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Meat and Poultry Processing Expansion Program (MPPEP)



Rural Development
U.S. DEPARTMENT OF AGRICULTURE

March 7, 2022



Welcome and Opening Remarks

Dr. Karama Neal
RBCS Administrator

Agenda

- Program Overview and Purpose;
- Eligible projects, use of Funds, and Applicants;
- Application Checklist and Submission Information;
- Scoring Criteria;
- Wrap-Up & Questions



MPPEP RFA Rollout & Listening Sessions

February 28, 2022, Stakeholder Listening Session Part I

March 7, 2022, Stakeholder Listening Session Part II



MPPEP Overview

Meat and Poultry Processing Expansion Grant (MPPEP)

MPPEP is authorized under Section 1001(b)(4) of the American Rescue Plan Act, which provides funding for *“loans and grants and ... other assistance to maintain and improve food and agricultural supply chain resiliency.”*


Pursuant to this authority, USDA has made grant funding available to promote competition and give more and better options to producers by increasing meat and poultry processing capacity.



MPPEP Implementation

- \$150 million appropriated under this request for applications
- February 24, 2022 – Posted to grants.gov | “Request for Applications, Phase 1”
- April 11, 2022 – Applications Due


VIEW GRANT OPPORTUNITY

 **RD-RBS-22-01-MPPEP**
Meat and Poultry Processing Expansion Program
Department of Agriculture
Rural Business-Cooperative Service

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SYNOPSIS **VERSION HISTORY** **RELATED DOCUMENTS** **PACKAGE**

[Print Synopsis Details](#) 

General Information

Document Type: Grants Notice	Version: Synopsis 2
Funding Opportunity Number: RD-RBS-22-01-MPPEP	Posted Date: Feb 25, 2022
Funding Opportunity Title: Meat and Poultry Processing Expansion Program	Last Updated Date: Feb 25, 2022
Opportunity Category: Discretionary	Original Closing Date for Applications: Apr 11, 2022 Applications must be received by 11:59 pm Eastern Time on April 11, 2022, through www.Grants.gov . Applications received after this deadline will not be considered for evaluation or funding.
Opportunity Category Explanation:	Current Closing Date for Applications: Apr 11, 2022 Applications must be received by 11:59 pm Eastern Time on April 11, 2022, through www.Grants.gov . Applications received after this deadline will not be considered for evaluation or funding.
Funding Instrument Type: Grant	Archive Date: May 11, 2022
Category of Funding Activity: Agriculture	Estimated Total Program Funding: \$150,000,000
Category Explanation:	Award Ceiling: \$25,000,000
Expected Number of Awards: 15	Award Floor:
CFDA Number(s): 10.381 – Meat and Poultry Processing Expansion Program	
Cost Sharing or Matching Requirement: No	

MPPEP Phase II

- Grants to meat and poultry processors for start-up and expansion will be administered in two phases:
 - Phase I Program, which is referred to as MPPEP - Due April 11, 2022
 - Phase II Program, not yet developed and will be different than the Phase 1 MPPEP
 - Comments accepted via in-take system, RFA Comment

MPPEP Purpose

The primary goal of the MPPEP is to provide more and better processing options to producers as soon as possible.

Secondary Goals:

- Increase shackle space available to producers;
- Support development of value-added products available to consumers;
- Support proposals that provide fair prices, fair wages, and new and safe job opportunities that keep profits circulating in the rural community; and
- Increase the diversity in processing options in terms of business model approaches, geography, and availability to underserved communities.



Eligible Projects, Use of Funds, and Applicants



What projects will MPPEP support?

RBCS is particularly interested in supporting projects that are:

- in the later stages of development,
- technically feasible,
- financially viable, and
- have already identified other sources of funding.

