



Washington D.C. August 30, 2021

Sarah J. Helming
Supply Chain Resiliency Coordinator
Marketing and Regulatory Programs
Whitten Building—Suite 312-E, 1400
Independence Avenue SW, Washington, DC 20250

Re: Docket ID AMS-TM-21-0058.

Dear Sarah J. Helming,

Thank you for the opportunity to comment on the Investments and Opportunities for Meat and Poultry Processing Infrastructure on behalf of the National Family Farm Coalition. The National Family Farm Coalition (NFFC) is a 35-year organization representing thousands of independent family farmers, ranchers, and fishermen throughout the United States. From its inception, our members have advocated for equal and fair markets to producers which this initiative may potentially address.

Before addressing the list of questions raised by this call, we are exposing our historical position in this matter. We hope this context can provide experiences of the pass and build the ethics of the future.

Our priority is for family farmers, ranchers, and fishers to achieve fair prices, vibrant communities, and healthy foods free of corporate domination. Our vision for a food sovereignty system includes improving workers' health and safety and, in the particular case of meat and poultry plants, a diversified transition to small, locally owned processing plants led by small local communities.

Family farms are the basis of America's long agricultural heritage and are essential to the economic sustainability of rural communities. Moreover, family farmers' growth and vitality are recognized by law: Title 7 USC Section 2266 (a) states: "Congress believes that the maintenance of the family farm system of agriculture is essential to the social well-being of the Nation and the competitive production of adequate supplies of food and fiber. Congress further believes that any significant expansion of nonfamily owned large-scale corporate farming enterprises will be detrimental to the national welfare...[and]... no such program be administered in a manner that will place the family farm operation at an unfair economic disadvantage."

Unfortunately, the law in effect since 2011 was not applied equitably to family farmers who were unable to compete under previous policies which prioritized industrial production. The idea of lower food costs by mass production hurts small farming operations, disenfranchises local



entrepreneurship, weakens resiliency in the food system, and is a risk factor for farmers, farmworkers, and food workers. “In a neoliberal flurry, the 1996 Farm Bill ended price floors for farmers, meaning there was no longer a minimum price – or minimum wage – that farmers could get paid for their products and work. Immediately, median yearly farm income earned by farm households crashed to below zero, where it has stayed for 23 years” (Graddy-Lovelace, 2021).

The way in which meat processing plants were consolidated responded not just through mass production but even on regulations meant to look at food safety. The Pathogen Reduction Hazard Analysis Critical Control Point (PR/HACCP) rule spanning the 1997–2002 period suggests that events may have favored large cattle slaughter plants throughout the period and large chicken slaughter plants during the implementation period (Ollinger, 2010).

Moving forward, we believe that the \$500 million investment is a good first step to diversify and attenuate the unfair competition of large processing plants. However, there are other regulations and structures that need to be addressed so the investment has a long-term impact on rural communities and independent cattle and pork producers. The addition of processing infrastructure at the regional level allows producers to deliver higher-value goods to market, but USDA needs subsidy reform, antitrust enforcement, labeling reform, inspection reform, and safeguard clauses to prevent the transfer of new infrastructure to existing corporations to allow this small investment to have some tangible impact.

As our partners at *EarthJustice* also proposed for independent producers and small processing plants to truly be able to compete, this administration must: 1) pursue anti-trust measures to break up the large and powerful players in the meat industry, including issuing strong regulations to update the Packers and Stockyards Act; 2) meaningfully regulate the industry and reform subsidies to create an even playing field such that large meat companies cannot offer lower sticker prices than independent, responsible producers by externalizing costs to workers, the environment, consumers, and animal welfare; and 3) establish and enforce clear definitions for animal raising and slaughtering claims on consumer-facing labels.

1. Now, we address some of the **General Considerations** USDA asked stakeholders.

- *What competition challenges and risks might new entrants face from high levels of market concentration or other relevant market conditions, and how can USDA and other Federal government agencies assist new entrants in mitigating those risks?*

NFFC: Mass production of meat and poultry reduces costs at the expense of workers' health and safety, animal welfare, natural resources, and producers' income. For new entrance meat and poultry producers to compete, the standard of the big conglomerates should match that of small producers. Entrance producers should produce viable marketing strategies that are supported by local and federal entities that control processing corporations' control of the markets. Marketing campaigns and supermarkets should encourage local ranches to table products.

