



# National Bison Association

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Dr. Melissa Bailey  
Agricultural Marketing Service, USDA  
Room 2055-S, Stop 0201  
1400 Independence Ave. SW.  
Washington, D.C. 20250

RE: Docket AMS-TM-21-0034  
Submitted via [www.regulations.gov](http://www.regulations.gov)

Dear Dr. Bailey and All at AMS,

The National Bison Association, representing 1,200 ranchers, processors and marketers in 49 states, offers these comments in response to the April 21, 2021 Federal Notice requesting input on President Biden’s Executive Order to Support Resilient, Diverse and Secure Supply Chains.

While these comments reflect the perspective of the U.S. bison sector, we believe that they provide important insight into the policies, programs and outreach needed to foster a more diversified agricultural framework throughout the nation. In fact, we believe that diversity is the cornerstone of a resilient and secure supply chain.

## Contents

Background.....	2
Animal Production.....	3
Expand Risk Management Tools .....	3
Monetize Incentives for Regenerative Practices and Other “Non-Commodity” Benefits.....	4
Research and Extension Needs.....	4
Assistance in Certifications, Including Organic, Animal Welfare, and Process Verified.....	5
Research Into L-CAFO Production and Incentives for Converting Manure.....	6
Energy Production from Finishing Facilities .....	6
Meat Processing .....	6
Strengthening Local Meat Processing Act .....	6
Allow Value-Added Grant Funds to Be Used for Equipment Purchases.....	7
Better Utilization of Byproducts .....	7
Reduce Inspection Fees for Nonamenable Species .....	7
Develop New Classification for Meat Plant Scale .....	7
Marketing .....	8
More Focus on Regional Food Hubs.....	8

Farmers’ Markets and Other Direct-to-Consumer Avenues .....	8
Export Development.....	8
Conclusion .....	9

## Background

Events over the past 16 months have torn back the curtain to expose the fragility of the concentrated, centralized food production, processing and distribution system. Shutdowns in the large meat processing facilities created by the COVID-19 pandemic were followed by a massive cyber-security breach in the nation’s largest meatpacking company. Immediately prior to the COVID pandemic, e-coli contamination in romaine lettuce grown in one California valley sickened people in 23 states.

Consolidation in the food processing sector is not alone in undermining the resiliency of American agriculture. Extractive, resource-consumptive agricultural practices, along with the commoditization of much of modern production, have created additional vulnerabilities.

According to a study published in February in the journal *Proceedings of the National Academies of Science*, more than one third of the farmland in the U.S. Corn Belt – nearly 100 million acres—has completely lost its carbon-rich topsoil due to soil erosion. The study notes, “Conventional agricultural practices erode the carbon-rich soils that are the foundation of agriculture.”<sup>1</sup> The loss of topsoil, along with the reduction in the organic matter within the remaining soil, exacerbates the ecological impact and economic losses being experienced during the current megadrought and other aspects of global climate change.

The economic concentration within the major commodity sectors undermines resiliency by placing independent ranchers and farmers at a serious economic disadvantage, as evidenced by the bipartisan calls for investigations in the beef industry, and the recent price fixing indictments and settlements in the poultry industry.

The reduction of diversity within the major livestock sectors threatens resiliency as well. The population of North American bison is nearing 400,000 animals, having rebounded from the time when roughly 700 head teetered on the brink of extinction in the mid-1880’s. Today, there are more than 9.3 million head of Holstein cattle in the U.S. alone. Yet, today’s bison herds possess more genetic diversity than the millions of Holsteins, primarily because nearly all of the commercial milking herds are descendants from one of two bulls that demonstrated their ability to sire dams capable of high milk production.<sup>2</sup>

Finally, the resiliency of any supply chain relies on the durability of its basic elements. The increasing age of agricultural producers, and the lack of young people stepping in to fill that void, is a clear threat to resiliency.

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<sup>1</sup> Source: Thaler, Evan, et al. (2021) The extent of soil loss across the U.S. Corn Belt, Proceeding of the National Academy of Sciences of the United States of America, February 23.

<sup>2</sup> O’Hagen, Maureen (2019) From Two Bulls, Nine Million Dairy Cows, Scientific American, June 20.

Restoring resiliency throughout the supply chain, therefore, requires two major commitments. First, policies and programs must encourage diversification within all steps of the production, processing and distribution system. Second, ranchers, farmers and food processors must be incentivized to adopt and expand regenerative agricultural practices.

Because resiliency won't come through changes in one link of the supply chain, our recommendations focus on three critical areas of the meat sector: animal production, meat processing, and food marketing. Several programs mentioned in these comments already exist, but need additional resources in order to drive needed changes within the agricultural system.

