



Meat Processing Industry in New Mexico

Economic & Rural Development & Policy Committee
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NMDA

NEW MEXICO DEPARTMENT OF AGRICULTURE

Meat Value Chain Coordination



elevate new mexico **BEEF**

Started 2021, FY22 one-time funding.

Goal: Support and develop a resilient meat value chain in New Mexico.

Engaged face-to-face, all known meat processing entities statewide.

Technical Assistance

Developed grant/program resources and interactive map of processors.

Coordinated support for state meat processors to participate in annual American Association of Meat Processors (AAMP) convention & tradeshow.

Meat vendor requirements for NM Grown Approved Supplier Program.

Ranch-to-Institutional Market Summit, B2B meetings between local meat suppliers and institutional buyers.

New Mexico Local Meat Processing Grant (NM LMPG), FY25 one-time funding.

Goal: Help meat processors adopt new technologies and improve meat byproduct disposal.

2021

2025

NM Livestock Industry Snapshot

**\$3.09
Billion**

Cash receipts, all agriculture \$3.99 billion.

Cash receipts from animals & products totaled \$3.09 billion.

Cattle and calves #1 cash commodity (\$1.7 billion), followed by milk (\$1.23 billion).

Value of livestock production and processing represented 2.7% of total state GDP.

**Beef
and
Dairy**

1.28 million head, down 10,000 from previous year.

Milk cows decreased 4% from previous year, to 240,000 head

Beef cow inventory unchanged at 450,000 head.

Gross income \$1.9 billion, up 10% from previous year.

Commercial Slaughter: 5,900, up from previous year.

**Sheep
and
Lambs**

75,000 head of sheep and lambs, unchanged from previous year.

Total value: \$16.2 million

Commercial Slaughter: 5,200 head, down from previous year.

**Hogs
and
Pigs**

Inventory as of 2023: 1,700 head (1000 market, 700 breeding)

