



**Testimony Submitted for the Record**

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**Hearing before the  
House Agriculture Committee  
Livestock and Foreign Agriculture Subcommittee**

**Sustainability in the Livestock Sector:  
Environmental Gain and Economic Viability**

**February 3, 2021**

On behalf of the North American Meat Institute (NAMI or the Meat Institute) based in Washington, DC, and its members, thank you for the opportunity to submit this testimony.

The Meat Institute is the United States' oldest and largest trade association representing packers and processors of beef, pork, lamb, veal, turkey, and processed meat products. NAMI members include over 350 meat packing and processing companies, the majority of which have fewer than 100 employees, and account for over 95 percent of the United States' output of meat and 70 percent of turkey production.

In July 2021, NAMI and 11 other organizations representing farmers and companies who produce the vast majority of America's meat, poultry, and dairy products, as well as animal feed and ingredients, unveiled the Protein PACT for the People, Animals, and Climate of Tomorrow. The Protein PACT is the first joint initiative of its kind designed to verify progress toward global sustainable development goals across all animal protein sectors to ensure consumers can trust that meat aligns with their sustainability expectations. In addition, the Meat Institute is a member of the U.S. Roundtable for Sustainable Beef (USRSB), partnering with beef producers and others in the supply chain to advance beef sustainability through overarching and sector specific metrics and goals, and USRSB is a Protein PACT partner, joining our effort to share the progress being made in the beef sector.

Through Protein PACT, Meat Institute members have developed robust metrics for continuous improvement and have publicly committed to sustain healthy animals, thriving workers and communities, safe food, balanced diets, and the environment.

### **Measuring Impact**

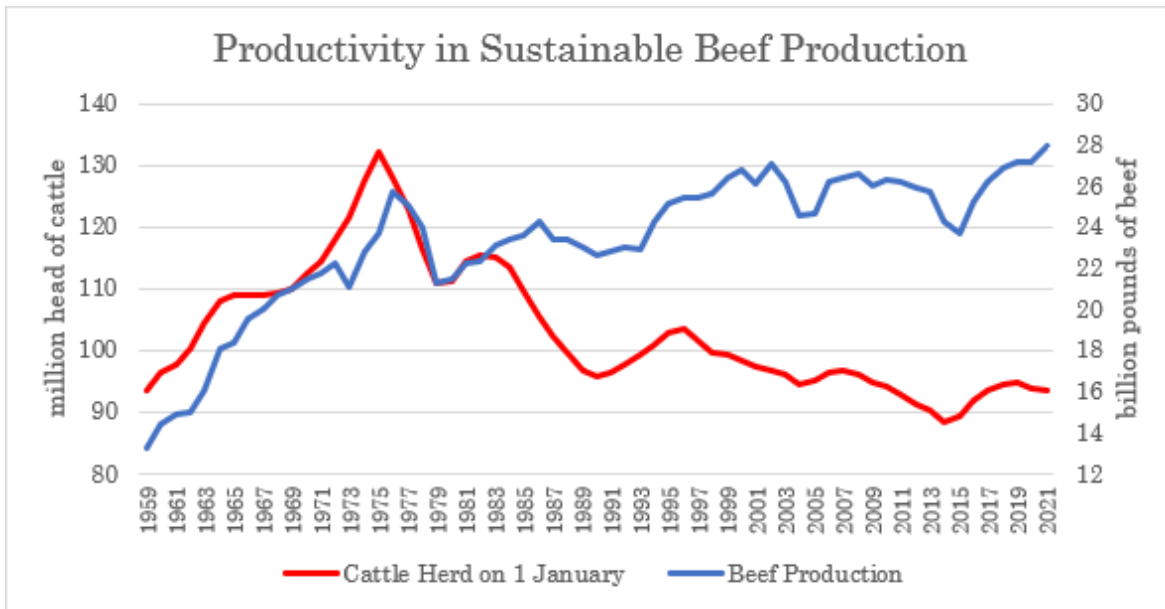
To measure impact and achieve the ambitious targets set by the Meat Institute's members, a task force of NAMI subject matter experts developed 100 metrics across the five Protein PACT focus areas to measure and improve sustainability in meat packing and processing. These metrics have been endorsed by the Meat Institute's Board of Directors and will apply to our diverse membership, who employ more than 800,000 people and make thousands of different products. The metrics have been vetted extensively with sustainability experts and partners across the supply chain.