## **Animal Production**

### Beginning Farmer and Rancher Support

It all begins with people. As mentioned above, the shrinking number, and the increasing age, of agricultural producers is a significant problem. New ranchers and farmers are needed. In commodity agriculture, the sons and daughters of existing producers are the primary source of new entrants. The extremely high cost of entry into conventional livestock or row crop production represents a significant impediment to anyone coming in who doesn't already have a strong foothold.

During the past two decades, bison ranching, organic agriculture and other forms of alternative agriculture have provided the primary entryways for outsiders to enter our sector. These alternative segments often have lower costs of entry, and also provide opportunities to non-traditional marketing relationships with consumers.

Yet, most current resources for new and beginning farmers are directed toward, wheat, corn, cattle and other established commodities.

Beginning Farmers and Rancher Loans and Loan Guarantees must be expanded to target producers entering into alternative agricultural enterprises. From the bison perspective, USDA FSA and private lenders in the Dakotas and other centers of production recognize the value of our business as a viable agricultural sector and are a source of financing and support. Yet, bison producers seeking financing in non-traditional areas are often turned away solely on the mistaken basis that bison are not a viable commercial enterprise. The USDA loan guarantee program should include additional incentives to finance alternative agricultural enterprises that provide sound business plans. Additionally, USDA personnel administering those programs should be provided with adequate training and information to effectively serve those new producers.

### Expand Risk Management Tools

Futures markets don't exist for alternative livestock, specialty crops or organic production, nor do most of those producers want to establish those markets. Thus, tools available through USDA's Risk Management Agency and Farm Service Agency are vital safety nets for these producers.

Not only should the full cadre of risk management services be made available to those producers, the coverage and reimbursement provided must be based on actual market conditions for those producers. We commend USDA FSA for working with the National Bison Association in 2018 to address the unreasonable compensation rate for bison under the Livestock Indemnity Program. All agencies need to work with alternative agricultural producers to make similar adjustments.

Accurate, timely market information is a critical component in helping producers make sound business decisions and manage risks. The monthly wholesale bison market report initiated in 2004, and the weaned calf report initiated last year, are examples of those resources. Including bison in the USDA's Weekly Retail Beef Activity Report would provide ranchers, processors and marketers with additional valuable market information.

### Monetize Incentives for Regenerative Practices and Other "Non-Commodity" Benefits

On April 29, 2021, the National Bison Association filed formal comments in response to Docket No. USDA-2021-0003.

In those comments, we offered these five specific recommendations:

1. Establish Accredited Third-Party Verification of Carbon Sequestration
2. Increase Financial Rewards for Participants
3. Expand Technical Assistance
4. Reward Early Adopters
5. Include Producer Input in Developing and Implementing Programs

Carbon sequestration is only one of the non-commodity benefits that farmers and ranchers provide for the larger society. Agriculture provides valuable open space, wildlife habitat and recreational opportunities. Federal support for conservation easement initiatives, hunting and other activities will help provide farmers and ranchers with compensation for those benefits.

### Research and Extension Needs

The importance that research plays in strengthening resiliency of the bison business was the primary impetus for establishing the Center of Excellence in Bison Studies in September 2020 as a cooperative commitment between the National Bison Association, South Dakota State University and the National Buffalo Foundation. Establishing a Center of Excellence was a recommendation from USDA NIFA in 2016. The first eight research projects funded in May 2021 total \$326,000 in first-year support and cover a broad range of topics to strengthen our business, including herd health, ecosystem management, and Tribal bison restoration. The scope of projects the Center was not able to fund because of limited resources also demonstrates the need for additional federal support for applied agricultural research.

NIFA's Foundational and Applied Science Grant Program is an extremely valuable resource for a range of topics that are important to the bison business and other sectors of alternative and specialty agriculture, including animal health and production and animal products; food safety, nutrition, and health; agriculture systems and technology; and agriculture economics and rural communities. The current funding FY 2020 level of \$300 million is inadequate to support the

scope of worthy proposals submitted each year. We recommend that funding for this program be doubled moving forward.

Cooperative Extension can play a significant role in developing and disseminating new information and resources that can help guide new producers successfully through their journey into agriculture.

