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Meat Processor Benchmarking Tool Development Report

Empowering Local and Regional
Meat Processing in the Upper
Midwest Region



Prepared by the Agricultural Utilization Research
Institute for the United States Department of
Agriculture, Agriculture Marketing Service

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Acknowledgments

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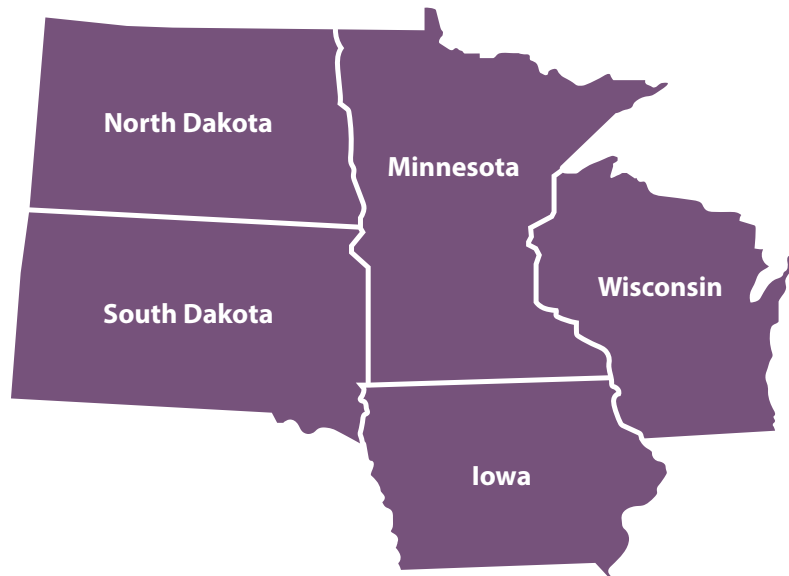
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Background

In September 2021, the Agricultural Utilization Research Institute (AURI) and the United States Department of Agriculture, Agricultural Marketing Service (USDA-AMS) signed a multi-year cooperative agreement focused on the Upper Midwest's small meat and poultry processors. For purposes of this agreement, the Upper Midwest is defined as the following five states: Iowa, Minnesota, North Dakota, South Dakota, and Wisconsin. The five-state project explored opportunities to strengthen industry resiliency and create solutions to position small meat and poultry processors for success. The project was entitled Empowering Local and Regional Meat Processing in the Upper Midwest and was designed as a regional pilot that could be emulated in other regions of the country.



A regional advisory task force provided guidance on the pilot's main pillars of work, which included understanding the financial barriers facing small meat and poultry processors, conducting a needs assessment to guide technical assistance and business development support, and developing multiple solutions to assist the industry in overcoming challenges. The task force included industry representatives, government officials, and meat industry stakeholders across the five-state region. The group convened quarterly during the pilot to advise AURI and USDA-AMS staff. Deliverables were completed in 2022 and 2023, and reporting was completed in early 2024.

This report summarizes the research that Christianson Benchmarking conducted to design a meat processing benchmarking tool and defines steps to launch the tool to very small and small meat processing organizations.

As a final note of introduction, AURI has a long history of supporting the meat industry to drive innovation forward. In addition to maintaining a USDA-inspected meat laboratory for client use, AURI's meat science team offers resources and assistance related to food safety and Hazard Analysis and Critical Control Points (HACCP) planning, scale-up, product formulation and validation, packaging guidance, and troubleshooting. In 2022, the organization was named a technical assistance provider through the USDA-AMS Meat and Poultry Processing Technical Assistance Network (MPPTA).

Purpose

In 2022, AURI convened a Finance Working Group (FWG) to identify financial challenges and opportunities facing the local and regional meat and poultry processing sector. The FWG identified the lack of comparable business performance information as a financial barrier to underwriting financing for new or expanding meat and poultry processors. AURI conducted research on existing agricultural industry benchmarking tools, including a tool utilized by the ethanol industry, several tools used by farming operations, as well as one utilized by cooperative food retail shops. This research was presented to the FWG and resulted in an action plan to develop a tool for meat processors, based on the one utilized by the ethanol industry.



AURI engaged Christianson Benchmarking to design and develop a benchmarking tool for local and regional meat processors. The tool will benchmark the financial and operational performance of very small and small meat processing facilities. In preparation for the pilot study, several supporting documents were also created.

The Value of Benchmarking

While a benchmarking tool will aid the financing process, some processors may be reluctant to submit their individualized financial details into such a tool. With over 20 years of industry benchmarking services, Christianson Benchmarking has defined the primary benefits of benchmarking for businesses. Their findings are based on a review of the real-world uses of their database by clients, investors, lenders, vendors, trade associations, and researchers.

THE VALUE OF BENCHMARKING

- 1 OPTIMIZING FINANCIAL PERFORMANCE
- 2 MANAGING RISK
- 3 PERFORMING SWOT ANALYSIS FOR BUSINESS DEVELOPMENT
- 4 CONTRIBUTING TO A BENEFICIAL BODY OF RESEARCH FOR THE ENTIRE INDUSTRY
- 5 ASSESSING BUSINESS VALUATION

Businesses contribute to industry-specific benchmarking studies for five primary reasons:

