Congress of the United States Washington, DC 20515

June 24, 2021

The Honorable Elizabeth Prelogar U.S. Department of Justice 950 Pennsylvania Avenue, NW Washington, DC 20530-0001

Dear Acting Solicitor General Prelogar,

We are writing to direct your attention to a recent U.S. district court decision which vacated a portion of the Department of Agriculture ("USDA") New Swine Inspection System ("NSIS") rule relating to line speeds at NSIS packing plants. By removing this provision six plants will be forced to reduce their output, and by extension, their purchase of hogs.

While the economic impact to these packers will be significant, it is the nation's small and medium-sized hog farmers who will suffer the greatest harm from upstream impacts. It is imperative that the U.S. government ("USG") act quickly, and pursue all available options, to prevent this reduction in packing capacity which is set to take place at the end of June.

Although NSIS is relatively new, it is based upon a pilot program that operated successfully for decades. Its predecessor, the Hazard Analysis and Critical Control Point ("HACCP") Inspection Models Project ("HIMP") program was developed during the Clinton administration and ran continuously through 2019. As a result of HIMP's success, USDA began consideration of a permanent program under the Obama administration, and the program was finalized during the Trump administration.

The order to vacate the NSIS line speed provisions was due to the rulemaking process. The court determined the agency failed to satisfy the Administrative Procedure Act ("APA"), claiming it did not address certain comments raising worker safety concerns. Adherence to the APA is crucial to preserve sound and reasoned rulemaking by federal agencies. However, there is compelling data about the safety of workers in NSIS. Specifically, FSIS data between 2002 and 2010 shows fewer worker injuries in NSIS program facilities over time and fewer injuries at NSIS plants when compared to their non-NSIS counterparts.

If the USG fails to act, American hog farmers will face significant harm. Research from Dr. Dermot Hayes at Iowa State University indicates that the decision would reduce national packing capacity by 2.5% which will create a surplus of hogs on the market—dropping prices by \$10.70/cwt or roughly \$23.22 per animal. The total economic loss of this decision on U.S. hog farmers is estimated at \$80 million in 2021.

As the hog production cycle spans nearly a year, hogs set to enter this reduced-capacity market are already being raised. Farmers have little ability to alter their supply in the next year. Many farmers supplying these NSIS plants will need to find alternative destinations for their hogs. The resulting surplus and reduced demand in a concentrated geographic region will shift economic power to pork processing companies. The culmination of economic losses from the pandemic, multiple years of trade retaliation, and the court's decision may result in some producers selling their operation. By failing to act, the USG will drive consolidation in the pork industry.

To avoid these consequences, the USG must defend the NSIS program through all available channels while the court-ordered 90 day stay is in place. Failure to do so will leave our nation's hog producers to bear the brunt of the consequences due to no fault of their own. Thank you for your consideration.

Sincerely,

Charles Grassley United States Senate

John Boozman United States Senator

John Thune United States Senator

Sen W. Marshall

Roger Marshall, M.D. United States Senator



Thom Tillis United States Senator

Jim Hagedorn

Member of Congress

Dusty Johnson Member of Congress

G.T. Thompson Member of Congress

Randy Feenstra Member of Congress

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Michelle Fischbach Member of Congress

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Joni K. Ernst United States Senator

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M. Michael Rounds United States Senator

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Jerry Moran United States Senator

Roy Blunt United States Senator

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Deb Fischer United States Senator

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Don Bacon Member of Congress

Tom Emmer Member of Congress

Richard Burr United States Senate

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Tracey Mann

Tracey Mann Member of Congress

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