

CRASH COURSE: Meat processing 101

New Plant Checklist (4 of 4)

So you want to build a new, USDA-inspected processing plant? Or you want someone else to open one that you can use? We asked experienced processors what it takes. Before you charge ahead, make sure you can answer YES to all 10 questions:

- 1. Do you have commitments from producers to bring at least 1,000+ head of beef (or equivalent) over the course of the year? Remember, the bigger the plant, or the more services you want, the more livestock you'll need (see Crash Course Module 3). Can they bring livestock every week, year round? You'll need steady cash flow to pay your workers and all the other bills.**
- 2. Do those producers have commitments from buyers to purchase all the meat from those livestock at a high enough price to cover all the costs? Do you trust those commitments? Remember, you sell processing services: there will be no animals for you to process if the producers can't sell the meat.**
- 3. If your biggest customer lost 50% of their business, would you be able to weather that storm? Do the producers who bring livestock to your plant have the ability to maintain and grow his or her meat marketing businesses?**
- 4. Can you obtain the appropriate zoning and utility connections for your site (3-phase power, water, and sewer)? What will you do with solid waste?**
- 5. Do you have, or can you hire, the practical and technical expertise to design a processing facility?**

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**NICHE MEAT PROCESSOR
ASSISTANCE NETWORK**

Niche Meat Processor Assistance Network

A national network and information hub for small-scale meat and poultry processors and the farmers and ranchers who depend on them to get their product to market. www.nichemeatprocessing.org

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6. Do you have the demonstrated expertise to operate a meat processing plant? Or can you hire someone who does? Are you prepared to write and implement your own HACCP plan? Or can you hire someone who will manage that for your plant?
7. Do you have skilled tradespeople in your area familiar with the construction and maintenance of a commercial food processing facility?
8. Do you have appropriate financing that can keep your cost of debt service to below 20% of your gross income (assumes fee-for-service income only)?
9. Do you have a pool of available local labor to draw upon, of which at least 25% of year 1 hires have experience with meat (processing, retail, or culinary)?
10. Do you have a plan for how your plant would expand its physical facility if needed?

Again, if you cannot clearly answer YES to all of these questions, think carefully about going into the processing business. This is a project that will likely cost over one million dollars and take 30 years to pay back.

Now you know the basics. Ready to go deeper? Go to www.nichemeatprocessing.org. Click on *Planning a New Facility* or *Expansion* to learn more about what it takes to build a new plant.