- 1. Optimizing financial performance.** Benchmarking informs the market value of items produced for sale, helping businesses evaluate their pricing strategies. Similarly, costs can be analyzed on a line-item basis to aid in understanding “normal” marketplace costs of items such as ingredients, packaging, labor, and other items on a per-production-unit basis. By providing real data, business owners can back up requests for cost reductions when prices are not well aligned with industry standards.
- 2. Managing risk.** Standardized industry data helps determine the risk of doing business. For instance, if an organization plans to take out a loan for business expansion or some other process improvement, understanding what a “normal” debt-to-equity ratio is for very small and small meat processors can help both the business owner and the lender understand whether the loan creates a riskier (higher) debt-to-equity ratio than average for the industry, or whether it is within the normal performance range.
- 3. Performing SWOT analysis for business development.** In strategic planning for a business’s future, one effective way to assess a business and its value is to review its strengths, weaknesses, opportunities, and threats (SWOT) against industry norms. Benchmarking provides these norms in an easily quantified, data-driven manner. For example, if an operation ranks highly against its peers for an efficiency metric such as finished product weight to hanging weight processed, this would be a strength of that organization. Likewise, higher per-pound ingredient and material costs could constitute a potential weakness to be corrected via future planning.
- 4. Contributing to a beneficial body of research for the entire industry.** When a large percentage of a given industry contributes financial and operational data to a single third-party entity for benchmarking purposes, that data can also be used by researchers and industry organizations to highlight the industry’s contributions to the larger economy. Such research can result in increased investment, grants, and financial assistance, as well as more informed policy decisions.
- 5. Assessing business valuation.** A set of benchmark criteria can assist in valuing businesses for estate planning or sale, particularly for privately held organizations. As some sole proprietors age out of their businesses, understanding the value of their assets is critical to effectively transferring or selling their business.



Work Performed

Christianson Benchmarking began work in early 2023 with a review of benchmark frameworks used by the ethanol and biofuels industry and identified any needed modifications and simplifications. Christianson researched specific data points that would be most useful for meat processors and began building a sample template for data collection. Staff reviewed university extension program resources to understand modeling and sample financial statements specifically for meat processors. Primary extension resources that were helpful in the initial development of the matrix were sourced from [Oklahoma State University](#) and [The Ohio State University](#). The [Australian Government](#) also provided publicly available meat processor benchmark tools for comparison.



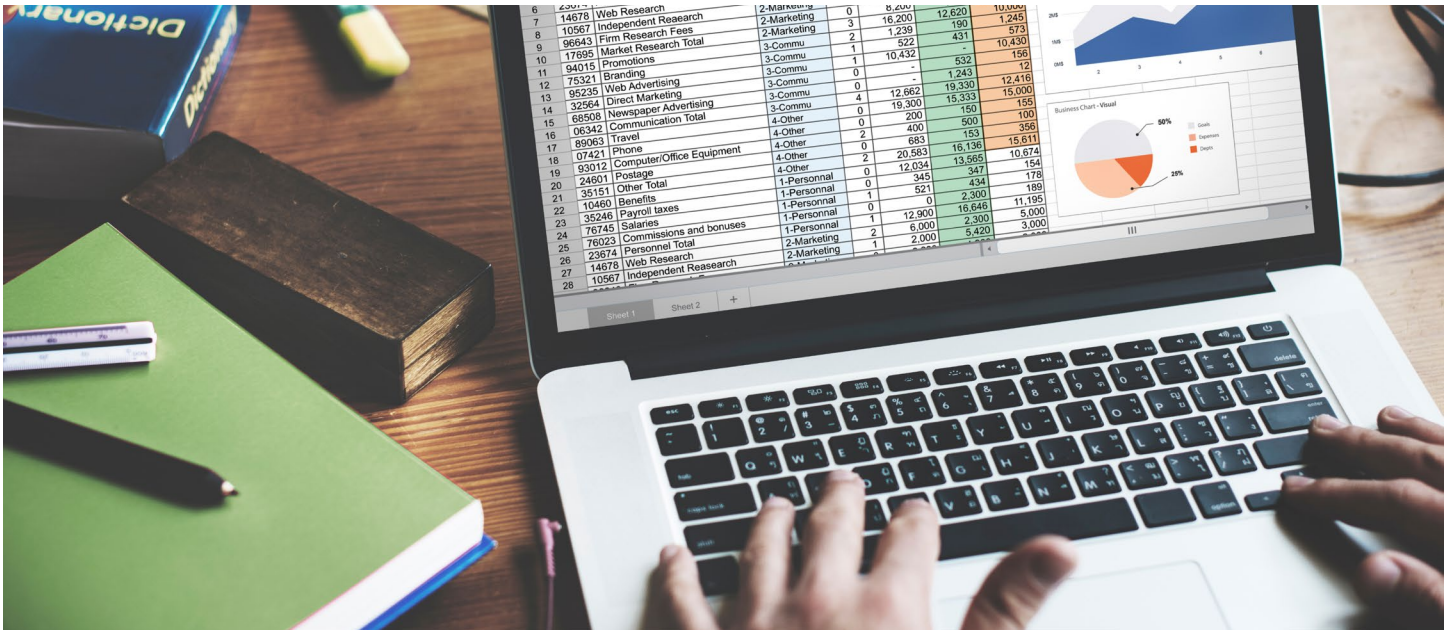
Researchers then selected four processors to participate in an in-depth interview process to further inform the development of a tool designed for the meat and poultry industry. (See Appendix A for the list of interview questions.) All participating processors were small-scale (greater than 10 employees). Even though none were very small processors, they provided valuable insight into the business data most processors, including very small processors, would likely have available for input into the tool.