- *What resources exist at the State, tribal, and local level, as well as at academic research centers, to assist new entrants in addressing competition challenges, and how can the Federal government support the effectiveness of those resources?*



NFFC: Several academic institutions have agriculture extension offices, training centers, and programs that should partner with community organizations to provide the technical support that goes from processing to compliance, packing, administration, and marketing. One limitation of this partnership is the elevated overhead cost of academic institutions; for this reason, it should be the cooperatives, ranchers, entrepreneurs, and grassroots organizations - the direct beneficiaries of grant and loans - and the academic institutions should become the contractors and not, as is usually the case, the main fund recipients. Another solution is to prevent academic institutions from having overhead over 20% the grant value.

- *What type of investor, developer, or new entrant would be best positioned to build a new facility, or expand an existing facility, and who could fund it? What level of experience is necessary for success?*

NFFC: There are several options to enable funds to be strategically funneled into growing markets in rural areas as well as in smaller urban settings. At the rancher to processing and public markets, USDA needs to prioritize slaughter and only the subsequent processing that allows for more slaughter to increase resiliency and competition. USDA needs to allocate at least half of the available funds to small and very small plants. The growing diversity of the United States (Census, 2021) opens the possibilities to target ethnic consumers, many members of these communities have butchery experience which should not be underestimated.

- *What business and operating structures (e.g., cooperatives, farmer-owned facilities, sole proprietorship, limited liability company, B corporation, etc.) can sustain these operations?*

NFFC. All the above with the safeguards already mentioned: antitrust enforcement, technical support, labels indicating 'small' and 'very small' that can only be achieved with slaughter in a small or very small plant, workers safety and health considerations, animal welfare, and retention of plants in local hands.

In general, we favor cooperatives and encourage USDA to prioritize applicants that are Black, Indigenous, or People of Color (BIPOC)-led processing establishments and establishments that would increase access to slaughter and processing within a 200-mile radius for independent farms and ranches in that area.

- *How can workforce recruitment, training, and retention needs be addressed to maintain or increase processing capacity?*

NFFC: The working conditions of large processing plants are the main reason discouraging people to join such plants. Although it is beyond the scope of this comments, the United States requires an overall process of its immigration law that allows the regularization of undocumented workers and additional foreign workers. Extension offices and community colleges must offer training for new workers. If workers are treated with respect, their health and safety are prioritized, and living wage workers will be more willing to stay in their jobs.

- *What key job working conditions, salary, benefits, and other facility and community attributes are needed to create and maintain an adequate workforce?*



NFFC: Controlled Atmosphere Stunning (CAS) is an alternative method of stunning that improves conditions for employees and the treatment of poultry throughout the slaughter process. CAS uses a mixture of nitrogen and carbon dioxide to render poultry unconscious before the slaughter process begins. Unlike CAS, stunning poultry with electrified water often fails, leaving poultry conscious during other stages of slaughter, including cutting their throat and putting them in a scalding tank to loosen their feathers.

CAS improves conditions for employees, as poultry is not rendered unconscious scratch and claw at workers during the slaughter process. During the shackling process, poultry will move around, resulting in workers getting blood, feces, and pathogens on them.

- *What information is available to help guide USDA's understanding of workforce needs of very small, small, and larger processors (e.g., access to labor, training, safety considerations), particularly as related to regional considerations and solutions?*

NFFC: There is a growing amount of literature on this respect, some developed from the impact of COVID-19 (Wilkerson, 2021, Campuzano et al. 2021); other writings are from the systematic violation of these plants (HRW, 2019; NELP, 2017); and there is more relevant work in other locations that could serve as national guidelines (Angkurasanee et al. 2019; Guenaue, 2018).