Eligible Use of Funds

RFA Section 1.3

- Construction of a new facility.
- Modernizing or expanding an existing facility.
- Modernizing processing and manufacturing equipment.
- Developing and installing equipment, devices, and technology that automates processing functions and improves worker conditions.
- Developing and installing climate-smart equipment that reduces greenhouse gas emissions, increases efficiency in water use, improves air and/or water quality, and/or meets one or more of USDA's climate action goals.
- Ensuring compliance with packaging and labeling requirements under applicable law.



Eligible Use of Funds (cont'd) RFA Section 1.3

- Ensuring compliance with occupational and other safety requirements under applicable law.
- Modernizing equipment or facilities to ensure food safety.
- Paying for voluntary grading services to offer value-added processed products.
- Costs associated with becoming an inspected facility.
- Workforce recruitment, training, apprenticeships, and retention.



What About Further Processing?

- Inputs must be the products of primary processing.
- Includes smoking, cooking, canning, curing, refining or rendering.
- Applicants should demonstrate how a project will increase demand for animals, increase opportunities for producers to access value-added markets, or improve the viability of an existing processing operation.



What About Sales and Marketing?

- Paying for voluntary grading services to offer value-added processed products is an eligible use of funds.
- Applicants should be able to describe the immediate market or customer impact of their project, including confirmed commitments from customers as a percentage of operational capacity and current or prospective end-user commitments and markets.
- Support for sales and marketing personnel and related costs, such as advertising, is not allowed.



ELIGIBLE APPLICANTS

RFA Section 2.4

Who may apply for the program?

- Entities engaging in – or proposing to engage in – meat and poultry processing.
- Includes a variety of legal structures, public, private and tribal.
- Must not hold a market share equal to or larger than the fourth largest entity for beef, pork, chicken or turkey processing.
- Independently owned and operated.
- Domestically-owned.
- Physically located and operated in U.S. or its territories.



INELIGIBLE APPLICANTS

Meat and poultry processing entities (existing or planned) that:

- Are for exclusive non-commercial use.
- Are custom-exempt or otherwise uninspected with no plans to operate under Federal inspection or tribal or state equivalent.
- That hold a market share greater than or equal to the entity that holds the fourth largest share of that market for any of the following species: beef, pork, chicken, or turkey processing.

Application Checklist and Submission Information

MPPEP Application Checklist (1 / 2)

Application Template

Eligible applicants must complete the following forms:

- **Form SF 424:** Application for Federal Assistance.
- **Form SF 424-C:** Budget Information for Construction Programs.
- **Form SF 424-D:** Assurances-Construction Programs.
- **Form AD-2106:** Form to Assist in Assessment of USDA Compliance with Civil Rights Laws.
- **Form SF-LLL:** Disclosure of Lobbying Activities.

MPPEP Application Checklist (2 / 2)

Eligible applicants must submit the following supporting materials:

- **Environmental information** (Comply with the [National Environmental Policy Act \(NEPA\)](#)).
- **Letter of community support** if you wish to receive points for the Community Support section.
- **Resolution of Support**, if your proposed project is on Tribal lands and the applicant is not the Tribe, or an entity owned by the Tribe.
- **Design and Construction Documents**
- **Source documentation** (including resumes) to support key personnel, construction labor, and operational workforce.
- **Financial Viability Package**
 - **Business Plan**
 - **Financial Statements**
- **Feasibility Study**
- **Evidence of Inspection for Existing facilities**

Additional Supporting Material: Financial Viability Package

Eligible applicants must provide the following to assist the Agency in determining financial viability of the project:

- Business plan.
- Three years of historical balance sheet and income statements. Applicants with fewer than three years of data should submit what is available, which may include but is not limited to balance sheets, income statements, and other related documentation to demonstrate the financial viability of the venture.

- Current balance sheet and income statements (within 90 days).
- Two years of proforma and projected financial analysis including but not limited to balance sheet, income statement, cash flow analysis.
- Include financial projections with assumptions used in development of projections.