After completing interviews, Christianson Benchmarking outlined the key characteristics required for an effective meat processor benchmarking tool:

- **Simplicity:** The tool should be simple to use and minimize time and cost associated with inputting business information and interpreting results. Some participants noted that a bookkeeper might be the best representative to supply data. In addition, an annual collection and reporting period was identified as important.
- **Applicability:** The tool should offer the ability to see performance against an overall average while incorporating differences due to geographic location, facility size, percentage of product sold at wholesale versus retail, type of animal processed, type of licensure, and number of employees.
- **Confidentiality:** Information must be kept confidential. A trusted third party should hold all individual data and share only averages and other statistical products of the research. Participants should not be identified in any manner through the tool. Only limited general participant information, including the number of participants, and basic demographics described under “applicability,” should be shared through the report.
- **Low cost:** To encourage participation, only facilities sharing data should be allowed access to the output information. The fee should be reasonable. Ideally, the cost would be subsidized by trade organizations such as state-level organizations, research, and small business assistance organizations such as AURI, college extension services, etc. In exchange for industry contributions to support the program, the organizations could access generalized reporting, and offer assistance in confidential interpreting of the report results.

These characteristics guided the development and finalization of the Meat Processor Benchmark Tool in November 2023. Participants will contribute data points from their annual financial and operational accounting systems and statements for the benchmarking program. Data will be collected via Excel workbooks for simplicity. A listing of the general items to be collected is shown below (the actual collection matrix contains more detailed breakouts of several categories). The full list of data points is approximately 84 data points, including breakouts of revenue and production by livestock type; thus, most facilities will not need to enter information in every field.

- **Production:** Hanging weight in pounds, and finished pounds, for each primary livestock type.
- **Revenues:** Finished pounds sold wholesale and retail for each primary livestock type. Total revenue in dollars collected for each primary livestock type, wholesale, and retail. Processing fees, grant/incentive income, and other non-facility revenue earned by the business.
- **Costs:** All ingredients; supplies for packaging, cleaning, and office management; employee wages and benefits; professional/consulting fees; utilities; insurance; repair and maintenance expenses; and taxes. Other fixed costs include lease and storage expenses, transportation and freight, changes in inventory, and other expenses.
- **Balance Sheet:** Assets by category, liabilities, and equity by category.



After data is submitted, Christianson will validate the data and create a PDF report for each participating processor. The report will include a summation of the participant’s individual business results and aggregate results for all participating processors. Table 1 includes a detailed list of items that will be included in the annual benchmark results.

Table 1. Sample of reported metrics to be provided to processors

Category	Metric	All metrics to be reported as facility data/average data/facility rank
Production	Average lbs. hanging weight processed Average finished lbs. processed	Hot carcass weight for all animal types Retail and wholesale for all animal types
Revenues	All revenues reported per lb. processed	Per lb. finished, per lb. sold retail and wholesale, any other fees and incomes collected, by animal type and total
Costs	All costs reported per lb. processed Labor information	20+ cost categories reported Costs per lb. processed, employee headcount, hours per lb. processed
Efficiencies	Cutting yield/Dressed yield Electricity used per lb. processed Water used per lb. processed	Costs per lb. processed, employee headcount, hours per lb. processed finished lb./hanging weight lb. kWh/lb. Gallons/lb.
Financial Ratios and Metrics	EBITDA/net income totals and per lb. processed Return on equity Return on assets Current ratio Working capital per lb. processed Debt payment coverage Fixed assets per lb. processed Equity to total assets Liabilities to net assets Other ratios as applicable/available	Ratio Ratio Ratio Ratio Ratio Ratio Ratio Ratio Ratio Ratio



Next Steps in Launching the Meat Processor Benchmark Tool

In preparation for the tool’s launch in 2024, Christianson Benchmarking identified a participation process that will allow for data analysis and the creation of customized reports. In addition, a minimum enrollment of 10-15 processors will be required to launch the tool, with a target of enrolling 30 processors.

To maximize trust with processors to share their data and utilize the benchmarking tool, Christianson also created several supporting documents. Six documents were created for participants: a processor profile, a draft subscriber agreement, a sample invoice, and a “Frequently Asked Questions” document. These items are all shown in Appendices B to E.

Process for Launch of Meat Processing Benchmark Pilot

- Step 1:** A mutual non-disclosure /subscriber agreement (NDA) will be made available. A template or blank document will be provided to stakeholders and shared via a website or web portal.
- Step 2:** AURI will promote the pilot via their listserv and other contacts, directing interested parties (“Processor”) to download and complete the NDA, fill in their company information, date, and sign.
- Step 3:** The Processor will return the completed NDA to a Christianson Benchmarking (CB) Analyst. The CB Analyst will file and forward company contact information to a CB Program Manager. The CB Program Manager will notify the Processor to expect an invoice and inform them that after payment is received, a spreadsheet will be sent to complete.
- Step 4:** The CB Program Manager will set up the Processor as a client, send an invoice, and request any other required information. The CB Analyst will be notified once payment is received.
- Step 5:** The CB Analyst will send the client a spreadsheet to complete the data request.
- Step 6:** The client will return the spreadsheet to the CB Analyst.
- Step 7:** The CB Analyst validates the data and creates the report, including a summation of participation and aggregate results; PDFs of individual reports are sent to the client/Processor.

To accommodate the varying number of entities subscribing in the first year of analysis, Christianson Benchmarking developed two pathways for participating processors to access the tool. If fewer than 25 entities sign up for the benchmarking service, data will be collected via an Excel workbook (easily opened and completed by any participant or designee with basic computer access and skills), and results will be provided in a PDF format. If more than 25 entities subscribe, then a fully developed browser-based data collection and reporting tool will be created. Christianson Benchmarking has existing browser-based tools (Figure 1) used for other industries, but it would be cost-prohibitive to develop a separate meat processing platform if fewer than 25 processors sign up. In both scenarios, all participants will have the option of completing data entry via Excel and receiving a PDF report. Data can be entered by staff administering the benchmark study or by the participating meat processors.

