

OFFICE OF THE SECRETARY OF STATE

SHEMIA FAGAN  
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CHERYL MYERS  
DEPUTY SECRETARY OF STATE



ARCHIVES DIVISION

STEPHANIE CLARK  
DIRECTOR

800 SUMMER STREET NE  
SALEM, OR 97310  
503-373-0701

**NOTICE OF PROPOSED RULEMAKING**  
INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 603  
DEPARTMENT OF AGRICULTURE

**FILED**

11/30/2021 1:50 PM  
ARCHIVES DIVISION  
SECRETARY OF STATE

FILING CAPTION: Establishes in rule the authority and procedure for a state meat processing grant.

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 12/22/2021 5:00 PM

*The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.*

CONTACT: Jess Paulson  
503-507-9313  
jess.paulson@oda.oregon.gov

635 Capitol St. NE  
Salem, OR 97301

Filed By:  
Alex Thomas  
Rules Coordinator

HEARING(S)

*Auxiliary aids for persons with disabilities are available upon advance request. Notify the contact listed above.*

DATE: 12/15/2021

TIME: 1:00 PM - 2:30 PM

OFFICER: Sunny Summers

ADDRESS: Oregon Department of Agriculture

635 Capitol St. NE

Salem, OR 97301

SPECIAL INSTRUCTIONS:

Virtual Meeting:

Please contact Sunny Summers at:

sunny.summers@oda.oregon.gov  
503-986-4565

NEED FOR THE RULE(S)

House Bill 2785 required the Oregon Department of Agriculture to establish by rule a grant program to enhance the state's capacity to process protein.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE

None

FISCAL AND ECONOMIC IMPACT:

The program is expected to generate minimal administrative expenses for ODA. The program will require the grant recipients to maintain related paperwork for six years.

COST OF COMPLIANCE:

(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s). (2) Effect on Small Businesses: (a) Estimate the number and type of small businesses subject to the rule(s); (b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s); (c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).

(1) Program cost is not expected to apply beyond ODA.

(2) Program cost is not expected to apply to small businesses other than compliance with conditions of being awarded a grant.

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DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULE(S):

ODA held monthly stakeholder meetings from summer 2020, and bi-monthly meetings from January 2021 to determine the scope and need for these grant resources.

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WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? NO IF NOT, WHY NOT?

ODA engaged with a stakeholder group rather than a rule advisory committee. The group convened monthly from summer 2020 and bi-monthly from January 2021. The group will participate in development of program guidelines, and the program will convene an advisory committee as part of the grant application review process.

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RULES PROPOSED:

603-008-0000, 603-008-0010, 603-008-0020, 603-008-0030, 603-008-0040, 603-008-0050, 603-008-0060

ADOPT: 603-008-0000

RULE SUMMARY: Definitions

CHANGES TO RULE:

603-008-0000

Definitions

(1) "Grant Review Team" means a team that provides a technical review of each application. The Grant Review Team shall be appointed by the Director, who shall endeavor to include the following types of individuals: department staff; individuals with experience in the meat industry (including industry associations and nonprofits with knowledge of meat processing); individuals with experience in business development, business expansion and finance; and representatives of other state agencies or universities. ¶

(2) "Department" means the Oregon Department of Agriculture.¶

(3) "Director" means the director of the Oregon Department of Agriculture.¶

(4) "Exotic animal" means any reindeer, elk, deer, antelope, water buffalo, bison, buffalo, yak, or camelids. ¶

(5) "Meat or meat product" has the definition provided in ORS 603.010(7). ¶

(6) "Processing" means preparation or slaughter of meat or meat products from exotic animals or amenable species, excluding equines and poultry. ¶

(7) "Program of state inspection" means the Oregon Department of Agriculture's inspection of establishments under the rules in OAR chapter 603, division 29.¶

(8) "Project records" means all records created or used in the course of implementing an approved Oregon Meat Processing Infrastructure and Capacity Building Grant.¶

(9) "Rural area" means any area within the state of Oregon except the urbanized portions of metropolitan statistical areas, as determined by the U.S. Census Bureau.

Statutory/Other Authority: HB 2785 (2021), ORS 561.020, ORS 561.190

Statutes/Other Implemented: HB 2785 (2021)

ADOPT: 603-008-0010

RULE SUMMARY: Purpose

CHANGES TO RULE:

603-008-0010

Purpose

The purpose of OAR 603-008-0010 to 603-008-0060 is to provide criteria and procedures for administration of the Oregon Meat Processing Infrastructure and Capacity Building Grant Program.

Statutory/Other Authority: HB 2785 (2021), ORS 561.020, ORS 561.190

Statutes/Other Implemented: HB 2785 (2021)

ADOPT: 603-008-0020

RULE SUMMARY: Eligible Applicants

CHANGES TO RULE:

603-008-0020

Eligible Applicants

Applicants must meet all the following requirements to be eligible for the Oregon Meat Processing Infrastructure and Capacity Building Grant Program:

(1) Must be an establishment, as that term is defined in ORS 619.010(8), located in Oregon or planning to become such an establishment within the grant period;

(2) Must be registered to do business in Oregon and in good standing with the Oregon Secretary of State, the Department, and the Oregon Department of Revenue, as applicable, or must fall under the jurisdiction of a tribal government; and

(3) Must be one or more of the following:

(a) Planning to expand meat processing capacity to include animals raised in Oregon and planning to operate under a program of state inspection;

(b) Planning to build a new establishment to process meat, including animals raised in Oregon, and planning to operate under a program of state inspection; or

(c) Planning to expand an official federal establishment under continuous inspection by the U.S. Department of Agriculture's Food Safety and Inspection Service pursuant to the Federal Meat Inspection Act and planning to increase processing of meat from animals raised in Oregon.