Additional Supporting Material: Feasibility Study

Eligible applicants must provide a feasibility study completed by a qualified consultant:

- Provide an overview to describe the nature and scope of the proposed project, including the purpose, project location, design features, capacity, and estimated capital costs.

- Be sure to include a summary of the feasibility determinations made for each applicable component

- ✓ *Economic feasibility*
- ✓ *Market feasibility*
- ✓ *Technical feasibility*
- ✓ *Management feasibility*
- ✓ *Financial feasibility*

Environmental Review

All projects must comply with the National Environmental Policy Act (NEPA) *and* local requirements as outlined in state, local, and tribal laws.

To ensure compliance:

1. Review the environmental checklist and include information in the application package
2. The Agency may request more information to finalize the review
3. A complete NEPA environmental review is required prior to an award



Additional Supporting Material: Grant of Inspection

Eligible applicants must:

- Process or plan to process one or more species subject to the [Federal Meat Inspection Act \(FMIA\)](#) or the [Poultry Product Inspection Act \(PPIA\)](#).
- *Non-Amenable under voluntary FSIS inspection is also eligible.*

Possess or plan to obtain one of the following Grants of Inspection:

- [Federal](#) - through USDA's Food Safety and Inspection Service (FSIS).
- Cooperative Interstate Shipment Program.
- Tribal – equal to Federal Inspection.
- State – equal to Federal inspection.

Further Information on Grant of Inspection (1 / 2)



Federal Inspection
Cooperative Interstate Shipment Program
Voluntary Inspection
State Inspection
Tribal Inspection

More information can be found at: <https://www.fsis.usda.gov>

Further Information on Grant of Inspection (2 / 2)

