UNPACKING THE MEATPACKING INDUSTRY

ECONOMIC AFFAIRS INTERIM COMMITTEE
ERIN SULLIVAN – JANUARY 2024

The saying "there are more cows in Montana than people" rings true. According to the United States Census, the population in Montana as of July 1, 2022, was just over 1.1 million people[1], almost half the total inventory of our 2.16 million[2] cattle in January 2023. The United States Department of Agriculture reported that cattle ranked number one in Montana's cash receipts by commodity in 2021, surpassing wheat, the next highest commodity, by 40%. Cattle receipts have been the highest-ranking commodity in Montana since 2013[3].

While the cattle industry consistently remains a leader in Montana's agriculture industry, in 2021, there were significant efforts to expand opportunities for the livestock and meatpacking economy. First was through an appropriation by the Legislature for the Cooperative Interstate Shipment (CIS) Program, and second was the passage of House Bill 336 to enter into an interstate cooperative meatpacking compact.

RAISING THE STEAKS

As with most food products, there is an extensive process that goes into bringing a steak or chicken breast to the dinner table. The farm-to-fork journey includes production, processing, and distribution. According to the Niche Meat Processor Assistance Network[4], "processing" includes all the steps involved in turning a live animal into meat for sale and includes:

- **Slaughter**: stunning, bleeding, skinning, eviscerating, and cleaning; end products are carcass halves or quarters, which go into a cooler for immediate chilling. Edible and inedible offal (entrails and internal organs of an animal) are separated and enter various streams (rendering, compost, tanneries, trash)
- **Cut and wrap**: cutting chilled half/quarter carcasses to desired end size (primal, subprimal, or retail cuts) and packaging as desired
- **Value-added processing**: grinding, casing, smoking, cooking; drying; and otherwise transforming meat and trimmings from the cutting step into sausage, ham, bacon, jerky, and other products. Includes "portion cutting": cutting subprimals into fixed-weight steaks, roasts, and other retail cuts

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[1] *United States Census Bureau. QuickFacts Montana V2022, Accessed September 2023.* https://www.census.gov/quickfacts/fact/table/MT/PST045222

[2] *U.S. Department of Agriculture, National Agricultural Statistics Service, Montana Cattle Production, 2022, Accessed September 2023.* https://www.nass.usda.gov/Statistics_by_State/Montana/Publications/Charts_and_Graphs/2022-MT-Cattle-info.pdf

[3] *U.S. Department of Agriculture, National Agricultural Statistics Service, Montana Cattle Production, 2022, Accessed September 2023.* https://www.nass.usda.gov/Statistics_by_State/Montana/Publications/Charts_and_Graphs/2022-MT-Cattle-info.pdf

[4] *Niche Meat Processor Assistance Network; Crash Course: Meat processing 101 What is Local Meat Processing? Accessed January 2024.* https://www.nichemeatprocessing.org/wp-content/uploads/2016/08/CrashCourseOne.Final_revised_8.13.pdf

There are four basic types of inspection for meat and poultry processors. The type of livestock slaughter or meat procession operation determines the type of inspection required[5]:

- **Federal Inspection (USDA)**: The U.S. Department of Agriculture's Food Safety and Inspection Service (USDA FSIS) provides this service. Federally inspected products can be shipped over state lines and even internationally to several countries.
- **State Inspection**: State inspection programs must be "at least equal to" federal inspection in terms of regulatory rigor. About half the states have their own meat and/or poultry inspection programs, including Montana. Meat and poultry processed from a state inspected program may only be shipped in state unless the state is part of the federal Cooperative Interstate Shipment Program and the product is inspected by a qualifying plant.
- **Custom-Exempt**: A custom-exempt plant can only slaughter and process livestock for the exclusive use of the livestock owner. This product cannot be sold.
- **Retail-Exempt**: The retail exemption allows a meat processing business to sell meat at its own storefront however the business cannot slaughter livestock. Therefore the meat used to produce retail products (fresh cuts or processed meats) must come from federal or state inspected plants. A retail-exempt processor can also sell limited amounts of product on a wholesale basis if the product has not been cooked, cured, smoked, rendered, or refined.