### Assistance in Certifications, Including Organic, Animal Welfare, and Process Verified

The growth of claims-based meat products reflects the increasing concern that customers have for transparency in the food system. According to the Food Marketing Institute's May 2021 report, 64% of Millennial and Generation Z shoppers now actively seek foods that are produced in an ethical way. According to that same study, consumers now consider farmers as the fourth most-trusted source of information regarding information about the connection between food and health, trailing only family, doctors and friends.<sup>3</sup>

The annual Power of Meat report echoed that significant development. According to that report, demand for "claims-based meat" grew 18.1%, claims regarding the absence of antibiotics grew by 17.5% to \$8 billion over the past year, and certified organic meat sales increased 21.5% to \$1.3 billion. Sales of meat labeled as grass-fed grew by 34.5%, hitting \$818 million in sales last year.<sup>4</sup> The 2020 Power of Meat report notes that younger shoppers want to hear from brands about nutrition (58%), food safety practices (57%), animal care practices (46%) and the brand's environmental impact (40%).<sup>5</sup>

USDA's National Organic Program and the Process Verified Program offer two valuable avenues to assist producers in accessing the opportunities for claims-based products.

Very few bison are currently certified under USDA's National Organic Program, even though a significant number of bison are produced under protocols that largely follow the requirements of CFR 7 §205. The cost of transitioning into organic certification is a hurdle for producers of all types of crops and livestock. While the Organic Certification Cost Share Program offers up to 50% reimbursement, the \$500 cap is unreasonably low. Because bison production operations are often located in very remote regions, the actual cost of certification will regularly cost more than \$1,000. Another more significant factor is the §205.238(c)(5) prohibition of any synthetic parasiticides as emergency treatments in organic slaughter stock. Although bison are more resistant to many diseases prevalent in cattle, they are more susceptible to parasite infestations. There is no logical reason that parasiticides listed in §205.603 should be allowed as emergency treatment in dairy animals, which are subject to daily milking, yet prohibited in slaughter stock that will not be sent to market for months after the application.

USDA's Process Verified Program is designed to offer marketers a tool for making front-label verified claims. The prevalence of large, centralized companies in the [Official Listing of Approved Process Verified Programs](#) indicates that this program is not readily accessible to

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<sup>3</sup> Source: Food Marketing Institute (2021) U.S. Grocery Shopper Trends 2021, May

<sup>4</sup> Source: *Lofty Claims, The Claims-Based Meat Market Saw Astonishing Growth in 2020*, Meatingplace.com, April 2021

<sup>5</sup> Source: [Demand for Meat Stays Strong, with More Than \\$50 billion in Sales in 2019](#). Supermarket News, March 2020

smaller-scale diversified operations. At a minimum, USDA AMS should implement a cost-share program for development of Process Verified Programs similar to the concept behind the NOP cost-share program (also, with a limit higher than \$500).

### Research Into L-CAFO Production and Incentives for Converting Manure

Finishing facilities have been utilized as a key element in bringing consistently flavored, high quality meat to the American consumer for more than 60 years. However, these facilities are highly vulnerable to biosecurity threats, and are increasingly targeted as sources of environmental and animal welfare concern.

In the bison business, several producers have been experimenting with Less Confined Animal Feeding Operations (L-CAFO), that maintain the ability to provide a controlled ration to animals while offering greater access to pastures and paddocks. USDA research dollars focused on these alternative finishing technologies would provide producers with the ability to maintain quality and consistency while reducing the vulnerabilities and consumer concerns.

### Energy Production from Finishing Facilities

Manure at finishing facilities—including those for bison—provide a potential feedstock for the production of biogas. While some large-scale feedlots are already incorporating this into their operations, financial incentives would encourage wider adaptation, which would provide a source of energy as well as income for producers.

## **Meat Processing**

Development of a wider network of smaller scale, dispersed meat processing facilities is a critical step in avoiding the types of disruptions that were experienced as a result of COVID-19 and the recent ransomware attacks. The expansion of new regional meat processing facilities can also provide a cornerstone in the development of regional food systems as described in the [AMS Regional Food System Partnership Program](#) and as envisioned in the Native American Agriculture Fund's concept for Regional Food Hubs as described in their document, [Reimagining Native Food Economies](#).

### Strengthening Local Meat Processing Act

The Strengthening Local Meat Processing Act, which was developed by representatives of the Small and Very Small meat processing sector, contains a solid framework for building more resiliency in this sector. The key provisions in that act include:

1. Scale-appropriate guidance and assistance from FSIS
2. Expansion of State Inspection programs
3. Expanding Cooperative Interstate Shipment programs
4. Implementing a Small Plant Grant Program; and
5. Small processor Training, Education and Technical Assistance Grants.

The National Bison Association supports all of those recommended programs.

Additional support for this sector of the bison business can include:

**National Bison Association Recommendations for a Resilient, Diverse and Secure Supply Chains**

**June 20, 2021**

**Page 6 of 9**

### Allow Value-Added Grant Funds to Be Used for Equipment Purchases

While the USDA Value-Added Grant Program is an extremely valuable resource for fostering new market opportunities for producers, the prohibition on using funds for equipment or capital construction prevents many projects from attaining viability in the marketplace. Opportunities for value-added production abound for bison and other alternative livestock producers as consumer demand escalates for jerky, snack sticks, shelf-stable meat products and pre-prepared meal kits and other items. Producing those items often requires specialized and relatively expensive equipment. Meat processing facilities and producer-led marketing initiatives must have expanded ability to purchase that specialized equipment.

