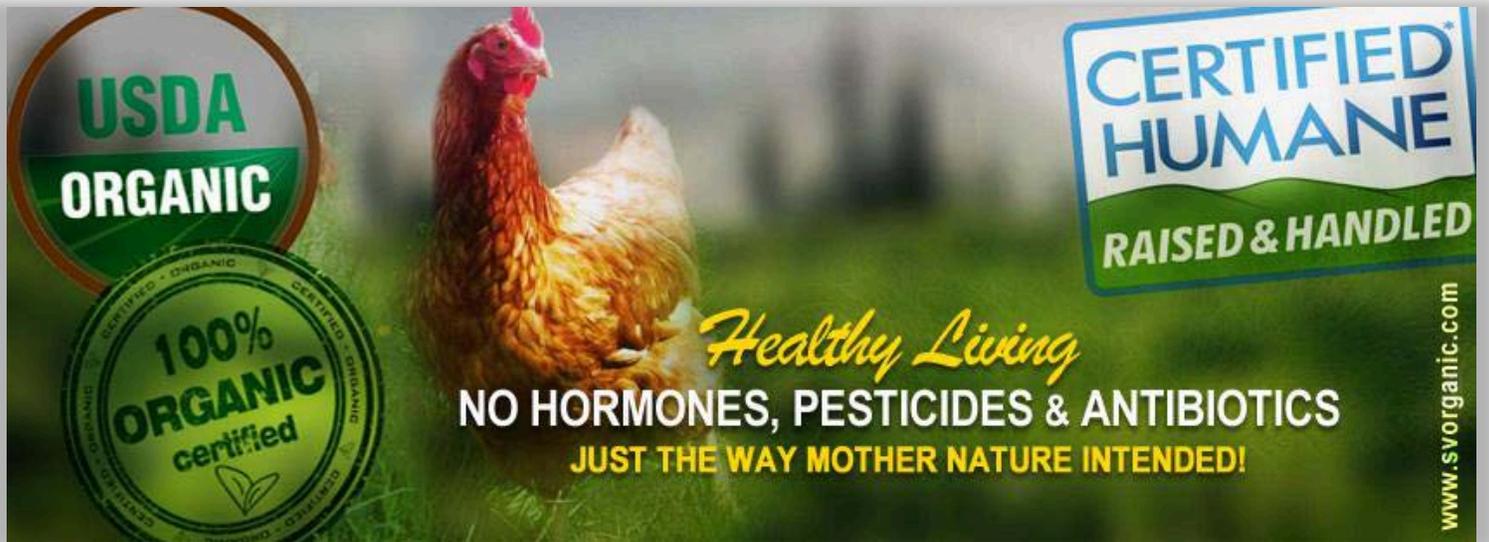




Case Study: Shenandoah Processing.



Background

Shenandoah Processing, LLC is the first major certified organic poultry processing company in Virginia. It was founded in 2013 by Corwin Heatwole and is located in Harrisonburg, Virginia.

The business was built on Heatwole's previous success in the commercial poultry industry and inspired by his drive to help those in his community. Heatwole renovated a building which had previously been used for poultry processing, and it now operates under USDA standards as a processing facility for Heatwole and local farmers to process USDA certified organic and humanely raised chickens.

Shenandoah Processing's Goals

Local farmers were struggling to keep their businesses alive, and local families had little access to fresh, healthy foods. Heatwole's vision was to create a business which would serve the entire community, bringing economic success by providing opportunity for farmers and creating new jobs, and bringing accessible, healthier food options to the local area.



VA FAIRS and Matson Consulting

In preparation for expansion beginning in 2014, Shenandoah Processing contacted VA FAIRS, a rural development center that works with rural businesses and producer groups to support agricultural pursuits.

Through VA FAIRS, Matson Consulting worked with Shenandoah Processing to create both a feasibility study and



"Shenandoah Processing is a tremendous example of the entrepreneurial underpinnings of Virginia agriculture."

- VA Governor Bob McDonnell

a business plan to address the viability of their proposed project. Goals for the project included expansion through increasing the number of chickens processed and delivered. The feasibility study concluded that their project was, indeed viable, and would result in positive effects for both the company and community. The business plan presented a compelling argument for the company's efficient and effective strategy to attain success.

With the feasibility study and business plan in place, Shenandoah was ready to proceed in their expansion, and we assisted them in applying for a USDA Value Added Producer Grant. Working closely with the company to determine efficient sourcing and allocation of funds, Matson Consulting assisted them in the acquisition of a VAPG Working Capital

Grant for \$200,000 to support the necessary increase in personnel and offset the high labor costs and increased risk associated with increasing market share while overcoming the initial expenses incurred with expansion. Their application was accepted, and awarded grant funds enabled them to pursue accelerated expansion and grow more quickly and efficiently than would have otherwise been possible.

Additional Funding

With proven business practices already showing success, and with the help of the Virginia Department of Agriculture and Consumer Services, Shenandoah has garnered tremendous and consistent support from city and state government. The project received additional assistance in 2013 through the Virginia Jobs Investment Program and matching funds in the amount of \$50,000 from the Governor's AFID fund.

More recently, in 2015, Matson Consulting assisted with Shenandoah's application for the USDA's Local Food Promotion Program (LFPP). They were awarded \$100,000 in funding to be used for implementing special purpose equipment which weighs, labels, and prices chicken products for retail sale. Expected outcomes of this project include more efficient operations with decreased opportunity for human error; the addition of 3-5 local poultry farms to support higher sales levels; expansion into new markets including local and regional grocery stores; and the hire of 12 or more additional laborers from the local labor pool.

Outcomes

Since 2013, the company has been actively realizing their goals to help farmers, families, the Harrisonburg community and beyond in number of tangible ways:

- **Enabling producers in nearly thirty farms in two states to reach larger markets than they would have had access to before**
- **Supplying local and regional grocery stores with humane and organic certified chicken**
- **Meeting community needs for healthy, accessible food in Harrisonburg, a designated food desert**
- **Educating farmers and community members through monthly farmer luncheons and guided facility tours**
- **Creating new jobs, employing over 200 community members since the company's inception and causing a ripple effect, increasing demand for related positions in the poultry industry**