-being/safety. Each of these policy areas are described in greater detail below.

Personnel Management/Compensation

The organization will employ a General Manager and management team that is focused on not only the operational efficiency of plant but also the recruitment and retention of the small workforce who will drive the operation of the plant. The members of the FPIC executive board and its Chair Richard Cotton have extensive experience in operating successful business ventures and understand how to recruit the type of leaders to the organization to execute the business plan. They also intend to put in place organizational policies to guide recruitment/retention and employee well-being and pay-scale/compensation system to ensure employees hired by the plant will be able to afford the area's cost of living. Lastly, one of the unique elements of this project will be the Innovation Center that will be associated with the plant. The facility will have classroom space integrated into its design and working in conjunction with Rutgers University, Warren County Community College and other State and Regional partners the plant will also serve as a training facility. The training center will provide technical and vocational skill development classes for employees, but also for individuals considering a career in the meat processing industry, which will be a huge advantage to the plant's employee recruitment efforts.

Employee Development/Workplace Culture

As noted above, the broader vision for the project is for it to be both a cutting edge meat processing facility, but also a training and innovation center. This positions the plant well to facilitate employee development and training. The organization also intends to employ policies and procedures which will support not only employee development, but also workplace culture. It will be the organizational philosophy to promote from within and to encourage advancement of employees through training and experience. A decision on whether employees will be able to collectively bargain has not been determined, but whatever approach is taken with regard to labor relations the goal will be to ensure employee rights, compensation and benefits are properly protected.

Employee Well-Being/Safety

The plant will employ a range of policies, practices and programs designed to promote employee well-being and safety. These measures will ensure employees are well-trained to perform the duties assigned, understand the proper application of tools and equipment and maintain proper health and hygiene standards. They also will ensure the workplace is clean, free of risk and that all employees are treated with respect and dignity. Lastly they will make sure all workers have the personal protective clothing and equipment to keep them healthy and safe while in the workplace.

The combination of the policies, procedures and practices in these three areas is expected to foster a strong, employee friendly culture that will ensure the organization's long-term success. It is also expected that some of the unique and forward thinking approaches the organization's leadership will be taking towards investing in the facility and its viability as an innovation center will make it a model to be followed in other parts of the state and the country.

2. Benefits and protections

Describe the basic benefits provided to facility staff, the conditions and requirements under which benefits are provided, and the provisions for workplace protections that contribute to a safe and healthy work environment.

The individuals to be recruited and hired by the organization to staff the facility will be afforded a range of benefits and protections to ensure they are both properly compensated and provided with work environment that is safe and healthy. These benefits will feature a competitive pay scale-based upon market conditions, and informed by a careful study of the industry and the regional economy. Other benefits will include a comprehensive health insurance program, competitive leave benefits, workers compensation protections, paid professional development opportunities, and other employee friendly benefits designed to attract and retain staff. Another major area of focus will be the provision of programs and practices designed to improve the quality of the working environment and generally promote a safer and healthier place for staff to work. Below is a list of just a few of the steps the organization plans to take to ensure these protections:

- implementing an effective ergonomics and hearing protection programs.
- employer provided personal protective equipment.
- regular health and safety training programs.
- regular employee personnel training (for both supervisory and line staff).
- policies and training to ensure the workplace is free of harassment and discrimatory employment. practices which could negatively impact employees and the overall workplace culture.
- training and proper safeguarding for dangerous equipment.
- proper posting of OSHA requirements, training and other compliance activities.
- Incorporation of building design features that enhance sanitation and ventilation measures.
- maintaining safe work areas to avoid accidental slips and/or falls.
- encouraging an active employee role in the plant's safety program and creating incentives for employees who advance health and safety goals and/or speak up to change the workplace for the better.

3. Local economy

Explain your workforce recruitment and retention strategies and how your facility supports jobs with livable wages and basic benefits in the community in which it is located.

The financial model on which the proposed plant's business model is based estimates the FPIC plant will employ approximately 37 people. Furthermore, it is expected that the new plant will indirectly result in upwards of a 75 – 100 new jobs in the region.

