Co-Op Owned and Operated Processing: CPoW and the LPCA Plant



ASSISTANCE NETWORK



July 26, 2016

www.nichemeatprocessing.org

CPoW Livestock Processors Cooperative Association









New Processing Plant: Odessa, WA

The Frustration

Volatile cattle prices











The Frustration

No premium for quality











The Frustration Lack of opportunities











The Problem USDA processing











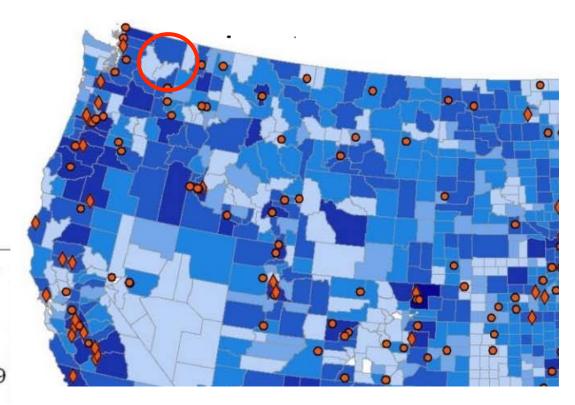
The Problem

Lost Infrastructure

Cattle

Federal Slaughter Establishments

- ♦ Small 119
- Very small 449











The Solution











The Solution











Our Niche

Support Washington livestock producers working to meet consumer demands for:

Traceability
Quality
Safety









Great Idea . . . Now What?



Opportunity knocked and we answered.









The Opportunity

Lincoln County EDC – found a program

Odessa PDA – offered a site

CPOW – created business plan with major help from Whitworth University









The Opportunity

Ranchers who raise high quality animals require above standard services to cut and package the meat in order to demand premium pricing.

Project: Build a 5,400 sq ft USDA Federally-Inspected Processing Plant at the Odessa Industrial Park

Purpose: Meet the unmet needs of local ranchers for local, service-oriented processing *and* of consumers for locally processed meat, traceable from pasture to plate.

Advantages of Location

- Odessa Industrial Park facilities are well developed, underground utilities in place, effective PDA management.
- Over 200 producers in a 200 mile radius who can readily take advantage of the services.
- Strategically located with access to I-90 to serve all major metropolitan area markets (Spokane/Seattle/Tri-Cities).

• Creates 15 skilled jobs in the short term with potential to create over 50 direct and indirect jobs long term.

Marketing Plan

Introduce cattle ranchers and others within the Eastern Washington region to a new local way to process their product.

Target Market

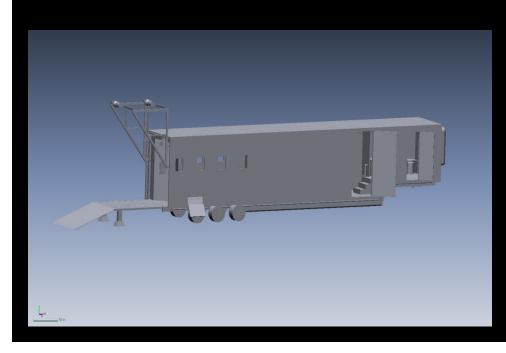
- · Small to mid size ranchers within Eastern Washington
- Ranchers striving to provide safe, local and nutritious product
- Ranchers responding to growing demand
- Ranchers wanting to be compensated for higher quality product

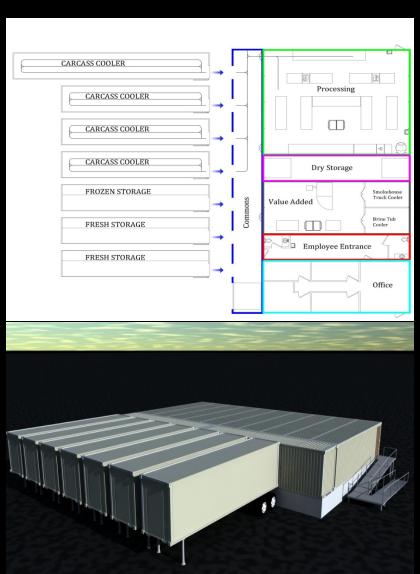
WHY WAS MODULAR FOOD SYSTEMS SELECTED?