### Better Utilization of Byproducts

The ability to sell byproducts of the slaughter process are a key factor in the economic disparity between large meat processing facilities and small and very small counterparts. While major meat processors often earn pennies per pound on offal and other by products, they *do* earn some revenue. Many small and very small meat processing facilities, meanwhile, pay to have these byproducts hauled to landfills.

We recommend that USDA implement a special incentive program for the processors of pet food ingredients to source materials from small and very small meat processing facilities. Research funding also can spur the development of new techniques for these small and very small plants to capture, pack and store the byproducts in a manner that is suitable for use by the pet food sector.

Incineration is another alternative for utilization of these byproducts. Technologically advanced, small-scale incinerators are now available that will convert the byproducts into energy, which can then be utilized to meet electrical needs for the meat processing facility. Financial incentives to purchase and install these incinerators would be very beneficial.

### Reduce Inspection Fees for Nonamenable Species

We recognize that a transition to amenable species status would alleviate the financial burden created by voluntary inspection fees. However, because a large segment of bison meat marketed interstate is currently processed and marketed under state inspection, transition to amenable species would slam shut the doors to the markets those processors have worked to establish. Additionally, amenable species would disallow inspected field slaughter, and would prohibit some of the cultural practices important to Tribal cultures.

Until Cooperative Interstate Shipment Programs become more prevalent, and until the field slaughter and cultural concerns are addressed, we request that USDA AMS provide a subsidized rate for voluntary inspection for bison.

### Develop New Classification for Meat Plant Scale

The current classification of Large, Small and Very Small meat processing utilized by FSIS is unrealistic and inhibits the ability to develop scale-appropriate resources and programs.

Specifically, the main concern is the chasm between the up-to 25 employee definitions for very small processing plants and the 25-500 employee definition for small meat processing plants. A processing facility with 40 employees has very different issues and needs than does a facility with 450 employees. We recommend that new classifications be developed that will better identify the similarities among facilities with each class.

## **Marketing**

### More Focus on Regional Food Hubs

As mentioned previously, USDA AMS' Regional Food System Partnership Program can help foster a more diversified food production, processing and distribution system. We recommend that funding for this program be increased from the current level of \$15.3 million in FY 2021 to an annual appropriation of \$50 million.

As with our recommendation for the Value-Added Grant program, funds expended through the Region Food Partnership Program should be allowed to be used to purchase equipment for processing value-added agricultural products to be marketed regionally.

We also recommend the development of a "Food Hub Market Promotion Program" that would support the ability of these regional food hubs to participate in trade shows and to develop marketing and promotional materials.

### Farmers' Markets and Other Direct-to-Consumer Avenues

A significant portion of bison ranchers and other alternative livestock producers rely heavily on farmers' markets and other direct-to-consumer marketing avenues. The USDA AMS Farmers' Market Promotion Program is one of the best resources now available for these direct marketers. As with the Regional Food Systems Partnership Program, we recommend that funding be increased to \$50 million annually from the current \$38.5 million.

### Export Development

Export markets offer significant market opportunities for the commercial bison sector, but the ability to tap those markets is hampered by a series of unreasonable trade restrictions. The primary trade restrictions hampering bison exports are:

1. 20% Hilton Quota Tariff on U.S. bison meat exports to the EU and the UK.

Because bison does not qualify under the High-Quality *Beef* Export Program, every ounce of U.S. bison meat exported to the European Union and the United Kingdom carries a 20% tariff. We thank Secretary Vilsack and the U.S. Trade Representative's Office for their commitment to addressing this issue in future trade negotiations with the EU and the UK.

2. Prohibition on bison meat exports in Japan, Korea and Taiwan.



These three potential Pacific Rim markets were closed to bison meat following the BSE incident in beef in 2003 and have not yet reopened. USDA's Foreign Agriculture Service has been working to open those markets for bison meat exporters, and we encourage that this continue to be a priority focus.

## **Conclusion**

Establishing a more secure, resilient and diverse supply chain requires more than a piecemeal approach. That is why the National Bison Association offers this comprehensive set of recommendations. We must strengthen and diversify every link within the supply chain.

We recognize that additional resources are needed beyond the scope of the USDA and look forward to the approval of a bipartisan package to strengthen roads, railways, bridges, broadband capacity and other critical infrastructure elements across the United States.