REGIONAL PRIORITY PROJECT PRIORITIZATION PROCESS

PROJECT INFORMATION FORM

IF ADDITIONAL SPACE IS REQUIRED FOR ANY RESPONSE OR YOU WANT TO SUBMIT ADDITION DOCUMENTS , CLEARLY IDENTIFY THE DOCUMENTS WITH THE PROJECT NAME AND EMAIL THEM TO FKENNEY@ADDISONCOUNTYEDC.ORG.

DOWNLOAD AND SAVE THIS DOCUMENT TO YOUR COMPUTER, COMPLETE THE FORM, THEN CLICK THE SUBMIT BUTTON.

PROJECT NAME:

Vermont Livestock Slaughter & Processing

TYPE OF PROJECT:

- ☐ Infrastructure:
  - ☐ Water
  - ☐ Wastewater
  - ☐ Broadband
  - ☐ Transportation
  - ☐ Public Facility
  - ☐ Other
- ☐ General Development:
  - ☐ Industrial
  - ☐ Commercial
  - ☐ Residential
  - ☐ Mixed
- ☑ Site/Facility Development for Specific Business
- ☑ Workforce Development
- ☐ Business Development
- ☐ Other:

PROJECT SPONSOR:

Organization Name	Vermont Livestock Slaughter & Processing
Organization Mailing Address	76 Depot Rd.
Organization Email	vermontmeat@gmail.com
Organization Phone	(802) 877-3421

Contact info for the person submitting project information:

Name	Tad Cooke
Title	Project Lead
Mailing Address	1530 16th St. Suite 350 Denver, CO 80202
Email	tcooke@biologicalcapital.com
Phone	(802) 238-7209

PROJECT PRINCIPAL(S) (if different than above):

Person 1:

Name	Carl Cushing
Title	Owner
Organization	Vermont Livestock Slaughter & Processing
Mailing Address	76 Depot Rd.
Email	vermontmeat@gmail.com
Phone	(802) 877-3421

Person 2:

Name	
Title	
Organization	
Mailing Address	
Email	
Phone	

PROJECT DESCRIPTION (5000 Characters):

Overview

Vermont Livestock Slaughter & Processing, LLC (VLSP), located at 76 Depot Road, in Ferrisburgh, VT has been owned and operated by Carl Cushing for fifteen years. The business is one of only seven USDA-inspected slaughter and processing facilities in Vermont.

Clientele and Market

VLSP plays a critical role in Addison County, and across New England, serving farmers from New York to Maine. VLSP is widely considered the premier operator in Vermont by its customers and peers, but its future is tenuous. The story of VLSP is reflective of the forces at play across the entire United States farming landscape. As small farms shut their doors, or consolidate with large corporations, small slaughterhouses have followed. Large farms tend to contract with industrial-scale slaughter and processing facilities – facilities that look and operate much differently than VLSP. Those businesses often can't, or won't, make accommodations for the many small family farms that remain in New England. As is the case with many food system complications, this problem is cyclical and self-reinforcing. Small farms that can't find businesses to process their livestock are often left with no other choice than to close or consolidate, ultimately leading to corporate facilities taking an even larger piece of the market.

The past two years have shown the harsh consequences, affecting small and large farms alike, of relying on large corporate facilities. With sudden closures of large slaughterhouses due to COVID-19 outbreaks, farms were left with few alternatives for processing, and many large operations across the country were forced to compost their livestock. For food systems to thrive, it is of utmost importance to support independent, small, local processing facilities. The success of small, adaptable facilities like VLSP is in many ways the keystone of distributed food systems. Small livestock farms still exist, but their permanence is inextricably linked to slaughter and processing businesses. VLSP presents a prime opportunity to reinforce this facet of the sustainable food system in New England.

Business Future and Project Scope

The VLSP facility and equipment schedule are quickly approaching the end of their functional lifespans. The building itself is in dire need of a wholesale upgrade and modernization, and the majority of the process equipment requires near constant repair. The condition of the facility has handicapped efficiency, and reduced throughput to a point where a once thriving business is only narrowly breaking even. The State grants are a critical opportunity to fund the revitalization and modernization of VLSP.

