Guidelines for Local Meat Processing Capacity Grants

The Washington State Legislature has allocated $3.6 million dollars for grants to assist small and midsize meat and poultry processors expand their capacity to serve small and midsize Washington farmers and ranchers who sell their farm-raised meat and poultry products directly to individual consumers, stores, food hubs, restaurants, schools and other local buyers.

**Purpose**

The fundamental purpose of this grant program is to increase access to local meat and poultry products for the people of Washington State by increasing farmers and ranchers’ access to livestock slaughter and processing services, especially but not limited to USDA-inspected services. This public need became apparent during the COVID-19 pandemic, when food supply chains were disrupted and the importance of resilient local food economies became evident. This grant is for entities that can offer increased availability of slaughter and processing services needed by direct-marketing farms. This grant makes investments that expand capacity or increase efficiency, food safety, waste management, humane livestock handling or workforce capability in small to mid-scale meat processing operations.

**Overview**

The grant has two categories:

- **Small Projects** (up to $150,000), *projects must be completed by June 30, 2022*
- **Large Projects** ($150,000 to $750,000), *projects must be completed by June 30, 2023*

**Eligible costs** include equipment, facility improvements, planning, and workforce development costs.

<table>
<thead>
<tr>
<th>AMOUNT</th>
<th>TIMELINE OF WORK</th>
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<tbody>
<tr>
<td>Small Projects</td>
<td>up to $150,000</td>
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<tr>
<td></td>
<td>April 1, 2022 to June 30, 2022</td>
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<tr>
<td>Large Projects</td>
<td>$150,000 to $750,000</td>
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<td></td>
<td>April 1, 2022 to June 30, 2023</td>
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**Eligible Applicants:**

- Firms offering or developing meat or poultry slaughter or processing services for small and midsize direct-marketing farmers and ranchers in Washington. Must be owned and operated in Washington, with 75 employees or fewer.
- Non-profit or government entities directly providing or enabling access to meat or poultry slaughter or processing services or equipment for Washington farmers and ranchers.
Ineligible Applicants:

- Firms that do not return products to the possession of farmer or livestock owner clients upon completion of slaughter and/or processing services.

Eligible Expenses

Expenses must improve access to poultry or red meat slaughter or processing services for direct-marketing farms and ranches. Expenses must contribute to expanded capacity or increased efficiency, food safety, humane livestock handling or workforce capability. Eligible expenses include equipment, facility improvements, planning, and workforce development costs.

See the list below for EXAMPLES of allowable expenses.

Ineligible Expenses

Expenses are not allowable if they:

- Have been or will be reimbursed under any other federal, state, or local government funding.
- Have been or will be reimbursed by insurance.
- Were incurred before the date of recipient’s executed grant contract.
- Were incurred after spending deadlines outlined in grant contract.

WSDA reserves the right to make changes to, and final determination of, eligible expenses. Please contact WSDA directly with any questions about eligibility criteria.

Eligible Expenses:

- **EQUIPMENT:**
  - Processing and manufacturing equipment (e.g. cutting equipment, balancers, mixers, grinders, sausage stuffers, smokers, curing equipment, and necessary fittings such as pipes, motors, pumps, and valves)
  - Packaging equipment (e.g. sealing, bagging, boxing, weighing, labeling)
  - Handling and storage equipment (e.g. rails, hoists, conveyors, carts, shelving, tables, product moving and storage equipment)
  - Slaughter and breaking equipment (e.g. knock box, head catch, hide puller, saws)
  - Cold storage (e.g. freezers, coolers, and components)
  - Generators
  - On-board equipment for mobile slaughter/processing units
  - Mobile or stationary poultry processing equipment
  - Livestock intake and humane livestock handling equipment or infrastructure (e.g. pens, pen covers, chutes, knock boxes)
- Waste management equipment (e.g. dump trailers, offal coolers, storage containers, etc.)
- Technology (e.g. software or hardware used exclusively for business purposes, and related to basic business functions, logistics and scheduling, inventory management, plant production and food safety controls, temperature monitoring controls, or marketing)
- Associated installation costs
- Repairs to existing equipment

**PLANNING or WORKFORCE DEVELOPMENT**
- Business, financial or succession planning
- Food safety plans (e.g. HACCP plan)
- Staff training
- Workforce recruitment or development costs
- Design or engineering costs
- Feasibility studies or market surveys
- Public or open-source resource development for meat processors
- Grant writing

**FACILITY IMPROVEMENTS:**
- Construction costs for facility modification, repair, renovation or expansion*
- Utility upgrades (e.g. water, ventilation, electric, heat, refrigeration, freezing, and waste or waste-water management)
- Grounds improvements (e.g. graveling, concrete slabs, cover, drainage)
- Construction of additional mobile/modular slaughter or processing units
- Permitting costs

* For Large Project Grants, applicants must show that facility improvements align with USDA facility requirements for meat plants.