- ...the answer is <u>who</u>...MFS roots prove it works. MFS is a collection of people who are DOERS as well as thinkers each bringing diverse backgrounds and experiences...
- ...the answer is <u>what</u>...Economic Development organizations around the Country as well CPoW recognize this is the future...
- * ...the answer is <u>when</u>...Markets are asking for safe, secure, local food suppliers **NOW**, local jobs supporting local communities create long term sustainability **NOW**...

WHY/WHAT IS A MFS SYSTEM?

- Affordable/Scalable/Efficient/ Sustainable
- Quick to build, set up and put into operation
- •Constructed from repurposed shipping containers
- •2560 square foot Processing Facility
- •State-of-the-art 53' mobile abattoir





WHY IS THIS THE BEST SOLUTION?

Minimum Impact

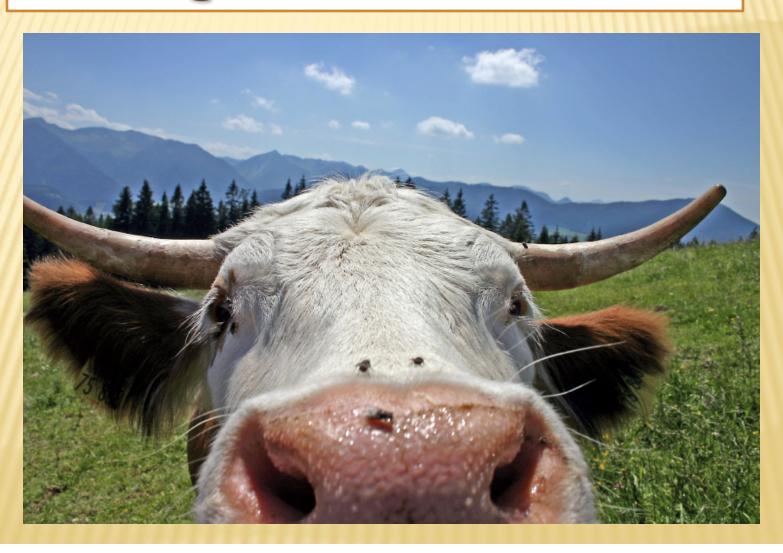
- Small foot print, roughly the size of an average home.
- Efficient and innovative use of energy and resources.

Maximum Benefit

- Cost effective job creation.
- Brings Odessa
 nationwide media
 recognition as having
 vision of the future.

Blends New Technology with Traditional Community and Cultural Values

Questions



Milestone - March 2011

- CERB offered us a loan
 - required a match
 - had a deadline





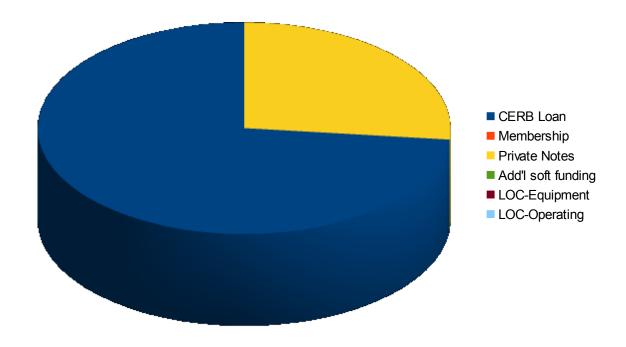






Let us pause and question what we are about to undertake nope, let's just jump right in.