The scope of the proposed project involves renovating the existing facility within the building footprint, and upgrading the equipment schedule with modern replacements. A ground-mounted solar array has been included in the project scope to provide on-site electric generation to offset the facility's significant energy consumption and reduce long-term operating costs. The facility renovation has been designed for a three-fold improvement in weekly throughput, as well as added processing capabilities. Neagley & Chase has been selected to lead the

PROJECT LOCATION (3000 characters):

Provide the physical location of the project and/or the area to be served by the project

Vermont Livestock Slaughter & Processing (VLSP) is located in Ferrisburgh in an historic ice barn. The history of this building provides sawdust insulation to the barn walls, and unusually close proximity to the railroad for its past purpose of loading ice onto train cars. VLSP has served small scale farms within a 2 hour radius in Vermont for nearly 50 years, and has become an increasingly important resource for farms throughout the region. As a USDA-inspected facility, VLSP is also able to serve clients from out of state and has fostered strong relationships with clients from New York and New Hampshire supporting the greater-New England sustainable food system while maintaining a strong customer base in Vermont.

VLSP is a long-standing business operation in Ferrisburgh, VT and plays a critical role in the county and beyond. The company's narrative is reflective of the forces at play across the entire United States farming scene. The small slaughterhouse industry is codependent with small farm businesses, and as small farms shut their

PROJECT PURPOSE AND BENEFITS (3000 Characters):

Describe the purpose and benefits to the region of the project. Describe if/how the project builds capacity within the region for improved regional development/economic development/ community development, including: advancing workforce development; expanding entrepreneurship efforts; supporting or enhancing existing business clusters, or other economic impacts within the region.

VLSP has a strong customer base, serving farmers across Vermont, New York, and New Hampshire. The reach of products from VLSP is even larger, feeding populations in Massachusetts, Connecticut, New Hampshire, New Jersey, and New York. With a growing local and national demand for sustainable and ethical meats, VLSP has room to expand.

Grant funding will help VLSP lead the industry towards more sustainable practices. As it stands, the project outlined in this application will have transformative impacts on the network of small farms in New England, forward-thinking hospitality markets, Ferrisburgh and Addison County communities, and will create long-term employment opportunities while also retaining current employees. The new facility design, once executed, will be an example for small and large slaughter facilities alike. Through this project, VLSP strives to have numerous benefits on the local economy all focused on strengthening the industry of small farm businesses.

VLSP's strategic planning for this project considers several initiatives that seek to benefit communities and small farm businesses in Vermont, improve sustainability to confront climate change, grow the local workforce, improve employee working conditions, and advance professional development. The facility renovations will directly increase throughput threefold, spurring company growth and increasing the number of farmers we can serve. There is high demand for livestock processing in Addison County where, according to the USDA 2017 Census, Addison County farms produced 22% of Vermont's agricultural sales, 85% of which were derived from livestock and poultry production. The same census shows that 70% of the farms in Addison County are less than 180 acres, indicating the need to accommodate these farms with small-farm oriented livestock processing facilities.

PROJECT TIMELINE, MILESTONES, AND STATUS (3000 Characters):
Describe the project timeline, the current status of the project, and impediments to proceeding. Include factors such as site control, engineering and design, financing/funding identification and commitment, and permitting. Clearly identify where the project is in the timeline and what work remains.

Now through early spring, the construction design, planning, assessment, and permitting process is being managed by Neagley & Chase. These steps are well under-way and on track for construction to begin in May 2022. As opportunities become available, we are working on grant applications to support the loan that is funding the project. So far, we have applied for $100,000 from the Vermont Working Lands Enterprise Initiative Meat Slaughter and Processing Development Grant and $1,500,000 from the Vermont Capital Investment Grant Program

When construction begins, there will be a slight decrease in throughput but a phased construction plan will allow us to continue relatively normal operations. By December 2022, Neagley & Chase plans to be complete with the renovation extended our overall throughput to new levels. At this time we will begin recruiting additional full-time employees to join our team.

PROJECT PRINCIPAL EXPERIENCE/PARTNERSHIPS (3000 Characters):
Describe project principal(s) experience, ability to complete the project, and describe any projects partnership(s) and how the partnership(s) will help ensure success.