The Montana Department of Livestock keeps an updated list of licensed custom-exempt plants and state inspected facilities on its webpage. The USDA has an interactive national meat, poultry and egg product inspection directory. Appendix A provides a chart showing all of the federal inspection plants in Montana.

THE GREAT WESTERN CATTLE TALE

A history of the meat-processing industry helps to understand the current programs available and why recent legislative actions took place. The following timeline highlights key - or just plain interesting - moments in America's meat-processing industry.[6]

1662: The meatpacking industry is born

English colonist and fur trader William Pynchon was the founder of Springfield, Massachusetts. In 1662, he became the New World's first meatpacker when he began packing large quantities of salted pork into barrels for export to the West Indies.

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[5] *Niche Meat Processor Assistance Network; Crash Course: Meat processing 101 What Are The Rules? Accessed January 2024.* https://www.nichemeatprocessing.org/wp-content/uploads/2016/08/CrashCourseTwo.Final_revised_10.1.pdf

[6] *Stacker, History of America's Meat-Processing Industry. The timeline and all corresponding links in this section have been re-published pursuant to a CC BY-NC 4.0 License* (https://creativecommons.org/licenses/by-nc/4.0/?ref=chooser-v1). *Timeline truncated and edited for relevance. Original and complete timeline can be found at* https://stacker.com/business-economy/history-americas-meat-processing-industry

1742: Boston emerges as America's meatpacking hub

In 1742, Brighton Market, located near Boston, held the first meat auction in the colonies. Cattle farmers and ranchers slaughtered their animals and brought the resulting meat to Brighton for sale. The moment positioned Boston as the new center of colonial America's meat trade.

1779: First cattle drive

In 1779, the Spanish—eager to drive their British rivals out of the New World—joined the American Revolution. That year, the Spanish governor of Louisiana asked neighboring Texas to send cattle to feed his troops fighting on the front. The Commanding General of New Spain authorized the transfer of 2,000 head of cattle from Texas to the Louisiana territory—it was the first official Texas cattle drive in history.

1818: The rise of 'Porkopolis'

Elisha Mills in 1818 started the first large-scale pork-packing plant in Cincinnati, where pigs were slaughtered, and their meat was preserved in brine-filled barrels to meet the growing demand for salted pork. Because of its advantageous geography and proximity to transportation hubs—not to mention its vast supply of salt—Cincinnati became the pork-producing capital of the world, with dozens of pork companies emerging there. There were 85,000 pigs being processed there annually by 1833; by 1850, Cincinnati earned the nickname "Porkopolis."

Mid-1800s: Cattle becomes king

Pork was the meat of choice in America from colonial times until the early 1800s when beef began growing in popularity. By the mid-1800s, small family farms could no longer meet the demand. The era of the cattle barons emerged as massive ranches sprung up in the West, where enormous herds could be grazed on endless open prairies before being ushered to market by cowboys on epic cross-country cattle drives.

1861: The Civil War

When war broke out between the North and South in 1861, Texas ranchers left their farms to fight for the Confederacy. Those who lived returned to a land overrun by cattle—left to their own devices, cattle herds multiplied exponentially and by the war's end in 1865, roughly 5 million longhorn cattle were roaming wild in Texas. There was no market for beef in the South, but demand was rampant in the North, where ranchers could get 10 times more for a head of cattle than they could in the South—if only they could get their longhorns to the Northern markets.

1862: Lincoln forms the USDA

In 1862, President Abraham Lincoln signed into law a Congressional act that created the United States Department of Agriculture (USDA). At a time when half of the American population lived and worked on farms—compared to 2% today—Lincoln called it "the People's Department." The USDA is still charged with ensuring that meat is safe, properly inspected, and correctly packaged to this day.

1862: The Homestead Act

The signing of the Homestead Act sent waves of bold and ambitious pioneers and immigrants flooding out of the eastern cities westward in search of land and a new start. The act divvied up the boundless grazing lands of the wealthy, powerful, and often violent cattle barons who saw the land the Homesteaders were settling as the source of their fortunes. Cowboys became hired gunmen as bloody Range Wars raged between cattlemen and the new arrivals—the meatpacking industry was about to be transformed forever.