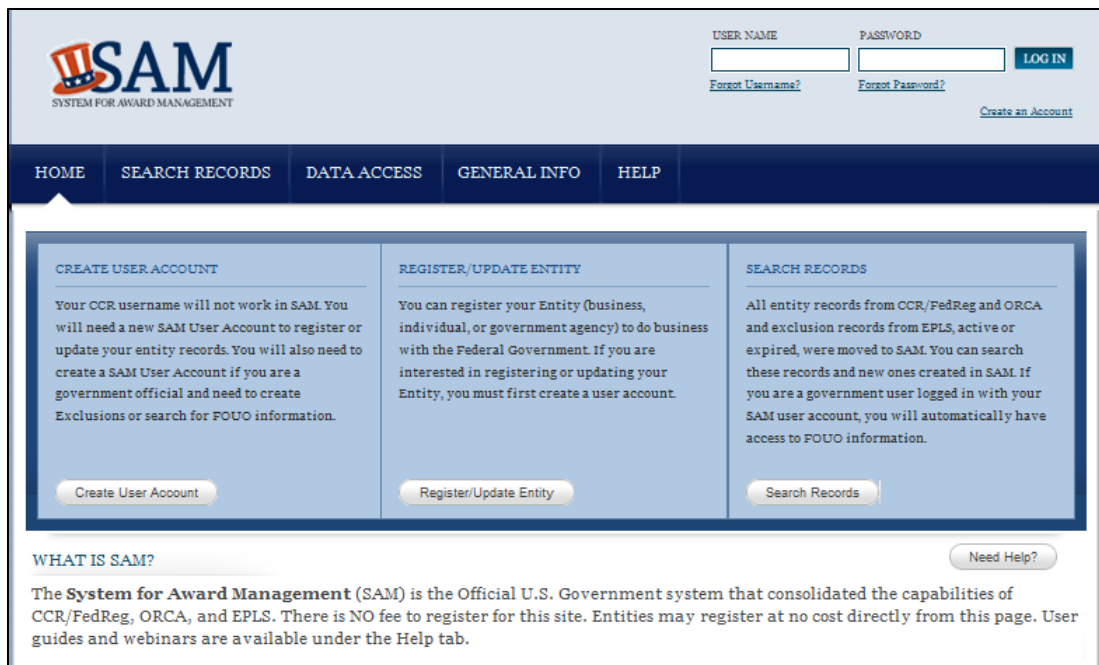


- **Federal Inspection or the Cooperative Interstate Program (CIS) allow for the shipment of meat and poultry products across state lines, in interstate commerce.**
- **There are 27 states that have a Meat and Poultry Inspection (MPI) program. State Inspection is limited to the shipment of meat and poultry products within the state the product is produced (intrastate) and important to consider when supporting an expansion of processing capacity.**
- **If you reside within a state that does not have a state MPI program, you would be required to apply for a Federal Grant of Inspection.**
- **If an MPPEP applicant resides within a state with a CIS program, they have the option of both state inspection and the ability to ship across state lines when producing products under CIS. The CIS program is limited to establishments in the 27 states that have a MPI program and by law, CIS establishments must employ fewer than 25 employees. There are currently 9 states that have a CIS Program.**
- **Voluntary Inspection is an inspection and certification service for wholesomeness related to the slaughter and processing of exotic animals and the processing of exotic animal products. Voluntary Inspection is offered at both the Federal and State levels of inspection service.**

More information can be found at: <https://www.fsis.usda.gov>

Filing An Application

SAM Registration



SAM
SYSTEM FOR AWARD MANAGEMENT

USER NAME: PASSWORD: [LOG IN](#)

[Forgot Username?](#) [Forgot Password?](#) [Create an Account](#)

[HOME](#) [SEARCH RECORDS](#) [DATA ACCESS](#) [GENERAL INFO](#) [HELP](#)

CREATE USER ACCOUNT

Your CCR username will not work in SAM. You will need a new SAM User Account to register or update your entity records. You will also need to create a SAM User Account if you are a government official and need to create Exclusions or search for FOUO information.

[Create User Account](#)

REGISTER/UPDATE ENTITY

You can register your Entity (business, individual, or government agency) to do business with the Federal Government. If you are interested in registering or updating your Entity, you must first create a user account.

[Register/Update Entity](#)

SEARCH RECORDS

All entity records from CCR/FedReg and ORCA and exclusion records from EPLS, active or expired, were moved to SAM. You can search these records and new ones created in SAM. If you are a government user logged in with your SAM user account, you will automatically have access to FOUO information.

[Search Records](#)

WHAT IS SAM? [Need Help?](#)

The **System for Award Management (SAM)** is the Official U.S. Government system that consolidated the capabilities of CCR/FedReg, ORCA, and EPLS. There is NO fee to register for this site. Entities may register at no cost directly from this page. User guides and webinars are available under the Help tab.

- Each applicant applying for MPPEP grant funds must also:
- (i) Register in the System for Award Management (SAM) before submitting its application;
 - (ii) Complete the Financial Assistance General Certifications and Representations in SAM;
 - (iii) Provide a valid unique entity identifier in its application; and
 - (iv) Continue to maintain an active SAM registration with current information at all times while the Agency is considering an application or while a Federal grant award or loan is active.

Applications must be submitted electronically through <https://www.grants.gov/> .
Must submit and validate by 11:59 p.m. eastern time on April 11, 2022

HOW TO REGISTER TO APPLY THROUGH GRANTS.GOV

The registration process can take up to four weeks to complete. Therefore, complete your registration allowing sufficient time to ensure it does not impact your ability to meet required application submission deadlines.

- Register with SAM and obtain a UEI number
- Create a Grants.gov account
- Authorize Grants.gov Roles; track role status
- Electronic Signature

Instructions for organizations interested in applying for this grant funding opportunity can be found here: <https://www.grants.gov/web/grants/applicants/organization-registration.html>

Grants.gov Support:

1-800-518-4726

Support@grants.gov

Submission Application Qualification

Your application **will not be considered for funding** if it is:

- Received by Grants.gov (CDFA: 10.381) after the submission deadline.
- Submitted via any method other than through [Grants.gov](https://www.grants.gov).
- Submitted to the wrong grant program.
- Not responsive to the requirements of this RFA (eligibility, incomplete application, not providing all required documents, etc. as required in Sec. 3.2).

