# Meat and Poultry Processing Expansion Program
## Frequently Asked Questions

### Program Overview

**Q1:** What is the Meat and Poultry Processing Expansion Program (MPPEP)?

**A1:** The MPPEP provides grants to help eligible meat 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:

- In the late stage of development
- Technically feasible
- Financially viable
- Have already identified other sources of funding from federal, state, Tribal, local, or private sources

**Q2:** When are applications due?

**A2:** Applications are due at 11:59 p.m. eastern time, May 11, 2022.

**Q3:** Where do I submit my application?

**A3:** Applications must be submitted online at https://www.grants.gov/. Please see the Grants.gov website for instructions on how to register your organization timely. Applications received after the electronic 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.

**Q4:** When will awards be announced? When can projects begin?

**A4:** We expect MPPEP awards to be ready for announcement by the end of fiscal year 2022 (September 30, 2022). Projects can begin once a Financial Assistance Agreement is signed between RD and the awardee.

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

Q5: If this first round of funding is for late-stage projects, is there any information available on the second round of funding, and what types of projects will be prioritized?

A5: We expect to announce another program to help meat and poultry processors in the near future. This program is still under development, and differs from MPPEP. We do expect the future program to be able to help projects in the early stages of development. Check for updates at https://www.usda.gov/meat.

## Applicant Eligibility

Q1: Who can apply?

A1: Entities (regardless of legal structure) that engage – or want to engage – in expanding meat and poultry processing capacity are eligible to apply for MPPEP. Examples include Tribes and Tribal entities, for- and nonprofit entities, corporations, producer-owned cooperatives and corporations, certified benefit corporations, and state or local government entities. Private entities must be independently owned and operated. U.S. citizens must own a majority of the entity applying for support. Meat and poultry processing facilities (existing or planned) must be physically located and operated within the U.S. or its territories.

Q2: Are there other requirements?

A2: Yes. Eligible applicants must:

- Process – or plan to process – one or more species subject to the Federal Meat Inspection Act (available at this link: https://go.usa.gov/xtzhB), or the Poultry Product Inspection Act (available at this link: https://go.usa.gov/xtzhN). 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 (available at this link: https://go.usa.gov/xtzhU), a Grant of Inspection under the Cooperative Interstate Shipment Program (available at this link: https://go.usa.gov/xtzhG), or a Tribal or state-based meat and poultry inspection program (state-based information available at this link: https://go.usa.gov/xtzht).

- Comply with the National Environmental Policy Act (available at this link: https://go.usa.gov/xtuqD) and Section 106 of the National Historic Preservation Act (available at this link: https://go.usa.gov/xtuq6 - PDF), and all other applicable state, local or Tribal laws.

Q3:     Who is NOT eligible to apply?

A3:     Meat and poultry processing entities (existing or planned) 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 Tribal equivalent

- Hold a market share equal to – or greater than – the entity that holds the fourth largest share of that market for any of the following: beef, pork, chicken, or turkey processing

Q4:     Where does an applicant go to figure out their market share and if they are within the top four processors?

A4:     There is no specific reference point. Applicants in the industry know if they are among the top four processors in the national beef, pork, chicken, or turkey markets. Certification that the applicant is NOT among the top four processors is required at time of application. If you know the percent of market share held, add that information to the table on page 2 of the application. If you don't know the information, list it as "unknown."

**NOTE:** Market share certification is only required for the four species noted above.

Q5:     What about facilities who only engage in further processing?

A5:     Applicants that engage or propose to engage in further processing can be eligible, provided the project:

- Increases demand for animals from producers

- Increases opportunities for producers to access value-added markets

- Improves the viability of an existing processing operation.

Additionally, for applicants that engage or plan to engage in further processing, inputs must be the products of primary processing. Primary processing is defined as the "slaughter of an animal in an inspected establishment for the purpose of eventual human consumption."

Q6:     Are small processors eligible to apply?

A6:     Yes. Eligible processors of all sizes can apply. The purpose of this program is to provide additional – and improved – processing options to producers as quickly as possible. MPPEP is designed to accommodate a variety of project sizes in order to best meet that purpose.

## Eligible Costs & Matching Funds Requirements

Q1:   How can MPPEP funds be used?

A1:   MPPEP grant funds must be used to expand capacity by accommodating additional species or increasing production volume. As part of an expansion project, eligible activities include:

- Building new – or modernizing or expanding existing – facilities, which can include the purchase of land, or buying an existing idle facility as part of an effort to expand that facility's processing capacity

- Developing, installing, or modernizing equipment and technology

- Ensuring compliance with packaging and labeling requirements

- Upholding occupational and other safety requirements

- Modifying facilities or equipment to protect food safety

- Paying for voluntary grading services on value-added processed products

- Offsetting costs associated with becoming an inspected facility

- Supporting workforce recruitment, training, and retention

- Developing and installing climate-smart equipment that reduces greenhouse gas emissions, increases efficiency in water use, improves air or water quality, or meets one or more of USDA's climate action goals

Q2:   How can funds NOT be used?

