

**Governor’s Agriculture and Forestry Industries Development Fund –
 Infrastructure Grant Program
 (AFID Infrastructure Program)
 Grant Application**

I. Overview

Project Title: Processing Expansion at Kelly Turkeys	
Applicant Jurisdiction: Albemarle County	Other localities (for multijurisdictional applications only):
Project Start Date: 01/2023	Anticipated End Date: 01/2025
Requested Amount: \$24,000	
Primary Contact Information	
Name: Judd Culver	
Title: Owner/Operator	
Organization: Kelly Turkeys	
Telephone: 540-724-1654	
Email Address: judd@kellyturkeys.com	
Mailing Address: 6975 Jarmans Gap Road	
City, State, Zip: Crozet, VA, 22932	

II. Project Description

We would like to expand our production into ground turkey. To do so, we need a grinder, a vacuum packer, and a freezer. We have customers lined up to buy as much ground turkey as we can produce.

Summary

Kelly Turkeys is seeking a \$24,000 grant to purchase grinding, vacuum packaging and freezing equipment to add ground turkey to its existing product line of whole birds and bone-in breasts.

Background

Kelly Turkeys USA, LLC is a 106-acre family farm owned and operated by Judd Culver. The business' principal facility is in Albemarle County at 6975 Jarmans Gap Rd., Crozet, Virginia 22932. The name "Kelly Turkeys" comes from their signature breed of turkeys, the KellyBronze.

The owner, Judd Culver, has been in the poultry industry for nearly 25 years. He has a degree from Virginia Tech in Animal and Poultry science as well as a Masters degree in Turkey Production. For six years, Judd worked for Carolina Turkeys (largest turkey plant in the world) who purchased Butterball whilst Judd was working there. He started his career worked in production and quickly moved to quality assurance, Hazard Analysis and Critical Control Points (HACCP) creation, and gained experience with managing live operations, sales, marketing, R&D, and new product development. He also worked for one of the largest chicken processing companies and for the seventh-largest animal health company in the world.

Before starting his operation in Virginia, Judd worked closely with the members of the KellyBronze team in the United Kingdom, where he learned the unique methods for growing and processing KellyBronze birds. Kelly Bronze is an internationally known brand of high-end, organically, and pasture-raised turkeys. Their sustainable farming methods pre-date mechanization in the turkey processing industry. Their birds are hand-plucked and dry-aged prior to being offered for sale.

Kelly Turkeys USA sells its products at Thanksgiving and Christmas to individuals through online sales (www.KellyBronze.com) as well as through 23 wholesale clients (<https://kellybronze.com/find-a-stockist/>). Nine wholesale clients are in Virginia, and the remaining clients are located across the country (NY, NJ, CA, TX, IL, MA, PA, and Washington, D.C.). Four of the Virginia-based wholesale clients are local to the Charlottesville-Albemarle area.

Kelly Turkeys began its operations in 2015 focused on selling whole turkeys, but expanded in 2022 to include a line of cut turkey products including bone-in-breast and charcuterie products such as cured prosciutto turkey leg and thigh.

Clear Need

Both supply-side and demand-side factors are contributing to a need for more turkey processing capacity.

On the supply side, there are present and growing threats to the supply chain; the most significant threats are from the impacts of viruses (both human and animal) and climate change. The COVID-

19 pandemic demonstrated the vulnerability of our existing meat processing facilities to human illnesses. Additionally, recurring animal-based viruses like the bird flu can dramatically impact supply. As of October 7, 2022, 7.15 million turkeys had been lost to bird flu.¹ As of November 2022, the USDA had spent \$450 million to combat this season's outbreak.² Finally, climate change is resulting in more frequent and more severe weather events that can dramatically impact agriculture. A higher frequency of hotter than average days impact turkey farming by increased mortality in addition to decreasing feed efficiency.

On the demand side, ground meat is the fastest growing segment of the domestic meat market. Ground turkey is second only to ground beef in the ground meat category. Industry data from March 2021 to March 2022 show that the total number of pounds of ground turkey sold was 12.7% higher than the pre-pandemic levels sold in 2019.³

Proposed Solution

This application is for equipment and packaging materials to produce ground turkey products at Kelly Turkeys in Albemarle County.

The successful launch of Kelly Turkey's bone-in-breasts has provided the farm with meat that could readily be utilized in ground turkey meat. However, based on conversations with multiple Virginia meat sellers like 4P, Organic Butcher, The Whole Ox, and supported by national upward trends in demand and price, Kelly Turkey calculates it has an initial market for ground turkey of 500 birds per year allowing this family farm to expand poultry production and add a new value-added product to its offerings. Based on an estimated 4,000 Lbs of ground product, 90% sold through wholesale butchers, Kelly Turkeys estimates an increase of \$60,000 in revenues and increasing the number of weeks (4) seasonal workers are employed.

Ground turkey prices are \$15 per pound, which is a significant value-add when compared to the price per pound of whole birds.

Support for Agricultural Industries

This project will enable the growth and expansion of a sustainably run farm that contributes to local food production. The expansion will allow the farm to process and package turkeys that have been raised and pastured on-site.