- *What factors should be considered when siting and designing a facility or renovation related to environmental justice to encourage energy efficiency and minimize the climate and environmental impacts of the facility?*

NFFC: Funding should be restricted to plants that are not procuring livestock or poultry from Confined Animal Feeding Operations (CAFOs). USDA should offer preferences for providing grants or loans to plants sourcing from growers and ranchers that are using climate-friendly practices, as defined in the Climate Stewardship Act of 2019, Sec. 102(b)(2) and Sec. 103(a)(2)(B).

Plants should be required to demonstrate compliance with relevant environmental laws. Funding and technical assistance should be made available for plants to improve measures for disposing effluent waste. In addition, plants should be encouraged and incentivized for using renewable energy.

- *What regions show demonstrated processing needs, at what levels, and for which species?*

NFFC: One obvious problem of the COVID-19 pandemic was the weakness of the meat and poultry system. "COVID-19 has put a strain on the nation's ability to readily provide consumer goods at a time desperately needed. Specifically, the meat industry took a toll early on and resulted in wide scale shortages and price gouging while nationwide outbreaks compelled numerous plants to shut down. Because most of the meat industry's market is controlled by only a few plants, these shutdowns drastically impacted the supply chain as well as the industry in its entirety" (Campuzano et al. 2021). The assertive steps USDA should take is to map production levels and consumers demands to diversify location of plants.



Florida is a good example; the State is the 13-ranking producer of cattle in the country but does not have a single processing plant. Moreover, as the third most populated in state in the nation and as important tourist destination the nation meat consumption is steadily raising. COVID-19 was particularly notable on the meat section, but we know this is not an isolated phenomenon.

Finally, fisheries and seafood processing plants must also be considered to overcome the significant importation of these products. The United States as the rest of the nations in the world should not depend of food coming beyond their borders.

- *What constitutes sufficient actual demand for small and very small processing facilities to keep a business operational with appropriate cash flow? For context, USDA defines a “small” establishment as those with 10 or more employees but fewer than 500 employees; a “very small” establishment is one with fewer than 10 employees or less than \$2.5 million in annual sales. Any establishment with 500 or more employees is considered “large”; there is no mid-scale size category.*

NFFC: Following the Family Farm Action Alliance, we support adding new classifications into USDA definitions that should directly benefit from the proposed budget:

- A very small processor with a grant of federal inspection, which FSIS defines as fewer than 10 employees, or less than \$2.5 million in annual sales, including those operating under voluntary inspection that process non-amenable species;
- A small or mid-sized processor with a grant of federal inspection, which should be defined as any plant with less than 200 employees, including those operating under voluntary inspection that process non-amenable species;
- A custom exempt, poultry exempt, or retail exempt processor, as defined under the Federal Meat Inspection Act or Poultry Products Inspection Act;
- A state inspected plant or a plant operating under the Cooperative Interstate Shipment program; and
- A new plant with strong feasibility study or proposal that includes funding a feasibility study that will be set up to serve a maximum volume of 99,999 head per year, 999,999 pounds per month, or plans to create a maximum of 200 jobs three years after the grant award is made.

In addition, some operations should be ineligible for these funds:

- Any large plant, defined as a plant with more than 200 employees;
 - Any entity that is owned in partnership or in whole by—1) a international entity; or 2) an entity that currently processes over 5 percent of the daily harvest of any species; and
 - Any processing-only plant, where a majority of the volume of their meat does not come from U.S. born, raised, harvested animals.
- *How can USDA support access to processing services for smaller-scale producers? Are there opportunities for producers to engage in cooperative or collaborative arrangements with each other or other facilities to both ensure access and provide a sufficient supply for a plant to operate? If so, what government assistance would be needed to facilitate that type of arrangement?*



NFFC: USDA should employ complementary demand-side strategies to maximize the value of its supply-side investments. For example, USDA should designate a large portion of its own food procurement budget to purchasing animal products from very small and small processing plants. USDA should also consider establishing and providing a robust verification process for a label for animal products stating 'made from animals slaughtered in small and very small processing plants'.

- *What metrics illuminate the extent of the competitive environment for the products or services that producers and growers offer, including at the local level? What factors up and down the supply chain affect that competitive environment?*

NFFC: As the American Grassfed Association proposed, USDA needs controls in place so these funds are not value-added grants to turn boxed product from the big packer into products coming out of small and very small plants (such as bacon, jerky/snack sticks, or ground meat chubs).