Total value: \$330 thousand

Commercial Slaughter: 2,900 head

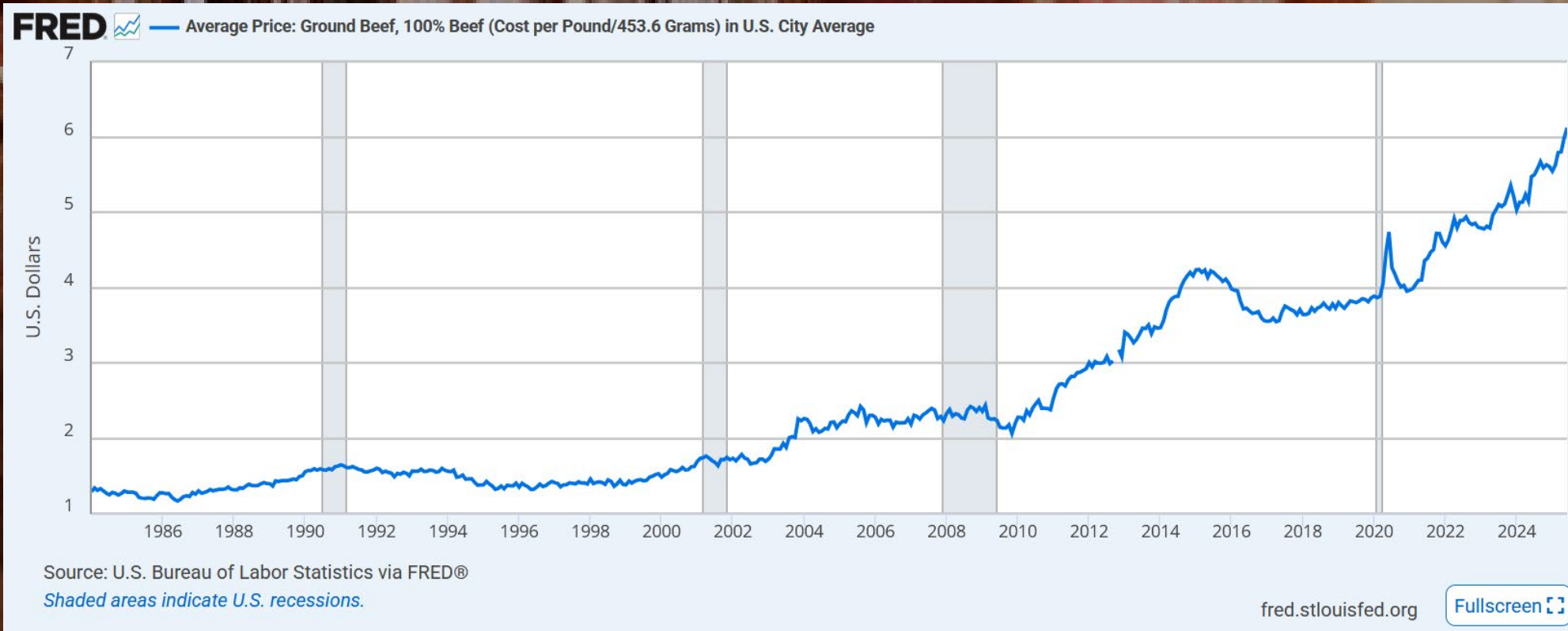
**Ranking
in U.S.**

New Mexico's top ag production rankings in the U.S.:

*Chile (No. 1)
Pecans (No. 2)
Cheese (No. 4)
Onions (No. 5)
Milk (No. 11)
Beef (No. 22)*

