Mr. Speaker,

I rise today to address the House because America’s livestock industry is in crisis.

Across southern Minnesota and in many areas of our nation, pork producers are especially in trouble. Packing plant closures and disruptions and other reverberations associated with COVID-19 and the pause in our economy have depressed futures markets and made it impossible to process hogs. Many of our producers are being forced to destroy animals and not even use the meat for our food supply.

To mitigate production losses incurred by our pork producers, this week I introduced the “Livestock Producer Assistance for COVID-19 Damages Act.” My legislation is designed to augment the United States Department of Agriculture’s existing Emergency Assistance for Livestock, Honey Bees, and Farm Raised Catfish program to cover income losses for farmers and producers who have been unable to market livestock due to packing plant closures or reduced operations beginning on April 19, 2020.

Due to the ongoing pandemic, our livestock farmers in southern Minnesota and throughout the nation have been pushed to the brink of insolvency. This represents a direct threat to our nation’s food supply and the vibrancy of the economy and our rural communities.

During this pause in our economy, restaurants have been largely shut down, which has caused reduced demand and dramatically lower futures markets for pork, beef and other cuts of meat. On top of that, we have had packing plant disruptions and closures that have created an environment where market ready hogs cannot even be processed and distributed into the food chain.

Because the pork industry uses an in-time delivery system, hogs cannot be stored or pastured like other traditional crops and animals. Until meat packing plants return fully online, many pork producers are left with no place to market their hogs, leaving euthanasia, rendering or composting as some of the only options for handling potentially millions of pigs.

The outlook is especially challenging for independent farmers who own and raise their own livestock. In the past few months, hog prices plunged 26 percent, further compounding challenges for livestock producers to develop additional options for selling their hogs.
In Minnesota, our farmers make huge contributions to the state’s economy. According to a study by the University of Minnesota, current disruptions in the pork supply chain, coupled with the current 15 percent unemployment rate, could result in an estimated loss of $660 million in economic activity in our state.

The researchers also concluded that a 15 percent drop in hog production would lead to an estimated loss of 2,100 jobs.

Because pork and livestock producers are suffering huge losses, financial and otherwise, and through no fault of their own, I urge my colleagues on both sides of the aisle to join me in supporting this bill. We must stand with our family farmers, and in so doing, defend the interests of our economy, rural communities and America’s food supply.

J. Hagedorn