1865: The rise of the Midwest

Boston, and later Philadelphia, had been the central hubs of the U.S.' meatpacking industry in the country's early years, but in the mid-1860s, the Midwest grew to become the core of the industry. Midwestern cities were located strategically between the vast grasslands of the West—where huge herds of cattle were raised—and cities in the East that generated demand for meat. In 1865, the Chicago stockyards became the U.S.' biggest livestock market, and Cincinnati, Omaha, Nebraska, and Kansas City, Kansas emerged as major meatpacking hubs.

1870s: Dis-assembly lines

By the 1870s, meatpacking plants were using technology like steam power, monorail trolleys, and mechanical mixers, choppers, and stuffers in factory settings where stationary workers doing individual jobs broke down and processed animal carcasses that continuously passed by them. These so-called dis-assembly lines allowed for fast, consistent, and efficient processing. A young entrepreneur named Henry Ford was so inspired by the process when he visited a meat plant that he used the concept for the basis of his automobile assembly lines.

1877: The refrigerated railcar

Many people and companies experimented with refrigerated railroad cars dating back to the mid-19th century, but all attempts had flaws that made them impractical and unreliable. It was much cheaper and more efficient to slaughter cattle in Chicago and then ship their carcasses East instead of transporting the animals while they were still alive, but that could only be done in the winter months. Then, in 1877, two men named Joel Tiffany and Andrew Chase secured patents that made the dream of a refrigerated railroad car a reality—cattle could now be transported live to Chicago, slaughtered, and processed into meat, before being shipped to Eastern cities without spoiling at any time of year.

1880: US beef reigns supreme

Before the refrigerated railcar, ranchers bred cattle for endurance to survive long, grueling cattle drives, but the invention of the cold car allowed ranchers to breed cattle for the quality of their meat. As early as 1880, American ranchers were exporting their beef to England, which had long been considered the home of the finest beef in the world; now, that title was squarely in the hands of the American rancher.

1883: The birth of a giant

In 1883, Bavarian immigrant and butcher Oscar Mayer opened his first meat market in Chicago. On the very first day, sales totaled $59—not bad for a time when cuts of pork sold for between eight and 12 cents per pound. Today, the Oscar Mayer company does more than $5 billion in annual sales and represents one of the most famous names in American meat.

1884: Arthur forms the Bureau of Animal Industry (BAI)

In 1884, President Chester Arthur signed a law that created the BAI. As part of the USDA, the BAI was tasked with preventing sick animals from entering the U.S. food supply. Quarantine stations were set up across several cities to screen and separate diseased imported animals to prevent their meat from going to market.

1890: Harrison signs first meat inspection law

As foreign countries began scrutinizing U.S. exports of meat more strictly, American meat producers found it harder to compete in overseas markets. President Benjamin Harrison signed a bill that mandated a final inspection of all meat products before they left for markets on foreign shores.

1897: Meat processors unionize

The rise of the meat-processing industry coincided with the rise of the American labor movement, and just as coal miners, steelworkers, and railroad workers sought power through collective bargaining, so, too, did meat workers. In 1897, the Amalgamated Meat Cutters and Butcher Workmen of North America was chartered by the American Federation of Labor. They organized to demand higher pay, better working conditions, and job security.

1898: National Live Stock Growers Association

By 1898, even wealthy and influential cattle ranchers were under the thumbs of powerful interests like banks, insurance companies, railroad corporations, and stockyard groups, many of which were monopolies that enforced their will through price-fixing. That year, cattle ranchers countered by forming the National Live Stock Growers Association, which would later become the National Cattlemen's Beef Association (NCBA). More than 120 years later, the NCBA is still the most prominent organization representing America's cattle ranchers.

