



# NEWS RELEASE

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## NMA CALLS FOR WITHDRAWAL OF GIPSA PROPOSED RULE

OAKLAND, CA – NMA submitted comments today to the Grain Inspectors, Packers and Stockyards Administration (GIPSA) calling for the withdrawal and complete reworking of a proposed rule which would go far beyond the requirements in Title XI of the 2008 Farm Bill.

“If implemented as written, GIPSA’s proposal will devastate the industry, particularly small and medium-sized packers,” said NMA CEO Barry Carpenter. “The rule would upend livestock purchasing arrangements, and prevent small packers from competing in certain markets. It would cause a loss of more than 22,000 jobs, primarily among producers, and a \$1.5 billion loss of GDP. And it would do all this by changing the basic meaning of the Packers & Stockyards Act, which is something only Congress can do.”

In addition to highlighting the cost of the proposal, NMA’s comments criticize provisions of the proposal that would:

- Eliminate the legal yardstick of “unfair competition” which has been affirmed as part of the Packers & Stockyards Act by eight United States Courts of Appeal decisions over a period of more than 70 years.
- Subject packers to substantial litigation risks which would lead to added costs, more industry concentration, and the end of agricultural marketing agreements (AMAs) which offer premiums to producers and added value to consumers.
- Limit packers’ ability to use strategic marketing agreements to ensure that producer-suppliers implement critical food safety controls necessary to protect consumers from dangerous pathogens.

With the support of other trade associations, NMA engaged the services of Informa Economics, Inc. to conduct an examination of the impacts. The economic research showed that the proposed rule will result in the loss of more than 22,000 jobs, an annual GDP loss of \$1.5 billion, and an annual tax revenue loss of \$359 million.

“GIPSA should withdraw the proposal and issue a new rule limited to the matters identified in the 2008 Farm Bill. Any new rule should be supported by both a proper economic impact analysis and an explanatory preamble that addresses the issues raised during this comment period by NMA and others,” Carpenter said.

NMA’s complete comments are available online at <http://nmaonline.org/pdf/GIPSA-Proposed-Regulations-Comments-FINALwithattmts.pdf>.

National Meat Association is a non-profit trade association. Since 1946, NMA has represented meat packers and processors, equipment manufacturers and food suppliers who provide services to the meat industry. The association has members throughout the United States, as well as in Canada, Australia and Mexico.