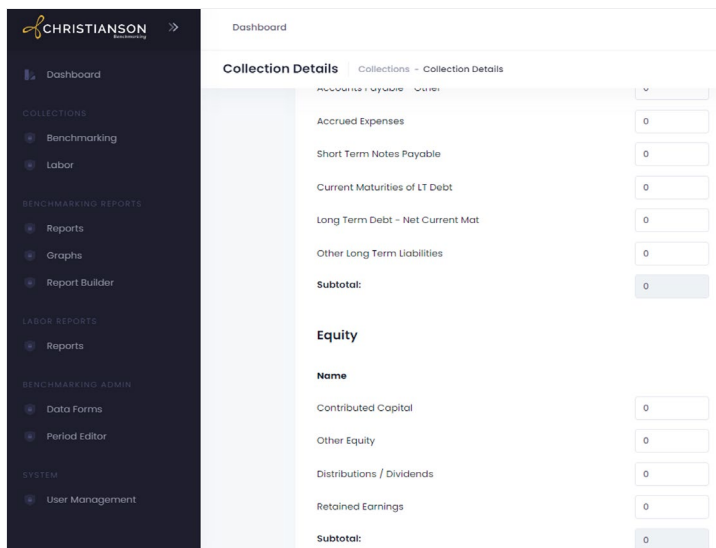


Figure 1. Sample Screenshot of a Browser-Based Benchmark Tool

Ideas to Encourage Very Small and Small Meat Processor Participation

Through this effort, some potential roadblocks were identified. To encourage future processor participation, these roadblocks might be overcome in the following ways:

- **Build trust:** In-person descriptions of the process, the program, and the benefits of participation would encourage participation. Presenting information at conferences and trade shows may help engage key stakeholders in research and support roles (such as AURI staff, extension agents, and others yet to be identified).
- **Provide realistic deadlines:** Allowing ample time for potential participants to ask questions, as well as gather and input their data, will increase participation. Additionally, collecting data for a full calendar year may provide better insights and be easier for many processors by utilizing their year-end financial data.
- **Lower Costs:** Further work to help reduce financial costs to participants via grants or partnerships may allow more entities to participate. Additionally, work to frame the cost in terms of benefits may be helpful. For example, a processor may not have an issue with paying an accounting firm \$500-\$600 for several hours of consulting time in preparing tax documents. Similarly, the opportunity to have a customized benchmarking report may be presented as an important way to demonstrate their business value to lenders, investors, grantors, legislative organizations, entities interested in acquiring the business, etc.
- **Offer results interpretation assistance:** Interpreting and understanding the results will be key to creating value for each participant. Christianson Benchmarking, in its work with renewable fuels producers, offers three primary sources of expertise: trained staff analysts, industry-based lenders, and industry trade organizations. Within the meat processing industry, these three types of experts may also be of service, albeit in somewhat different capacities. Christianson Benchmarking staff analysts may initially be most useful in explaining the study's statistical results (ranges of performance, distributions, etc.). Later, trade advocacy groups and organizations such as AURI will be invaluable resources for small processors to also discuss and interpret their results.

Conclusions

Throughout the course of this project, AURI received considerable positive feedback regarding the development of a benchmarking tool for meat processors. Stakeholders across the five-state region are eager to begin its rollout. AURI concluded its cooperative agreement efforts with a convening of the Regional Advisory Task Force at the end of March 2024. Multiple participants highlighted the benchmarking tool when asked to reflect on the significant deliverables of the Empowering Local and Regional Meat Processing in the Upper Midwest cooperative agreement. AURI and Christianson Benchmarking are committed to launching the tool in the summer of 2024 and are actively seeking partners to align around the recommendations discussed in this report.

Contributions

Christianson Benchmarking LLC manages a subscription-based financial and operational benchmarking service and has maintained a critical database of benchmarks for the renewable fuels industry since 2003. This dynamic and innovative resource for industry knowledge enhances the industry's ability to monitor, analyze, and improve financial, operational, and environmental performance.

Christianson Benchmarking's experienced analysts maintain and interpret data which can become the key to managing risk, identifying opportunities, and prioritizing resources. Christianson Benchmarking, LLC is an affiliate of Christianson, PLLP, a full-service CPA firm that has been providing accounting, tax, attestation, compliance, and business advisory services for over 35 years to a variety of clients, focusing on agriculture, manufacturing, and renewable fuels.

Christianson Benchmarking is endorsed by the American Coalition for Ethanol, the Renewable Fuels Association, and many other regional biofuels and ethanol organizations. Participation is confidential, and all data provided is anonymized. Subscribers see the data for their own facilities while other subscribers will see that data only in the form of averages, quartile averages, and other statistical means of indicating the reported range for a given metric.

Participants span the continent and represent plants and organizations of all sizes and types, ensuring that participants have the critical information needed to optimize performance.



Appendix A: Processor Questionnaire

The following questionnaire was developed by Christianson Benchmarking staff in collaboration with AURI, to gather information about the needs of meat processors in the development of a benchmarking tool for the industry.

COMPANY NAME Meat Processing: Initial Interviews

All answers are to be used for planning a proposed meat-processing benchmark study/annual survey. The purpose of the phone interview is to gather information about your organization and about the industry, to understand what would be most helpful to collect and the best type of reporting to provide.