Statutory/Other Authority: HB 2785 (2021), ORS 561.020, ORS 561.190

Statutes/Other Implemented: HB 2785 (2021)

ADOPT: 603-008-0030

RULE SUMMARY: Standards to Determine Project Eligibility

CHANGES TO RULE:

603-008-0030

Standards to Determine Project Eligibility

(1) The Department shall award Meat Processing Infrastructure and Capacity Building grant funds of up to \$500,000 per application. All grant funds must be expended by June 30, 2023.

(2) Grant funds must be used to expand or build new processing capacity for animals raised in Oregon, including:

(a) Upgrades to and/or expansion of establishments that are expected to operate under a program of state inspection;

(b) Construction of new establishments that are expected to operate under a program of state inspection; or

(c) Expansion of establishments that operate under a program of federal inspection and plan to increase processing of meat from animals raised in Oregon.

(3) Grant funds may also be used for costs related to the activities described in section (2) of this rule, including technical assistance, planning, construction, and the purchase of equipment.

(4) Preference shall be given to establishments that prioritize seasonally feasible processing of meat from animals raised in Oregon. Preference may also be given to establishments that address gaps in type of processing or gaps in species processing; or expand existing or develop new processing in areas of Oregon with limited access to meat processing services.

Statutory/Other Authority: HB 2785 (2021), ORS 561.020, ORS 561.190

Statutes/Other Implemented: HB 2785 (2021)

ADOPT: 603-008-0040

RULE SUMMARY: Review of Applications and Scoring Procedures

CHANGES TO RULE:

603-008-0040

Review of Applications and Scoring Procedures

(1) The Notice of Grant Opportunity/Request For Applications (RFA) shall describe the review criteria and their relative weight in the scoring system and shall also include information on grant requirements, timelines, and process.¶

(2) Department staff shall develop a grant application scoring sheet that facilitates the scoring process. All members of the Grant Review Team shall use the grant application scoring sheet. ¶

(3) The Department shall conduct a first-level administrative review to determine whether minimum proposal requirements are met, and the application is complete.¶

(4) The Grant Review Team shall evaluate the merits of the proposal against the scoring criteria and make a funding recommendation for each proposal for the Director's consideration. Applicants may be invited to make presentations to provide additional information to the Grant Review Team at review meetings.¶

(5) After the Grant Review Team has completed the technical review, Department staff shall compile Grant Review Team recommendations as an average of individual reviewer scores into final funding recommendations to the Director, which shall also include information such as geographic distribution, services to special populations, the applicant's history, if any, as a state grantee, and the applicant's capacity to perform the work.¶

(6) Recommendations shall be forwarded to the Director for final review and selection, as provided in OAR 603-008-0050.

Statutory/Other Authority: HB 2785 (2021), ORS 561.020, ORS 561.190

Statutes/Other Implemented: HB 2785 (2021)

ADOPT: 603-008-0050

RULE SUMMARY: Grant Awards

CHANGES TO RULE:

603-008-0050

Grant Awards

(1) The Director shall review the final funding recommendations and shall make one of the following decisions for each application:¶

(a) Approve application and award grant for the full amount requested;¶

(b) Approve application and award grant for a specific proposal component that may be less than the amount requested. In this instance, the Director may elect to fund a portion or phase of the application;¶

(c) Defer the application for further consideration based upon submission of additional information; or¶

(d) Deny the application and funding request.¶

(2) The Director retains ultimate authority to determine which projects are funded, and in what amounts. The Director reserves the right to increase existing awards and to approve additional awards in order to distribute unspent funds.

Statutory/Other Authority: HB 2785 (2021), ORS 561.020, ORS 561.190

Statutes/Other Implemented: HB 2785 (2021)

ADOPT: 603-008-0060

RULE SUMMARY: Grant Administration

CHANGES TO RULE:

603-008-0060

Grant Administration

- (1) The Department and the grant recipient shall sign a grant agreement that incorporates the full application.¶
  - (2) Grant funds shall be disbursed according to the approved payment schedule of 75 percent upon execution of the grant agreement and the remaining 25 percent upon submission of an invoice; documentation including but not limited to receipts, photos, and a list of expenditures; and a final report documenting the results of the project as outlined in the grant agreement.¶
  - (3) In the event the final report is insufficient, the Department shall withhold final payment pending resolution of the identified deficiencies.¶
  - (4) Grantees shall maintain project records and shall make them available to the Department in accordance with the terms of the grant agreement.¶
  - (5) Unexpended grant funds not used by the grantee will be reverted to the Oregon Meat Processing Infrastructure and Capacity Building Grant Program for reallocation.
- Statutory/Other Authority: HB 2785 (2021), ORS 561.020, ORS 561.190
- Statutes/Other Implemented: HB 2785 (2021)