1900: Meatpacking dominates America

By the turn of the 20th century, meatpacking was America's biggest industry by far. Its $1 billion in annual sales was more than the annual budget of the U.S. government. With demand soaring in America's ever-expanding cities, enormous slaughterhouses and meatpacking plants emerged in Midwestern hubs like Chicago, Milwaukee, and Kansas City that were situated between the vast cattle ranches in the West and the densely populated cities that generated demand in the East.

1906: Upton Sinclair publishes *"The Jungle"*

Upton Sinclair published *"The Jungle"* in 1906 where, in graphic detail, the book chronicled the dangerous, cruel, and filthy world where America's meat was processed, shedding light on the plight of the impoverished and largely immigrant workers who toiled in them for what Sinclair called "wage slavery." The book did for the meatpacking industry what *"Uncle Tom's Cabin"* did for abolitionism a half-century before. An appalled and outraged public demanded action.

1906: The Neill-Reynolds report

In response to the public outcry in the wake of *"The Jungle,"* President Theodore Roosevelt commissioned Charles P. Neill and James Bronson Reynolds to investigate the claims made by Sinclair, which Roosevelt suspected the author might have embellished to advance his socialist agenda. After making surprise inspections to major plants across the country, the Neill-Reynolds report confirmed Sinclair's assessment of the horrors of the American meat industry. One passage read, "In a word, we saw meat shoveled from filthy wooden floors, piled on tables rarely washed, pushed from room to room in rotten box carts, in all of which processes it was in the way of gathering dirt, splinters, floor filth, and the expectoration of tuberculosis, and other diseased workers."

1906: The Federal Meat Inspection Act

Roosevelt urged Congress into passing the Federal Meat Inspection Act (FMIA), which he signed the same year that Upton Sinclair published *"The Jungle."* It mandated strictly regulated sanitary conditions for before, during, and after the slaughter of animals, made it a crime to sell misbranded or adulterated cattle, and charged the USDA with conducting meticulous inspections. It also mandated strict inspections for all imported meat.

1906: The Pure Food and Drug Act

On the very same day that Roosevelt signed FMIA, he also signed the Pure Food and Drug Act, a series of significant consumer protections that banned the sale or transport of any goods—including meat—that were mislabeled or impure. It represented the first time that companies had to list active ingredients on labels for things like drugs and cosmetics, and that meatpacking companies were forced to list any preservatives or other chemical agents used in production. Before that, apples were commonly treated with poisonous red dyes and meat was treated with poisons like borax and formaldehyde to kill mold or disguise rot.

1919: The Green Bay Packers

On Aug. 11, 1919, two former high school football rivals named Earl Lambeau and George Whitney Calhoun organized a football team of their own. Strapped for cash, Lambeau—a worker at a meatpacking plant—asked his employer, the Indian Packing Company, for funds to pay for equipment and uniforms. His boss agreed and gave the pair $500 on the condition that the team would be named for the sponsor—the result was the Green Bay Packers, one of the oldest, most storied, and most successful NFL franchises in football history.

1919 FTC meatpacking report

With World War I in the history books, President Woodrow Wilson in 1919 ordered the Federal Trade Commission (FTC) to conduct a thorough investigation of the meatpacking industry. The FTC issued a report stating that five companies—Wilson, Swift, Morris, Cudahy, and Armor—controlled virtually the entire industry and acted as a monopoly. The "Big Five" were shown to make competition essentially impossible for smaller companies and to systematically defraud consumers and producers alike by fixing prices, restricting the flow of food, and manipulating markets.

1921: Packers and Stockyards Act

The 1919 FTC report led to the Packers and Stockyards Act, anti-trust legislation designed to regulate the industry and dilute the enormous power wielded by the Big Five. Among the most important reforms was that the act made stockyards function as public utilities and forbade companies that owned stockyards from dealing in the animals they maintained. It provided oversight, prohibited unlawful practices, made pricing structures more transparent, and stoked competition.

1930s: The Depression and Dust Bowl

The one-two punch of the Great Depression and the Dust Bowl brought the country—including the cattle and meat industries—to its knees. Bank failures, foreclosures, and the obliteration of millions of acres of grazing and ranching lands led to widespread herd liquidations as a quarter-million farmers and ranchers went under.

