



Meat Processing Industry in New Mexico

Water and Natural Resources Committee
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Nicholas Frazzini, Senior Agricultural Senior Marketing Specialist
Marketing and Development

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 all known meat processing entities statewide

Developed grant/program resources and interactive map of processors.

Provided travel cost-share for processors to attend annual American Association of Meat Processors (AAMP) convention & tradeshow.

Supported development of meat vendor requirements for NM Grown Approved Supplier Program.

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

Coordinating the New Mexico Local Meat Processing Grant (NM LMPG), funded through 2025 legislative session (HB2).

2021

2025

NM Livestock Industry Snapshot

**\$2.39
Billion**

New Mexico livestock value in Jan 1, 2025 totaled \$2.39 billion. Total cash receipts from livestock products totaled \$3.09 billion. Value of livestock production and proc represented 2.7% of total state GDP.

**Beef and
Dairy**

In 2024, 1.28 million head of cows, down 10,000 from previous year.

Dairy cows decreased 4%, to 240,000 head, and beef cows unchanged at 450,000 head.

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

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

**Sheep
and
Lambs**

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

Total Value: \$16.2 million

Commercial Slaughter: 5,200 head

**Hogs
and
Pigs**

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

Gross Income in 2023: \$447,000

Commercial Slaughter: 2,900 head

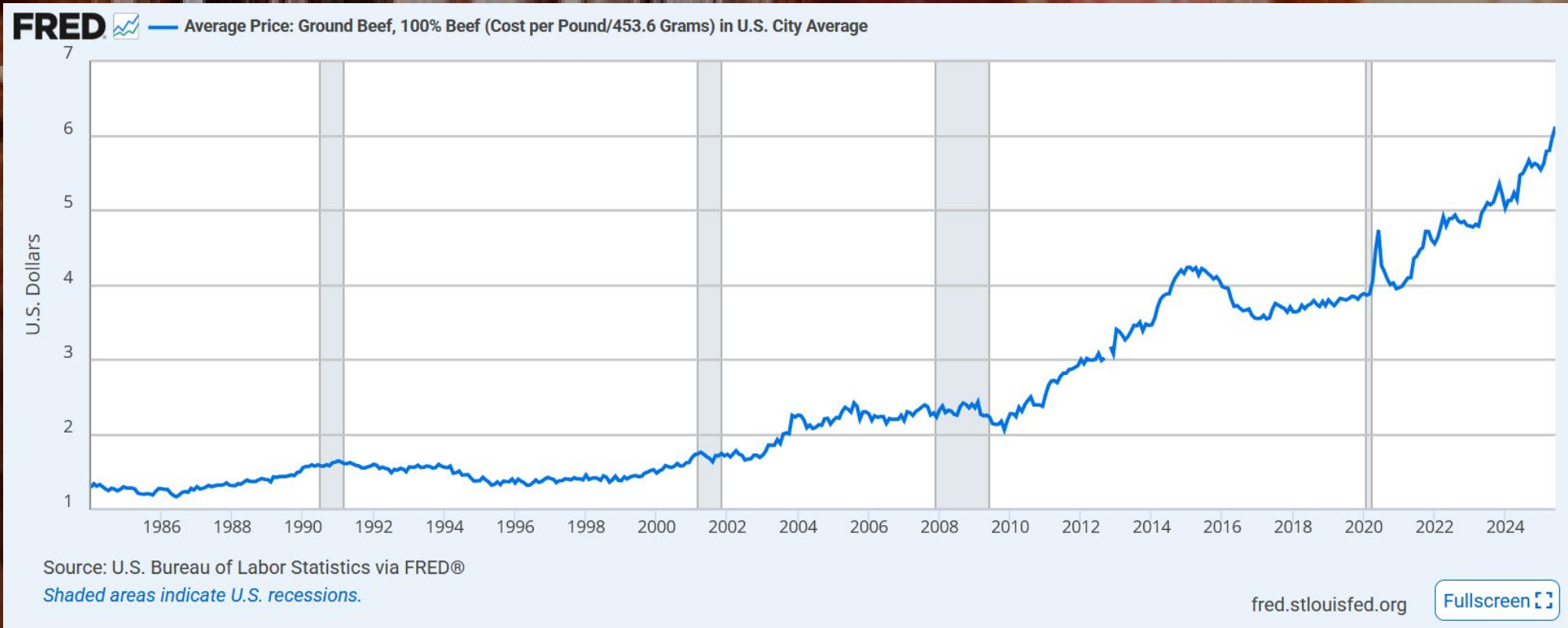
**Ranking
in U.S.**

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)*

*Statistics from 2024
Agricultural Statistics
Bulletin, USDA NASS*

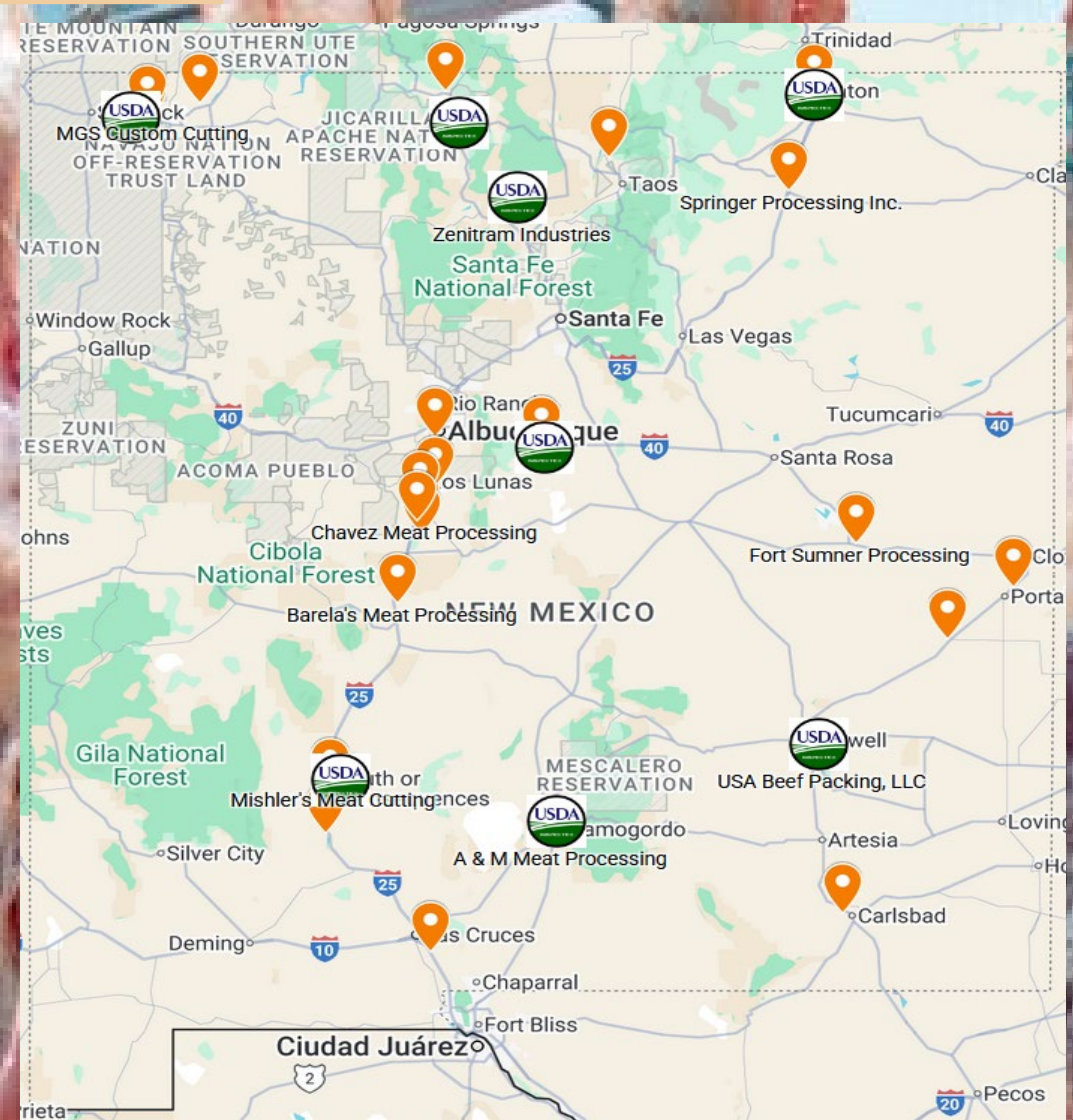
Current Beef Prices



- Over \$6/lb. for hamburger (80/20 blend)
- Factors: Supply constraints, high demand, rising feed costs, New World Screwworm.

New Mexico Meat Processing

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



Common Industry Challenges

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

Skilled and un-skilled labor shortages

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
(currently under committee review)

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!

Nick Frazzini
Agricultural Sr. Marketing Specialist
(575) 6464929
nfrazzini@nmda.nmsu.edu

Jeff Witte
Director/Secretary
(575) 646-3007
jwitte@nmda.nmsu.edu

Les Owen
Deputy Director
(575) 646-3702
lowen@nmda.nmsu.edu

Candie Sweetser
Government & Public Affairs Manager
(575) 646-5037
csweetser@nmda.nmsu.edu



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