

## **Rural Concerns Advisory Committee**

### **Suggestions regarding the economic feasibility of operation of the proposed Meat Processing and Training Facility**

At their meeting on April 18, 2023, the Rural Concerns Advisory Committee discussed and had the following suggestions, observations, and questions for consideration regarding the economic feasibility of operation of the proposed Meat Processing and Training Facility.

- Other comparable meat processing facilities indicate:
  1. Profitability after 3 years, but that includes paying off development and equipment costs; Alachua County will provide those up front
  2. Can be difficult to find a manager
  3. If for-profit, what's reasonable in terms of profit? relates to budgeting
  4. Large number of MPFs purchase their own animals and process for profit
  5. If pay \$675 per processed animal (avg. price), must sell for \$4.84/lb to break even
- Per USDA, Florida had a 157% increase in meat processing between April 2021 – March 2022
  - 2021: 7,900 head (5.5M lbs) to 2022: 13,500 head (8.8M lbs)
- 1,150 – 1,300 lbs is current ideal market weight for cattle.
- Alachua County's majority livestock volume is cattle and goats.
- May need to process some meat for profit but keep priority focus on local 8-county community customers. Could be based on a percentage or on processing local-only for first number of days per month before non-local could be processed.
- May be local opportunity to finish out remaining bull calves, but focus is on higher quality meat not culls.
- County could rent facility to operator, e.g., for 10-year term. Need enough income to local government to break even on taxes – property is tax exempt since owned by Newberry; tangible personal property taxes still have to be paid.
- Can facility operator be given a break or subsidy on electric costs? Would local government charge for the water and sewer costs?
- Loan with government guarantee?
- Facility can process 15 head/day – US Census data in the 8 surrounding counties:
  - Cattle – 75,000 head
  - Goats, Sheep – 8,000 head
  - Swine – minimal
  - Example: 10 head cattle/day x 5 = 50 head/week x 50 weeks = 2,500 head/year out of local 75,000 head
- Average herd size in Alachua County is 40 head.
- Meat processing facilities can cause pollution, greenhouse gas emissions, biodiversity loss, disease and significant consumption of land, food and water. How will the county protect the citizens, community, and the environment from these issues?