Labor is one of the biggest challenges for multiple industries currently, including meat processing. Sourcing skilled labor from the local community is a concern. Hiring the correct people at a start-up facility to fill key roles will be a priority so that the plant can get online as soon as possible. A deliberate focus will be on hiring a highly skilled General Manager (GM) that can provide critical oversight to the entire operation.

Another key skill set is Sales and Marketing to efficiently and profitably move the finished product from the plant. As with the GM, a highly skilled and experienced individual will be identified and on-boarded early in the process.

Other key management roles will be identified and filled by the GM. Finding floor workers will then follow as the plant construction nears completion.

The enterprise financial model provides for above average wages in the area and has room to increase those wages as necessary while easily remaining profitable. Additionally, the organization intends to provide an attractive benefit package to supplement wages, which also will promote employee recruitment and retention. Lastly, the Innovation Center to be developed in conjunction with the plant will in the long-run become an effective development arm for the organization's workforce needs (more about this below).

Along with the skilled labor, the plant will be as automated as possible to reduce the amount of human capital required.

Oxford Township and the greater Warren County area is expected to provide most of the necessary line workers and some of the mid-management level workers employed by the plant. However, the General Manager and a few other skilled positions may have to be sourced outside the area.

Small Town Staffing (STS) is a recruiting company located in Omaha, Nebraska focused on identifying and recruiting mid- and upper-level processing plant management. Also STS has experience in training employees at all levels within the plant on equipment and manual processing – from harvest through portion cutting. Food & Livestock Planning, the consulting firm retained by FPIC has a relationship with STS and intends to engage the firm to assist with the Management hiring as well as initial training of employees.

The organization plans to use its Innovation Center to promote and advance the goal of training and skill development. Warren County Community College and a local High School Vocational School are expected to partner in training programs developed by the center. Other partners may also include the the State of New Jersey, Rutgers University and other area non-profit agencies. The plant/training center will be used to educate students about meat quality, buying standards, meat cutting skills and other areas of agricultural business. This unique organizational objective will establish good will in the community, while also enhancing the pool of skill laborers necessary to sustain the operation in the future.

Environmental impact (up to 10 points)

Describe your strategies for addressing and mitigating negative environmental impacts (for instance, by employing pollution control equipment and technologies, or employing energy-efficient climate solutions to managing water and waste streams).

1. **Waste management**

   Describe strategies for managing offal, solid and other waste at your processing facility. Include description of any pollution control equipment or technology, or livestock waste management systems, permits required, and whether the facility uses Concentrated Animal Feeding Operation (CAFO) or pasture-based livestock management systems.

The organization's strategy for waste management is to utilize as much of the by-products of the processing operation and/or waste to serve an alternative use (alternative revenue stream) and to dispose of whatever cannot be used in an environmentally friendly manner. This strategy will be accomplished through a combination of traditional and creative disposal programs and the use of state-of-the-art equipment/technology to process and/or manage the waste. Below is a description of the approaches, equipment/technology and other related processes that will help mitigate the environmental impact of the plant.

Composting

The blood and paunch material will be separated from other bones and meat scrap waste streams and will (likely) be composted somewhere near the site, which has yet to be worked out. The compost site may need to be designed and permitted by an environmental engineer to ensure the leachate is retained. An additional source of organic matter (i.e. wheat straw, yard waste, wood shavings) will need to serve as the substrate for this operation. The pile also needs to be turned every few days to mix the contents and bring the oxygen into the pile. Also, the bones will need to be ground to reduce the particle size, otherwise they will not break down.

An associated composting operation will provide value to the operation through the production and sale of organic fertilizer – both directly, through a revenue stream, and indirectly, through increased value of rendering material. Municipal, County and potentially state permitting will be required for this operation. The organization is currently studying the approach, both the technology and the permitting necessary for this process.

