



PROJECT RAWHIDE FAQ

April 22, 2016

Community Impact:

- **What are the projected benefits for the Greater Fremont area?**

It is anticipated that a company of this size will spur new growth in all facets of the community including retail, restaurants and other services. The project is expected to create 1100 new jobs, including management, advanced manufacturing, and technical positions which will keep young people in the community. The tax base created by this project (\$63 million) will positively impact property taxes. In addition, the grower network will provide local farmers with an unprecedented opportunity to diversify into this industry and to enjoy a new revenue stream.

- **What can you tell me about the planned facility?**

All aspects of the facility will be fully enclosed. Even the delivery of the chickens to the plant is handled through enclosures, including the receiving dock. There will be an enclosed/covered anaerobic wastewater lagoon. The City of Fremont will be treating the waste water from the facility. The methane produced from the covered anaerobic lagoon will be captured and reconverted back into reusable energy for the facility. Parking lots will be concrete, eliminating dust created by traffic. Members of the Fremont community have visited out-of-state poultry farms and plants to see for themselves the reality of these operations. They will be sharing their experiences throughout the greater community.

- **Won't all the new workers require housing?**

No. The intent is to fill the labor needs from the local communities and surrounding areas. Currently those people already have housing, therefore not a great deal of additional housing will be required. If additional housing does become an issue, the communities will prepare housing plans to meet those needs accordingly. One of the reasons this area was selected was due to the large labor pool in the Greater Omaha and Fremont region. We believe the majority of the workforce already resides in the region.

- **What will be the impact of this facility to our school system?**

Because the intention of the company is to draw a workforce from the existing area, there is not an anticipation at this time that there will be a large influx of students into the school system. Should there be a surge in student population, local leaders will work with school officials to determine how best to meet the needs of our educational system. It is not the desire of the company to cause undue burden on the educational institutions in the area.

Site Selection Process:

- **Why did the company choose the Greater Fremont & Dodge County area?**

Over the past several months, the company conducted exhaustive due diligence on states and communities across the greater Midwest. They considered a wide array of factors: quality of the workforce, cost of doing business, incentive opportunities, available land, a supportive farm community willing to grow chickens, proximity to customers and suppliers, school performance and overall quality of life. After careful review, the company chose the Greater Fremont area because we are seen as a great place to live and do business. The company is eager to be part of the community. They see in us what we have known all along: the Fremont area offers excellent quality of life and opportunities to grow and thrive. We also are a good fit for this project with our proximity to the Greater Omaha metropolitan area and its amenities.

- **Can you please explain the need for confidentiality on projects of this nature?**

Site selection is a highly competitive process. The competition consists of communities similar to ours with their own unique set of strengths. Typically, companies or consultants select a few regions that make sense strategically. Costco is a publically traded company. In addition to needing to notify and receive permission from their board of directors about releasing information, they also have a responsibility as a good steward to notify their suppliers and vendor partners prior to announcements of this nature. There has never been any intent to hide details of the project. This is merely best practices for the industry. Until the company was fully satisfied that they had done all they could to prepare entities who could potentially be affected by a project of this magnitude, they requested confidentiality be strictly adhered to.

Facility:

- **When would construction begin on the facilities and when would the plant be operational?**

If everything goes according to plan, Lincoln Premium Poultry would begin site work later this fall. The project will take approximately two years to complete. Operations would begin in 2018.

- **How many days per week will the facility be in operation?**

The feed mill will operate 24 hours a day five days a week, the hatchery will operate one eight-hour shift five days a week, and the processing facility will operate three shifts five days a week.