A2:   Grant funds cannot be used to:

- Pay costs associated with existing processing capacity
- Pay costs that have been – or will be – reimbursed by a third party

- Pay costs incurred prior to the date the grant financial assistance agreement is executed. (Note: In some instances, reimbursement for expenses incurred 90 days prior to the MPPEP grant award are allowed. Prior agency approval is required.)

- Pay for indirect project costs

- Support projects with proposed periods of performance longer than 48 months

- Support a grant request that exceeds $25 million or 20 percent of project costs

Q3: Is there a requirement for matching funds?

A3: The MPPEP does not require matching funds. However, before an award can be made, the applicant must identify other sources of secured funding necessary to complete the project.

When defining total project costs, secured funding contributions (examples include property and equipment) must support **new or expanding** processing capacity. Costs and activities that support **existing** processing capacity only will not be considered.

Rural Development will verify the stated market value of contributions for other funds contributed to the project upon award.

Q4: Is it possible to retroactively recover expenses?

A4: In some instances, Rural Development can approve costs incurred 90 days before the award. Pre-award costs are allowable only to the extent that they would have been for an eligible activity if incurred after the date of the federal award, and only with written approval from Rural Development.

Q5: If I received support from the Meat and Poultry Inspection Readiness Grant Program (MPIRG) am I eligible to apply for MPPEP?

A5: Yes, you can apply, However, if the project is the same, do not include the readiness grant as part of your total project costs.

Q6: If I've received support from the Food Supply Chain Guaranteed Loan Program (FSCGLP) am I eligible to apply for MPPEP?

A6: Yes. Private financing associated with USDA – such as the Food Supply Chain Guaranteed Loan Program – can comprise the non-MPPEP portion of financing in your application.

Q7: If an establishment is already under construction, is it eligible to apply for this grant?

A7: It depends on the scope of the project. Typically, MPPEP funding can only be used for work conducted after a MPPEP Financial Assistance Agreement is signed with Rural Development. Also, for example, starting construction can jeopardize your National Environmental Policy Act (NEPA) environmental review – the completion of which is required prior to any award.

Q8: Is pre-kill infrastructure eligible?

A8: Pre-kill infrastructure is allowed as long as it is not related to the agriculture production of the 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. Also, the infrastructure must be directly associated with processing operations.

Q9:    Can MPPEP pay for working capital costs, such as purchasing finished cattle ready for slaughter, or buying cardboard boxes for meatpacking?

A9:   No. MPPEP funds cannot be used for general working capital needs. Please refer to section 1.3 of the Request for Application (RFA – found under the "Related Documents" tab in Opportunity Number RD-RBS-22-010MPPEP, available at this link: https://go.usa.gov/xztUH) to find examples of eligible costs related to processing expansion activities.

Q10:   Are mobile slaughtering and processing units eligible?

A10:   Yes, mobile slaughter and processing units are eligible, as long as they will be operating under a federal, state, or Tribal equivalent Grant of Inspection.

Q11:   Can multiple projects owned by the same applicant entity be combined into one application?

A11:   Yes. In your MPPEP application, be sure to describe all projects and their associated tasks, and demonstrate how processing capacity will be increased.

## Submitting a Complete Application

Q1:    What is required for a complete application?

A1:    A comprehensive application checklist is available on the MPPEP program website (available at this link: https://go.usa.gov/xznjj - PDF).

Q2:    Is a feasibility study required? Is that different than a business plan?

A2:    Yes. A feasibility study precedes a business plan, and both are required with every application. Your 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. Your business plan must focus on strategies and tactics that ensure project sustainability and growth.

Q3:    What are the requirements for environmental review? How do I know if my project complies with the National Environmental Policy Act (NEPA)?

A3:    Please refer to A2 under Applicant Eligibility (above) for NEPA regulations. Minimally, each application must include information addressing all items as noted on the environmental checklist (available at this link: https://go.usa.gov/xznjz  - PDF).

This checklist is designed to provide initial information about a project as it relates to environmental impact and is NOT a completed NEPA review. Rural Development will consider the environmental information you provide, and will request additional details, if needed.

**NOTE**: A complete NEPA review is required prior to a grant being awarded, and also before construction begins. If your project involves construction, you can elect to get help from a third-party contractor familiar with the NEPA environmental review process. Any deliverables completed must be submitted with your MPPEP application.

Q4:     Is Form SF-LLL (Disclosure of Lobbying Activities – available at this link: https://go.usa.gov/xztQG) required if the applicant entity does not lobby?

A4:     Yes. You must complete and submit Form SF-LLL with your application even if you do not lobby. Please fill out all form fields. You can note "not applicable; do not lobby" in the fields asking for the name of the lobbyist(s).


Q5:     To whom should the letter of support be addressed?

A5:     You will find the address in section 6.2 of the Request For Application (RFA – found under the "Related Documents" tab in Opportunity Number RD-RBS-22-010MPPEP, available at this link: https://go.usa.gov/xztUH). **NOTE**: Your letter(s) must be submitted using grants.gov in order to be considered.