



Agricultural Marketing Service

Summary of AMS Research Publication, “Lessons Learned from Public Investment in Local and Regional Meat and Poultry Processing Activities”

Executive Summary

In 2017, USDA Agricultural Marketing Service (AMS) entered into a cooperative research agreement with the Niche Meat Processor Association Network (NMPAN) to assess 20 years of public investment in local meat and poultry processing activities by AMS in the form of competitive grants. The report was completed in January 2019.

NMPAN analyzed 35 projects most relevant to meat and poultry processing including 12 [Federal-State Marketing Improvement Program](#) (FSMIP), 21 [Local Food Promotion Program](#) (LFPP), and 2 [Farmers Market Promotion Program](#) (FMPP), set of projects, totaling \$2,113,983 in grant funds. The grants were awarded between 1999-2015. NMPAN reviewed project documents and interviewed past project leaders.

The report provides examples of projects where financial and technical resources have been used effectively, to inform more strategic decisions by policymakers and interested stakeholders. The report identified seven lessons learned and recommended strategies. These recommendations have been reviewed by AMS staff and are being taken under advisement. This document summarizes key findings.

Lessons and Recommendations

Lesson #1: Meat and poultry projects should be planned and (if possible) implemented holistically, on at least two dimensions: the full supply chain, and at a regional scale. This is especially critical for projects involving infrastructure investments.

Recommendation: Projects focused on developing new products, markets, or both should be able, at the proposal stage, to describe the full supply chain needed for success. This includes a conceptual understanding of all the links in the chain and knowledge of the existing processing and distribution infrastructure – and related expertise – in the target region. Projects should also consider how a local versus regional scale for their projects might help or hinder them.

AMS could provide this guidance to potential grantees; for example, general outreach about the grant programs could include “best practices” for food sector development grants. Review panels could have these best practices in mind when reviewing proposals.

Lesson #2: Projects must involve all relevant partners from the beginning, including pre-submission project design. For projects related to meat processing, existing processors in the region should be meaningfully consulted and engaged.

Recommendation: When reviewing the suitability of a project proposal, it is essential to assess whether project team members possess the collective expertise to carry out expected objectives as well as the time required to devote to the project through completion.

To encourage PDs to think about partners and stakeholders, the proposal checklist could include these questions:

- Who are the key stakeholders in your proposed project? (Include letters of support or commitment with your initial proposal)
- How have you involved them?
- If they are not involved yet, how do you plan to involve them?
- If you have left out any key stakeholders, please explain who they are and why you have left them out.

Lesson #3: Pre-proposal research is crucial. Proposals should indicate (1) the proposed project is allowed under current regulations and (2) project leads know about and have reviewed similar projects in the state or multi-state region, to avoid unnecessary duplication.

Recommendation: All proposals should be able to demonstrate that their ideas meet regulatory requirements. The pre-proposal checklist could include the question, “Is your proposal in line with current federal, state, and local regulatory requirements?”

On the second point, AMS can improve applicant access to previously-funded projects through a robust database, peer to peer learning opportunities, and guidance from grant program personnel. Applicants could be required to document that they have identified and reviewed similar and nearby projects. Applicants who do find overlap could be asked to explain how what they are proposing is significantly different and builds on previous work.

Lesson #4: Projects designed to expand the scope and services of established businesses are likely to be more successful than projects creating new businesses based on “if we build it, they will come.”

Recommendation: Potential applicants could be advised about the value of including experienced businesses in their project plans. At the same time, reviewers could be advised to take extra care evaluating proposals that do not build on existing businesses with experience in the desired markets and/or supply chain businesses.

Lesson #5: Cooperative Extension, public agencies, or non-governmental organizations (NGOs) with an education mission can be important partners in keeping publicly-funded educational materials available to the public and regularly updated. These regional foodshed relationships also keep these investments alive and adapted to meet the evolving needs that will continue past the life of the grant project.

Recommendation: Guidance for potential applicants could suggest that, if a project includes developing educational resources, the project team have a plan for how those resources will be made available for use beyond the life of the project. Where will they be housed? Who will be responsible for outreach to others who could benefit from using them? Will they be updated?

Lesson #6: Feasibility studies as currently proposed and practiced should no longer be funded. We propose a less expensive, more effective alternative.

Recommendation: We recommend that grant program personnel request that feasibility studies and business plans for new meat processing facilities be designed to address the following questions:

1. Is there enough actual demand for processing services to keep a business operational with appropriate cash flow?
2. Is there enough actual production at the farm level, and do the farmers have experience selling meat, as opposed to live cattle?
3. What is the real competition for the products or services?
4. Have specific wholesale buyers made at least tentative commitments to purchase these products at prices that will support all supply chain actors?

These questions could be provided in a pre-submission checklist, as a subset for this type of project. Ideally, agency staff would be able to provide guidance or referrals to educational materials, experienced peers, and other subject matter experts as needed.

It is also recommended that grant program personnel:

- Request that applicants for such projects also learn about the rapid assessment approach described above and apply this framework to their projects;
- Ask that applicants request a pre-submission peer review through NMPAN (for food hub projects, the Wallace Center’s National Good Food Network).

Lesson #7: A distinct planning period can be essential to successful project implementation and can also prevent investment in expensive mistakes.

Recommendation: Several projects demonstrated the value of LFPP in providing both planning and implementation grants. This two-step approach allowed projects to develop in a methodical, sustainable manner. We recommend that the possibility of adding a planning grant option to FMPP be considered. We also suggest that additional emphasis be put on the importance of incorporating a planning period into a project and that applicants be required to outline a planning period and identify specific actions to be taken. Grant reviewers should be instructed to evaluate a project’s planning period and actions when assessing the application.

Other suggested improvements to the grant programs:

- PDs would benefit from peer-to-peer connection and learning on monthly calls, at an annual conference, or a listserv that includes PDs of both current and recent projects.
- AMS could provide or arrange for more technical assistance related to project content, including conducting general research related to local and regional food system development and market trends.
- AMS could provide applicants with information about similar projects. At the proposal stage, this could happen by creating a robust database of project proposals and final reports, keeping in mind:
 - Project documents likely do not tell the whole story;
 - Some project achievements may be too proprietary to share;
 - “How to” guides, planning templates, and similar are useful if kept up and used;
 - There is enormous value in networks and conferences that facilitate relationships and mutual learning across the supply chain and foodshed.
- The pre-submission checklist could include a question similar to one asked by the USDA Sustainable Agriculture, Research, and Education grants program: “Has AMS funded any projects similar to the one being proposed? How will yours build on that?”

In the final section of our report, “What Lies Ahead?”, we suggest areas for future public investment that will strengthen meat and poultry processing, while enhancing the long-term viability of this essential link in the local and regional food sectors. Our suggestions, which include those made by grant project directors interviewed for this project, fall into four main categories:

- Labor: availability and training
- Research and development for new products and appropriate-scale technology
- Business development and financial management
- Education and outreach

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