- *How can USDA and industry stakeholders partner with institutions of higher education, including community colleges and other academic institutions invested in the local community, such as Tribal colleges or land grant institutions, or other partners to start up or expand meat and poultry operations including workforce development and training programs related to entrepreneurship, meat cutting, or other necessary skills? Could these programs serve as technical education opportunities for non-university students? What type and level of funding would be required to support such programs?*

NFFC: As expressed previously, and in face of the limited resources, recipients of grants should be community partners of academic institutions unless they are willing to reduce their overhead costs. Universities, including Land Grant institutions, had not commonly put the interest of rural communities ahead of their own financial growth. Community Colleges have done much for communities, particular communities of color, than formal higher education institutions; for that reason they should be prioritized.

2. Fair Treatment of Farmers and Workers and Ownership Considerations

- *What conditions should be placed on federally funded projects to ensure fair and equitable outcomes (e.g., requirement that jobs that can support families; transparency in pricing; fair dealing)?*

NFFC: We support the Family Farm Action Alliance recommendation that the Good Food Purchasing Program (CGFP, 2017) be required for entities to be eligible for federal funding including but not limited to:

- Labor Law Compliance documentation
- Livable prevailing wage
- Labor Peace agreement
- Paid sick days
- Employer paid health insurance
- Proactive policy on preventing sexual harassment or assault



OSHA should restore or increase levels of inspectors, conduct un-scheduled inspections, and enforce stringent penalties to large meat and poultry packing employers.

- *What conditions should be included related to the sources of materials being used to construct or expand the facility (e.g., buy American)?*

NFFC: Local, sustainable, and socially and environmentally just materials should be prioritized.

- *What steps would require or encourage the creation of high-quality jobs for workers employed during construction and within the operational facility (e.g., prevailing wages and fair opportunities to collectively bargaining)?*

NFFC: We support the United Food and Commercial Workers International Union (UFCW) to:

- Establish a minimum wage for meat and poultry workers, with a floor of \$18 per hour for poultry and \$20 per hour for red meat, to reduce employee turnover and enhance stability in the meat and poultry processing sector.
- Requiring recipients of American Rescue Plan funds to provide evidence that they are parties to collective-bargaining agreements or that they have entered into labor-peace agreements

- *What health and safety standards would encourage a safe and healthy workplace?*

NFFC: We also support UFCW's proposal to:

- Ensure workers have access to adequate paid family and medical leave.
- Create procedures for companies receiving American Rescue Plan funds to meet with worker health and safety committees.
- Maintain appropriate whistleblower protection policies (USDA, 2021).
- *Should USDA have the ability to block the sale of processing facilities built or invested in through federal funds to large or foreign-owned corporations? What other options should USDA consider in order to prevent new, expanded, and successful facilities from being acquired by the large corporations whose consolidated operations can suffer from bottlenecks and create significant supply chain vulnerabilities?*

NFFC: Yes, grantees with the proper funds and technical assistance should be prevented from selling the new plants to large corporations. In cases where owners are unable to sustain their operations or are in need to sell their operations, the transaction should require new applicants to with the requirements of the original loan, grant, or technical assistance.

- *Should the processor be required to purchase a minimum volume through auctions or other public transactions?*

NFFC: Small ranchers, women owners, and socially disadvantaged farmers and ranchers should have preference independently of the scheme used for animal procurement.



- *If contracts are utilized, should practices like tournament systems that have been found to be prone to anti-competitive abuse be prohibited? Should contracts have at least a portion of the payments to producers be based on wholesale meat prices?*

NFFC: For plants receiving federal investment that procure livestock through contracts, contracts must not employ tournament payment system arrangements. Plants should not be able to engage in any form of discriminatory or deceptive contracting as outlawed under the Congressional intent of the Packers & Stockyards Act.

3. Loans and Other Financing Considerations

- What financing tools facilitate access to capital for small meat and poultry processing companies?

