



True & Essential (T&E) Meats Harrisonburg, VA

Planning and implementation grants assist in the expansion of an established red meat processor, allowing them to serve more farmers and provide value-added processing services.

AMS GRANTS AWARDED

Local Food Promotion Program (LFPP) 2014, Planning grant for \$22,320

Local Food Promotion Program (LFPP) 2017, Implementation grant for \$370,532

Project types: Facility Planning & Design Assistance, Equipment & Labor Costs, Inventory Control and Traceback, Specialized Training, Product Development

HISTORY OF BUSINESS OR PROJECT

T&E Meats was founded in 2007. That’s when former urban planner and landscape architect Joe Cloud and trailblazing farmer Joel Salatin joined forces to save an old 1939 USDA-inspected meat processing plant, in the verdant Shenandoah Valley of Virginia. They were first awarded an LFPP planning grant in 2014 to conduct a feasibility study and Long-Range Facility Development Plan, in partnership with an architectural firm, to determine the most effective, efficient, and economical way to expand their USDA-inspected small meat processing facility to accommodate more farmers.

Following completion of the feasibility study, further evaluation of potential costs and options, together with continued growth in demand for services from

their customer base, led to the conclusion that the proposed renovations and expansion was indeed viable and needed. In 2017, they applied for and were awarded a second LFPP grant, this time for project implementation. This funding catalyzed implementation of several large projects to improve customer service as well as allow for production of value-added products, which complimented physical expansion of the plant.¹ One major project component included researching, acquiring, and installing a comprehensive labeling and traceability program which uses bar-coding to allow product tracking from the live animal to the finished package. A second major project component involved the purchase of a quality smokehouse and training and technical support in implementing a program to provide value-added processing services. Consequently, farmers in Virginia now have access to reliable further processing services for the first time, allowing them to sell higher margin value-added products, and increasing their market opportunities and profitability. By January of 2019, the tracking hardware and software system (Carlisle Technology’s Symphony System) was installed and the training of staff had commenced.

¹ LFPP funds can be used to purchase specialized equipment, but not for bricks and mortar construction.

WHY THEY CHOSE TO APPLY FOR AN AMS GRANT/WHAT AN AMS GRANT MEANT FOR THEIR BUSINESS/ORGANIZATION?

While T&E Meats likely would have expanded and upgraded their systems and services over time, without the support of two USDA AMS grants, co-owner Joe Cloud had this to say: "I am pretty sure that we would have done the project eventually, but we would have had to put it off a year, or three, or longer. We definitely couldn't afford it at the time. And it takes a long time to get from planning to implementation. We have almost outgrown our space now. If we only started planning this year, or last year, we would still be a ways off from expanding."

Instead of always playing catch up and being 3-5 years out from what they need today, the LFPP grants have allowed T&E Meats to more closely mirror the demand for their services and the volumes they need to stay viable and thrive. Their expansion has also allowed them to process for more farmers under inspection and those farmers now have more options and opportunities for marketing their meat, especially with improved packaging, labeling, and traceability options. To put this in perspective, when T&E Meats started in 2007, only four farmers were using the plant to process meat under inspection and pack it under their own label. Now there are over 100. They are a critical link in the regional meat supply.

Joe also had this to say about how the LFPP-funded planning process improved their business planning skills: "The planning of the project forced us to look very carefully at our operational processes, and at other industry models, and to examine in detail numerous functional considerations for workflow, food safety, maintenance, sanitation, customer interface, etc. Basically everything about our operations that I took for granted. It isn't free money – you work very hard for it."

KEY IMPACTS OF THE GRANT, SHORT-TERM AND LONGER-TERM

T&E Meats knew going into the grant-making process that some form of facility expansion was necessary, based on customer surveys and their then current growth rates, as well as a frank assessment of the condition of their aging facility. Without expansion, they could not keep up with their customers' basic production needs, nor could they innovate to provide new value-added processing services for cured and smoked meats, and eventually ready-to-eat foods. Their Long-Range Facility Development Plan provided plant management with a good foundation going forward, including order-of-magnitude costs, multiple alternative development scenarios, a phasing plan, and a better understanding of the capabilities and constraints of their existing facility and its systems.

This project was a textbook example of targeted public investment in the local and regional meat and poultry sector. T&E Meats is a well-established processor, offering inspected co-packing services on a fee basis to farmers marketing independently. In addition, they do extensive custom processing also known as "Locker meats." They were at or near production capacity, with excess demand, and wanted to build out the facility and add new services. They had sufficient experience, knowledge of other processing capacity in their multi-state region, and data from customer surveys, to feel confident in their expansion decisions. They were hampered specifically by access to capital, but the LFPP grant process allowed them to focus their commercial borrowing power on the brick-and-mortar project and use grant monies for equipment costs and "soft" costs such as employee training.

WHERE THEY WOULD LIKE TO GO NEXT

Joe noted that his success is directly tied to that of the growers he works with through this business. Although T&E prides themselves on their relationships with their customers, in his 10 years in the meat business, Joe has met his share of processors and farmers who view each other as adversaries. As he told us,

“If the farmer doesn’t make money, I can’t stay in business. It’s in my best interest as a processor to help farmers succeed.”

To that end, serving his farmer customers better by adding more value-added processing options as well as fully utilizing all the features of their new traceability and tracking software to expand their customers’ access to market are top priorities for co-owner Joe Cloud. As of April 2019, the plant is now offering USDA-inspected cured and uncured bacon and hams products, which are considered “ready-to-cook.” Future plans include adding “ready-to-eat” (RTE) products such as beef jerky, snack sticks, hot dogs, smoked sausages, and more as they fine tune their systems and pathogen testing protocols. They are also looking for the right staff to develop and oversee the value-added programs.

REFERENCES/LINKS

<https://americanfarmpublications.com/cloud-makes-choice-cuts-after-reviving-stagnant-te-meats/>

<https://www.whsv.com/content/news/TE-Meats-expanding-Harrisonburg-facility-with-600K-investment-392041761.html>

Photo Credit: USDA

USDA is an equal opportunity provider, employer, and lender.



NICHE MEAT PROCESSOR
ASSISTANCE NETWORK

This case study was created in fulfillment of a cooperative research agreement between the Marketing Services Division of the Agricultural Marketing Service of the United States Department of Agriculture (USDA AMS) and Oregon State University’s Niche Meat Processor Assistance Network (NMPAN).

CONTACT INFORMATION

Niche Meat Processor Assistance Network
Rebecca Thistlethwaite
Email: thistler@oregonstate.edu

USDA Agricultural Marketing Service
Samantha Schaffstall
Email: samantha.schaffstall@usda.gov