Interviewee:

NAME=Full name, role, company

Questions:

1. If you could see a comparison of your costs, revenues, and other business information, anonymously in comparison to others in your industry, would it be useful to filter and see only businesses that operate in a similar way to yours? What are some examples of the kinds of things you would want to know about the other businesses you are comparing to?

For example:

- a. Processors in the same state or region
- b. Type of licensure and permitting (e.g., licensed for retail sale, kosher, locker plant only, etc.)
- c. Primary types of animals processed (e.g., game processing, poultry only, beef, etc.)
- d. Size (example: general volume/revenue generated annually, number of employees, volume of product processed, etc.).
- e. Is a wage and benefit survey important for this industry? (e.g., average wages for each job type, how many employees, any health benefits offered, etc.)
- f. What are we missing?

Response:

2. As we mentioned in our initial email, we would like to send a spreadsheet for you to review showing a list of metrics to be collected and reported on, but what would be most important to see?

For example,

- a. Costs: fixed costs like building rental, labor, variable costs like packaging supplies
- b. Revenues: how detailed by types of products should it be to be useful to compare against others? Wholesale versus retail sales, or more detailed?
- c. Yield or efficiency metrics such as amount of electricity used per pound processed, labor hours per pound processed, average carcass cutting yields, etc.
- d. Financial data such as inventory, accounts payable and accounts receivable (to calculate business health ratios like A/R turnover, etc.).
- e. Capital expenditures, total assets, other balance sheet information like total liabilities/debt, equity (to calculate items like return on assets or return on equity invested, for lender and investor purposes).

Response:

3. Given what we have discussed about what would be shared in a benchmark program, what kinds of information do you think should be included in a report? And what information should NOT be included?

For example:

- a. Average ratios (like average total costs per processed pound) plus some averages to see a range, like top 25% and bottom 25%, or top 15% and bottom 10%, etc.
- b. Minimum and maximum reported (specific numbers, but not the name of the facility)
- c. Where your facility ranks (for instance if 40 facilities report, your plant ranks number 3 out of 40 in revenue per processed pound)
- d. Other metrics for statistical purposes like standard deviation, range, median value, etc.
- e. Names of facilities participating for the year (their data would not be identified as belonging to their facility, but a list of all participants that year would be available as part of the report).
- f. Previous years' information or graphs showing trends over time (once we have more than one year).

Response:

4. Who do you think would be in charge of providing the data for the survey from your organization, and be the contact person for answering any questions during the process of verifying it for accuracy? Business owner, accounting staff, outside accounting, or other business service?

Response:

5. How often do you think this data should be collected and reported to be meaningful without taking up too much time and energy? Annually, every two years, quarterly? What time of year is best to provide this kind of data—does it matter?

Response:

6. We would like to make sure this is a program that is easy for processors to participate in, but that needs to be balanced with ensuring that we have high-quality, consistent data. (Give some background on what we have learned in the ethanol industry, that a subscription service at some cost ensures that people will fill out the information in a timely manner to receive their reports. Knowing this, we want to understand whether a similar model will work best for meat processors or if another model will work better.)
- Should anyone be able to get the results/reports, or should it be only for people who provided information about their business? What if there was a report available to anyone, but a discount for those who share data?
 - What about organizations like AURI or other industry/trade organizations who might be able to help the industry—should averages and other general information be available to them?
 - Would processors pay for access to participate in a benchmark program? What do you think is a reasonable cost that is a fair value for the information provided?

Response:

7. What kinds of reports would be most useful? An online system to access different information anytime and see different groups for comparison (such as all participants, only participants in my state, only participants of a similar size, etc.). Or a report that could be emailed and/or sent a print copy showing the results and some written analysis? Both? How many people in your organization would use it? Outside your organization? (e.g., lenders, grant writers, etc.). Would you want access to some time and expertise from an analyst to review the report with you or your team, as part of the subscription/price for participation, or would you rather keep the cost as low as possible and just receive a report?

Response:

8. Anything else important we should be sure we are addressing?

Response:

Thank you for your assistance and (if not already provided) please review and return the sample data and reporting workbook at your convenience. We will follow up with AURI and keep you posted on the progress of our development and implementation of this program.

Appendix B: Processor Profile

The following information would be collected from each participant to identify similar groups of participants so processors can be compared to their peers, and so that basic demographic data can be provided in the reporting.

- General contact information including state and county in which the operation is based
- Year in which production began at the facility
- Type of animal processed (by percentage)
- Type of licensure/inspection

Appendix C: Draft Subscriber Agreement

Christianson Benchmarking created the following draft subscriber agreement as an initial template to use with interested processors.

BENCHMARK DATA AGREEMENT

This Benchmark Data Agreement (the "Agreement") is made and entered into by and between Christianson Benchmarking LLC 302 5th St. SW, Willmar MN 56201 Phone: 320-235-5937 ("C & A") and (the "Participant").

Company Name:.....
Address:.....
Contact Person:.....
Telephone:.....
Cell:.....
E-Mail Address:.....
Facility Name and Address:.....
(if different from above).....
Effective Dates:

1. Definitions: The following terms as used in this Agreement shall have the meanings indicated.

"Authorized Users" means (a) with regard to the Participant, the (i) Participant's employees, officers, directors, banking representatives, and business advisors, and (ii) the employees, officers, directors, banking representatives, and business advisors of any entity that owns more than 50% of the equity interests of Participant and more than 50% of the voting rights of the Participant, and (b) with regard to C & A, C & A's partners and employees.