NFFC: As expressed before, USDA should provide the financial analysis that supports applicants in ways that reduce distribution cost, increase resiliency, and favor small and very small processing plants. The premise of getting big or getting out is taking away the livelihood of family farmers and ranchers, worker health and safety, and animal welfare. That fallacy was crushed by the COVID-19 pandemic and it is time to turn our clocks back to more traditional farming processes. We favor investing in current ranchers - with the previously outlined priorities - by restarting an idled facility, if available, or setting up new locations. In urban facilities, we proposed expanding existing small and very butcher facilities - many of them may be ethnic-operated.

As we expressed before, funds should insure returning and new operations have the technical support for sustainability, the proper infrastructure, and the financial stability to succeed. Grants and equity like investment are preferable if there is insurance to keep consolidated investments away. We also mentioned before that our membership favors rancher(s) operated ventures, ethnic single-owned facilities, cooperatives, and even employee-owned small and very small processing facilities. We see the USDA proposal for potential mobile meat and poultry processing operations as an innovative idea that should be explored.

- *What financing tools facilitate provision of capital by lenders who finance meat and poultry processors?*

NFFC: There is a long history of discriminatory race, ethnic, and gender lender practices by banks and even by USDA personnel. For this reason we favor credit unions using grants to establish a revolving loan fund.

In addition:

- For plants receiving federal investment that procure livestock through contracts, contracts must not employ tournament payment system arrangements. Plants should not be able to engage in any form of discriminatory or deceptive contracting as outlawed under the Congressional intent of the Packers & Stockyards Act.



- Any contractual relationships that require farmers to build or invest in facilities or equipment to a plant's specifications for the purposes of supplying that plant should ensure contracts are long enough for farmers to make returns on that investment.
- *What are the barriers or challenges to financing tools (e.g., gap between local lender expertise to support meat and poultry processing and the need for processing capacity), and are there changes that can be made to existing programs to mitigate these challenges?*

NFFC: The lack of fair competition is the main barrier because potential new operations are reluctant to open or restore a facility. As discussed earlier, high levels of concentration are rampant across all links of the food supply chain, not just meat and poultry processing. Fair and competitive markets are the foundation of building a resilient and equitable playing field for current and new market entrants. USDA must first issue strong rules in the upcoming rulemakings regarding the Packers and Stockyards Act for any support or resources to be effective over time. Without first addressing the concentration of power in the agrifood system, any resources and spending would fall short. USDA can also aid new market entrants by ensuring no plant over the size of 200 employees or that slaughters 5% of daily harvest totals of a species per day.

- *What type of upstream analysis of customers/product demand is needed to justify the level of lending or financial support?*

NFFC: We consider this section a key element of success. All small and very small applicants require the technical assistance to evaluate distribution channels not just upstream but also downstream.

As the Open Market Institute mentioned in their comments: The USDA should prevent dominant packers from using their market power to compete with new entrants by squeezing livestock and poultry producers. To level terms of trade across the industry and create a baseline standard of fair farmer treatment, the USDA must enact strong rules to update the Packers & Stockyards act. This includes asserting the agency's long held standard that farmers do not need to prove harm to industry wide competition to pursue violations under the act, among other reforms.

- *What barriers, if any, exist that reduce the ability of meat and poultry processor lenders to extend their geography?*

NFFC: We referenced this in our opening comments. The limited investment is not going to be useful unless systematic problems conducive to unsustainable consolidations are addressed. Following the lead of the Open Market Instituted we support their proposals to:

- The Justice Department and the Federal Trade Commission issue stronger horizontal and vertical merger guidelines. These guidelines should be built on the framework of the 1968 merger guidelines with bright-line prohibitions on mergers based on market shares.
- The Justice Department should also conduct retroactive merger investigations on some of the largest meatpacking acquisitions to determine if they violate antitrust laws and should be unwound.



