

The Honorable Kent Conrad
Chairman
Senate Budget Committee
624 Dirksen Senate Office Building
Washington, DC 20510

Dear Chairman Conrad:

As the “Gang of Six” works to formulate a plan for Federal deficit reduction to further the work of the President’s National Commission On Fiscal Responsibility And Reform, we would like to bring to your attention the issue of “user fees” for Federal inspection of meat, poultry and egg products.

The Commission Co-Chair’s Proposal released in November 2010 proposed levying a fee on meat, poultry and egg product producers to offset the cost of mandated Federal safety inspection. However, this proposal was dropped from the Commission’s final report released in December 2010. In our view, food safety inspection benefits everyone and therefore should be paid for through appropriated funds. Therefore we encourage you to follow the final recommendation of the Commission and not consider any additional fees on meat, poultry, and egg product inspection.

On February 14, 2011, the Administration released its Fiscal Year 2012 USDA budget proposal. As in previous years, the budget submission requests so-called “user fees” for government mandated food safety inspection programs for meat, poultry and egg processors. In reality, these fees represent a food safety tax on consumers and not just a fee on processors. We urge you to reject the Administration’s request for these new food safety taxes.

The USDA Food Safety Inspection Service (FSIS) budget summary includes the Administration’s intent to submit legislation which will establish these new user fees or taxes. The two new taxes are outlined below and are the cause of grave concern:

- *The first, a mandatory fee, would recover part of the estimated costs of services (such as risk assessments, hazard analyses, inspection planning, compliance review and enforcement, information technology support, and risk communication) that FSIS ordinarily incurs in addition to on-line inspection costs.*
- *The second would be a performance based user fee to recover the costs incurred for additional inspections and related activities made necessary due to the performance of the covered establishment and plant. Examples of the increased costs for which a performance based user fee could be charged include food safety assessments, follow-up sampling, and additional investigations due to the outbreak of disease.*

Meat, poultry and egg product inspection is a public health and safety program required by federal law and has been funded through tax dollars for over a century. Food safety inspection benefits everyone and therefore should be paid for through appropriated funds. Inspection fees will make the current equitable funding mechanism inherently regressive, since low and middle-income families spend a higher portion of their income on food than do

wealthier Americans. Furthermore, any proposal to transform government-funded food safety inspection provides less accountability for the government to manage program costs, results and efficiencies.

We applaud your efforts to formulate a budget plan that will finance the Federal government in a fiscally sound manner, and urge Congress to continue to oppose proposals to assess new user fees, either in whole or in part, to fund federally mandated meat, poultry or egg product inspection. If you have questions, please contact any of the signatory organizations.

Sincerely,

American Association of Meat Processors
American Farm Bureau Federation
American Frozen Food Institute
American Meat Institute
American Sheep Industry Association (ASI)
Eastern Meat Packers Association
Illinois Association of Meat Processors
Indiana Meat Packers and Processors Association (IMPPA)
Iowa Meat Processors Association
Mid-States Meat Association
Missouri Association of Meat Processors
National Cattlemen's Beef Association
National Chicken Council
National Frozen Pizza Institute
National Meat Association
National Pork Producers Council
National Turkey Federation
Nebraska Association of Meat Processors
North American Meat Processors Association
Ohio Association of Meat Processors
Shelf-Stable Food Processors Association
Southeastern Food Processors Association
Southeastern Meat Association
Southwest Meat Association
United Egg Association