Carl Cushing is the owner of Vermont Livestock Slaughter and Processing (VLSP) and is the principal manager of this project. With the small-scale slaughter and processing industry being a handshake enterprise, he plays a critical role in the company's success through his relationships with livestock producers in the state and greater New England region. Prior to operating VLSP, he served for 32 years with the Vermont Agency of Agriculture, Food and Markets Division. He began as a Meat Inspector in 1975 and ended his tenure as Director of Meat Inspection Services from 2001 – 2007. Carl Cushing comes from a family of meat cutters and brings over 40 years of experience in meat processing and meat inspection to the business.

VLSP has partnered with Bio-Logical Capital (BLC) to reinvest in the existing VLSP plant, expand volume and services for Vermont livestock producers, and support the operating and management transition to the next generation. BLC is headquartered in Denver, Colorado and brings together business and conservation professionals with over 200 years of cumulative experience in finance, land planning, design and management, environmental conservation, real estate, agriculture, and food business operations. Some of BLC's relevant projects include Hana Ranch and Maui Cattle Company in Maui county, Hawaii, Philo Ridge Farm in Charlotte, Vermont, and co-leading a national NRCS Conservation Innovation Grant to support grass-fed livestock producers in Vermont with the University of Vermont and Vermont Land Trust.

PROJECT SUPPORT AND REGIONAL NEED (4000 Characters):

Describe how the project is consistent with identified local and regional goals, advances regional needs identified in plans, reports or public forums, and describe the community support and engagement. Include reference and link to the municipal and/or regional plan, report, or forum identified. Also describe how the project leverages regional human, social, financial, cultural, and/or physical capital, and supports, compliments, or enhances existing efforts.

The vast majority of meat in the United States is raised in a highly mechanized system. Most often, cattle are held in congested conditions, quickly fattened on grain and related byproducts, and fed into inhumane slaughter facilities. Animals may travel many miles across the country at risk of excessive stress and injury. Corporate slaughterhouse facilities take a large fee and farmers and ranchers see little growth in profits.

This process is the embodiment of our industrialized food system. It relies on the supply of cheap grain which are grown in extractive monoculture systems requiring intensive chemical application. In fact, the industrial livestock industry is the single largest driver of corn plantings in the United States, consuming more than 40% of national production. Raising meat in this fashion is a significant contributor to national greenhouse gas emissions. Agricultural production emits roughly 10% of emissions nationally, the majority of that originating in the livestock industry. Manure management and feed production alone account for over 50% of the livestock sector's emissions, both of which are significantly mitigated in small, locally distributed systems.

As a keystone business in New England's food system, VLSP has a direct impact on hospitality businesses across Vermont. As our national awareness of the environmental, animal, and human toll of the industrial meat system grows, so does the demand for meat from small, sustainable farms. Many forward-looking markets and restaurants have begun to stock their meat counters and kitchens with meat from smaller, sustainable farms that challenge the industrialized food system. In Vermont, the demand for sustainable food has more than doubled the amount spent on locally grown and raised food in the past ten years (see: Vermont Agriculture and Food System Strategic Plan: 2021-2030). While this trend bodes well for small farms, it puts considerable capital demands on slaughter and processing facilities. Adding value for these farm businesses requires specialized packaging, processing, and unique presentation of their meat products, and these demands can only be met if the facility owns or acquires costly equipment, and is operated by highly skilled meat cutters. Small farms are limited to working with similarly small slaughterhouses, since large corporate facilities often cannot or will not accommodate them.

New England's hospitality industry is comparable to national trends where there is a large demand for locally-raised meats, including beef, pork, lamb, and goat. Vermont's agricultural history began when European settlers operated small diversified farms to serve the local population. Today, small farm industries like these continue, and Vermont is well-known for its artisan cheeses, maple syrup, and creameries. With that, many farms in Vermont are already meeting these demands by raising livestock humanely and on pasture-based systems. Without smaller slaughter and processing facilities like VLSP, these farms, and their

PROJECT COST, IDENTIFIED AND COMMITED FUNDS/FINANCING, AND FUNDING GAP:

Provide the total project cost and complete the simple sources and uses chart.

Total Project Cost: $ 5,764,999

Sources:

Source	Amount
Private Loan	$ 4,164,999
Total Sources:	$ 4,164,999

Uses:

Use	Amount
Equipment	$ 1,408,694
Energy Equipment (Solar)	$ 171,622
Working Capital	$ 488,978
Soft Costs	$ 467,068
Construction	$ 3,228,637
Total Uses:	$ 5,764,999

Funding Gap: **$ 1,600,000**

Note: Uses must exceed sources or there is no funding gap

Budget Narrative (3000 Characters):

Describe the amount of funds/financing that have been identified and include a clear status of the funds (Received, committed, applied for, identified, etc.) including the dates of receipt, commitment, application, expected distribution, etc. Clearly identify any funding gap.