- The Federal Trade Commission should affirm that exclusivity in all its forms is an unfair method of competition and ban exclusive arrangements by or dominant firms with their customers, suppliers, or distributors. This includes loyalty rebates, disloyalty penalties, exclusionary payments, and exclusive contracts.
- *What are the most pressing needs of the meat and poultry processing sector with regard to financing, and what action should USDA take in the immediate term to improve access to capital for small and very small meat and poultry processors?*

NFFC: As discussed earlier, there are negative antecedents of bias practices for lending; lenders should sign agreements with USDA insuring resources to women owners and socially disadvantaged farmers and ranchers. We favor credit union institutions.

- *How could federal funds be best leveraged with state and local resources (matching funds, in-kind support, government assistance)?*

NFFC: We support Friends of the Earth comments that the USDA should employ complementary demand-side strategies to maximize the value of its supply-side investments. For example, USDA should designate a large portion of its own food procurement budget to purchasing animal products from very small and small processing plants. USDA should also consider establishing and providing a robust verification process for a label for animal products made from animals slaughtered in small and very small processing plants.

4. Grant Considerations

- *Would a small plant expansion program structured similarly to USDA's Meat and Poultry Inspection Readiness Grant (MPIRG), but with a focus on expanding slaughter and processing capacity for small federally inspected plants, be beneficial? If so, at what award (\$) level per grant and for what types of costs?*

NFFC: There is limited information about the impact of the MPIRG program. This program was created by my legislation, the Requiring Assistance to Meat Processors for Upgrading Plants (RAMP-UP) Act and provides \$55.2 million in grants for small and mid-sized meatpacking plants to make the necessary investments to become federally inspected. Currently, meatpacking facilities can only make sales across state lines if they are federally inspected. The application process ended almost a month ago. A small plant grant program should be created in a manner that is more comprehensive and flexible than the Meat and Poultry Inspection Readiness Grant Program.

Our partners at the National Sustainable Agriculture Coalition reported that The Meat and Poultry Inspection Readiness Grant (MPIRG) program failed to serve state inspected and exempt processors who are not interested in pursuing federal inspection, small and very small federally inspected facilities, and new processing establishments. MPIRG also fails to include state inspected and exempt processors who must build new, separate from their existing facility, to achieve federal inspection because the existing facility space is too small and outdated.

If MPIRG and the current funding can complement each other, addition, appropriated legislations are needed as it was already mentioned before. One example is the Small Packer



Overtime and Holiday Fee Relief COVID-19 Act to support small meatpacking plants that are operating longer hours during the COVID-19 pandemic to keep our supply chain moving. U.S. This bill would do just that by reducing fees for small meatpacking plants, expanding options for ranchers to harvest their livestock while maintaining strong safety standards.

According to data from the U.S. Department of Agriculture (USDA), cattle slaughter in May has decreased by approximately 31 percent compared to last year. This decrease is largely due to meatpacking plants being temporarily closed due to outbreaks of COVID-19 or plants slowing processing operations to take precautions against spreading the virus.

The USDA FSIS charges meatpacking plants a fee for overtime and holiday hours paid to food inspectors. This legislation would provide funding to FSIS to reduce fees charged to small meatpacking plants when they request overtime and holiday inspection services. Meatpacking plants with fewer than 10 employees would be required to pay 25 percent of overtime and holiday fees and FSIS would pay the remaining 75 percent. Plants with 10-500 employees would be required to pay 70 percent of overtime fees with FSIS paying the remaining 30 percent.

- *What types of planning grants are necessary that are not already covered by an existing USDA grant or other financial assistance program? What other federal programs could finance or have funded processing efforts and with which USDA could partner? Are sufficient grants available now for business planning for new ventures, or is that a gap that needs to be filled?*

NFFC: As in the past our organization requested that the grant process is simple and applicants receive appropriate assistance from the agency. The USDA grant application system is not easy to navigate. USDA must streamline grant applications and offer technical assistance and language justice access to non-English speaking applicants.