Incineration

Another option for disposal would be to incinerate all waste through a gas-fired incinerator either on-site or on an adjacent property. This approach would be an alternative approach if the composting solution can not be implemented. The proximity to the County owned land-fill immediately next door to the site will help in facilitating the composting/incineration options. Municipal, County and potentially state permitting will be required for this operation. The organization is currently studying the approach, both technology and permitting necessary for this process.

Rendering

The other alternative to the composting approach would be to enter into a contract with a rendering company. Generally smaller packing plants must pay for a renderer to remove the waste portions

of the slaugher and fabrication process. However, once the operation achieves a certain size, the renderer can realize a significant revenue from these services and will provide a portion of the revenue stream back to the processing plant. Darling Ingredients (Darling or DII) is the largest rendering company in the United States is most likely who the plant would negotiate a contract should this approach be pursued. There is a Darling rendering plant located in Newark, New Jersey and several in Pennsylvania.

Offal

The current plan is to sell all of the offal which can be processed and sold into food production outlets. This includes hearts, liver, oxtails, tongues, lips, and tripe from beef cattle. These are included in the plant's business plan's financial model. The only offal which will not be sold as food will be lungs, condemned livers, and intestines; all of which will be rendered or composted. If it is too difficult to bone the heads of beef cattle, customers will be sought to purchase the entire head. Otherwise, tongues will be removed and the entire head rendered or crushed for composting.

Additional environmental protection/pollution control strategies and/or technology are under consideration for the plant, however, it is too early in the design process to provide a commitment to these approaches at this time.

2. **Water impacts**

Describe strategies – including the use of equipment, technology and zoning or other permits – that will reduce or mitigate the possibility for nonconventional (such as nitrogen and phosphorous) and conventional (such as oil and grease, pathogens, and total suspended solids) wastewater streams pollutants from entering surface water or local sewer systems.

Beef, hogs, and lambs/goats will require approximately 500 – 600, 100, and 85 gallons per animal, respectively of gallons of water per animal carcass per day. Therefore, this is also the approximate volume of wastewater produced.

a. Wastewater will be disposed of by Publicly Operated Treatment Works (POTW).

The plant will be designed to funnel all process wastewater from the slaughter floor through a screen to catch and separate solids.

A five-day Biological Oxygen Demand (BOD) value is used to measure the level of treatment needed to discharge wastewater safely. The BOD for all food-processing wastewater is relatively high compared to other industries. A high BOD level indicates that wastewater contains elevated amounts of dissolved and suspended solids, minerals and organic nutrients containing nitrogen and phosphorus. The following is assumed for the proposed plant:

The peak daily flows of wastewater are not large = approximately 12,500 gallons per day. If peak discharges need to be reduced by the municipal waste-water treatment plant, a surge tank could be installed to reduce the peak discharge.

Composition of wastewater from a packing plant (a & b):

	Raw Effluent, mg/l	After Screening, mg/l
Biological Oxygen Demand (BOD)	4,440	2,420
Chemical Oxygen Demand (COD)	6,478	3,563
Suspended Solids (SS)	4,033	1,008
Total Nitrogen	330	182
Total Phosphorus	61	34
Oil & Grease	1,711	428

(a) Source – Food and Livestock Planning, Inc.
(b) Effluent does not include blood from the sticking process

b. Wastewater Pretreatment-On-Site

The wastewater leaving the plant is proposed to be screened. The pretreatment on the plant site will include the use of a dissolved air flotation system (DAF). A sequence of settling tanks is also under discussion for the plant design. The multiple sequential concrete tank system would serve as a type of anaerobic and aerobic pretreatment as well as a settling basin for solids. It is expected that both pretreatment options will significantly reduce the BOD loads.

Community impact and support (up to 10 points)

1. Letters of support

You must provide letters of support from a qualifying state, local or Tribal leadership located where your proposed project activities will take place. **REMINDER**: If the applicant is not the Tribe, itself, or an entity owned or operated by that Tribe, a resolution of support is required from the governing body of the Tribe with jurisdiction over the land where your proposed project is located.

