PROPOSAL
Oklahoma Poultry Litter Resource Conversion Initiative

A Formal Proposal to Convert Excess Poultry Litter Into Oklahoma-Owned Industry While Protecting Water Resources and Supporting Oklahoma's Energy and Economic Future

Submitted for Public Consideration
Office of the Governor — State of Oklahoma
Policy and Economic Development Proposal

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Proposal Overview

This document formally proposes the creation of an Oklahoma-based poultry litter processing and manufacturing initiative designed to reduce environmental risk at the source, stabilize poultry and agricultural operations, create Oklahoma-owned manufacturing and energy jobs, and convert excess poultry litter into market-ready byproducts including pelletized fertilizer, soil amendments, and renewable energy.

This proposal is solution-focused, market-driven, and non-punitive. It does not expand enforcement authority. It does not mandate statewide participation. It does not rely on litigation or regulatory escalation.

It submits a practical, buildable solution for consideration and allows for the optional use of court-ordered cleanup funds and penalties as seed capital for pilot facilities, without committing the State to ownership or permanent subsidy.

Statement of the Problem

Oklahoma produces millions of tons of excess poultry litter annually. Current management approaches treat this material primarily as a regulatory and environmental liability rather than as a usable industrial input.

This has resulted in ongoing legal conflict, water-quality concerns, uncertainty for farmers, and missed economic opportunity. Recent federal court rulings have intensified these pressures by requiring long-term cleanup, penalties, and stricter nutrient application limits in sensitive watersheds.

Despite these pressures, poultry litter remains a nutrient-rich raw material containing nitrogen, phosphorus, potassium, organic carbon, and trace minerals. These are the same inputs Oklahoma agriculture purchases in synthetic form.

At the same time, Oklahoma's rapid expansion of data centers and industrial facilities is creating significant new demand for reliable baseload electricity, placing strain on existing infrastructure.

The problem is not poultry production. The problem is the lack of processing infrastructure to convert excess litter into stable, valuable byproducts while reducing environmental risk.

Purpose of This Proposal

The purpose of this proposal is to submit a structural solution that reduces runoff risk through centralized processing, converts excess poultry litter into standardized and marketable byproducts, keeps value-added manufacturing, jobs, and energy production inside Oklahoma, and provides voluntary, predictable off-take for producers.

This proposal reframes poultry litter as an industrial feedstock rather than a disposal issue and replaces conflict-driven management with infrastructure-based prevention.

Proposed Solution

This proposal recommends the establishment of regional poultry litter processing facilities that receive raw poultry litter and convert it into finished byproducts through controlled processing methods including drying, pelletizing, stabilization, digestion, or combustion.

These facilities would reduce moisture and stabilize nutrients, standardize nutrient ratios, produce transportable and market-ready byproducts, lower environmental risk before land application, and generate renewable energy as a core output where appropriate.

Facilities would be strategically located to minimize transport distance, reduce logistical costs, and maximize regional employment while supporting compliance in high-impact watershed areas.

Proposed Byproduct Outputs

Pelletized Fertilizer

Processed, heat-treated pellets with predictable nutrient content designed for uniform application and reduced runoff risk. These products have long shelf life and national marketability.

Primary markets include row crop agriculture, pastureland, landscaping, consumer retail, and transitional or organic operations.

Stabilized Soil Amendment Products

Blended organic soil products using processed poultry litter as a base. These products support soil rebuilding, erosion control, construction site reclamation, municipal landscaping, and land remediation.

These products face lower regulatory resistance and consistent demand across public and private markets.

Renewable Energy

Biogas, renewable natural gas, or electricity produced through anaerobic digestion or controlled combustion.

Energy byproducts provide reliable baseload power suitable for utilities and data centers, capture methane emissions, qualify for existing renewable energy credits, and create an additional high-value revenue stream while supporting grid stability.

Nutrient Recovery and Industrial Inputs

Advanced recovery of phosphorus and nitrogen for specialty fertilizer blends and industrial applications. This phase is optional and follows successful deployment of primary operations.