- **What safety measures will be taken to address all the truck traffic going to and from the facilities? Will there be infrastructure improvements?** *The corn and soybeans will be provided by area growers and elevators who are already delivering it to other destinations. This will create minimal additional traffic, since the trucks will instead be going to a new location. New traffic will come from the delivery of chickens and outgoing refrigerated product, which is estimated at 120 trucks per day. The company is working with the Nebraska Department of Transportation to ensure all entrances and exits to the facilities are safely designed and any increase in truck traffic on roads is appropriately handled.*

Health and Public Safety:

- **What precautions are being taken to reduce the risk of avian flu being spread in the region?**

The company's management team is experienced with preventing Avian Influenza (AI). The company will implement strict biological security practices on each farm, such as no sharing of equipment, foot pans, company personnel wearing disposable protective gear, sanitation of vehicles, cleaning of live transport equipment after each load, composting on each farm, visitor logs, dedicated footwear at each house, etc. One of the benefits of the Fremont area is that there are no other poultry integrators close to the proposed site.

The commercial chicken industry has a program to test every flock of chickens before they go to market. These are the chickens that are raised for their meat, and these flocks are the source of nearly all the products you find in the supermarket or in restaurants. Any chicken flock found to be infected with H5N1 or any of the serious forms of avian influenza would be destroyed and would not enter the food system.

U.S. Department of Agriculture inspectors check flocks of chickens before they are processed for food, and every animal is inspected after slaughter to ensure that it is wholesome and properly labeled. Animals showing any signs of disease are rejected. Additional questions about avian flu can be directed to the Nebraska Department of Agriculture who has more information about this topic.

- **How will odor be controlled at the processing facility?**

It would be a state-of-the-art facility with all aspects of the facility being enclosed. Appropriate technology would be used to effectively manage any potential odors. The facility will not contain a rendering facility, so no odors will be produced from the facility as a result of the rendering process.

- **How will feathers and litter be handled at the processing plant?**

All feathers and litter will be contained, cleaned up and disposed of properly. All areas utilized by trucks and live bird handling equipment will be paved. Any runoff water from truck cleaning will be treated through the wastewater pretreatment process and sent to the City of Fremont for further treatment.

- **Would the processing facility produce emissions hazardous to the public's health?**

No. The facility will operate the best technology available and is designed to be in compliance with all required state and federal emissions requirements.

- **How are the chickens delivered to the processing facility? Will there be open air chicken coops outside the facilities?**

Chickens will be delivered to the processing facility in enclosed trucks into an enclosed receiving dock. There will not be any open air chicken coops associated with the operation.

- **What makes this plant state of the art? How will it be different than other plants built in the last 10 years?**

The plant will use the latest technology that is available in the industry. It will have state-of-the-art animal welfare technology such as modular systems to transport poultry. The facility will

also have the latest robotic technology that will eliminate many of the manual jobs that require significant physical effort. Lincoln Premium Poultry has spent a great deal of time visiting plants around the world identifying the technology that will make this plant one of the most modern in the world.

Local Farmers:

- **How much corn and soybeans are needed for the feedmill and will corn and soybeans be locally sourced?**

The company intends to purchase the 300,000 bushels of corn and 3,000 tons of soybean feed required per week from local providers.

- **Will the company pay enough to be able to compete with the already existing co-ops and feedmills in the area?**

One of the reasons the company identified the Greater Fremont area was the availability of corn and soybeans to feed poultry. Instead of the product being shipped out of the area, the company will use it right here in the area and save on the cost of shipping for everyone involved. The goal is not to compete with the local grain elevators but to work with them and the local producers to have another outlet for the local grain. This will benefit everyone and keep this complex very competitive in its products for the consumer.

- **How many local farmers are needed for the grower network? How many have shown interest?**

75-100 contract farmers are required for the grower network. We have received great interest from the community with over 250 growers showing interest.

- **How will the contracts in the grower network be different from others in the industry?**

Participating growers will have a 15 year contract and they will have a floor in the payment system that guarantees the growers a set amount of income. There is also a bonus payout to those growers who do better than the average. This type of contract allows them to project income and arrange financing with banking institutions to construct poultry houses and determine their income each year.

