



True & Essential (T&E) Meats Harrisonburg, VA

Federal funding helps established red meat processor serve more farmers and provide value-added processing services.

AMS GRANTS AWARDED

Local Food Promotion Program (LFPP) 2014
Planning Grant for \$22,320

Local Food Promotion Program (LFPP) 2017
Implementation Grant for \$370,532

Project types: Facility Planning & Design Assistance,
Equipment & Labor Costs, Inventory Control and
Traceback, Specialized Training, Product Development

HISTORY OF BUSINESS OR PROJECT

T&E Meats was founded in 2007 when former urban planner and landscape architect, Joe Cloud, and well-known farmer, Joel Salatin, joined forces to save an old 1939 USDA-inspected meat processing plant, in the verdant Shenandoah Valley of Virginia. Since then, T&E Meats has become a well-established processor, offering inspected co-packing services on a fee basis to farmers marketing independently. In addition, they do extensive custom processing also known as “locker meats.” They were first awarded an LFPP planning grant in 2014 to conduct a feasibility study and Long-Range Facility Development Plan, in partnership with an architectural firm, to determine the most effective, efficient, and economical way to expand their USDA-inspected small meat processing facility to accommodate more farmers.

Upon completion of the feasibility study and further evaluation, together with continued growth in demand for services from their customer base, the team concluded that the proposed renovations and expansion were indeed viable and necessary. In 2017, they applied for and were awarded a second LFPP grant, this time for project

implementation. This funding catalyzed implementation of several large projects to improve customer service and allowed for production of value-added products, which complimented physical expansion of the plant.

One major project component included researching, acquiring, and installing a comprehensive labeling and traceability program that uses bar-coding to allow product tracking from the live animal to the finished package. A second major project component involved the purchase of a quality smokehouse, as well as training and technical support to implement value-added processing services. Consequently, farmers in Virginia now have access to reliable further processing services for the first time, allowing them to sell higher margin value-added products, and increase market opportunities and profitability. By January of 2019, the tracking hardware and software system (Carlisle Technology’s Symphony System) was installed and staff training had commenced.

WHY THEY CHOSE TO APPLY FOR AN AMS GRANT/WHAT AN AMS GRANT MEANT FOR THEIR BUSINESS/ORGANIZATION?

While T&E Meats likely would have expanded and upgraded their systems and services over time, without USDA funding. Joe Cloud said, “I am pretty sure that we would have done the project eventually, but we would have had to put it off a year, or three, or longer. We definitely couldn’t afford it at the time. And it takes a long time to get from planning to implementation. We have almost outgrown our space now. If we only started planning this year, or last year, we would still be a ways off from expanding.”

Instead of always playing catch up and being 3-5 years out from what they need today, the LFPP grants allowed T&E Meats to more closely mirror the demand for their services and the volumes they need to remain viable and thrive. Their expansion has also allowed them to process for more farmers under inspection and those farmers now have more options and opportunities to market their meat, especially with improved packaging, labeling, and traceability options.

In 2007, only four farmers used T&E Meats to process meat under inspection and pack it under their own label. Now over 100 farmer customers use their services. They are a critical link in the regional meat supply.

Joe also had this to say about how the LFPP-funded planning process improved their business planning skills: "The planning of the project forced us to look very carefully at our operational processes, and at other industry models, and to examine in detail numerous functional considerations for workflow, food safety, maintenance, sanitation, customer interface, etc. Basically everything about our operations that I took for granted. It isn't free money – you work very hard for it."

KEY IMPACTS OF THE GRANT, SHORT-TERM AND LONGER-TERM

T&E Meats knew going into the grant-making process that some form of facility expansion was necessary, based on customer surveys and their current growth rates, as well as a frank assessment of the condition of their aging facility. Without expansion, they could not keep up with their customers' basic production needs, nor could they innovate to provide new value-added processing services for cured and smoked meats, and eventually ready-to-eat foods. Their Long-Range Facility Development Plan provided plant management with a good foundation, including order-of-magnitude costs, multiple alternative development scenarios, a phasing plan, and a better understanding of the capabilities and constraints of their existing facility and its systems.

This project successfully targeted public investment to create a sustainable business. They were at or near production capacity with excess demand and wanted to build out their facility to add new services. They had sufficient experience, knowledge of other processing capacity in their multi-state region, and data from customer surveys, to feel confident in their expansion decisions. They were hampered specifically by access to capital, but the LFPP funding allowed them to focus their commercial borrowing power on the brick-and-mortar project and use grant monies for equipment costs and "soft" costs such as employee training.

WHERE THEY WOULD LIKE TO GO NEXT

Joe's success is directly tied to that of the producers he works with through this business. Although T&E prides themselves on their relationships with their customers, in his 10 years in the meat business, Joe said he has met his share of processors and farmers who view each other as adversaries.

"If the farmer doesn't make money, I can't stay in business. It's in my best interest as a processor to help farmers succeed," Joe said.

Joe's top priorities are serving his farmer customers by adding more value-added processing options as well as fully utilizing all the features of their new traceability and tracking software to expand their customers' access to market. As of April 2019, the plant offers USDA-inspected cured and uncured "ready-to-cook" bacon and ham products. Future plans include adding "ready-to-eat" products such as beef jerky, snack sticks, hot dogs, smoked sausages, and more as they fine tune their systems and pathogen testing protocols. They are also looking for the right staff to develop and oversee the value-added programs.

REFERENCES/LINKS

<https://americanfarmpublications.com/cloud-makes-choice-cuts-after-reviving-stagnant-te-meats/>

<https://www.whsv.com/content/news/TE-Meats-expanding-Harrisonburg-facility-with-600K-investment-392041761.html>

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NICHE MEAT PROCESSOR
ASSISTANCE NETWORK

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