- *Are grant funds (or other funds) needed for marketing or outreach activities, including recruiting new participants in the industry?*

NFFC: Yes

Specific for very small plant applicants, we support the comments expressed by the National Sustainable Agriculture Coalition:

- Consider lowering the cost of voluntary inspection for non-amenable species.
- Support education and training of inspectors can ensure that there is a true understanding and partnership between inspectors and small plants, and a culture that ensures a safe, equitable approach to inspection.
- The National Advisory Committee on Meat and Poultry Inspection must have at least an equal number of independently owned, small plant stakeholders serving on the Committee as the largest meat and poultry companies. The USDA should ensure the committee includes equitable participation, including plant employees and BIPOC small plant operators and farmers and ranchers. NSAC also



recommends that at least one farmer or rancher that utilizes small scale slaughter plants for their products can serve on the committee.

- *Would pilot grants that provide awards to small plants for training and other support (e.g., cover wage gap during apprenticeships) to develop their local workforce be effective to address some of the labor challenges associated with operating a current, expanded, or new facility?*

NFFC: Yes

5. Technical Assistance Considerations

- *What are the top priorities for technical assistance that would facilitate processing expansion or increased capacity (e.g., butchery for key markets, HACCP, humane handling best practices for plant operators, labeling approval and processes, brand and market development)?*

NFFC: All the above listed, as we expressed before. As our partners at the National Sustainable Agriculture Coalition commented: Technical assistance should focus on the following areas and needs: workforce development, humane handling best practices for plant operators and slaughter employees, HACCP, labeling approval and processes, appropriate HACCP plans for by-products such as tripe and hoof cleaning for halal facilities, assistance for processors to obtain organic certification, and other necessary support.

- *Would regional or local cooperative agreements with strategic partners be the best way to provide this type of assistance, or are alternative ways preferable and more effective?*

NFFC: We favor regional and local cooperative agreements. It is important to create a network of new or rebuilt facilities so they can learn and support each other. We know they are going to compete against an industry that has demonstrated very little empathy with their workers or their providers. The meat and poultry agribusiness have collectively spent approximately \$200 million to lobby annually since 2000 on climate-related issues like cap-and-trade, the Clean Air Act, and greenhouse gas regulations (Lazarous et al. 2021). We should expect that new producers will encounter some strategies from this organization to limit their competitiveness as well.

- *In what ways could technical assistance support best be deployed to enhance competition and address challenges in the marketplace, how is it best delivered, and by whom?*

NFFC: The utility of competitive strategies (cost leadership and differentiation) and market-based assets (customer orientation, competitor orientation, and marketing creativity) are skills that must be addressed to returning and new processing plant operators. Local organizations with academic, financial, and/or farming operations should be considered as best delivery locations. Some examples of these organizations are the Federation of Southern Cooperatives, Farm and Ranch Freedom Alliance, Missouri Rural Crisis Center, Northern Plains Resource Center, and Western Colorado Ranchers.



- *What workforce-related technical assistance is most needed, how is it best delivered, and by whom (e.g., best industry practices, training on equipment, new tools for safety)?*

NFFC: USDA Food Safety and Inspection Services grantees must dedicate part of their funding to provide effective extension and education work to small ranchers and partner with local organizations like the ones we cited above. As we mentioned before, comprehensive technical assistance is needed.

6. Partnerships and Combined Funding Considerations

- *Who can USDA partner with to best leverage the federal funds (e.g., State and local governments, private investors, philanthropic organizations)?*

NFFC: County and City/Town level partners who embrace programs like the Good Food Purchasing Programs can be potential partners to provide sustainably to this investment. The program experiences are well documented (Faison and Leverette, 2018; Gilbert et al. 2018; Hammelman et al. 2020)

- *Should loans and grants be combined to support these facilities? If so, what criteria should be used to determine what portion of the funds are offered as loans versus grants?*

NFFC: We proposed a scale-based award depending on the applicants' financial and structural condition. The smaller and/or more diverse the applicant the higher percentage should be awarded as grants (no less than 50%).

- *What conditions should be placed on grants or loans? If those conditions are not met, should the grants require repayment? If the conditions are met, should the loan be forgivable?*

NFFC: As we stressed before, preventive measurements should be in place to avoid consolidation and ensure access to funds from already large operations to starters. In addition, workers' wellbeing, animal welfare, and environment protection are minimal standards to receive and maintain financial support.

Although this investment is inadequately small, we recognize the efforts of USDA and expect sweeping structural changes to compensate for it.

