

Congress of the United States

Washington, DC 20510

July 30, 2021

The Honorable Tom Vilsack
Secretary
United States Department of Agriculture
1400 Independence Ave SW
Washington, DC 20250

Dear Secretary Vilsack:

Thank you for your focus on addressing supply chain resiliency at all levels of the U.S. food system. We write regarding the U.S. Department of Agriculture's recent announcement about its plans to invest more than \$500 million to support new competitive entrants in meat and poultry processing, strengthen the resiliency of U.S. food systems, and further the Department's commitment to expanding existing food processing capacity.

First, thank you for responding to the needs of small and very small processors by addressing overtime fees as outlined in the *Small Packer Overtime and Holiday Fee Relief for COVID-19 Act of 2020*. The \$100 million investment will go a long way to leveling the playing field for smaller processors.

Second, we appreciate your focus on small and regional processors in this \$500 million investment, and we agree that it should be a top priority of the Department to help address the bottlenecks in the meat and poultry supply chain. Capacity at federal and state inspected facilities is at a premium. For some farmers and ranchers right now, slaughter and processing dates must be booked up to two years in advance. Meanwhile, small processors continue to struggle with barriers to expansion like a lack of capital or financing options, workforce shortages, and an increasingly complex regulatory structure. We encourage USDA to make investments that will provide leverage for producers at all levels of the supply chain, including in industries that are less vertically integrated, like the cattle industry, and industries that are more vertically integrated, like the poultry and pork industries.

In order to successfully expand small meat and poultry processing in the U.S. and address the bottleneck issues that currently exist, we request that USDA incorporate the following recommendations into its plans for the recently announced grants to support small and regional meat and poultry processing facilities:

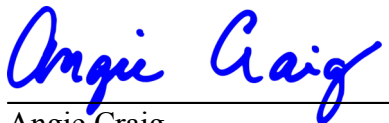
- We strongly encourage USDA to ensure small and regional federally inspected and State Cooperative Interstate Shipment Program meat and poultry plants can access grant funds to expand their infrastructure, increase automation, and explore new technologies as part of the Department's \$500 million investment. USDA should implement a small plant infrastructure grant program as part of their plan to invest in regional processing capacity. The grant program would help small plants cover the costs of compliance with state or

federal inspection and expand infrastructure to increase slaughter and processing capacity.

- We strongly encourage USDA to also offer higher-cap, scalable financing options. We strongly encourage USDA to focus investments and producer and cooperative financing on plants that can be competitive long-term and quickly address the shortage of shackle space we currently face.
- We strongly urge USDA to expand outreach to stakeholders on existing programs that facilitate local food processing. We also strongly encourage USDA to provide competitive grants for community colleges, technical or vocational schools, land grant colleges or universities, non-land grant colleges of agriculture, and small plants to help train new meat and poultry processors and workers and allow coordination with existing community technical assistance providers. These grants would help the sector create well-paying rural jobs, improve local and regional markets, improve farm incomes, address labor challenges, and increase food system resilience.

We thank you and the entire team at USDA for your efforts to support farmers, ranchers, and small processors as they recover from the impacts of COVID-19. Please do not hesitate to reach out if you have any questions, and we appreciate your consideration of these recommendations.

Sincerely,



Angie Craig
Member of Congress



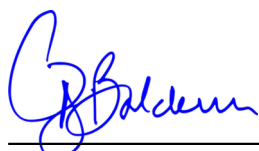
Dusty Johnson
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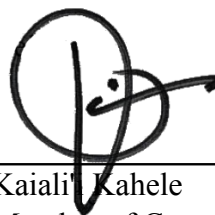
Troy Balderson
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Ed Case
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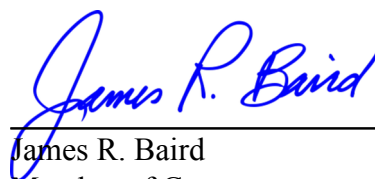
Marcy Kaptur
Member of Congress



Kaiali'i Kahele
Member of Congress



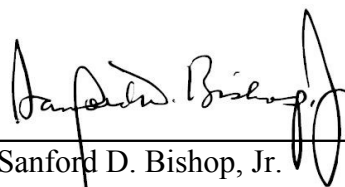
Randy Feenstra
Member of Congress



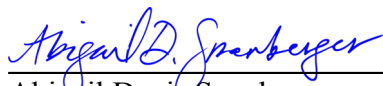
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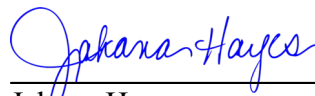
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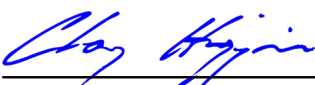
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