

Fact Sheet

Strengthening Local Processing Act

S. 354 / H.R. 945



Farm Action Fund



Farm Action

Led in the U.S. Senate by Senators John Thune (R-SD) and Sherrod Brown (D-OH), and in the U.S. House of Representatives by Representatives Chellie Pingree (D-MI-1) and Jim Baird (R-IN-4), the Strengthening Local Processing Act enables small-scale meat processing plants to grow and expand with a scale-appropriate approach.

BACKGROUND

If the United States is going to build a resilient, safe, and healthy food supply that feeds its people while building economic opportunity for rural communities, then government programs must remove the obstacles in the food supply chain — such as independent farmers' and ranchers' access to meat processing facilities.

85% of beef processing, 70% of pork processing, and 54% of chicken processing are controlled by four companies.¹ Decades of consolidation through horizontal and vertical integration has resulted in fewer, larger plants, leaving about 800 federally-inspected slaughter plants, and approximately 1,900 custom-inspected operating plants today (USDA-APHIS). Federally inspected plants may have both a federally inspected and custom operation line, counting under both figures.

With fewer packing plants operating at greater capacity, livestock farmers and ranchers are limited in where they can take their animals for slaughter and the prices they are able to get at market. Often, they have to travel great distances, especially in areas where meatpacking employment is low.

Consolidation has threatened worker safety and farmer livelihoods. Efficiency-first trends in the COVID-19 pandemic, increased risks for workers in an already-dangerous occupation, with meatpacking plants accounting for an estimated 334,000 cases of COVID-19.² Rigid supply chains broke as one of the few large-capacity plants went offline, resulting in the euthanasia of millions of animals.

Yet large meatpacking corporations still dictate control of the majority of the supply chain, from how livestock are raised to what brands are displayed at retail — often under fraudulent, “greenwashed” labels. As we rein in corporate consolidation of agriculture, we must ensure there is infrastructure for independent farmers, ranchers, and smaller-scale processors to thrive. This legislation provides small processors a path to establish and sustain smaller-scale meat processing.

A thriving small meat processing sector is key to a functioning local and regional food system, and the basis of a transformed food and farm system that supports communities.

THE STRENGTHENING LOCAL PROCESSING ACT SUPPORTS INDEPENDENT FARMERS AND RANCHERS BY:

- › Requiring FSIS to provide scale appropriate, peer-reviewed HACCP guidance
- › Increasing USDA cost-share amount for state-based meat processing programs
- › Establishing a grant program for small plants to expand infrastructure at \$10 million a year for nine years
- › Creating processor training, education, and technical assistance grants
- › Prioritizing plants owned and operated by socially and economically disadvantaged individuals, and those offering locally provided services
- › Streamlining the application processes for grants under \$100,000 to further remove barriers for small processors
- › Allowing funds to be spent on the processing of hides, organs, and other value-added products

¹USDA-AMS Packers and Stockyards Division Annual Report (2019).

²T Saitone, KA Schaefer, DP Scheitrum. 2021. “COVID-19 Morbidity and Mortality in US Meatpacking Counties.” Food Policy.

EXPANDING STATE-BASED PROGRAMS

State exemption and interstate commerce programs begin to lift the burden on independent livestock farmers and ranchers by reducing the inspection and paperwork burdens for plants if their products are sold either within their state, or in surrounding states. 27 states have State Meat and Poultry Inspection (MPI) programs that allow custom-slaughter facilities to process animals for intrastate retail and consumption. Only seven states utilize the Cooperative Interstate Shipment (CIS) Program that allows for interstate retail with other CIS states. This legislation expands both MPI and CIS access through federal cost-shares.

Independent processing facilities are typically the best options for independent farmers and ranchers; however, few independently owned slaughter and processing facilities have been able to survive decades of consolidation. With the loss of these businesses, rural communities lost economic opportunity.



PROVIDING LASTING ASSISTANCE

This legislation fundamentally tips the scales toward a transformed agrifood system by prioritizing the resilience and longevity of small-scale meat processors. Too often, industry relief has short-term solutions. This legislation provides federal support, technical assistance, and access to expert food safety knowledge. It looks out for farmers, ranchers, and rural communities by prioritizing plants that service ranchers within a 200 mile radius and are owned by socially and economically disadvantaged individuals. Finally, it trains the next generation of highly skilled processors with Training Program Grants for experts and small and very small plants to assist and train small plant operators, small plant employees, and aspiring meat processors and butchers.

This legislation takes the next step toward rebuilding market infrastructure for small meat processors, livestock farmers and ranchers, and communities that have been harmed and hollowed out by decades of consolidation and concentration in meatpacking.

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