Funding



January, 2011

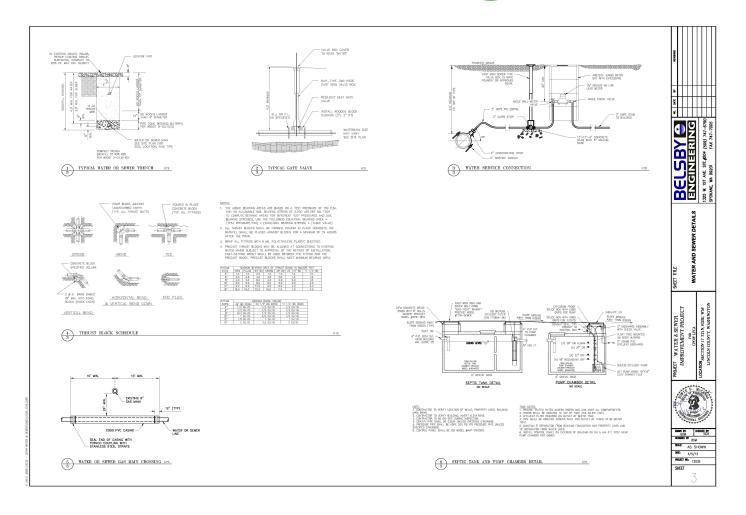








Site Design



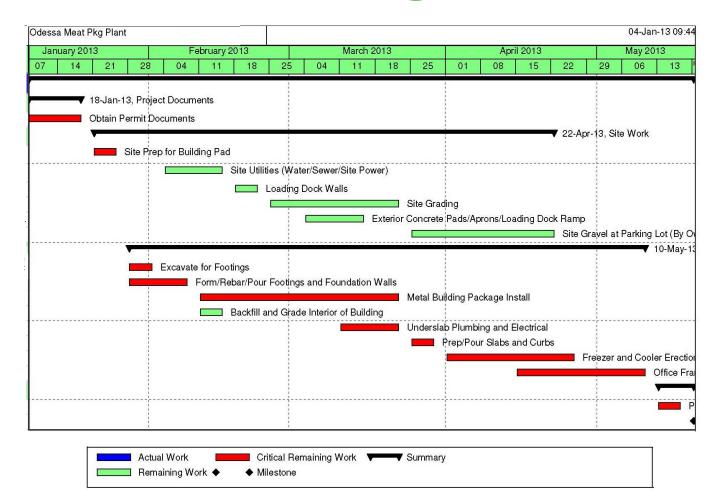








Design



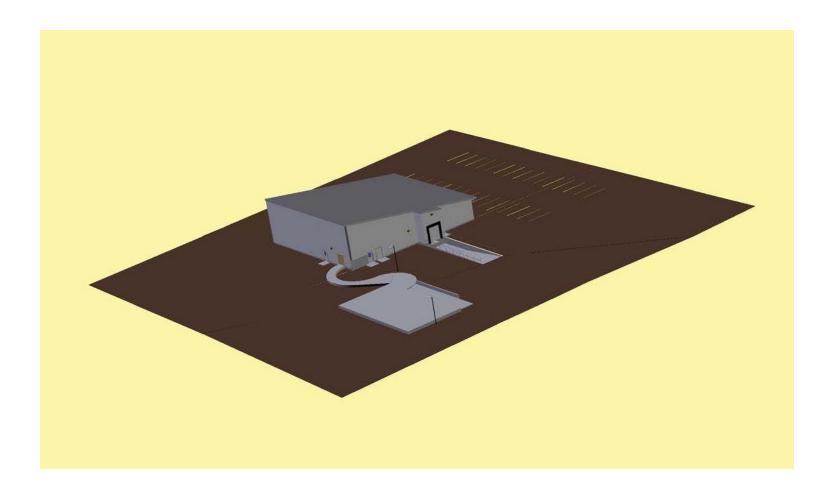








Re-Design











Construction











Milestones - March 2013

DONE:

- ✓ Secure core funding, establish cooperative
- ✓ Buy land, build road, extend utilities
- ✓ Design/Build contract signed and underway

DOING: □ Constructing plant □ Scheduling ranchers □ Hiring key staff □ Securing start up capital









Construction











Construction











Equipment















Celebration





August









Lessons Learned

"There are known knowns. These are things we know that we know. There are known unknowns. That is to say, there are things that we know we don't know. But there are also unknown unknowns. There are things we don't know we don't know."