"Benchmark Data" means the compilation of the Input Data as collected, organized, and presented by C & A to show to the Participant the average Production/Usage Data, Operating Revenue Data, Operating Cost Data, Production Efficiency Ratios, Profitability Ratios, and Financial Ratios of all Participating Facilities, subject to the terms and conditions of this Agreement.

"Confidential and Proprietary Information" means, (a) with regard to the Participant, the Input Data, and (b) with regard to C & A, the Benchmark Data.

"Effective Date" means the date upon which Participant signs this Agreement.

"Input Data" means meat processing facility financial and operations data for Participating Facility(s) owned and operated by the Participant that is provided to C & A by the Participant for use by C & A to generate the Benchmark Data.

"Participating Facility" means a meat processing facility owned and operated by the Participant and for which the Participant provides Input Data for inclusion in the Benchmark Data pursuant to this Agreement.

"Participant Fee" means Participant fee as set forth in this Agreement.

"Term" means the Initial Term and Renewal Terms, as applicable.

Other capitalized terms may be defined herein in the context in which they appear and will have the indicated meaning throughout this Agreement (including any attachments, exhibits, addenda and the like, unless otherwise set forth therein).

2. Benchmark Data Reporting: C & A agrees to use its best efforts to provide the Participant access to the compiled Benchmark Data by early 2024.
3. Participation Fee: Participant agrees to pay \$600.00 as the Participation Fee for the Benchmark Data to be provided regarding operating period of January-September 2023. The Participant shall pay the Participation Fee upon the execution and delivery of this Agreement to C & A. Payment of the Participation Fee shall be made to C & A without any right of set-off or deduction. Except as specifically stated in this Agreement, all Participation Fees paid to C & A pursuant to this Agreement are nonrefundable. A Participant's failure to pay the Participation Fees upon receipt of invoice shall constitute a material breach of this Agreement.
4. Participant Input Data C & A agrees to provide Participant with a data entry request form and related instructions, via email, upon receipt of Participation Fee. Data entry request forms shall be provided to participants within 5 business days of payment receipt, and no later than January 2024. Participant agrees to provide true and accurate Input Data regarding meat processing facility operations for its Participating Facility(s) to C & A within 10 business days after receipt of data entry request form via email. Data cannot be accepted after January 2024. The Input Data shall be provided by Participant to C & A in substantially the form requested on the data entry request form (Microsoft Excel worksheet). Participant understands that its obligation to provide true and accurate Input Data is a condition precedent to Participant's access to the Benchmark Data under this Agreement. A Participant's failure to provide true and accurate Input Data on a timely basis shall constitute a material breach of this Agreement.
5. Use: The Benchmark Data and its components as compiled by C & A is proprietary property of C & A. Access to the Benchmark Data is intended for the exclusive use of the Participant's Authorized Users. Participant shall receive access to Benchmark Data via electronic document. A Participant shall not download the Benchmark Data or copy or reproduce Benchmark Data for resale or other use by or disclosure to third parties that are not Authorized Users. Participant agrees to take all reasonable and necessary steps to prevent any such unauthorized use of Benchmark Data. C & A is authorized to share the Benchmark Data (aggregate averages and ratios as defined, but not individual Input Data) at its discretion and may do so with researchers, including but not limited to the Agricultural Utilization Research Institute (AURI).
6. Audit Rights. During the term of this Agreement and for a one (1) year period following termination, C & A shall have the right (at C & A's own expense) to conduct periodic reviews of Participant and its Participating Facility systems and records relating to its Input Data and use of the Benchmark Data for the purpose of verifying Participant's compliance with the terms of this Agreement. C & A shall exercise this right upon reasonable notice to the Participant.
7. Term and Termination:
 - a. This Agreement shall commence on the Effective Date and continue for a period of one (1) year unless terminated earlier as set forth below.
 - b. C & A may terminate this Agreement without notice to the Participant in the event of (a) any use or disclosure of Benchmark Data by Participant or any of its Authorized Users that is not permitted under this Agreement, (b) Participant's failure to submit the Input Data to C & A as required under this Agreement, (c) Participant's failure to make timely payment to C & A of the Participant Fee for the applicable Term, or (d) Participant's breach of the confidentiality provisions of Section 9 of this Agreement.
 - c. Either party may terminate this Agreement immediately in the event the other party commits a material breach of this Agreement and fails to remedy that breach within thirty (30) days of receipt of written notice describing the details of the material breach.
 - d. Upon termination of this Agreement, Participant shall have no further rights to access or use additional Benchmark Data. If C & A so requests, the Participant agrees to promptly return to C & A all Benchmark Data in hard copy or other form or certify the destruction of such Benchmark Data.
 - e. Sections 5, 6, 7, 8, 9, 10, 11 and 12 of this Agreement shall survive the termination of this Agreement for any reason.
8. Proprietary Rights. Participant agrees that the intellectual property and proprietary rights of whatever nature in the

Benchmark Data and related documentation, including derivative works, are and shall remain the exclusive property of C & A, and nothing in this Agreement should be construed as transferring any aspects of such rights to Participant or any third party.