Outside Resources

www.usda.gov/meat

Register for program updates!

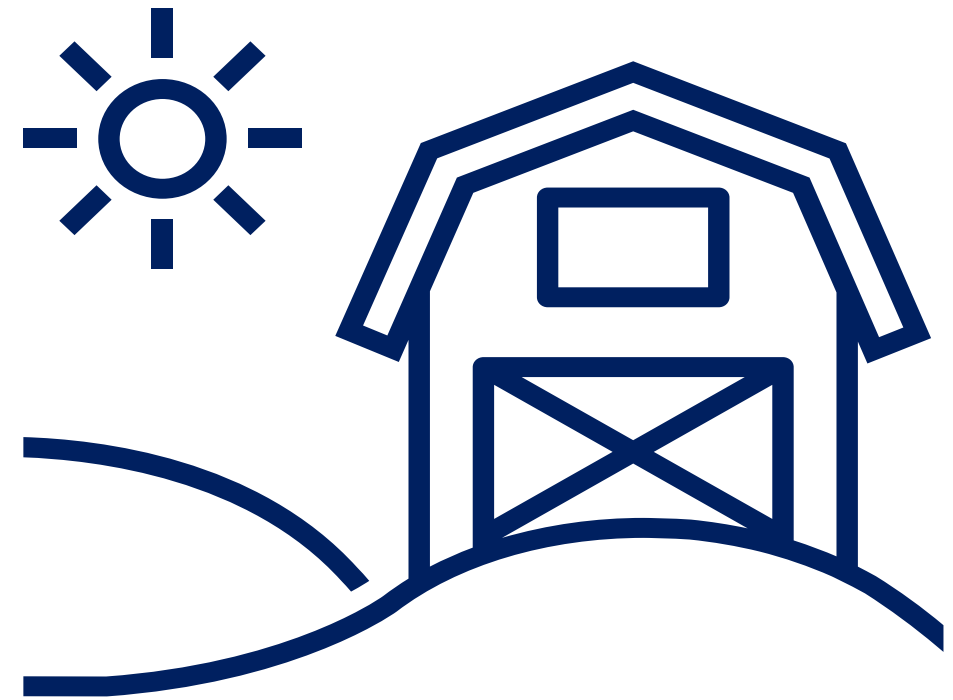
- AMS Meat & Poultry Processing Technical Assistance
- Inspection Readiness Grants
- Workforce Development Program
- Intermediary Re-Lending Program



MPPEP Funding Provisions

MPPEP Grant Awards

- The maximum award amount is **\$25 million or 20% of the total project costs, whichever is less.**
- **Matching funds are not required under this funding opportunity.** However, the applicant must have other funding secured to complete the project as described in the application before an award can be made.
- **The maximum period of performance for this grant is 48 months.** The period of performance should be based upon the complexity of the project.



Cost Sharing

- There is no match requirement for MPPEP.
- MPPEP covers 20% of a project's cost up to \$25M.

Total Project Costs	Max MPPEP Support (20%)	Other Financing Required (80%)
\$1M	\$200,000	\$800,000
\$100M	\$20M	\$80M
\$400M	\$25M (6.25%)	\$375M (93.75%)



Cost Sharing Examples

XYZ Meats, a slaughter and processing facility wants to update and expand their slaughter floor and holding pens. Total project costs are estimated at \$750,000. They can apply for a MPPEP grant for up to 20% of total project costs, or \$150,000.

Local Meats, LLC is a slaughter and processing facility. They want to add "ready to eat" (RTE) processing capabilities to their facility to produce hot dogs and cooked sausages. They already have the facility space built out but need to purchase equipment and install processing lines. Total project costs are estimated at \$3M. They are applying for a MPPEP grant for 20% of total project costs, or \$600,000.