Examples of “qualifying leaders” include state, local, and Tribal government officials, associations of agricultural producers, and labor unions.

All letters must:

1. Identify the stakeholder providing the letter and explain their connection to proposed project activities.
2. Describe the sustained community impact that will be supported by the proposed startup or expansion activities to be carried out under the grant.
3. Provide additional information relative to the project’s impact on the community’s long-term needs and goals.

Section 6: Affirmations and Certifications

By signing and submitting the SF-424 family of forms "Application for Federal Assistance" as a part of your grant application package, you certify and affirm the following statements:

- I do not have a known relationship or association with a USDA Rural Development employee. (If there is a relationship or relationships, you must identify each known USDA RD employee.)
- As an applicant, I am a legal entity in good standing, and operating in accordance with the laws of the state or states, or Tribe or Tribes, in which you have a place of business. This includes child labor laws.
- I have not been found – and will not be found –unfit to obtain a grant of federal or state equivalent inspection because of federal or state court convictions of a felony or multiple misdemeanors involving the acquisition, handling, or distribution of adulterated or misbranded meat or poultry products, fraud in connection with transactions in food, or other similar factors.
- If awarded a grant, I agree I will comply fully with all applicable USDA FSIS standards.
- I acknowledge I possess – or plan to obtain – a Federal Grant of Inspection, a grant of inspection under a Cooperative Interstate Shipment Program, or a state meat and poultry inspection program with standards at least equal to federal inspection processes.
- If my inspection services have been suspended at any time in the past five years, I agree to disclose the reasons for that suspension, and to explain how the suspension was resolved.
- I certify I have developed – or will develop – a Hazard Analysis and Critical Control Points (HACCP) plan covering the entire grant period of performance.
- I confirm that any equipment required for my project is available or can be procured and delivered within the proposed project development schedule (barring unforeseen supply chain disruptions to availability) and will be installed to the manufacturer's specifications and design requirements. **NOTE:** This is not applicable in instances in which equipment is not part of the proposed project.
- I have identified the balance of funding necessary (70 percent of total project costs) to complete the project according to the timeline and budget proposed in my application.
- My project will be constructed following all applicable laws, regulations, agreements, permits, codes, and standards.

- I affirm that my existing business does not hold a market share equal to or greater than the fourth largest share of the national market for beef, pork, chicken, or turkey processing.
- I confirm my existing business does not source – in the aggregate – more than 20 percent of inputs from entities that hold market share equal to or greater than the fourth largest share of the national market for beef, pork, chicken, or turkey processing.
- I confirm I do not provide – in the aggregate – more than 20 percent of outputs to entities that hold market share equal to or greater than the fourth largest share of the national market for beef, pork, chicken, or turkey processing.

I further acknowledge and certify that:

- I understand USDA Rural Development will check the Do Not Pay System to verify that – as the applicant – I have an active entity registration in the System for Award Management (SAM)
- I have not been debarred or suspended from participation in federal programs
- I am not listed on the Credit Alert Verification Reporting System, the U.S. Treasury Offset Program, or on Social Security death records
- I understand I am responsible for resolving any issues reported in the Do Not Pay System. **NOTE**: If issues are not resolved by the time USDA Rural Development is prepared to award MPPEP grants, we may instead award funds to other eligible applicants.

We recommend you use the MPPEP Phase 2 Application Checklist (available at this link: https://www.rd.usda.gov/media/file/download/mppep2applicationchecklist-508.pdf) to ensure you are aware of all documents needed to ensure you file a complete application.

In accordance with federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family or parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary. Those with disabilities who need alternative means of communication (for example, Braille, large print, audiotape, and American Sign Language, among others) can contact the responsible agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Program information also can be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, available at this link: https://go.usa.gov/xzzfW, and at any USDA office. Or write a letter addressed to USDA and provide all of the information requested on the form. Call (866) 632-9992 to request a copy of the complaint form. Submit your completed form or letter to USDA by: (1) postal mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410 (2) fax: (202) 690-7442, or (3) email: program.intake@usda.gov.

August 2023