Environmental Protection Through Design

This proposal protects water resources by reducing environmental risk before it occurs rather than responding after damage.

Processing reduces nutrient volatility, eliminates pathogens, controls nutrient density, and simplifies compliance. Energy production further reduces greenhouse gas emissions.

In sensitive watershed areas, diversion of excess litter to regional processing hubs supports compliance with existing court orders without expanding enforcement authority. Clean water becomes an engineered outcome rather than a regulatory battle.

Producer Participation Framework

Participation in this initiative is entirely voluntary statewide. In designated watershed areas, participation may be incentivized through subsidized transport, predictable off-take, market pricing, and reduced long-term liability exposure.

Producers participate because processing simplifies logistics, stabilizes operations, reduces uncertainty, and replaces regulatory risk with market-based solutions. Farmers are treated as partners rather than enforcement targets.

Ownership and Economic Development Model

This proposal prioritizes Oklahoma ownership of downstream value. Facilities may be privately owned Oklahoma companies, producer cooperatives, public–private partnerships, or tribal-led enterprises.

The objective is to keep manufacturing, energy production, jobs, and profits inside Oklahoma while allowing multiple ownership models to compete and innovate.

Regulatory Alignment

This proposal does not require new agencies, expanded enforcement authority, or reduction of existing environmental standards. It aligns with current regulatory frameworks, market incentives, and voluntary compliance models.

The State’s role is to enable infrastructure development and coordination, not to operate facilities or mandate participation.

Implementation Phases

Phase One consists of a single pilot regional processing facility producing pelletized fertilizer and renewable energy, demonstrating logistics, market demand, and environmental performance.

Phase Two expands to additional regional facilities, soil amendment products, and retail and wholesale distribution, with full-scale energy generation.

Phase Three introduces advanced nutrient recovery, industrial partnerships, and export opportunities based on demonstrated success.

Economic and Workforce Impact

This proposal supports rural manufacturing and energy jobs, transportation and logistics employment, equipment maintenance and operations, packaging and distribution sectors, and long-term agricultural productivity.

It converts excess agricultural byproducts into permanent economic infrastructure while supporting Oklahoma's growing energy needs.

Financial Considerations: Cost, Revenue, and Economic Viability

This proposal includes a high-level financial framework demonstrating economic feasibility without reliance on new taxes or permanent subsidies. Capital costs, operating expenses, revenue streams, and profitability ranges are identifiable, controllable, and grounded in comparable processing facilities.

Estimated capital investment per regional facility ranges from approximately 6.5 million to 13.5 million dollars depending on scale, technology selection, and site conditions.

Revenue is supported by established fertilizer and soil amendment markets, energy byproducts eligible for existing renewable energy credits, and diversified product channels that stabilize cash flow.

Facilities of this type are capable of achieving operational profitability within 24 to 36 months of commissioning when properly scaled and managed. Public funds, if utilized, are limited to optional seed capital and do not replace private investment or market discipline.

Requested State Action and Next Steps

This proposal requests that the State of Oklahoma authorize a formal feasibility and site-selection review for one pilot regional processing facility, allow the optional and competitive use of court-ordered cleanup funds and penalties as seed capital for pilot projects, direct relevant agencies to coordinate permitting and utility interconnection, and invite private, cooperative, tribal, and public–private proposals for development and operation.

These actions do not commit the State to ownership, operation, or permanent funding.

This proposal does not require a statewide mandate, new taxes, expanded enforcement authority, reduction of environmental standards, or state operation of facilities.

An illustrative timeline includes feasibility and partner selection within six months, pilot facility development within eighteen months, and performance-based expansion within thirty-six months.

Conclusion

Oklahoma does not lack resources. It lacks ownership of the solution.

With abundant excess poultry litter, this initiative simultaneously protects water quality, supports farmers, creates jobs, generates renewable energy, and ends decades of conflict driven by disposal-focused policy.

This proposal offers a buildable path forward rather than a political position.

The decision is not whether poultry litter exists. It is whether Oklahoma chooses to own the value, energy, and opportunity it already produces.