- **Will there be support staff in place to aid the grower network?**

Yes. There will be support staff in place who are experienced and will work with the growers on how to grow and manage chickens in the new modern broiler and breeder houses. The company plans on hiring experienced people to come in to train local employees to accomplish this process. They also plan on standardizing all houses and equipment so that they can have the same process and procedures across the entire grower network. This standardization will help the company train the new growers effectively over a short time period.

- **How will chicken litter be handled by the grower network?**

Chicken litter will be reused after each flock by a process called windrowing or composting, which allows the litter to go through a heat process that breaks down the clumps and ammonia. It also helps reduce the bacteria load. The growers will use this process throughout the year and

perform clean-out in the spring in order to allow the proper utilization for crops in the area. This organic litter is an excellent source of fertilizer and will have a very favorable input value as compared to commercial fertilizer.

- **Will the odors be a public health issue?**

No. Although there is some odor associated with growing chickens in modern poultry houses, it's considered minimal. We expect growers to keep their houses properly maintained and the premises in good shape while abiding by good litter management processes. The company will comply with all local set back ordinances in deciding where to construct the houses.

Workforce:

- **Are there enough workers in the surrounding communities to staff this operation?**

The intent is to fill the labor needs from the local communities and surrounding areas. The company does not anticipate and is not planning any type of recruitment from outside our geographical area. Studies have shown that labor is available in the area and was one of the factors in selecting this site for the poultry complex.

- **What is the estimated pay scale for the positions?**

As of January 1, 2016, the median base wage for a production worker in the Greater Fremont area was \$12.05 per hour. The company plans to hire production labor at \$13.00 - \$17.00 per hour, which is above the median production hourly rate in the area. In addition, benefits will be provided to full-time employees, which is estimated at 30%+ of salary. They also plan to deploy the newest form of technology in the facility, which will result in the need for many skilled salaried positions.

- **How much skilled labor is needed for the operations?**

They will need both general production labor and skilled labor especially in the areas of management, maintenance, quality, shipping, IT, electrical, refrigeration and many areas of the live production processes. Some of these skills will be needed right away and some of the skills will be developed through training. As mentioned, this complex will have the latest technology that eliminates a lot of the manual work, but employees who are skilled in operating and maintaining technology will be required.

- **Will local community colleges and universities participate in training and research?**

The company plans to partner with local community colleges and universities to develop training programs to train employees.

- **Does the company include benefits and if so, will they be competitive?**

Yes. They will offer comprehensive benefits to full-time employees which are estimated at 30%+ of salary.

Utilities:

- **Who will be providing the utilities of water and sewer to the facilities?**
The City of Fremont will provide water and wastewater utilities for the facility.
- **How will utilities and infrastructure be paid for?**
The company, the City of Fremont, and the State of Nebraska are jointly funding the utility extensions.
- **How are the water requirements going to be met?**
The City of Fremont will provide water to the facility and currently has significant excess capacity with a current permit to withdraw up to 98 million gallons of water per day. The average consumption in Fremont is 4.8 million gallons per day with a peak consumption during the summer month of 12.6 million gallons per day.
- **How will all the waste water be handled? Will there be improvements made to the existing waste water treatment plant in Fremont?**
The City of Fremont will treat the wastewater at its existing treatment plant southeast of Fremont. Improvements are planned whether the chicken processing facility is built or not. The added volume (and associated revenue) from the processing facility will help spread the costs of treatment across a wider base of customers. This helps keep Fremont's wastewater rates very competitive.
- **Will there be an open air lagoon?**
No. It will not be an open air lagoon. There will be an enclosed/covered anaerobic wastewater lagoon. Wastewater from the lagoon will be pretreated and pumped to Fremont's wastewater treatment plant southeast of Fremont. Methane from the covered lagoon will be captured and reconverted back into reusable energy for the processing facility.

As is typical of any project in the early stages, these FAQ's are not comprehensive and are subject to changes as the project develops.