

Meat and Poultry Processing Expansion Program - Phase 2 Frequently Asked Questions

Program Overview

1: **What is the Meat and Poultry Processing Expansion Program?**

The MPPEP provides grants to help eligible meat and poultry processors expand their capacity. USDA Rural Development designed this program to encourage competition and sustainable growth in the U.S. meat processing sector, and to help improve supply chain resiliency. For MPPEP, USDA Rural Development is particularly interested in supporting projects that are:

- Technically feasible
- Financially viable
- Have identified additional sources of funding from federal, state, tribal, local, or private funding to complete the project

2: **When are applications due?**

Applications are due at 11:59 p.m. eastern on November 22, 2023.

3: **Where do I submit my application?**

Applications must be submitted online at [grants.gov/](https://www.grants.gov/). Please see the Grants.gov website for instructions on how to register your organization. Applications received after the application deadline will not be evaluated and are not eligible for MPPEP funding. If you need help submitting your application, you can reach Grants.gov at their 24-hour support number: 800-518-4726, or you can contact them by email at support@grants.gov.

4: **When can projects begin?**

Projects can begin when the Financial Assistance Agreement is executed by the award recipient and USDA Rural Development.

5: How is MPPEP Phase 2 different from MPPEP Phase 1 funding?

While MPPEP Phase 1 and MPPEP Phase 2 are the same program, there are some differences between the two application requirements. For instance:

- The maximum grant amount is \$10 million in MPPEP Phase 2 (instead of \$25 million as in Phase 1).
- The cost share is 70 percent in MPPEP Phase 2 (it was 80 percent in MPPEP Phase 1)
- A feasibility study is not required in all instances for MPPEP Phase 2. Please see the MPPEP comparison chart between the two programs for more details.

6: Why is the minimum grant size for equipment-only purchases \$5 million, and not \$250,000?

MPPEP Phase 2 was developed alongside the Local Meat Capacity Grant Program (MCGP), administered by USDA's Agricultural Marketing Service (AMS). The two programs complement each other, with MCAP providing equipment funding for projects under \$5 million. To avoid redundant federal funding opportunities, MPPEP Phase 2 will provide equipment grants for purchases over \$5 million.

Applicant Eligibility

1: Who can apply?

Eligible businesses or organizations that engage – or plan to engage – in expanding meat and poultry processing capacity can apply for MPPEP. Examples include Tribes and Tribal organizations, for- and nonprofit entities, corporations, producer-owned cooperatives and corporations, certified benefit corporations, and state or local governments and their affiliated agencies. Private businesses or organizations must be independently owned and operated. Meat and poultry processing facilities (existing or planned) must be physically located and operated within the U.S. or its territories.

2: **Are there other applicant eligibility requirements?**

Yes. Eligible applicants must:

- Process or plan to process one or more species subject to the Federal Meat Inspection Act (go.usa.gov/xtzhB), or the Poultry Product Inspection Act (go.usa.gov/xtzhN). Applicants with facilities that process nonamenable (exotic) species such as bison, domestic rabbits or deer, pheasant, quail, or captive-raised waterfowl under voluntary Food Safety and Inspection Service inspection also are eligible to apply.
- Have – or commit to obtain – a Federal Grant of Inspection through USDA’s Food Safety and Inspection Service (go.usa.gov/xtzhU), a Grant of Inspection under the Cooperative Interstate Shipment Program (go.usa.gov/xtzhG), or a state-based meat and poultry inspection program with standards at least equal to Federal inspection (go.usa.gov/xtzht.)
- Provide documentation in the application to complete an environmental review. See question 4 under “Submitting a Complete Application” for additional details.
- Expand primary processing capacity at their facility. For applicants that engage or plan to engage in further processing, the inputs must be the products of slaughter by the applicant.

3: **Who is NOT eligible to apply?**

Applicants with planned or existing meat and poultry processing entities that:

- Are exclusively for non-commercial use
- Are custom-exempt or otherwise uninspected, with no plans to operate under federal inspection or a state or federal equivalent
- Hold a market share equal to or greater than the entity that holds the fourth largest share of the national market for beef, pork, chicken, or turkey processing
- Have received a grant award from MPPEP (Phase 1), the Indigenous Animals Grant (IAG) or the Agricultural Marketing Service’s Local Meat Capacity Grant Program (Local MCAP)
- Source in the aggregate more than 20 percent of inputs from entities that hold a market share equal to or greater than the fourth largest share of the national market for beef, pork, chicken, or turkey processing

- Provide in the aggregate more than 20 percent of outputs to entities that hold a market share equal or greater than the fourth largest share of the national market for beef, pork, chicken, or turkey processing
- Submit multiple applications from separate applicant entities with identical or greater than 75 percent common ownership, or from a parent, subsidiary, or affiliated organization (using “affiliation” as defined by Small Business Administration regulation 13 CFR 121.103 – available at this link: tinyurl.com/4ahtuxwk)
- Are not registered in the System for Award Management (SAM) at the time of application

4: Where does an applicant go to figure out their market share and if they are within the top four processors?

