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Economic Affairs Interim Committee

66th Montana Legislature

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May 4, 2020

Sonny Perdue
Secretary
U.S. Department of Agriculture
Washington DC

Sent via email

Dear Mr. Perdue:

The Economic Affairs Interim Committee of the Montana Legislature voted at its April 30, 2020, meeting to request that the U.S. Department of Agriculture increase the urgency related to disbursement of the \$16 billion Coronavirus Food Assistance Program. You understand the seasonal demands on the agriculture and livestock industries. Delay can harm producers who have little leeway to adjust inventories and are peculiarly subject to changes in the chains of production. Assistance is needed sooner rather than later.

The COVID-19 pandemic and nationwide closures have created never-before-seen disruptions. Although the Economic Affairs Interim Committee recognizes that the U.S. Department of Agriculture implements laws for zones across the United States, the funding provided by Congress ought to be available for disbursement using local advisories and not a one-size-fits-all approach. This would be in line with the Trump Administration's efforts to involve local levels of authority rather than centralized authority.

Providing the state offices of the Farm Services Administration with authority to disburse funds is more in line with the approach taken by the U.S. Treasury with the Small Business Administration Paycheck Protection Program. Given the assistance of local bankers and credit unions, the SBA distributed a far greater amount than the \$16 billion allotted for the CFAP program in less than 2 weeks. There are differences, but this is a time for faith in local offices.

The Economic Affairs Interim Committee recognizes that caution is wise in usual circumstances. But these are unusual circumstances in which agricultural and livestock producers are in different cycles across the country. Each area knows best what the need is for the local economies. Thank you for considering this approach.

Sincerely,

Sharon Stewart Peregoy/SP
Sharon Stewart Peregoy
Presiding Officer, Economic Affairs Interim Committee

cc: Montana Governor Steve Bullock
Senator Jon Tester
Senator Steve Daines
Congressman Greg Gianforte

PROPOSED PROTOCOL FOR REVISED (ENHANCED) INSPECTION OF CUSTOM-EXEMPT FACILITIES:

1. A food bank or other non-profit distributing food to people in need has a shortage of protein
2. The food bank has identified a live animal source from a livestock producer.
3. The food bank can document that there is no inspected facility that is able/willing to provide slaughter and processing services (this could be because of capacity, distance, cost, travel restrictions, etc.)
4. The food bank has a custom exempt facility locally that they can work with
5. The custom exempt facility would apply for a permit with the Meat and Poultry Inspection Bureau (MPI). Documentation with the permit would include:
 - a. Destination for the product
 - b. Source of the animals
 - c. Date and time of anticipated slaughter
 - d. Approximate anticipated volume
6. MPI reviews the documentation that an inspected facility is not an option
7. MPI issues the permit if all conditions are met
8. MPI commits to have a state inspector onsite for slaughter. The inspector would verify:
 - a. Humane handling
 - b. Sanitation/sanitary dressing during slaughter
 - c. Conduct antemortem and postmortem inspections
9. The custom exempt facility must keep slaughter records including animal owner, carcass weight, product weight, distribution record showing food bank destination
10. An expiration date for this policy would be included - likely it would extend through the duration of Governor's declaration of emergency or until markets gain some normalcy