



RETRAINEE - JOB CREATION

Critical Proposal for:

One World Beef Packers, LLC

Agreement Number: ET17-0257

Panel Meeting of: October 28, 2016

ETP Regional Office: San Diego

Analyst: J. Davey

PROJECT PROFILE

Contract Attributes:	Critical Proposal HUA Job Creation Initiative Priority Rate Retrainee	Industry Sector(s):	Manufacturing Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Imperial	Repeat Contractor:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Union(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Number of Employees in:	CA: 56	U.S.: 130	Worldwide: 130
<u>Turnover Rate:</u>	0%		
<u>Managers/Supervisors:</u> (% of total trainees)	5%		

FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	Total ETP Funding
\$470,000		\$0	\$0		\$470,000

In-Kind Contribution:	100% of Total ETP Funding Required	\$495,000
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TRAINING PLAN TABLE

Job No.	Job Description	Type of Training	Estimated No. of Trainees	Range of Hours		Average Cost per Trainee	Post-Retention Wage
				Class / Lab	CBT		
1	Retrainee Critical Proposal HUA Job Creaton Priority Rate	Business Skills, Computer Skills, Cont. Imp., HazMat, Mgmnt. Skills, Mfg. Skills, PL-Mfg. Skills	235	8-200	0	\$2,000	*\$11.50
				Weighted Avg: 100			

*It will be made a condition of contract that the trainees in this Job Number will never be paid less than the State or local minimum wage rate as in effect at the end of retention regardless of the wage expressed in this table. The highest minimum wage rate will prevail.

Minimum Wage by County: Job Number 1 (Job Creation/HUA): \$10.00 per hour for Imperial County

Health Benefits: Yes No This is employer share of cost for healthcare premiums – medical, dental, vision.

Used to meet the Post-Retention Wage?: Yes No Maybe

Although employer provides Health Benefits, they are not being used to meet the post retention wage.

Wage Range by Occupation		
Occupation Titles	Wage Range	Estimated # of Trainees
Administrative Staff		12
BioWaste Filtration		5
Clean-Up		8
Fabrication		75
Hides		8
Laundry		2
Maintenance/HVAC/Engineering		19
Managers/Supervisors		5
Pericardium Harvesting		5
Quality Control		8
Rendering		4
Security		9
Slaughter		75

INTRODUCTION

Owned by Eric Brandt, One World Beef Packers, LLC (One World Beef) (www.oneworldbeef.com.) was recently formed to lease and operate a meat packing facility in Brawley. Under the same ownership, based in Buena Park, other businesses include a worldwide distribution network to restaurants, chefs and wholesalers; sales and marketing agent for beef products such as Brandt Beef®, exclusive U.S. importer of Kagoshima Beef® from Japan and Peter's Farm® veal from Holland; as well as recent ownership of the Brawley facility now leasing to One World Beef. One World Beef will hold the ETP Agreement, and only its employees will participate in the ETP Agreement.

When the previous owners of the Brawley facility closed in April 2014, Imperial County lost 1,300 jobs in an area of the state with the highest unemployment rate. One World Beef will introduce a new beef processing and fabrication method designed to serve an international and "farm to fork" market. One World Beef plans to hire former employees of the facility as part of its recruitment efforts in Brawley.

This proposal is for training 235 newly-hired incumbent workers under Job Creation, to staff the facility in Brawley. It has been designated as a Critical Proposal by the Governor's Office of Business and Economic Development (GO-Biz).

PROJECT DETAILS

One World Beef will introduce its Custom Toll Processing method, by which customers can trace products back to the cattle ranch origin. As such, a rancher can order cuts that will meet the unique requirements of international or specialty buyers. This method also allows small ranchers (50-100 head) to process custom or "farm to fork" cuts in a USDA-inspected plant. The Company will process beef from a number of different ranchers in the Imperial Valley, and Custom Toll Processing will track the means of freight travel. Each finished product will be certified for USDA quality guidelines.

Retrainee - Job Creation

The Panel offers incentives to companies that commit to hiring new employees. Training for newly-hired employees will be reimbursed at a higher rate and trainees will be subject to a lower post-retention wage.

One World Beef will hire approximately 600 employees in the next four years. This proposal is for 235 new employees in the first wave of employment. The Brawley facility has been fully refurbished, and began initial operations in September 2016.

The date-of-hire for trainees will be within the three-month period before contract approval or within the term-of-contract. These trainees will be hired into "net new jobs" as a condition of contract.

Training Plan

Hiring is expected to begin shortly. Most of the training will be provided to the beef processing workers (Fabrication and Rendering). Their coursework will include processing techniques via classroom and Productive Lab. These and other occupations will also receive training in Hazardous Material handling, continuous improvement, inventory control, customer service and other topics as outlined below.

Business Skills (10%): Training will be offered to all occupations in Accounting, Asset Management, Material Management, Knowledge of Meat Cuts and Yields and other job-specific skills. Training will provide Administrative and other support functions the skills needed to give them a general understanding of how a beef processing plant operates.

Computer Skills (10%): Training will be offered to all occupations in Attendance Tracker and MS Office, as well as job-specific training in ERP System, Preventative Maintenance Program and other software applications.