### Evaluation Criteria

Applications will be evaluated based on achievability within grant period, impact to business viability, and benefit to Washington direct-marketing farms and ranches.

- **Achievability of project (40%):** Proposed project is clear, reasonable, well-researched, and achievable on the project timeline.
- **Impact to business viability (20%):** Proposed project significantly expands capacity or increases efficiency, food safety, waste management, humane livestock handling or workforce capability.
- **Benefit to Washington direct and locally-marketing farms and ranches (40%):** Proposed project will increase availability of services needed by small-scale producers to access markets. Special consideration will be given to projects that offer increased access to: slaughter services (USDA-inspected or Custom Exempt), processing services for livestock other than beef, culturally-relevant services (e.g. halal, kosher, or service offered in languages other than English).
### Timeline

<table>
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<tr>
<th>Event</th>
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<tr>
<td>Application period opens</td>
<td>February 1, 2022</td>
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<tr>
<td><strong>Applications due, Small Projects</strong></td>
<td>February 28, 2022</td>
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<tr>
<td><strong>Applications due, Large Projects</strong></td>
<td>March 7, 2022</td>
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<tr>
<td>Notification to applicants</td>
<td>March 15, 2022</td>
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<tr>
<td>For Grant Recipients</td>
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<td>Small Projects: All Project Expenditures and Activities Complete</td>
<td>June 30, 2022</td>
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<tr>
<td>Small Projects: Final Report &amp; Reimbursement Requests due</td>
<td>July 11, 2022</td>
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<tr>
<td>Large Projects: All Project Expenditures and Activities Complete</td>
<td>June 30, 2023</td>
</tr>
<tr>
<td>Large Projects: Final Report &amp; Reimbursement Requests due</td>
<td>July 10, 2023</td>
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### Application and Grant Award Process

1. **Applications**: Applicants must submit a completed application form, including supporting documents by **February 28, 2022 (Small Projects)** or **March 7, 2022 (Large Projects)**.

2. **Review**: WSDA will review applications for eligibility of Applicant and expenses, and will evaluate applications based on achievability within grant timeline, impact to business viability, and benefit to direct-marketing farms. In awarding funds under this program, the WSDA may coordinate with other agencies or entities that WSDA deems necessary.

   WSDA reserves the right to determine number of awards and modify or increase awards at the Director’s discretion. WSDA reserves the right to consider geographic distribution of proposed projects when making final awards. WSDA also reserves the right to cancel the grant program and the award at any time for any reason, such as due to a withdrawal or suspension of funds by the funding source, a state of emergency, or other occurrence that impacts WSDA’s ability to continue with the program or awards.

3. **Awards**: WSDA will notify Applicants of award/no award decision by **March 15, 2022**. (Expenses incurred prior to the date of executed grant contract cannot be reimbursed.)

4. **Contracting**: Award Recipient must sign and return grant contract to WSDA as quickly as possible after receiving notification. Recipient MUST be registered as a Statewide Vendor with Washington State before any payment can be made.

5. **Reimbursement**: Grant funds will be paid to Grant Recipient for approved expenses on a reimbursement basis. Recipients will receive reimbursement for eligible expenditures, not advanced payment. Goods and services must be paid for and received to be reimbursed, and Recipient must provide documentation, such as receipts. Reimbursement requests must be submitted quarterly, but can be made as often as monthly.

   For Large Projects Grant Recipients only, the WSDA reserves the right to offer deliverables-based contracts at the Director's discretion, in order to achieve program purpose.
6. **Reporting:** Grant Recipients must provide a final report documenting completion of activities and describing the impact of improvements made with grant funds. In addition, Large Project Grant Recipients must provide quarterly status reports.

7. **Recording keeping:** Grant Recipient must retain records relating to the grant for a period of at least six years and must make records available to WSDA upon request, or upon audit by WSDA or other authorized state or federal authorities.

### Additional Information

Grant awards are **taxable** and will be reported by the WSDA to the IRS.

WSDA reserves the right to inspect and audit the project site for as long as one year following the final payment received by the grantee.

### Grant Support

WSDA can provide general application support to applicants, including language assistance in the grant process.

For general grant and eligibility questions, contact Alyssa Jumars at alyssa.jumars@agr.wa.gov or 206-743-4169.

For technical questions regarding equipment, infrastructure, food safety, or regulatory requirements for meat processors, the WSDA can connect you with a meat science specialist at Washington State University. Please email your questions to alyssa.jumars@agr.wa.gov with the subject heading: Technical Grant Support.