1931: Food and Drug Administration (FDA)

A federal agency called the Bureau of Chemistry was charged with enforcing the sweeping reforms that came with the landmark 1906 Federal Meat Inspection Act and Pure Food and Drug Act. In 1927, that agency was reorganized into the Food, Drug, and Insecticide Administration, which in 1931 became the Food and Drug Administration.

1939: Food, Drug, and Cosmetic Act

More than 30 years after the major 1906 reforms, countless loopholes and disorganized enforcement meant that American consumers were still inundated with substandard food and drugs that were improperly produced and deceptively advertised. The 1939 Food, Drug, and Cosmetic Act finally gave teeth to those reforms by giving the

FDA the authority to regulate, monitor, and enforce safety and quality standards for food and drugs produced, sold, and consumed in the U.S.

1940: The refrigerated truck

In the 1930s, an engineer for the Werner Transportation Company in Minneapolis named Frederick McKinley Jones began developing trucks cooled by mechanical refrigeration. Before that, meat bound for market in trucks was cooled with ice—but ice was expensive, drivers had to stop frequently to refresh it, and if the ice melted, the meat spoiled, and the shipment was lost. In 1940, Jones perfected his design, Werner began building his trucks, and meat could now be reliably transported over the road for long distances any time of year.

1958: Humane Methods of Slaughter Act

In 1958, President Dwight D. Eisenhower signed the Humane Methods of Slaughter Act, which set the first standards for reducing pain and suffering during the process of transforming living, feeling animals into food. It called for animals to be quickly and effectively stunned through mechanical, chemical, or electrical means before they were killed. While considered groundbreaking, the act did not include birds or fish and made no provisions for how animals should be treated before slaughter.

1967: Wholesome Meat Act

The 1960s were a decade of reform—and also a decade when America's food-supply chain became vastly more sprawling and complex. The 1967 Wholesome Meat Act attempted to create uniform standards by compelling the states to create inspection programs that were equal to federal USDA procedures.

1971: Chicago stockyards close

Since they first opened nearly a century earlier in 1865, the 475 acres of land known as the Chicago stockyards helped give birth to one of America's great cities and positioned Chicago as the meat-processing capital of the world. Animals were shipped there from all over the country, leaving as meat products that fed people across the globe. 1971 signaled the end of one of the greatest eras in meatpacking history when the Chicago stockyards closed.

1970s: Rise of factory farming

In the 1970s, the pork and beef industries finally followed the lead of the poultry industry in adopting factory farming as the preferred business model for meat production - designed to maximize production and profits while minimizing expenses.

1978: Slaughter Act updated

In 1978, the Humane Methods of Slaughter Act was expanded to include imported meat. The update required meat producers overseas to meet or exceed USDA standards in how their animals were killed to be eligible for import to the U.S.

1980: Mass consolidation begins

In 2010, the USDA and U.S. Justice Department heard testimony about a massive and widespread consolidation in the meat industry—detractors called it a conspiratorial monopolization—that witnessed countless small farms and ranches gobbled up by just a few industry giants. In the three decades between 1980 and 2010, the number of hog farms dropped from 660,000 to 71,000 for a decline of 89%—cattle ranches decreased by 40%. During that time, the portion of supermarket prices that ranchers and farmers received was cut in half—in 1980, a hog farmer took a 50% cut from pork sold at market but by 2010, the same farmer received just 25%.

2020: Modern monopolies

The coronavirus crisis revealed just how vulnerable America's food supply chain is to disruption and just how dangerously consolidated the meat industry has become. Unlike at the turn of the 20th century when the Big Five controlled virtually the entire industry, today, just four companies dominate America's meat production—Tyson, Cargill, National Beef, and JBS control more than 85% of America's beef supply. In April 2020, the Organization for Competitive Markets joined a growing chorus of industry watchers who called on Congress to finally live up to the promise of the Packers and Stockyards Act a century before and break up the meat-processing monopolies once and for all.

WHERE'S THE BEEF?