9. Confidentiality.

- a. Commencing with the Effective Date and for a period of three (3) years after termination of this Agreement, C & A and Participant agree to retain in confidence all Confidential and Proprietary Information transmitted by the other party during each Term that is clearly designated as being proprietary and/or confidential or that, by the nature of the circumstances surrounding the disclosure, ought reasonably to be treated as proprietary and/or confidential, and will not use such Confidential and Proprietary Information except to further the purposes set forth in this Agreement.
- b. C & A and Participant agree take reasonable and necessary action to restrict and control the use, disclosure, copying and security of the Confidential and Proprietary Information received from the other party and any supporting materials among their respective Authorized Users and to preserve and protect confidentiality and to prevent any release of the Confidential and Proprietary Information. The Benchmark Data published by C&A that incorporates Participant's Input Data shall not identify Participant as the provider of any specific Input Data.
- c. Notwithstanding Section 9(a), C & A and Participant shall not have an obligation to maintain the confidentiality of information that (a) is now or subsequently becomes generally known or available by publication, commercial use or otherwise through no fault of the recipient; (b) is known by the recipient at the time of disclosure and is not subject to restriction; (c) is independently developed by the recipient without use of the discloser's Confidential and Proprietary Information; (d) is not designated as proprietary and/or confidential or would not reasonably be considered as such; or (e) is lawfully obtained from a third-party who has the right to make such disclosure. Further, the recipient may disclose Confidential and Proprietary Information as required by government or judicial order, provided the recipient gives the disclosing party written notice prior to such disclosure and complies with any protective order (or equivalent) imposed on such disclosure.
- d. The failure by C & A or the Participant to perform its obligations under this Section 9 shall constitute a material breach of this Agreement. In the event of such a breach by C & A or Participant, either party may seek injunctive relief or other appropriate equitable remedies against the breaching party, including specific performance, restraining any further violation of this Agreement in addition to the other remedies provided in this Agreement.

10. Limitation of Damages and Disclaimer of Warranties:

- a. Participant acknowledges that C & A presents Input Data provided by Participants who include persons or entities other than C & A. C & A shall not be responsible for any errors or omissions in Input Data provided by the Participants.
- b. C & A HEREBY DISCLAIMS ALL WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS OF A PARTICULAR PURPOSE OR ANY IMPLIED WARRANTIES ARISING FROM ANY COURSE OF DEALING, USAGE OR TRADE PRACTICE. ALTHOUGH C & A HAS USED REASONABLE CARE IN PREPARING AND PRESENTING THE BENCHMARK DATA, C & A DISCLAIMS ANY LIABILITY FOR ERRORS, OMISSIONS OR OTHER INACCURACIES IN ANY PART OF THE BENCHMARK DATA. C & A ASSUMES NO RESPONSIBILITY WITH RESPECT TO THE PARTICIPANT'S USE OF THE BENCHMARK DATA AND SHALL NOT BE LIABLE FOR LOSS OF PROFITS, LOSS OF USE OR INCIDENTAL, CONSEQUENTIAL OR EXEMPLARY DAMAGES THEREFOR. THE AGGREGATE LIABILITY OF C & A FOR ANY REASON AND UPON ANY CAUSE OF ACTION UNDER THIS AGREEMENT SHALL BE LIMITED TO THE AMOUNT OF SUBSCRIPTION FEE PAID TO C & A BY THE PARTICIPANT DURING THE TWELVE MONTHS PRIOR TO WHEN THE CAUSE OF ACTION AROSE.

11. Indemnification: Participant agrees to indemnify and hold C & A harmless from any and all costs, expenses, damages, claims, and liabilities, including attorneys' fees, actually or allegedly arising out of, or related to the authorized or unauthorized use of Benchmark Data by Participant.
12. Miscellaneous Provisions.
 - a. Severability: If any part of this Agreement is held by a court of competent jurisdiction to be illegal or unenforceable, the validity or enforceability of the remainder of this Agreement shall not be affected and such provision shall be deemed modified to the minimum extent necessary to make such provision consistent with applicable law and, in its modified form, such provision shall then be enforceable and enforced.
 - b. Assignment: Participant may not assign or transfer its rights or obligations under this Agreement without the express written consent of C & A. No third-party beneficiaries are intended for this Agreement.
 - c. Notices: Unless otherwise agreed to by the parties, any notice, authorization, or consent required or permitted to be given or delivered under this Agreement shall be in writing and addressed and delivered to the other party's address set forth in this Agreement. Notice shall be deemed to have been received by a party, and shall be effective: (a) on the day given, if sent by confirmed facsimile transmission; (b) on the fifth business day after which such notice is deposited prepaid in the local postal system; or (c) on the day received, if sent with a reputable, expedited overnight or international courier or hand delivered. Either party may change its address for notice purposes upon issuance of notice thereof in accordance with this Section.
 - d. Governing Law: This Agreement shall be governed by the laws of the State of Minnesota without regard to the conflict of law's provisions thereof. In the event either party initiates an action in connection with this Agreement or any other dispute between the parties, the exclusive venue and jurisdiction of such action shall be in the state and federal courts in Minnesota.
 - e. Force Majeure. Except for performance of a payment obligation, neither party will be liable to the other by reason of any failure in performance of this Agreement if the failure arises out of the unavailability of communications facilities or energy sources, acts of God, acts of the other party, acts of governmental authority, fires, strikes, delays in transportation, riots, terrorism, war, or any causes beyond the reasonable control of that party.
 - f. No Waiver. Failure by either party to exercise any right or remedy under this Agreement does not signify acceptance of the event giving rise to such right or remedy.
 - g. Attorney's Fees. Subject to the provisions of Section 10, for the purposes of any action between the parties relating to this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs.
 - h. Entire Agreement. This Agreement comprises the entire agreement between the parties regarding the subject matter hereof and supersedes and merges all prior proposals, understandings, and all other agreements, oral and written, between the parties relating to the subject matter of this Agreement. C & A reserves the right to amend or modify this Agreement at any time and in any manner by providing reasonable notice to the Participant. This Agreement may be executed via facsimile or via emailed PDF-format document (or other mutually agreeable document format), and a facsimile or emailed copy of either party's signature shall be deemed and be enforceable as an original thereof. This Agreement may be executed in counterparts, both of which taken together shall constitute one single Agreement between the parties.