Continuous Improvement (10%): Training will be offered to all occupations in Production Scheduling, Production Operations/Workflow, Quality Control, ISO Certification and other related skills. Training will provide a basic understanding of how the Custom Toll beef process works and how to maximize production efficiency.

Hazardous Materials (10%): Training will be offered to all occupations except Administrative Staff in Hazardous Risk Materials, Waster Water Handling/Treatment, and Handling Hazardous Materials. Training does not lead to a Hazmat Certification.

Management Skills (10%): Training will be offered to Managers/Supervisors in Leadership, Decision Making, Motivation/Engagement, Coaching, Teambuilding and Strategic Planning. Managers will learn to effectively lead and direct employees and develop their skills as they learn their new jobs.

Manufacturing Skills (30%): Training will be offered to Fabrication, Quality, Rendering, Slaughter and select Managers in topics related to beef processing. Topics include Equipment Operation, Cut Specifications, Knife Handling/Sharpening and Cross-Functional Skills. Safe operations and handling of all equipment and tools will be included as an integral part of the training process.

Productive Laboratory - Manufacturing Skills (20%):

Productive Lab (PL) trainees may produce goods for profit as part of the training in the courses identified under the Curriculum. The instructor's time must be dedicated 100% of the time to training delivery during all hours of PL training.

PL training will be provided to 200 trainees in maintenance/HVAC/engineering, fabrication, slaughter, wastewater treatment, pericardium preparation, shipping, packaging, hide preparation and rendering for up to 60 hours per trainee. (See Curriculum at Manufacturing Skills.) Safe operations and handling of all equipment and tools will be included as an integral part of the training process. PL training in excess of 60 hours will be delivered at the Company's expense.

Qualified newly-hired in-house trainers will provide training at a trainer-to-trainee ratio not to exceed 1:3. Most PL instruction will be conducted one-on-one; however, there will be instances where a small group of three trainees will receive the same instruction at the same time. These small group sessions will occur most often at the beginning of training when trainees are first learning their jobs. The trainer will review, observe, coach, demonstrate, as well as document PL training.

High Unemployment Area

All trainees work in a High Unemployment Area (HUA), with unemployment exceeding the state average by at least 25%. The Brawley facility qualifies for HUA status under these standards. One World Beef requests a wage modification from \$12.60 to \$11.50 for these newly hired employees.

Other Resources

One World Beef was awarded California Competes State of California (CA Competes) tax credits from Go-Biz. CA Competes is an income tax credit available to businesses to relocate or remain in California. ETP funding will not displace funding received by other resources.

Commitment to Training

The Company does not have a current training program as a start-up enterprise. However, One World Beef states that safety training and cross-functional skills training will be ongoing.

ETP funds will not displace the existing financial commitment to training. Safety training is provided in accordance with all pertinent requirements under state and federal law.

➤ Training Infrastructure

One World Beef will provide training to all newly hired staff as part of re-opening the Brawley facility. These in-house instructors will have the requisite knowledge and experience to deliver training. One World Beef internal staff will manage project administration.

RECOMMENDATION

Staff recommends approval of this proposal.

DEVELOPMENT SERVICES

N/A

ADMINISTRATIVE SERVICES

N/A

TRAINING VENDORS

To Be Determined

Exhibit B: Menu Curriculum**Class/Lab Hours**

8 – 200 Trainees may receive any of the following:

BUSINESS SKILLS

- Accounting Skills
- Asset Management
- Material Management
- Inventory Control/Warehousing
- Sales Skills
- Knowledge of Meat Cuts and Yields

COMPUTER SKILLS

- MS Office Suite
- ERP System
- Preventative Maintenance Program
- Attendance Tracker
- Paychex Payroll Software
- Flex Time (Time and Attendance Software)

CONTINUOUS IMPROVEMENT

- Production Scheduling
- Production Operations/Workflow
- Quality Control Concepts
- ISO Certifications
- Animal Welfare Management

HAZARDOUS MATERIALS (Ratio 1:40)

- Hazardous Risk Materials Handling
- Waste Water Handling/Treatment
- HazMat Handling

MANAGEMENT SKILLS (Managers/Supervisors Only)

- Leadership
- Decision Making
- Motivation/Engagement
- Administration
- Coaching Procedures
- Teambuilding
- Strategic Planning

MANUFACTURING SKILLS

- Equipment Operation, Maintenance & Troubleshooting
- QA/QC Training
- Cut Specifications for Individual Products
- Yield Management and Controls
- Knife Handling and Sharpening
- Production Safety Training
- Repetitive Motion Training to Avoid Injury
- Shipping
- Cross-Functional Production Equipment/Skills

Productive Lab Hours

0-60

MANUFACTURING SKILLS (Ratio 1:3)

- Harvesting Operations
- Pericardium Sacs (Heart Sacs)
- Hides
- Rendering
- Fabrication
- Material Handling/Shipping
- Maintenance Preventive Repair Measurement
- Quality Control
- Cross-Functional Production Equipment/Skills

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery. PL is capped at 60 hours per trainee.