

August 30, 2021

Mae Wu
Deputy Under Secretary of Marketing and Regulatory Programs
U.S. Department of Agriculture
c/o Sarah J. Helming
Whitten Building—Suite 312-E
1400 Independence Avenue SW
Washington, DC 20250

RE: “Investments and Opportunities for Meat and Poultry Processing Infrastructure,” Docket Number AMS-TM-21-0058

Dear Deputy Undersecretary Wu:

On behalf of the nearly 4,000 family farmers, ranchers, and rural members of Nebraska Farmers Union (NeFU), thank you for this opportunity to submit comments on the American Rescue Plan relative to the best ways to help expand the capacity of the existing small and medium sized meat processing facilities, and appropriate support for new facilities.

NeFU is in strong support of the overarching and comprehensive comments offered by National Farmers Union. There is no need to repeat their well-documented and supported comments.

In addition, NeFU is in general support of the letter offered by Michael J. Boehm, Ph.D., University of Nebraska Vice President, and IANR Harlan Vice Chancellor and their request for funding for workforce education and development as well as paperwork assistance for smaller meat packer compliance.

Nebraska is consistently one of the top three red meat producing and processing states in the nation, usually number one in both categories. Obviously, our state was heavily impacted by the COVID-19 induced disruptions, and is still not fully recovered.

NeFU strongly supports President Biden’s Executive Order on competition, and the need to develop a more diverse and secure food supply chain and agricultural economy. All additional funding should consider how that funding helps increase both the diversity of our meat processing system, but also how it increases the diversity.

A brief look backwards might be helpful. When COVID-19 slowed and stopped our major USDA meat processing plants last year, we saw first-hand how fragile and vulnerable our current meat processing system was, and still is.

When our major plants slowed and in some cases stopped, over-night our smaller USDA inspected plants and custom slaughter plants were overwhelmed with both their traditional customers, and new ones desperately trying to avoid the need to destroy their hogs, and in some cases cattle because of the lack of shackle space any way they could.

We held weekly planning and strategy meetings in Nebraska with all the appropriate state agencies and organizational stakeholders including general farm organizations and pork and beef commodity organizations on the best ways to properly kill and dispose of live animals. I will never forget those grizzly and gut wrenching meetings that left me wondering how our state and

nation could have been so poorly prepared for this kind of situation, and the need to diversify and expand our meat processing system.

Where should the funding go?

Nebraska has most of the major USDA inspected meat processing plants. This additional funding should not go to those players. Given their excessive price gouging, excessive profit margins, and decades long efforts to snuff out smaller meat packing plants, they do not need nor do they deserve any of this additional funding.

Here is where we think the funding should go.

Nebraska has small USDA inspected meat processing plants with fewer than 25 employees. Some are new state of the art plants, but most are small older plants that need to update, upgrade, and expand their current plants. These operators already know how to do the scheduling and additional paperwork required for operating USDA inspected plants. They need additional capital to modernize and expand their plants. NeFU believes a portion of the funding should be directed to these kinds of operations. These plants can sell processed meat to restaurants, grocery stores, and across state lines.

Unfortunately, Nebraska does not have a state meat inspection program. This limits our options.

Nebraska also has small custom slaughter plants that are inspected by USDA but without before, during, and after processing inspection. These plants cannot sell the meat they process processed meat to restaurants, grocery stores, and across state lines.

We realize there is a strong interest in incenting these kinds of facilities to move from federally inspected to the USDA inspected level. We support funding for that effort.

However, we know many of these custom slaughter operations. They desperately need additional funding to upgrade and expand their operations, but many do not want to become USDA inspected. They already tried that approach, and it was not a good fit for them. Therefore, we believe these kinds of facilities deserve and need funding whether they maintain their current status or decide to become USDA inspected.

We believe another portion of the funding ought to go to new start-up operations with a preference for cooperatively or community owned facilities.

We also believe we should support mobile processing units that can provide a good amount of local additional processing capacity in areas where there are no fixed processing facilities.

We hope our comments are of use as you consider how to expand our local meat processing capacity and create a more resilient and economically beneficial system.

Sincerely yours,

A handwritten signature in black ink that reads "John K. Hansen". The signature is written in a cursive, flowing style.

John K. Hansen, President