

March 16, 2023

The Honorable Debbie Stabenow, Chairwoman
Senate Committee of Agriculture,
Nutrition and Forestry
328A Russell Senate Office Building
Washington, DC 20510

The Honorable John Boozman, Ranking Member
Senate Committee on Agriculture,
Nutrition and Forestry
328A Russell Senate Office Building
Washington, DC 20510

The Honorable G.T. Thompson,
Chairman
House Committee on Agriculture
1301 Longworth House Office Building
Washington, DC 20515-1013

The Honorable David Scott,
Ranking Member
House Committee on Agriculture
1010 Longworth House Office Building
Washington, DC 20515-3815

Dear Chairwoman Stabenow, Chairman Thompson, and Ranking Members Boozman and Scott:

We write to express our support of H.R.530, the Amplifying Processing of Livestock in the United States (A-PLUS) Act and its Senate companion S. 813, the Expanding Local Meat Processing Act. These bills would allow livestock auction market owners to own or invest in small and regional packing plants.

Supply chain challenges experienced in the livestock packing sector over the last several years highlighted the need to increase U.S. livestock packing capacity. It became readily evident during the early COVID-19 pandemic that current processing capacity must run full time to avoid a backlog of livestock, which was not possible in the early weeks and months of the pandemic. This limited processing capacity relative to the available supply of livestock also harms the bargaining power of livestock producers seeking to have animals processed. In addition, the demand for local processing and locally sourced meat have increased.

Numerous livestock groups have called for a focus on expanding capacity. This view has also been shared by many in Congress and the Administration. In fact, there are significant investments in grants, loans, and other support for programs to expand meat packing capacity.

The desire to expand capacity and add new packers to the marketplace has caused some within the livestock industry to explore new or expanding packing plant projects. Some of these projects involve pooling funds from investors within the industry. Livestock auction owners have also expressed interest in being part of the solution and getting involved in the meat packing business. Unfortunately, 9 CFR 201.67 prohibits owning both a livestock auction and a packer or even a meat marketing business. This is an antiquated rule that does not fit with the current, transparent method of selling livestock at an open auction where sellers can view the transaction either in person or by streaming the auction online.

While these bills would allow livestock auction owners to own or invest in small and regional packing plants, they would still prevent the largest processors, and their subsidiaries, from gaining a stake in the livestock marketing industry.

We ask that your committees consider and advance this commonsense legislation which will increase packing capacity, add competition for producers, and modernize the law by reducing an unnecessary and outdated regulatory burden.

Sincerely,

American Farm Bureau Federation
American Sheep Industry Association
Livestock Marketing Association
National Cattlemen's Beef Association
National Pork Producers Council
United States Cattlemen's Association