The consolidation of the industry over the last few decades prompted the federal government to make significant investments, through the USDA, to increase competition and capacity in the meat and poultry processing markets. One such investment is the Cooperative Interstate Program (CIS). The CIS was launched in 2012 after being authorized under the 2008 Farm Bill. Ohio was the first state to join the program in 2012, with eight other states joining in the following decade. Montana became the tenth and most recent state to join the CIS in March 2022.

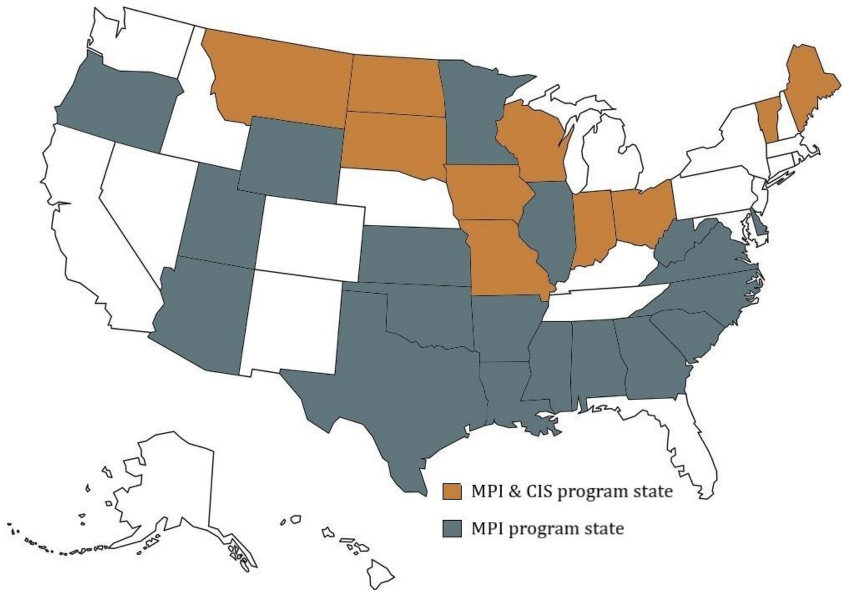
A PRIME OPPORTUNITY: THE COOPERATIVE INTERSTATE SHIPMENT PROGRAM

According to the USDA[7]:

> The Cooperative Interstate Shipment (CIS) program promotes the expansion of business opportunities for state-inspected meat and poultry establishments. Under the CIS, state-inspected plants can operate as federally inspected facilities, under specific conditions, and ship their product in interstate commerce and may have the opportunity to export them to foreign countries, provided the CIS participating State has entered into a supplemental agreement that addresses the export of CIS inspected products. No states currently have a supplemental agreement for exporting product.
>
> The CIS program is limited to plants located in the 29 states that have established a Meat and Poultry Inspection Program (MPI) and maintain "at least equal to" FSIS regulatory standards.

[7] *U.S. Department of Agriculture, Food Safety and Inspection Service, Cooperative Interstate Shipping Program. Accessed December 2023.* https://www.fsis.usda.gov/inspection/state-inspection-programs/cooperative-interstate-shipping-program

CURRENT STATES OPERATING AND PARTICIPATING IN MPI AND CIS PROGRAMS



The CIS program allows selected "state inspected" establishments to ship their selected products across state lines. This voluntary program is administered through the USDA's Food Safety and Inspection Service (FSIS). Montana joined the program on March 16, 2022, with funding approved by the 2021 Legislature.

To participate in the program, the establishment must apply through the agency administering the state MPI program – in Montana, the Department of Livestock. The department evaluates the submission and will or will not recommend the plant for the program. To be considered, the plant must:

- employ 25 or fewer employees;
- have an adequate food safety system; and
- meet appropriate facility standards.

If the establishment is recommended for the program, there are federal compliance requirements as well, such as:

- federal regulatory sanitation performance standards;
- certain labeling requirements;
- water source and sewage system approval similar to federally regulated establishments; and
- written Standard Sanitation Operation Procedures; and Hazard Analysis Critical Control Point Plan

MAJOR DIFFERENCES BETWEEN A CIS AGREEMENT AND FEDERAL INSPECTION

This illustrative chart[8] by the USDA demonstrates the differences between a Federally inspected establishment and a State-inspected establishment operating under the Cooperative Interstate Shipment program.