Mid-State Packers, wants to build a new facility. They plan to process approximately 1500 head of beef cattle per day. Total project costs are estimated at \$300M. 20% of total project costs is \$60M, **but the grant award cannot exceed \$25M.**



Sources of Other Funding

- There is no match requirement for MPPEP.
- MPPEP does not impose limitations as to where the 80% of non-MPPEP financing comes from.
- However, if Federal funding is included in the remaining 80% of the total project costs, you need to ensure that those funding sources are allowed to be paired with MPPEP. For example:
 - Meat and Poultry Inspection Readiness Grant.
 - Food Supply Chain Guaranteed Loan Program.



MPPEP Selection Criteria

MPPEP Project Evaluation Criteria – RFA Section 4.1 (1 / 7)

- A. Financial Viability, Technical Feasibility, and Readiness (Up to 40 points)**
- B. Market Impact & Opportunities (Up to 20 points)**
- C. Community Impact and Support (Up to 15 points)**
- D. Labor, Workforce, Personnel (up to 25 points)**
- E. Discretionary (up to 15 points)**



MPPEP Project Evaluation Criteria – RFA Section 4.1 (2 / 7)

A. Financial Viability, Technical Feasibility, and Readiness (Up to 40 points)

Applicants must describe their proposed project and how the plant will achieve financial viability, technical feasibility, and readiness.

Discussion may include but is not limited to describing the project workplan and budget, other financing, supporting factors from the feasibility study, market analysis that describes relevant facility market concerns, description of value to be added to products from the facility, and cost and availability of inputs to be utilized at the facility.

MPPEP Project Evaluation Criteria – RFA Section 4.1 (3 / 7)

B. Market Impact & Opportunities (Up to 20 points)

Applicants must describe how they are planning to procure animals and provide more opportunities for producers relative to the existing processing opportunities in their area and to relevant improvements in market access.

Applicants must describe commitments from producers, end users, and potential buyers.

Additionally, proposals will be scored based on the degree that they demonstrate their project will drive economic activity in the area and incorporate project design that utilizes ownership models that support worker, producer, or consumer needs.

MPPEP Project Evaluation Criteria – RFA Section 4.1 (4 / 7)

C. Community Impact and Support (Up to 15 points)

Applicants must describe the community impact and support of their proposed project as well as any strategies to generate community support. Discussion should include direct or indirect commitments of support from producers, end users, potential buyers, community leaders, and other stakeholders. Applicants should also include information about commitments (financial or otherwise) provided by other Federal, tribal, state, or local governments, either directly or indirectly. Commitments or contributions from other third parties should also be discussed.

In order to receive any points for this section, applicants must also provide a letter of support from state, local, or tribal leadership where the proposed startup or expansion activities will take place.

A resolution of support is **required** for projects on tribal lands, from the governing body of the tribe with jurisdiction over that land, if the applicant is not the Tribe nor an entity owned or operated by that tribe.

MPPEP Project Evaluation Criteria – RFA Section 4.1 (5 / 7)

D. Labor, Workforce, Personnel

Applicants must describe key personnel involved with the facility, construction personnel engaged with the facility, and operations personnel to be hired or currently employed by the project applicant:

Key Personnel – Up to 5 points

Applications will be scored on the basis of how key personnel will contribute to the likelihood of project success, including but not limited to their leadership's qualifications, training, and experience.

Construction Labor (if applicable) – Up to 10 points

Applicants will be scored based on the construction labor standards upheld by contractors and subcontractors.

Operational Workforce: Up to 10 points

Applicants will be scored on the basis of the labor standards that the applicant plans to maintain as well as the wages, benefits, and other opportunities offered to workers.