III. Eligibility

We are a locally owned processing facility where we harvest turkeys and produce whole ready to cook turkeys for Thanksgiving and Christmas.

¹ <https://www.ers.usda.gov/webdocs/outlooks/105007/ldp-m-340.pdf?v=9489.7>

² <https://www.agriculture.com/news/business/how-minnesota-farmers-with-ties-to-global-processing-inc-can-file-claims>

³ <https://www.iriworldwide.com/IRI/media/Library/IRI-Meat-Update-Mar-2022.pdf>

Judd Culver owns 100% of the land, buildings, and existing hatching, pasture raising, harvesting, and processing facilities and equipment. Judd Culver also owns the rights to sell KellyBronze branded turkeys in the entire USA.

IV. Match Requirement

Please indicate if your project qualifies for a reduced match requirement as described in the Program Guidelines:

A. Is the project located in an economically-distressed locality Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/>
B. Is the project a shared-use facility serving multiple small-scale agricultural producers? Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/>

V. Budget and Budget Narrative

Please use the attached budget form to show total project costs. Provide a budget narrative below; outline specifics on the proposed use of funding and explain the details about the personnel and expenses that are itemized in the budget.

VI. Work Plan

Project Activity	Who	Timeline (Month / Year)
Sign Memorandum of Agreement (MOA) with VDACS	Judd Culver	December 2022/January 2023
Obtain three quotes for each item on the budget	Judd Culver	1st quarter 2023
Increase egg order from Kelly Bronze UK for spring 2023	Judd Culver	Immediately upon MOA signing
1. Purchase equipment 2. Negotiate sales contracts with stockists	Judd Culver	1st quarter 2023

Schedule production	Judd Culver	2nd quarter 2023
Begin sales of ground turkey	Judd Culver	4th quarter 2023

VII. Metrics and Outcomes

Please describe what success would mean for the project and how that success will be measured.

1. Increase flock by 500 birds
2. Offer ground turkey to current retail customers and through 3 wholesale outlets in 4th quarter 2023
3. Ground turkey gross sales in calendar year 2024 (whole year)
4. Tax revenues generated by increase in gross sales
5. Increased number of hours of seasonal labor (min. 200 hours)

VIII. Letters of Support/Attachments

Please attach the following documentation:

- Letter for the chief administrative officer of applicant political subdivision(s) expressing support and how they will assist
- Letters of support from the agricultural industry, forestry industry, and/or other affected constituents

AFID INFRASTRUCTURE GRANT PROJECT BUDGET FORM

Locality Name	Albemarle County		
Project Title	Processing Expansion at Kelly Turkeys		
Requested Award	\$24,000		
INCOME SOURCES	AMOUNT	COMMENTS	
APPLICANT MATCH			
Local Cash Match	\$ 4,250	Kelly Turkeys	
Local Cash Match	\$ 24,000	County of Albemarle	
Local In-Kind Match			
Subtotal Applicant Match Income	\$ 28,250		
OTHER MATCH			
Foundation/Non-profit			
Cash			
in-kind			
Federal			
Virginia Tobacco Region			
Other			
Subtotal Other Match Income	\$ -		
TOTAL INCOME	\$ 28,250		

EXPENSES	TOTAL PROJECT BUDGET	AFID REQUEST	CASH MATCH	IN-KIND MATCH
Personnel				
Fringe				
Travel				
Supplies/Materials	\$ 52,500	\$ 24,000	\$ 28,250	
Contractual				
Other				
TOTAL EXPENSES	\$ 52,500	\$ 24,000	\$ 28,250	\$ -

BUDGET CATEGORIES

- Personnel: Costs for staff that are employees of the locality
- Fringe: Costs for FICA and other payroll taxes, health and life insurance for employees
- Travel: Mileage and per diems
- Supplies/Materials: All programmatic and office supplies, including capital expenditures
- Contractual: Costs for consultants creating feasibility studies, strategic plans, etc.
- Other: Any items not covered in the above categories, such as postage, marketing expenses, etc.



County of Albemarle
County Executive Office

Tel: 434-296-5841
Fax: 434-296-5800

November 3, 2022

The Honorable Matthew J. Lohr
Secretary of Agriculture and Forestry
c/o Stephen Versen, Manager
Office of Agriculture and Forestry Development
Virginia Department of Agriculture and Consumer Services
102 Governor Street
Richmond, VA 23219

RE: AFID Infrastructure Grant

Dear Secretary Lohr:

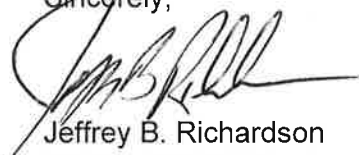
I am writing to express the County of Albemarle's full support of the AFID Infrastructure Grant application for the expansion of Kelly Turkeys.

Through County funds previously appropriated to the Albemarle County Economic Development Authority for grant match purposes, the County supports a \$24,000 cash match for the requested \$24,000 AFID Infrastructure Grant. These funds will enable Kelly Turkeys to purchase grinding, packaging, and freezing equipment to add ground turkey to its product line. In doing so, Kelly Turkey's will grow its flock by 11% in its first year and make a positive impact on the strong demand for meat processing capacity around the state.