Subject	CIS Inspected	Federally Inspected
Inspection Personnel	State appointed, federally-trained inspectors	Federally appointed inspectors
Application	Apply for a recommendation via the State where the establishment resides.	Apply for a Grant of Inspection via the FSIS District Office associated with your state.
Inspection Label	Federally Inspected seal with "SE" which symbolizes the product was made from a "state establishment". The seal will usually have the abbreviation on the federal seal as well. Each legend will differ due to different state abbreviations. (See examples below)	One standard seal of inspection for carcasses, one standard seal of inspection for processed meats and a standard seal for raw and processed poultry.
	 	

FUNDING SUPPORT FOR THE CIS PROGRAM

During the 2021 Legislative Session, the Legislature approved $400,000 in one-time-only general fund and federal revenue to support the Cooperative Interstate Shipment Program. As an amendment to House Bill 2, the appropriation was intended to support expanded levels of inspection and training in the meat and poultry program. General fund appropriations were increased by $80,000 for each year of the 2023 biennium and matched with federal funds of $120,000 in each year of the biennium.

The appropriation was authorized only for fiscal years 2022 and 2023. In the Department of Livestock's fiscal year end 2023 reporting by the Legislative Fiscal Division, none of the $400,000 had been reported as expended. Additionally, the Department did not request any further funding for the program for the current biennium during the most recent legislative session.

[8] *U.S. Department of Agriculture, Food Safety and Inspection Service, Cooperative Interstate Shipping Program. Accessed December 2023.* https://www.fsis.usda.gov/inspection/state-inspection-programs/cooperative-interstate-shipping-program

ON THE CHOPPING BLOCK: THE INTERSTATE COOPERATIVE MEATPACKING COMPACT

An alternative to the Cooperative Interstate Shipment Agreement, House Bill 336 (HB 336) from the 2021 Legislature allowed Montana to enter into the Interstate Cooperative Meatpacking Compact, effective on occurrence of contingency.

The compact's purpose is to expand opportunities for the livestock and meatpacking economy and promote commerce between the compacting states by maintaining and enhancing a state-based meat inspection process that is at least equal to applicable federal laws and rules. This program is separate from the cooperative interstate shipment program that is established through the USDA and does not prohibit the state from participating in that program.

HB 336 contains a contingent effective date and contingent termination date. The bill is effective if either the compact is ratified by the United States Congress, or a court of competent jurisdiction enters a final judgment on the merits finding that the compact is not preempted by federal law. If the bill is in effect, the act terminates on July 1, 2025, unless the state fails to meet provisions of the Federal Meat Inspection Act and Poultry Products Inspection Act at an earlier date.

When HB336 was introduced, nine other states - including Idaho, Wyoming, North Dakota, South Dakota, and Iowa - were in discussions regarding the compact. South Dakota introduced legislation to adopt the compact in the 2021 session, but the South Dakota House defeated the bill. According to the Department of Livestock, no other states were successful in adopting the compact. As there are no other states in the compact, and neither occurrence of contingency has triggered an effective date for the bill, the provisions of the compact, codified in 81-9-104, MCA, are in abeyance.

CASHING IN ON THE COWS

Recent data[9] shows that there has been an upward trend in annual cash receipts for cattle and calves in Montana and the number of slaughter plants has also increased. While the number of federally inspected plants has increased more than the number of non-federally inspected plants, with Montana joining the CIS program, processers have been working with the Department of Livestock to utilize this program to expand capabilities.

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[9] *U.S. Department of Agriculture, Economic Research Service. Farm Income and Wealth Statistics, November 30, 2023.* https://www.ers.usda.gov/media/j5ghbmt2/farmincome_wealthstatisticsdata_november2023.zip

U.S. Department of Agriculture, National Agricultural Statistical Service, Livestock Slaughter Annual Summary Reports, Compiled September 2023. *https://usda.library.cornell.edu/concern/publications/r207tp32d?locale=en*.