MPPEP Project Evaluation Criteria – RFA Section 4.1 (6 / 7)

E. Discretionary Points (Up to 15 points)

During Administrative Agency Review, discretionary points may be assigned by the RBCS Administrator to:

- maximize diversity among awards on the basis of geography (including those located in underserved communities)
- operation size
- species
- ownership
- business model

MPPEP Project Evaluation Criteria – RFA Section 4.1 (7 / 7)

Categories	Points Non-Construction Projects	Points Construction Projects
Financial Viability	Up to 40	Up to 40
Market Impact	Up to 20	Up to 20
Community Impact	Up to 15	Up to 15
Labor & Workforce	Up to 15	Up to 25
TOTAL	90 max	100 max
Administrative Points	Up to 15	Up to 15

Total points scored will be divided by the number of points available for the project type to derive a percentage.

- Non-Construction Projects –90 Max
- Construction Projects -100 Max

The percentage will be multiplied by 100 to determine a total score for the four core categories.

Administrator points may then be added to the total score.

MPPEP Wrap-Up

MPPEP Website and Information

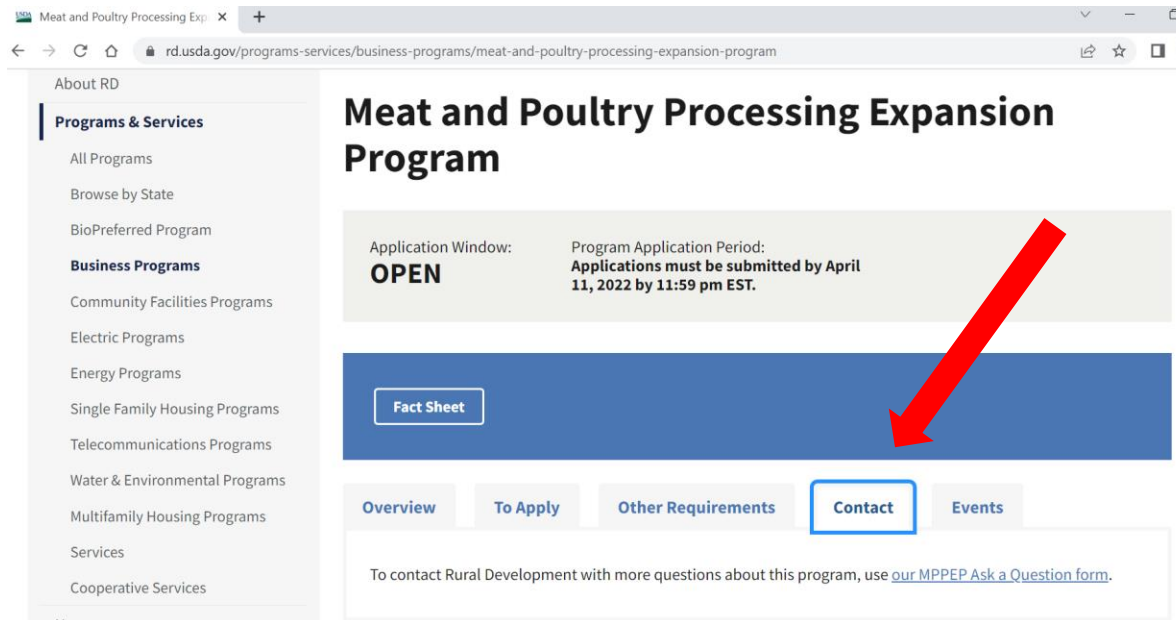
MPPEP Website | <https://www.rd.usda.gov/mppep>

Information includes:

- MPPEP Request for Applications
- Application template (*filed only via grants.gov*)
- Program question in-take system
- Program resources (*FAQs, Fact Sheet, Feasibility Study Guide, etc.*)
- Non-USDA contacts for technical information
- Stakeholder webinar event information

MPPEP Contacts

Questions are encouraged through submission to the MPPEP in-take system available on the MPPEP Website!



Questions?

Thank you!



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