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GUIDANCE FOR MEAT PROCESSING PLANT GRANTS

Grants authorized by LB 1014 of 2022 for meat processing plants must comply with the requirements of the Independent Processor Assistance Program found at Neb. Rev. Stat. §54-1915.02 and 31 C.F.R. Part 35 (Final Rule), which implements the Coronavirus State Fiscal Recovery Fund and the Coronavirus Local Fiscal Recovery Fund established under the American Rescue Plan Act of 2021, 42 U.S.C. 802, as amended.

In administering the Independent Processor Assistance Program, the Nebraska Department of Agriculture (Department) is authorized to develop policies and procedures for the disbursement of funds. LB 1014 appropriated \$9,875,000 of federal funds for state aid to the Department for the Independent Processor Assistance Program. Necessary operating and administrative expenditures may be reimbursed through the federal fund appropriated to the Military Department as identified in LB 1014.

Applicant eligibility standards. At a minimum, to be eligible applicants must meet the following requirements. Applicants must:

- a. Operate as either a facility under inspection by the Food Safety and Inspection Service of the United States Department of Agriculture (USDA – FSIS) or a federally regulated custom-exempt slaughter and processing facility and remain in compliance with all applicable federal regulations.
- b. Be domiciled in Nebraska;
- c. Demonstrate existing sales revenue of less than two million five hundred thousand dollars;
- d. Demonstrate employment of fewer than twenty-five employees; and,
- e. Be registered in good standing with the Secretary of State to do business in Nebraska; and

Expense eligibility standards. At a minimum, applicants may only receive grant funds for expenses incurred after August 28, 2021 and obligated by June 30, 2024. Grant funds must only be used for expenses eligible under the Final Rule and must be for the following purposes:

- a. Capital improvements to expand capacity, including expansion and modifications to existing buildings or construction of new buildings at existing facilities;
- b. Upgrades to utilities, including water, electric, heat, refrigeration, freezing, and waste facilities;
- c. Livestock intake and storage equipment;
- d. Processing and manufacturing equipment, including cutting equipment, mixers, grinders, sausage stuffers, smokers, curing equipment, pipes, motors, pumps, and valves;
- e. Packaging and handling equipment, including sealing, bagging, boxing, labeling, conveying, and product-moving equipment;
- f. Warehouse equipment, including storage and curing racks;
- g. Waste treatment and management equipment, including tanks, blowers, separators, dryers, digesters, and equipment that uses waste to produce energy, fuel, or industrial products;
- h. Technology that allows increased capacity or business resilience, including software and hardware related to business functions, logistics, inventory management, plant production controls, temperature monitoring controls, and web site design that enables e-commerce;
- i. Rental of buildings, facilities, or equipment necessary to expand capacity, including mobile slaughter units and mobile refrigeration units used exclusively for meat or poultry processing;
- j. Costs associated with increased inspections or becoming inspected, including overtime inspection services by USDA - FSIS and hazard analysis and critical control point consultation services; and
- k. Educational and workforce training provided either by the facility or by an institution of higher education.

Purpose of Grants.

The purpose of the Independent Processor Assistance Program is to:

- a. Address supply chain disruptions caused by the public health emergency;
- b. Increase and improve livestock slaughter and meat processing capacity;
- c. Expand market access for small livestock producers; and

d. Facilitate workforce development.

The purposes of the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) are to provide state, local, and Tribal governments with the resources needed to respond to the pandemic and its economic effects and to build a stronger, more equitable economy during the recovery. The Final Rule implements the ARPA statutory provisions on eligible uses of the SLFRF funds. Funds used to provide grants under the Independent Processor Assistance Program are eligible uses of SLFRF funds because small meat processing plants are small businesses that were negatively impacted by the COVID-19 pandemic.