IN WITNESS WHEREOF, C&A and Participant have caused this Agreement to be executed by their duly authorized representatives effective as of the date first above written.

Company: _____

Christianson Benchmarking LLC

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____



Appendix D: Sample Invoice

Customer ID	Contact ID	Payment Terms ID
xx	xx	UPON RECEIPT

CHRISTIANSON
 Benchmarking

Invoice Number: xx
 Date: MM/DD/YYYY
 Due Date: MM/DD/YYYY

Christianson Benchmarking, LLC
 302 5th St SW
 Willmar MN 56201
sholtberg@christiansoncpa.com
 320-441-5549

Customer: Name
 Address
 Address

For 2023 Meat Processing Benchmark Report Participation \$600.00
Meat Processing Benchmark Reports Included with Participation Fee:

- Customized Q1-Q3 2023 Financial and Operational Analysis Report (PDF)
- Demographic Information Sheet (total number of participants, other general information about participation in the Benchmark Report)

Required Documents and Payment Terms:

- Facility Information and Data Submission via provided Excel [workbook](#)
- Signed Benchmark Data Agreement
- Payment must be received prior to data submission workbook and report access

Invoice Amount	\$600.00
Subtotal	\$600.00
Tax	\$xx
Total Due	\$xx

Appendix E: Frequently Asked Questions Document

The following document would accompany program promotion to potential subscribers and answer common questions, such as basics about the program, how it works, and information about Christianson Benchmarking.

Meat Processing Benchmark 2024

Information About the Program

Christianson Benchmarking, in collaboration with AURI, interviewed meat processors and researched performance factors most important to the success of very small to small processing facilities. We are ready to provide an opportunity for processors to participate in a unique study to benchmark their financial and operational performance against industry peers, while keeping individual participant information secure and confidential.

What You Will Provide:

Financial and operational data about your business, to be kept confidential and used only to generate industry averages. We will collect data for operations from DATE to DATE. If there is subsequent interest, processors will have the option to provide data at a later date for the time period.

- Production data: total pounds of hanging weight processed and finished product weights processed and sold.
- Revenues: product revenue generated at wholesale and retail, and any other fees or revenue generated by your facility.
- Costs: Dollar amounts for all major costs such as leases, wages, and utilities, as well as other common costs such as product ingredients, packaging supplies, insurance, and cleaning supplies.
- Balance sheet data: Basic information about assets, liabilities, and equity to help assess the financial health of your organization against other U.S. meat processing facilities.

What You Will Receive:

You will receive a customized report, showing your individual revenues and costs on a per-pound basis in comparison to industry averages for the same revenue and cost categories. Industry averages will be shown on a per-processed-pound basis to help ensure that your facility is measured fairly and appropriately against other small- to mid-sized facilities. For each metric, the report will indicate how your facility ranks in that metric against all other participants. For instance, if 50 facilities return data and your facility spends less than any other participant on packaging supplies on a per-processed-pound basis, you will see that you rank 1/50.

The detailed financial and operational data received will help you understand your facility's biggest strengths and challenges. To further understand the competitive landscape, a short report in electronic (PDF) format will describe information about the other participants in the study: the number who participated, the range and age of facilities, the average number of employees, and so forth. This demographic data will help you determine things about your facility that are "normal" for the industry, as well as things that are different or more unique.

How The Program Works:

Once you have signed and returned the participant agreement, Christianson Benchmarking will sign and return a fully executed agreement, guaranteeing the confidentiality of your data. We will send an invoice for the cost of participation at that time. Once you have submitted your payment, you will receive a detailed electronic workbook in Excel format to provide revenues, costs, operational facts, and other financial information about your business. The workbook will contain guidance and instructions to ensure participants are categorizing information in the same manner. After returning the workbook, Christianson's experienced data analysts will review and verify that your submission is complete and within expected norms. After data is collected, reviewed, and validated, a custom report will be created displaying revenues, costs, and efficiencies on a per-finished-pound basis against the average of all other results reported, along with a rank against each metric. The report will also include demographic information about the other plants that participated in the program to assess similarities and differences.

Cost: \$600

Important Deadlines (Exact dates to be determined):

Participant Agreements Due. Send to EMAIL

Payment Due (invoice will be sent to contact email in participant agreement)

Data workbook to be completed by processor will be sent upon receipt of payment.

Data and Participant Information Due. Send to EMAIL

Receive customized report showing your facility's results against industry averages.

About Christianson Benchmarking:

Christianson Benchmarking has extensive experience with value-added agriculture and ag-based manufacturing, although new to the meat processing industry. The experienced analysis staff at Christianson Benchmarking has been collecting and scrutinizing ethanol facility data since 2003, helping producers determine the factors that can be optimized to improve operational and financial performance. This uniquely comprehensive data about the ethanol industry is not available anywhere else. Our ethanol participants find that benchmarking data is indispensable for all types of operational decisions as well as boardroom and owner discussions ranging from capital investments to long-range strategic planning.

Christianson Benchmarking is endorsed by the American Coalition for Ethanol, the Renewable Fuels Association, and many other regional biofuels, ethanol, and ag-focused organizations. Participation is confidential, and all data provided is anonymized. As a subscriber, only you will see the data for your own facility—other participants will see that data only in the form of averages and other statistical means of indicating the range reported for a given metric.