U.S. Department of Agriculture, National Agricultural Statistical Service, Quick Stats Database, downloaded October 2023. https://quickstats.nass.usda.gov/

The Department of Livestock reports that several facilities are in the exploratory or application stages of the CIS program. Additionally, both the Department of Livestock and the Department of Agriculture routinely work with the USDA to seek out opportunities for farms, ranches, and other establishments to grow operations here in the state.

While the Interstate Cooperative Meatpacking Compact may never become effective, the CIS program and other value-added grant programs through the USDA are opportunities for increased agriculture production in Montana.

APPENDIX A: FSIS MEAT, POULTRY AND EGG PRODUCT INSPECTION FACILITIES IN MONTANA

Name	Location	Tribal Statistical Area	Meat Slaughter	Meat Processing	Poultry Slaughter	Poultry Processing	Voluntary Slaughter - Meat	Voluntary Processing - Meat	Voluntary Slaughter - Poultry	Voluntary Processing - Poultry	Voluntary Slaughter - Exotic	Voluntary Processing - Exotic	Voluntary Processing - Rabbit	Egg Product	Imported Products
AJ Pasties LLC	Anaconda			■											
A.N. Deringer, Inc.	Sweet Grass														■
Big Sky Processing	Moore		■	■			■	■			■	■			
Blue Creek Marbled Meat Co.	Billings		■	■			■	■							
Carbon County Meats	Bridger		■	■											
Cascade Wholesale Meats	Great Falls			■		■			■						
Central Avenue Meats	Great Falls			■											
Chalet Market	Belgrade			■		■		■		■					
Cowboy Meat Co	Forsyth		■	■											

Name	Location	Tribal Statistical Area	Meat Slaughter	Meat Processing	Poultry Slaughter	Poultry Processing	Voluntary Slaughter – Meat	Voluntary Processing - Meat	Voluntary Slaughter – Poultry	Voluntary Processing - Poultry	Voluntary Slaughter - Exotic	Voluntary Processing - Exotic	Voluntary Processing - Rabbit	Egg Product	Imported Products
Daily's Premium Meats	Missoula														
Daniels Gourmet Meats	Bozeman														
Eastern Montana Meats	Sidney														
Fishtail Food Distributing	Fishtail														
Hi-Country Snack Foods	Lincoln														
John's Sandwich Shop	Butte														
Meat Production, Inc	Kalispell														
Mission Mountain Food	Ronan														
Montana Premium Processing Cooperative	Havre														

Name	Location	Tribal Statistical Area	Meat Slaughter	Meat Processing	Poultry Slaughter	Poultry Processing	Voluntary Slaughter – Meat	Voluntary Processing - Meat	Voluntary Slaughter – Poultry	Voluntary Processing - Poultry	Voluntary Slaughter - Exotic	Voluntary Processing - Exotic	Voluntary Processing - Rabbit	Egg Product	Imported Products
Montana Valley Hams	Helena														
OCC Legacy Cuts	Ekalaka														
Paumie's Porkies	Anaconda														
Pioneer Meats	Big Timber														
Producers Partnership	Livingston														
Project Meats	Billings														
Ranchers' Best Meats	Miles City														
Ranchland Packing Co	Butte														
Riley's Meats	Butte														
S Ranch Meats LLC	Hardin	Crow													

Name	Location	Tribal Statistical Area	Meat Slaughter	Meat Processing	Poultry Slaughter	Poultry Processing	Voluntary Slaughter – Meat	Voluntary Processing - Meat	Voluntary Slaughter – Poultry	Voluntary Processing - Poultry	Voluntary Slaughter - Exotic	Voluntary Processing - Exotic	Voluntary Processing - Rabbit	Egg Product	Imported Products
Stillwater Packing CO	Columbus														
Truzzolino Tamales	Butte														
Vandevanter Meats	Columbia Falls														
White's Wholesale Meats	Ronan	Flathead													