We are pleased to support investments that strengthen the local food production system through sustainable agricultural practices.

The Albemarle County Board of Supervisors and its Economic Development Authority are delighted to work together once again with the Virginia Department of Agriculture and Consumer Services to support our agribusinesses. If any additional information is needed, please contact me or Roger Johnson, Director of Economic Development.

Sincerely,



Jeffrey B. Richardson
County Executive

cc: Don Long, Chair, Economic Development Authority
Doug Walker, Deputy County Executive
Roger Johnson, Director of Economic Development
Megan Gray, Senior Business Development Manager



November 3, 2022

The Honorable Matthew J. Lohr
Secretary of Agriculture and Forestry
c/o Stephen Versen, Manager
Office of Agriculture and Forestry Development
Virginia Department of Agriculture and Consumer Services
102 Governor Street
Richmond, VA 23219

RE: AFID Infrastructure Grant

Dear Secretary Lohr:

I am writing to express the full support of the Economic Development Authority of Albemarle County for the AFID Infrastructure Grant application submitted on behalf of Kelly Turkeys. The Authority directors overwhelmingly expressed their willingness to provide the required \$24,000 cash match for the requested \$24,000 grant from the Virginia Department of Agriculture and Consumer Services.

Our support of this grant fulfills multiple objectives of Albemarle County's economic development strategic plan, Project ENABLE. It benefits an agribusiness, which is one of the County's four targeted industry sectors, and it also leverages a state grant opportunity to assist a growing, local business.

We appreciate the consideration of this grant application. Please contact Roger Johnson, Director of Economic Development, if any additional information is needed.

Sincerely,

DocuSigned by:

Donald D. Long

00BFC74F492F4B4...

Don Long
Chair, Economic Development Authority of Albemarle County
[Albemarle County](#)
(434) 972-4016
401 McIntire Rd, Charlottesville VA 22902

CC: Jeff Richardson, County Executive
Doug Walker, Deputy County Executive
Roger Johnson, Director of Economic Development
Megan Gray, Senior Business Development Manager
Ashley Hernandorena, Economic Development Management Analyst

4PFOODS

PO Box 106, Elkwood, VA 22718

Phone: 703-732-6664

November 1, 2022

Judd Culver
Kelly Turkeys USA

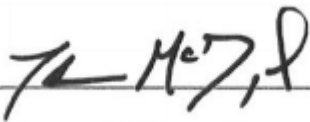
Dear Judd,

I'm excited to hear about your opportunity to receive a grant to expand your business into ground turkey. KellyBronze turkeys have become a Thanksgiving tradition for 4P Foods and for our customers. Every year we receive many unsolicited testimonials such as this one, "By far, KB was the easiest, tastiest turkey ever...reduced the stress of the Thanksgiving craziness in the kitchen," and this one, "We have ordered the Kelly Bronze turkey three years in a row. We aren't even fans of turkey, but the taste of this turkey is unreal."

We are looking forward to 2023 and the rollout of your KellyBronze ground turkey. Ground turkey is a very popular item year-round with our customers, and the KellyBronze brand is emblematic of the highest quality turkey available. I anticipate our customers will be eager to buy your ground turkey through our online store.

You have a unique and unparalleled product, and I am looking forward to seeing sales grow in the coming year. I am a firm believer and fully support your grant application. All of us at 4P Foods wish you the best of luck.

Sincerely,



Tom McDougall
Founder and Chief Executive Officer



Don Roden
The Organic Butcher
6712 Old Dominion Drive
McLean, VA 22101

10.25.2022

Judd Culver
Kelly Turkeys USA

Dear Judd,

I'm excited to hear about your opportunity to receive a grant to expand your business into ground turkey. We have been more than satisfied with KellyBronze turkeys and so have our customers. The reviews I have received from our customers are fantastic and have exceeded our expectations. Ground turkey is a very popular item year-round with our customers. I am confident that we will sell as much KellyBronze Ground turkey as you can produce.

We are looking forward to 2023 and the new rollout of your KellyBronze ground turkey. The KellyBronze is truly the best turkey I have ever tasted, and I expect the KellyBronze ground turkey will be as superior and sell well in my butcher shop.

You truly have a unique and unparalleled product, and I am looking forward to seeing sales grow during the next grilling season. I am a firm believer. I wish you the best of luck.

Regards,

A handwritten signature in black ink, appearing to be 'DR', written over the word 'Regards,'.

Don Roden

Amanda Luhowiak
The Whole Ox
8357 West Main Street
Marshall, VA 20115

11.01.2022

Judd Culver
Kelly Turkeys USA

Dear Judd,

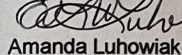
I'm excited to hear about your opportunity to receive a grant to expand your business into ground turkey. We have been more than satisfied with KellyBronze turkeys and so have our customers. The reviews I have received from our customers are fantastic and have exceeded our expectations.

Ground turkey is a very popular item year-round with our customers. I am confident that we will sell as much KellyBronze Ground turkey as you can produce.

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Regards,



Amanda Luhowiak