

"APPROPRIATION FOR SMALL MEAT PROCESSORS ASSISTANCE

"SECTION 4.2A.(a) Findings. – The General Assembly finds that the COVID-19 emergency has resulted in serious and substantial impacts on the food supply chain. In particular, small livestock producers in the State have found that bottlenecks and lack of capacity among the small and independent meat processors who serve small livestock producers due to COVID-19 related slowdowns and capacity reductions have had a substantial negative impact on their ability to have their animals slaughtered and processed. The General Assembly further finds that financial assistance to these processors for physical expansion and facility improvements, for workforce development, and for the creation of additional processing capacity is necessary to reduce disruptions in the supply chain for fresh meat and to help small producers get their product to market.

"SECTION 4.2A.(b) Use. – The Department of Agriculture and Consumer Services shall determine whether the funds allocated in subdivision (47) of Section 3.3 of this act are sufficient to improve COVID-19 related slowdowns and mitigate capacity reductions. If the Department determines funding is not sufficient, the Department shall notify the State Controller, and the State Controller shall deposit the funds into the Coronavirus Relief Reserve. Amounts deposited into the Reserve under this subsection are receipts that do not constitute an "appropriation made by law," as that phrase is used in Section 7(1) of Article V of the North Carolina Constitution. If the Department determines funding is sufficient, the Department shall use the funds to provide grants as specified in subsection (c) of this section to reduce or prevent impacts on the supply chain for fresh meat in the State caused by COVID-19, or to improve the resiliency of the fresh meat supply chain to future pandemics.

"SECTION 4.2A.(c) Grant Types and Criteria. – The Department shall develop policies and procedures for the disbursement of the grants authorized by this section that include, at a minimum, the following:

- (1) The Department may provide three categories of grants:
 - a. Capacity enhancement grant. – This grant is available to an eligible meat processing facility that is experiencing slowdowns in production or has limited capacity to accommodate increased demand for meat processing due to the COVID-19 pandemic. A capacity enhancement grant may be used for expansion of an existing eligible facility and for fixtures or equipment at an existing eligible facility that will expand animal throughput, processing capacity, the amount or type of products produced, or processing speed.
 - b. Workforce development grant. – This grant is available to an eligible meat processing facility that is experiencing slowdowns in production or has limited capacity to accommodate increased demand for meat processing due to workforce limitations or reductions due to the COVID-19 pandemic. A workforce development grant may be used for educational and workforce training provided either by the facility or by an institution of higher education.
 - c. Planning grant. – This grant is available to a nonprofit entity or institution of higher education to complete feasibility or siting studies for a new eligible meat processing facility.
- (2) Eligible facility. – For purposes of this section, an eligible meat processing facility is a meat processing facility that either:
 - a. Meets both of the following requirements:
 1. The plant contracts with independent livestock producers to process animals owned by the producers.

2. The United States Department of Agriculture (USDA) contracts with Department inspectors to conduct federal inspection activities authorized by the Talmadge-Aiken Act of 1962 (7 U.S.C. § 1633) at the plant, the plant is otherwise regulated by the USDA, or the plant is a State-inspected facility; or
 - b. Is a catfish aquaculture operation that raises and processes catfish.
- (3) The Department may prioritize projects that will create additional jobs.
- (4) Recipients shall provide matching funds for the grant in the amount of one dollar (\$1.00) from nongrant sources for every two dollars (\$2.00) provided by the grant.

"SECTION 4.2A.(d) Grant-Supported Property Transferred or Removed from Service. – As used in this section, the term "disposed of" means disposed of, taken out of service, or moved out of State. If fixtures or equipment purchased with grant funds provided by this act are disposed of during a period of time as the Department may specify following the date the fixtures or equipment funded by this act is placed in service, the grant recipient shall repay to the Department a proportionate share of the grant funding received as the Department may specify.

Funds received by the Department under this section shall be transferred to the Office of State Budget and Management (OSBM) and OSBM shall transfer the amount of the disallowed allocation to the Reserve established in Section 2.1 of this act. Amounts transferred into the Coronavirus Relief Reserve pursuant to this section are receipts that do not constitute an "appropriation made by law," as that phrase is used in Section 7(1) of Article V of the North Carolina Constitution.