

August 30, 2021

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Re: Investments and Opportunities for Meat and Poultry Processing Infrastructure

The Cornucopia Institute engages in educational activities supporting the ecological principles and economic wisdom underlying sustainable and organic agriculture. Through research and investigations on agriculture and food issues, Cornucopia provides needed information to community-scale farmers, consumers, and other stakeholders in the sustainable and organic agriculture community.

Cornucopia is also focused on resilience in local food chains. Everyone should have access to nutrient-dense food in their local communities.

When small to medium scale organic farmers are supported, they contribute to both environmental and community health. Lack of access to processing—especially small scale or mobile processing—is a serious bottleneck and restriction on small to medium scale organic livestock producers.

Livestock must be slaughtered and the meat processed at a certified organic plant to be sold under the organic label. The number of federally inspected slaughterhouses is in steep decline in many areas of the country, and the remaining facilities operate at capacity or are located too far away to be cost-effective for ranchers. Because slaughterhouses are in such high demand, there is poor incentive for them to take on organic certification.

If the USDA is invested in improving their policies for more climate resilience in agriculture, it is necessary to prioritize *organic small organic livestock* production.

The COVID-19 pandemic exposed the pitfalls within the dominant food system infrastructure in the US. Large processors with long supply chains utterly failed when COVID-19 struck, leaving livestock producers and consumers in a bind.

In contrast, small and local processing infrastructure allowed both farmers and processors to quickly adapt and respond to the pandemic marketplace, resulting in fewer supply chain disruptions. Unfortunately, while the small processors are efficient and resilient in a crisis, there are not enough of them to support the needs of sustainable farmers or consumers.

To meaningfully address challenges and increase competition in meat and poultry processing using \$500 million in infrastructure and other investments, the agency must recognize the

inherent environmental, economic, and social resilience in the proliferation of small and mid-sized farms:

- Grassroots and community-scale producer perspectives must be sought out and considered. These perspectives are vital to a more resilient, sustainable, and equitable food system.
- Increase funding for grants toward technical assistance, infrastructure, and professional development for historically underserved communities.
- Create a grant program for small-scale, federally inspected plants to expand and update their infrastructure and equipment.
- Support competition and antitrust reform in agriculture.
- Increase grants and funding toward organic certification and USDA inspections for *organic* processing, to lower the barrier for existing small processors. Because small processors are not always able to access sufficient capital for investments, USDA should implement a direct loan program to allow facilities to expand and serve more customers.
- Grants and funding should also be set aside to support small, very small, and mobile processors who are interested in entering the marketplace, with incentives set in place for processors who seek to serve communities where there is an unmet need. The grant program could also fund new plants or mobile processors in areas where organic and sustainable farmers are currently underserved.
- New rules under the Packers and Stockyards Act are needed to make it easier for farmers to bring and win claims, stop processors from exploiting and underpaying chicken farmers, and adopt anti-retaliation protections for farmers who speak out about unlawful and inhumane practices.
- Continue to ensure and support the USDA Food Safety and Inspection Service's education, guidance, and assistance to small processors.
- Prioritize funding for BIPOC-owned (Black, Indigenous, and people of color) businesses.

Cornucopia advocates for programs that will achieve the above results. Focusing on leveling the playing field for community-scale farmers, small-and-medium scale processors, and mobile livestock processors will have wide-ranging benefits for agriculture as a whole. Encouraging equitable competition in agriculture requires funding toward historically underprivileged communities and groups. Addressing concentration and consolidation—the structural root of many challenges that farmers, ranchers, and food processors face—requires new thinking and strategies.

Cornucopia also supports in full the comments made by the National Sustainable Agriculture Coalition (NSAC). NSAC is a leader in supporting the short-chain resilient infrastructure that supports long-term goals for the agricultural community.