With a depth of experience, and an emphasis on product quality, VLSP has enjoyed modest financial success over the past decade. However, revenue performance today is roughly half of what VLSP generated five years ago. Much of this phenomenon is the result of facility issues that have been exacerbated over the same time period. As demand for local meat continues to grow, reliable slaughter and processing businesses have become the bottleneck to an otherwise robust supply chain. Because of the material current shortcomings, we regularly turn away business, and this often prolongs the lead time for existing customers. To Improve revenues, and serve a larger customer base, we have developed a four-year budget model that corresponds with a large capital investment to overhaul the business's facilities and equipment.

The expansion proposed is intended to grow the throughput from 30-40 animals to 90-110 animals per week. These figures are based on known customer demand, and anticipated growth of demand over the next decade. The figures are also the basis of the design plan for the facility renovation and correspond directly with the key production areas (i.e., the sizing of the refrigeration units and holding pens, layout of the rail system, and flow of the processing systems). Neagley & Chase, the project contractor, has developed a phased construction approach that will allow us to continue servicing existing customers throughout the construction process. By capitalizing on the known demand for local and regional processing and expanding product capabilities with the addition of new and more efficient equipment, we are confident we can increase revenues 194% by 2027 (from current performance). Historically, net margin fluctuated consistently between 10-18%. In the past several years, as the facility condition began to seriously impact financial performance, the business has operated near or below break even, and on occasion reached a positive net margin of <10%. By investing in facility upgrades, modern and efficient equipment, and training additional staff, we can conservatively reach a stable 15% margin by 2027.The facility expansion project will be financed by a combination of grant funding and private lending. VLSP is seeking $100,000 from the Working Lands Enterprise Fund grant, and $1,500,000 from the Vermont Capital Investment Grant. We have secured approval from a private lender for the majority of the project's costs, contingent upon the grant funding. The loan provides capital at 0% interest and will be payable as a percentage of quarterly revenue. This arrangement allows for fluctuations in overall performance before reaching operational stability and provides the best possible chance for achieving long-term financial health.

JOB CREATION (4000 Characters):

Provide the number of full-time jobs to be created and/or retained by the project, a description of the benefits package to be offered to the majority of the new/retained jobs, and the average wage of the jobs to be created/retained.

The project when completed will allow us to expand and increase the profitability of the business. By offering better benefits and more formal professional development intune with each individual, we hope to entice applicants while being competitive with larger processing facilities. We will be able to retain all 11 current employees and hire 10 new employees while upgrading our facility and modernizing equipment. Five of the new jobs will be full-time operational roles and one will be a full-time General Manager. We will continue offering health insurance benefits, paid holidays, and training opportunities. The average full time wage at VLSP will increase to $54,836 per year.

Technical training opportunities will be available for current and new employees. In addition to improving the throughput capacity, the upgraded facilities and new equipment will require all employees to receive specialized training. Equipment manufactures will be on site to provide training to all operators prior to new equipment being put in use. Beyond this initial training, trained operators will mentor other employees before they can use the machines alone. We will address safety first while training employees with a focus on diversifying their skill set so that an employee can fill any position on any workday. We will focus on responsible management to evaluate each employee to recognize their qualities.

It is our intention to create an apprenticeship program for both slaughter and processing teams within our facility. This will be accomplished by pairing incoming staff members with senior employees based on their background, skills, and responsibilities. The regular training is conducted daily and it takes approximately 4,000 to 8,000 hours to accomplish full proficiency. The HACCP specialist training is approximately 20 hours. Individuals will be exposed to the responsibilities of this position by working with certified trained HACCP employees presently accomplishing the work.

The onboarding process of the new general manager will be led by Mr. Cushing and strategically supported by Bio-Logical Capital. All of Mr. Cushing's present roles and responsibilities will be transferred to the new general manager over the course of the training period until business stabilization (1-year expectation). The goal is to secure the new General Manager as the primary source of VLSP's operating processes, client relationships, and industry partnerships during that process.

CLEAR FORM

PRINT FORM

SUBMIT PROJECT