“Our moral responsibility is not to stop the future, but to shape it. To channel our destiny in human directions and to ease the trauma of transition” Alvin Toffler

Sincerely,

Antonio Tovar, PhD
Policy Associate
National Family Farm Coalition



CITATIONS

Angkuraseranee, T., Somboonsuk, B., Sukhabot, S., & Nimsai, S. (2019). Market opportunities for Thai beef cattle exports to Yunnan province, China. *International Journal of Agricultural Technology*, 15(6), 807-822.

Campuzano, A., Hueso-Fernandez, C., Lim, K. M., Rodriguez, H., Sisco, A. M., & Awwad, M. Meat Shortage in the United States: A Review of the Effects of COVID-19 on the Meat Industry.

Census, 2021, 2020 U.S. Census More Racially and Ethnically Diverse Than Measured in 2010, <https://www.census.gov/library/stories/2021/08/2020-united-states-population-more-racially-ethnically-diverse-than-2010.html>

Campuzano, A., Hueso-Fernandez, C., Lim, K. M., Rodriguez, H., Sisco, A. M., & Awwad, M. Meat Shortage in the United States: A Review of the Effects of COVID-19 on the Meat Industry.

Faison, M. J., & Leverette, T. (2018). Let them cook: Overcoming regulatory hurdles to the growth of local food micro-ventures. *Community Development*, 49(3), 324-340.

Center for Good Food Purchasing (2017) Good Food Purchasing Program: Purchasing Standards for Food Service Institutes <https://static1.squarespace.com/static/5a0de798ccc5c53cfc15685c/t/5d0142cf26480400016addf3/1560363767989/GFPP+Standards+2.0.pdf>

Gilbert, J. L., Schindel, A. E., & Robert, S. A. (2018). Just transitions in a public school food system: The case of Buffalo, New York. *Journal of Agriculture, Food Systems, and Community Development*, 8(B), 95-113. <https://foodsystmsjournal.org/index.php/fsj/article/download/631/616/>

Guéneau, S. (2018). Neoliberalism and the emergence of private sustainability initiatives: the case of the Brazilian cattle value chain. *Business Strategy and the Environment*, 27(2), 240-251.

Graddy-Lovelace, G. (2020) From Disparity to Parity <https://disparitytoparity.org/from-disparity-to-parity/>

Hammelman, C., Levkoe, C., Agyeman, J., Kharod, S., Faus, A. M., Munoz, E., ... & Wilson, A. (2020). Integrated food systems governance. *Journal of Agriculture, Food Systems, and Community Development*, 9(2), 71-86. <https://www.foodsystmsjournal.org/index.php/fsj/article/download/771/758/>

Human Rights Watch -HRW (2019) When Were Dead and Buried Our Bones Will Keep Hunting: Workers Rights Under Threat in US Meat and Poultry Plants <https://www.hrw.org/report/2019/09/04/when-were-dead-and-buried-our-bones-will-keep-hurting/workers-rights-under-threat#>

Lazarus, O., McDermid, S. & Jacquet, J. The climate responsibilities of industrial meat and dairy producers. *Climatic Change* 165, 30 (2021). <https://doi.org/10.1007/s10584-021-03047-7>



National Employment Law Protection (2017) NELP Congressional Testimony on Harsh Conditions Endured By America's Poultry Workers, <https://www.nelp.org/publication/nelp-congressional-testimony-on-harsh-conditions-endured-by-americas-poultry-workers/>

Ollinger, M. (2011). Structural change in the meat and poultry industry and food safety regulations. *Agribusiness*, 27(2), 244-257.

USDA Economic Research Service (2021), Livestock, Dairy, and Poultry Outlook, LDP-M-325 <https://www.ers.usda.gov/webdocs/outlooks/101676/ldp-m-325.pdf?v=8887.4>

Title 7 USC Section 2266 (a) <https://www.govinfo.gov/app/details/USCODE-2010-title7/USCODE-2010-title7-chap55-sec2266>

Wilkerson, J. (2021). A PRIME Choice for Local Meat Processing in Kentucky. *N. Ky. L. Rev.*, 48, 241.