Donald Rumsfeld

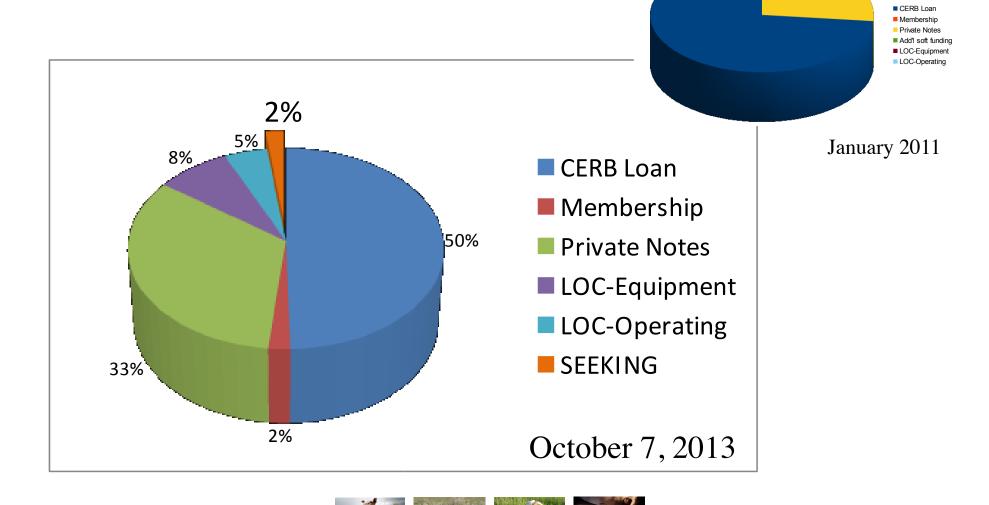




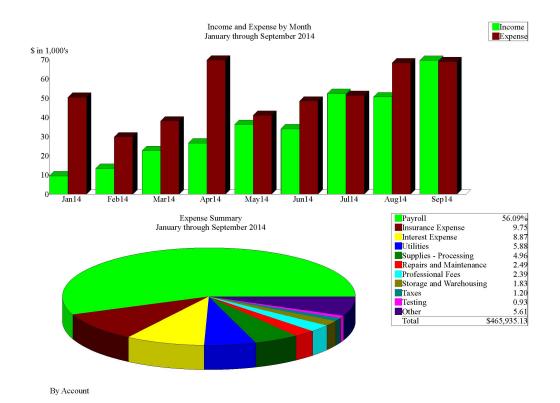




Funding



Human Resources



From October 2014 Update









Input



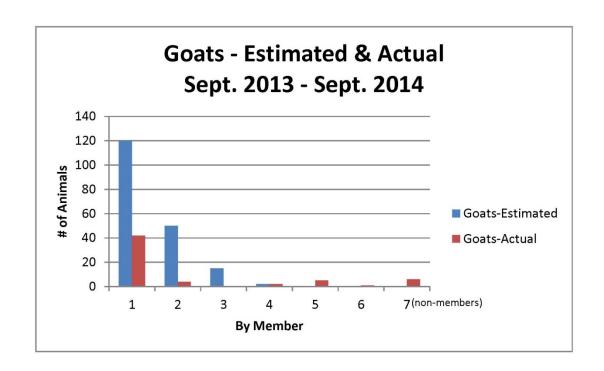




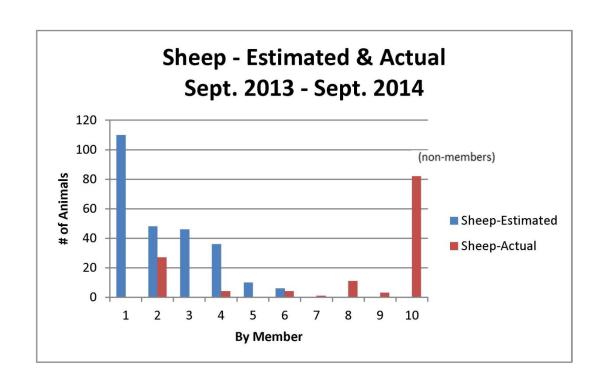




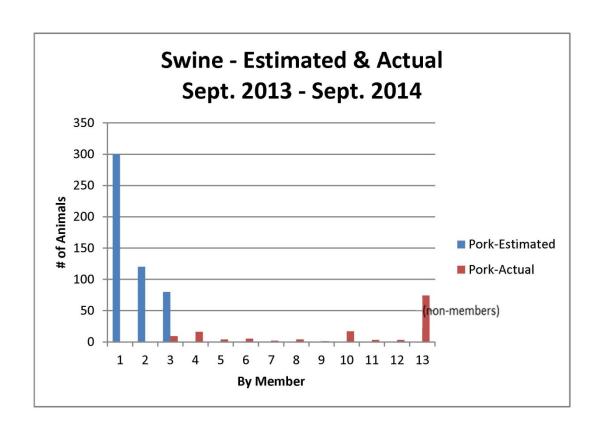
Member Surveys - Goats



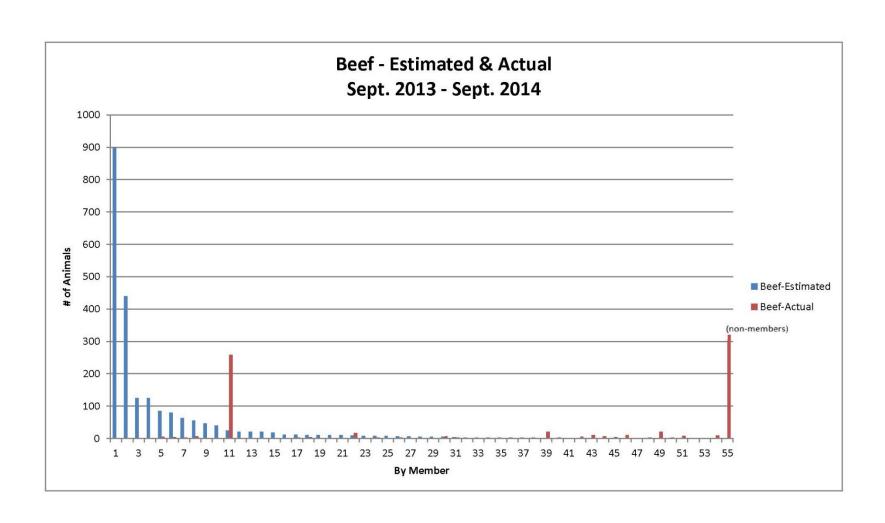
Member Surveys - Sheep



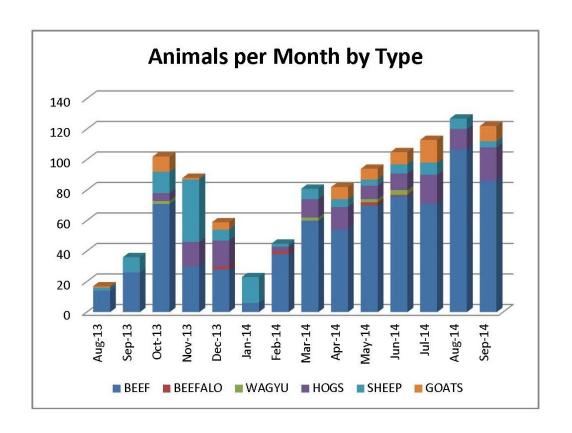
Member Surveys - Pigs



Member Surveys - Beef



Throughput



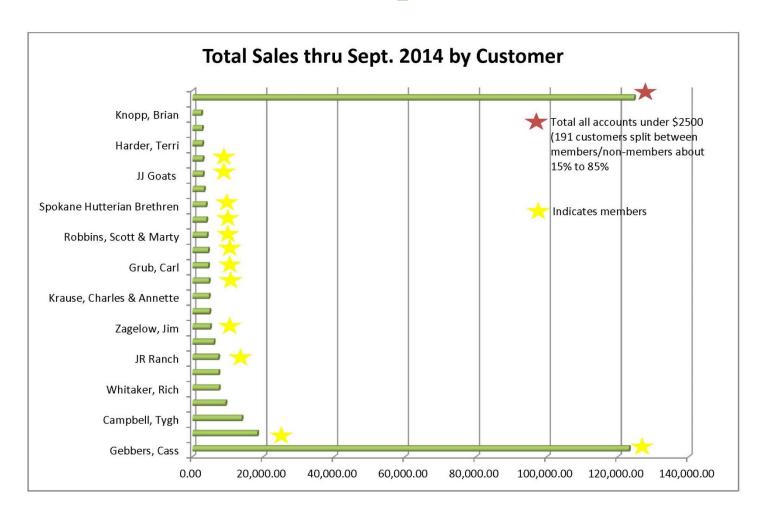








Output











Current Status









CPoW Livestock Processors Cooperative Association

LPCA 5th ANNUAL MEETING

Wednesday, April 13, 2016 4:00 p.m. Light appetizers LPCA plant 13644 Stein Lane E, Odessa, WA

- ✓ Tour the plant/meet employees
- Receive status update from Board
- ✓ Socialize with coop members
- ✓ Elect directors
- ✓ Presentation by special guest

RSVP by March 30, 2016 To Secretary, Lucia Udlinek (509) 750-0906 Iucia@u-barranch.com









Future

We're still here. We're still writing it. We're stubborn.

Questions?









CPoW Livestock Processors Cooperative Association









From Our Producers to Your Plate