**2024 Agricultural
Statistics Bulletin, USDA
NASS**

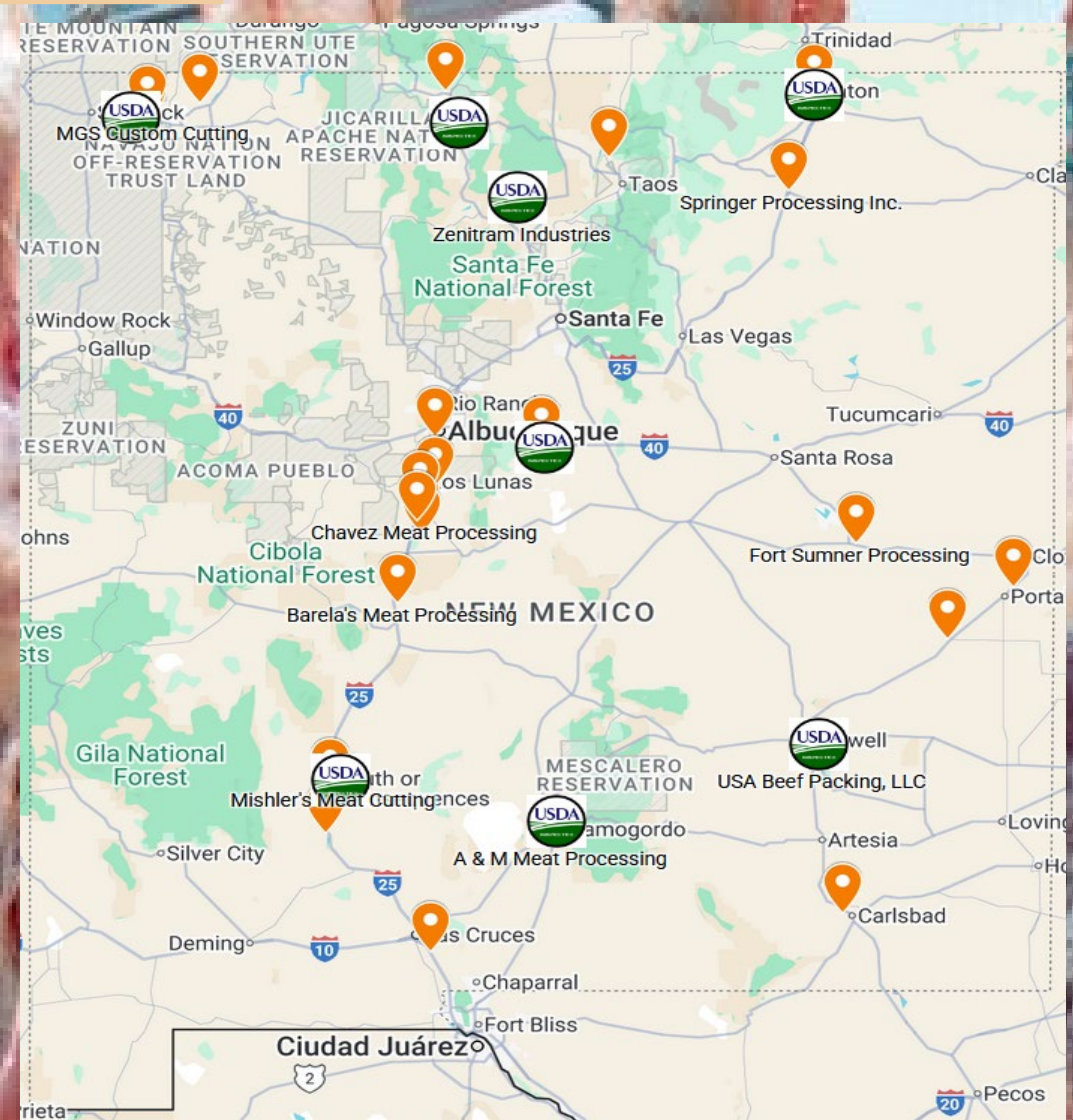
Current Beef Prices



- Over \$6/lb. for hamburger (80/20 blend)
- Fed steer prices hit record highs in late 2024 and early 2025, with continued strength expected
- Factors: Drought, high input costs, farm economics, feeder imports (i.e. New World Screwworm).

New Mexico Meat Processing

- 30 meat slaughter processors:
 - 8 USDA-FSIS (2 sheep/goat/lamb only; retail-ready)
 - 22 custom exempt (immediate consumption by individual/family only)



Common Industry Challenges

Limited cold storage capacity and rail space: beef typically ages 14-21 days

Labor shortages (skilled and unskilled)

Agriculture Requires a Large Capital Commitment

Regulatory compliance (byproduct disposal, wastewater)

Limited USDA-FSIS inspection capacity

Changes to EPA Effluent Rule

January 2024: New federal Effluent Limitations Guidelines (ELGs) for meat/poultry processing—the first overhaul since the 1970s:

Option 1: More stringent limits for nitrogen, phosphorus and E. coli (previously unregulated)

Option 2: New pretreatment standards for facilities discharging wastewater into publicly owned treatment works (POTWs), with enforceable limits on:

- Oil & grease
- Total Suspended Solids (TSS)
- Biochemical Oxygen Demand (BOD)

Option 3 (Most stringent): Nutrient discharge limits affecting 40%+ of indirect dischargers, including many rural processors.

Changes to EPA Effluent Rule: Effects on New Mexico

Potential significant financial and operational burdens for small to mid-sized meat processors, especially if Option 3 adopted.

The EPA estimates:

- Up to 53 plants may close nationwide.
- 16 closures could eliminate 17,000 jobs.
- 3,879 facilities affected nationwide.
- AAMP estimates \$1.6 billion/year in compliance costs.

Businesses discharging into city sewers may need:

- pretreatment systems
- wastewater monitoring upgrades
- Infrastructure redesign to stay in compliance

**Finalized rule change expected by end of August 2025
(court-mandated deadline)**

Opportunities for Growth

Broader investment in New Mexico meat processing



NM Local Meat Processing Expansion Grant

Value-added product diversification

Expand in-state meat processing capacity

Workforce Development

Launch NM Association of Meat Processors (est. 2025)



New Mexico Local Meat Processing Grant (LMPG)

Goal: Address challenges related to meat byproduct disposal and wastewater compliance.
Accomplished through FY25 \$3 million (one-time funding through NMDA)

Results:

Received 14 total applications, totaling
\$5.5 million in requests
10 project applications funded

Common funding needs:

- Wastewater/septic systems
- Composting equipment
- Value-added byproduct equipment/logistics

Expected benefits: Improved environmental compliance; Innovation and product diversification; Reduced landfill waste; Increased processor sustainability; Job creation

THANK YOU



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NMDA
New Mexico Department of Agriculture


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