A good place to start is the Packers and Stockyards Division’s Annual Report, available from USDA’s Agricultural Marketing Service at this link: tinyurl.com/2bbb345z. Certification that the applicant is NOT among the top four processors is required at time of application. Market share is only required for beef, pork, chicken, and turkey processing.

5: Are applicants with facilities that only engage in further processing eligible?

Applicants that only engage in further processing are not eligible for MPPEP Phase 2. Applicants must engage in primary processing; the inputs for further processing must be the products of slaughter by the applicant.

6: Are small processors eligible to apply?

Yes. Processors of all sizes are eligible to apply. MPPEP is designed to increase processing capacity and promote competition for the meat and poultry industry.

Eligible Costs and Cost Share Requirements

1: When can expenses be incurred for the project?

All expenses must be incurred during the Period of Performance as identified in the Financial Assistance Agreement. If expenses occur before the start date of the Period of Performance or after the end date of the Period of Performance, we will not be able to reimburse the award recipient for the expenses incurred.

2: Is there a requirement for a cost share or matching funds?

The MPPEP requires a cost share of 70 percent of total project cost. You must provide evidence to verify cost share at the time of award.

3: If an applicant has an establishment already under construction, are they eligible to apply for this grant?

It depends on what the applicant intends to do with the grant funds. If the applicant is applying for equipment purchases, then they are eligible. For construction projects, the completion of an environmental review by USDA Rural Development – along with an executed Financial Assistance Agreement – is required before the project can start.

4: Is pre-kill infrastructure eligible?

Pre-kill infrastructure is allowed as long as it is directly related to the processing facility and meets the purpose of the MPPEP. It cannot be related to the agricultural production of animals. For instance, construction of holding pens for the animals when they arrive at the processing facility is an eligible activity, but building a feedlot to finish cattle is not. If your business or organization only slaughters animals and does not process the meat, you are not eligible to apply for facility upgrades.

5: Are mobile slaughtering and processing units eligible?

Yes. As long as they operate under a federal, state, or federal equivalent Grant of Inspection, mobile slaughtering and processing units are eligible.

6: Can multiple projects owned by the same applicant be combined into one application?

Yes. Be descriptive about each project and its associated tasks, and discuss how capacity will be increased. **NOTE:** Each project location requires environmental review.

Submitting a Complete Application

1: Can I reuse the application from MPPEP Phase 1 to apply for MPPEP Phase 2?

No. You must refer to the RFA for MPPEP Phase 2 and submit the application in accordance with Phase 2 requirements.

2: What is required for a complete application?

A comprehensive MPPEP Application Checklist is available on the MPPEP program website (go.usa.gov/xznji – PDF).

3: Is a feasibility study required? Is that different than a business plan?

A feasibility study is not required for every applicant. A feasibility study is required for businesses in operation less than one full year, and for existing businesses building a new facility outside of their current market, processing a new species, or establishing a new product line. The feasibility study must be conducted by a qualified, third-party consultant who evaluates the economic, market, technical, financial, and management viability of your proposed project. The business plan must focus on strategies and tactics that ensure project sustainability and growth. A business plan is required with every application.

4: What are the requirements for environmental review?

All projects must comply with the National Environmental Policy Act, Section 106 of the National Historic Preservation Act and all other applicable state, local or Tribal laws. Each application must include information addressing all items as noted on the environmental checklist (available at this link: go.usa.gov/xznjz.)

This checklist is designed to provide initial information about a project's environmental impact, but it does not constitute a comprehensive and complete NEPA review. We will consider the environmental information you provide and will request additional details.

A complete NEPA review and approval is required **prior to** awarding funds, and most importantly, prior to when construction begins. Our environmental review contractor will confirm the NEPA process has been completed to NEPA standards. If your project involves construction, you can choose to get help from a third-party contractor expert in the NEPA process to develop all required documentation and ensure NEPA compliance.

5: To whom should the letter of support be addressed?

You can address letters of support to:

Karama Neal, PhD.

Administrator, USDA Rural Business-Cooperative Service

Support letters must be uploaded with your Grants.gov submission to be considered part of your MPPEP application.