



State Meat Inspection Program

The New Mexico Livestock Board
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And
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New Mexico Meat and Poultry Products

- A majority of animals are sold to buyers who export them from New Mexico.
- The animals then spend a period of time being fattened and prepared for slaughter, then slaughtered and processed at facilities in another state.
- The meat is then returned to New Mexico to be sold to New Mexico retailers and consumers.

What are Ranchers Faced With in the COVID-19 Pandemic?

- Feedlots are full to capacity due to the fact that many slaughter facilities are reducing man power and/or closing due to the COVID-19 outbreak.
- This means that weaned calves are bringing approximately \$600.00 - 700.00 per head when in the past years they were bringing approximately \$900.00 - \$1,000.00 per head.
- Ranchers are finding it difficult to even find a buyer who is willing to take their calves due to the lack of any wheat pasture or feeding facility to take them to.

Federal Meat Inspection at Slaughter Facilities in New Mexico

- Federal Meat Inspection program has limited resource in regards to man power.
- There is limitation on the amount of meat that may be processed for intrastate and interstate retail sales and personal consumption.
- We have reports that many food sales occur without food safety inspections making the safety of the product questionable

Federal and State Cooperation

- Twenty-Seven States currently have their own meat and poultry inspection programs serving about 2,000 small or very small establishments.
- In approximately one-third of the states with inspection programs, the state inspectors provide inspection coverage for both federal and state facilities under a program known as Talmadge/Aiken Act (T/A).
- Nine of the current 28 states with inspection programs have cooperative T/A agreements with FSIS, covering a total of 307 federally inspected plants.
- The states run the programs cooperatively with FSIS, which provides 50 percent of the funds for operating them through a reimbursement program.



Potential for the New Mexico Economy

- Additional jobs to New Mexico's workforce.
- Potential for new agricultural businesses.
- Expansion of New Mexico resources for farmers to sell products to.
- Funds generated in New Mexico will remain in New Mexico's rural economy.
- Safe meat products for New Mexican's to consume.

PRICE COMPARISON: ON THE HOOF vs PROCESSED

Live Weight: 900 lb steer @ \$1.16 = \$1,044.00

900 lb Steer Dresses Out at 55% = 495 lbs

495 lbs Minus Bone Loss of 100 lbs = 395 lbs

NOTE: Price Per Pound is Based Off National Numbers.

<u>Cut</u>	<u>Weight</u>	<u>Number</u>	<u>Total Pounds</u>	<u>Price Per Pound</u>	<u>Total Price</u>
3/4" Rib Steak	1.5	20	30	\$10.50	\$315.00
3/4" T-Bone Steak	1.75	20	35	\$10.50	\$367.50
3/4" Porter House Steak	1.5	8	12	\$10.50	\$126.00
3/4" Sirloin Steak	2	16	32	\$10.50	\$336.00
Round Steak	2	20	40	\$10.50	\$420.00
Heal of Round	6	2	12	\$8.50	\$102.00
Rump Roast	6	2	12	\$8.50	\$102.00
Arm Roast	5	6	30	\$8.50	\$255.00
Chuck Roast	5	10	50	\$8.50	\$425.00
Brisket	8	2	16	\$12.00	\$192.00
Neck Bones	4	2	8	\$4.50	\$36.00
Ground Beef	2	59	118	\$6.50	\$767.00
TOTAL			395		\$3,443.50

Price Differential: Processed @ \$3,443.50 vs On the Hoof @ \$1,044.00 = \$2,399.50

Other Cost Factors: Processing Fee = ~ \$750.00; Trucking at \$3.37/Mile; Feed ?????

Projected Cost

- Projected startup cost will be approximately \$2,000,000.
- This would include seventeen (17) new Full Time Employee positions.
- This would include a start-up cost for equipment, supplies and training of approximately \$475,000.
- Re-Occurring Annual Operating Budget of \$1,615,000.

FY2022 Meat Inspection Program

Estimated Budget Summary

1st Year Expense		Annual Expense	
Description	Cost	Description	Cost
Salary and Benefits		Salary and Benefits	
Annual Salary (17 Full-time Employees)	\$ 884,143	Annual Salary (17 Full-time Employees)	\$ 884,143
Paid Unused Sick Leave	2,000	Paid Unused Sick Leave	2,000
Overtime & Other Premium Pay	3,000	Overtime & Other Premium Pay	3,000
Annl & Comp Paid At Separation	2,000	Annl & Comp Paid At Separation	2,000
Group Insurance Premium	195,360	Group Insurance Premium	195,360
Retirement Contributions	158,089	Retirement Contributions	158,089
F I C A	68,172	F I C A	68,172
GSD Work Comp Insur Premium	16,706	GSD Work Comp Insur Premium	16,706
Unemployment Comp Premium	1,642	Unemployment Comp Premium	1,642
Employee Liability Ins Premium	21,340	Employee Liability Ins Premium	21,340
RHC Act Contributions	17,823	RHC Act Contributions	17,823
Other Employee Benefits (Uniforms)	5,000	Other Employee Benefits (Uniforms)	5,000
Total Salary and Benefits	\$ 1,375,275	Total Salary and Benefits	\$ 1,375,275
Contractual		Contractual	
IT Services	\$ 8,387	IT Services	\$ 8,387
Total Contractual	\$ 8,387	Total Contractual	\$ 8,387
Operating		Operating	
Employee I/S Mileage & Fares	\$ 318	Employee I/S Mileage & Fares	\$ 318
Employee I/S Meals & Lodging	5,520	Employee I/S Meals & Lodging	5,520
Transp - Fuel & Oil	53,607	Transp - Fuel & Oil	53,607
Transp - Parts & Supplies	21,474	Transp - Parts & Supplies	21,474
Transp - Transp Insurance	2,075	Transp - Transp Insurance	2,075
Maintenance IT	2,519	Maintenance IT	2,519
Other Maintenance	4,416	Other Maintenance	4,416
IT Supply (Laptops, printers, cell phones)	34,912	IT Supply (3 replacement Laptops, etc...)	7,912
Supplies-Office Supplies	1,098	Supplies-Office Supplies	1,098
Supplies-Field Supplies	6,774	Supplies-Field Supplies	6,774
ISD Services	2,870	ISD Services	2,870
DOIT HCM Assessment Fees	7,242	DOIT HCM Assessment Fees	7,242
GCD Radio Communications Svcs	1,608	GCD Radio Communications Svcs	1,608
Printing & Photo Services	1,861	Printing & Photo Services	1,861
Postage & Mail Services	1,360	Postage & Mail Services	1,360
Rent Of Land & Buildings	9,096	Rent Of Land & Buildings	9,096
Communications	1,071	Communications	1,071
Employee Training	46,000	Employee Training	10,000
Automotive (13 Vehicles at \$30k)	390,000	Automotive (3 replacement vehicles)	90,000
Total Operating	\$ 593,822	Total Operating	\$ 230,822
Total 1st Year Expense	\$ 1,977,483	Total Annual Expense	\$ 1,614,483

Questions

