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**Testimony on LC74
Special Session Joint Committee**

Co-Chair Kotek, Co-Chair Courtney and Members of the Committee:

Friends of Family Farmers (FoFF) represents small and mid-sized family farmers and ranchers across Oregon. Since 2009 we have conducted listening sessions with producers around the state. In 2018, we held 19 farmer and rancher listening sessions, hearing from over 200 producers of various types. One of the primary issues that emerged, particularly from more remote parts of Oregon, was the need for greater access to small farm meat processing infrastructure. In 2019, my predecessor, Ivan Maluski, testified on HB 3372, which appears to be similar to LC 74. FoFF was then, and generally still is, supportive of the idea behind these bills, which is to create a pathway for smaller scale meat producers to have access to local processing that allows them to sell directly to the public. However, there must be adequate funding to help this process.

Oregon has seen a significant decline in USDA-inspected slaughter and processing facilities that serve smaller producers in recent decades, and roughly 300 Oregon meat-processing facilities have closed in the last 35 years. In order for a producer to sell meat retail, wholesale, at farmers markets, or to restaurants, they must utilize a USDA-inspected facility. With only 13 USDA-inspected facilities serving the entire state, producers have limited options, and even these facilities are limited in their days and times of operation by the need to have a USDA inspector on site.

The lack of USDA processing infrastructure means that some producers have to transport livestock hundreds of miles or hours away from their farm or ranch for processing. Due to high demand on these facilities, producers often have to reserve time at these facilities up to 6-8 months in advance. This combination of factors can add significant cost and time for producers who are already operating on small margins.

As you are well aware, meat processing bottlenecks have been exacerbated during Covid-19 and FoFF is hearing from many of our members that they are unable to secure processing dates, partially because of an influx of out-of-state animals coming to Oregon for processing. You can read more about this problem [here](#). Oregon Department of Agriculture (ODA) Director Alexis Taylor, along with our U.S. Congressional delegation, sought an emergency temporary relief exemption from the U.S. Department of Agriculture (USDA)'s Federal Meat Inspection Act requirements administered by the Food Safety and Inspection Service (FSIS) to allow facilities that are licensed under ODA to sell and donate processed meat intrastate. However, the efforts were not successful, in part because of Oregon's lack of a meat and poultry inspection (MPI) program.

We understand that federal meat processing rules likely will continue to provide limited flexibility on what the state is able to do, even with the passage of this bill. However, LC 74 is a good start towards securing greater access to small farm meat processing infrastructure in Oregon. The bill creates a pathway for state-licensed processing of beef, lamb, swine, goat and other 'amenable' species that would be sold within the state of Oregon, and it will open up economic opportunities for many smaller producers around the state while providing greater access to locally produced meat. However, this likely will not materialize in time to help farmers and ranchers who need processing now or in the weeks to come.

Beyond this, based on previous feedback we've heard from both farmers and existing small-scale USDA plant operators in Oregon, the state should develop a program to provide technical and financial support (i.e.; grants) to small scale operations to upgrade equipment to ensure compliance with federal standards, regardless of whether these facilities are USDA inspected or state licensed. We believe such investments would help prevent the loss of existing infrastructure, help bring back small farm meat processing infrastructure that has been lost, and will enhance economic vitality across many parts of rural Oregon.

FoFF has been in conversation with the [Niche Meat Processor Assistance Network](#) (NMPAN), which is dedicated to working on these issues, and would like to include the following NMPAN feedback in our testimony:

Creating a state inspection program will not solve for the underlying problem, and that is aging plants with inadequate infrastructure to come under inspection and the recordkeeping and business management systems to run an inspected plant well and profitably. That is where NMPAN can come in.

A better approach is to provide technical assistance and grant/loans to help those plants and the other small and very small inspected plants renovate, upgrade, expand, and hire additional staff. Kentucky just put a program into place that I think Oregon should seriously consider. Read more here: [https://agpolicy.ky.gov/funds/Documents/KADF MeatProcessingInvestmentProgram GeneralGuidelines.pdf](https://agpolicy.ky.gov/funds/Documents/KADF%20MeatProcessingInvestmentProgramGeneralGuidelines.pdf)

NMPAN just applied for and was awarded a grant from the Oregon Beef Council to kickstart a processor mini-grant program on a pilot scale (4 grants of up to \$10K each). But if ODA wanted to come in with more substantial dollars, we could scale it up (or ODA could do it). Again, it's the facilities that are the problems, not the regulations.

-Rebecca Thistlethwaite, Director
Niche Meat Processor Assistance Network (NMPAN)
www.nichemeatprocessing.org

We have also included the communications between ODA, the U.S. Congressional Delegation and USDA to help frame the issue, as well as a letter from the U.S. House of Representatives Committee on the Judiciary to Secretary Purdue, which urges support for small meat processors, and contains significant background information.

It is our hope that these communications may help frame the issue in aid of policy makers crafting a feasible solution for Oregon. NMPAN is working on a list of resources that should be up on their website by the end of this week that also might be helpful.

FoFF is happy to participate in future efforts if that would be useful.

Thank you for your consideration,

Amy Wong
Policy Director
Friends of Family Farmers