To encourage full participation by companies of all sizes, the Meat Institute has established a broad range of measurable indicators within each focus area. These indicators allow companies to demonstrate continuous improvement at every stage of their sustainability efforts, transparently demonstrating compliance and measuring progress in setting, tracking and delivering on ambitious public commitments.

Our benchmarks are designed to complement and strengthen efforts by farmers and livestock producers, and also bridge to actions in grocery stores, restaurants and homes – all of which are needed to truly achieve our common goals for the people, animals and climate of tomorrow.

### **Efficiency Drives Sustainability**

A key component of sustainability is achieving higher productivity through more efficient use of resources. Stated differently, efficiency is sustainability. The meat industry has dramatically increased efficiency over the last 60 years.

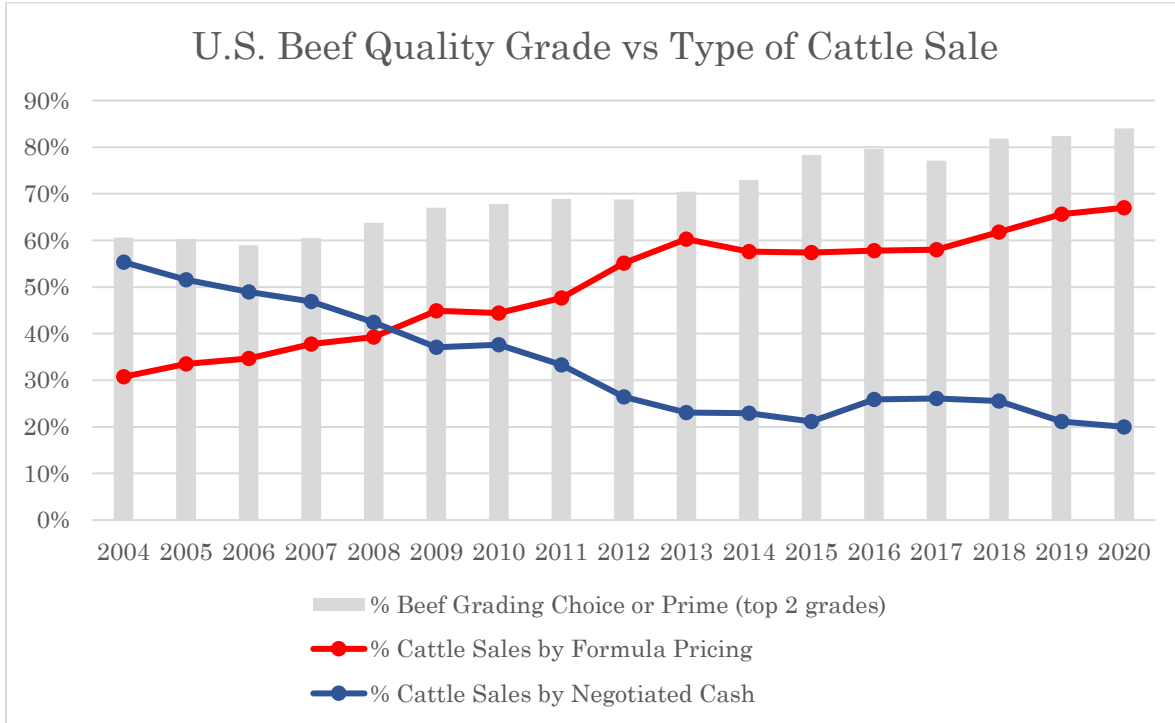


Today, we produce more than twice as much beef with roughly the same number of cattle as in 1959, and 18 percent more beef than when the U.S. cattle herd hit its largest size in 1975. Farmers and ranchers produce beef using 33% less land, 12% less water, and with a 16% smaller carbon footprint in 2007 compared to 1977.<sup>1</sup> That is an astounding sustainability success story.

The U.S. meat industry cannot continue to build on this remarkable sustainable productivity growth and meet consumer expectations if the government restricts interactions between packers and producers. For example, the U.S. Department of Agriculture (USDA) has announced plans to propose new rules under the Packers and Stockyards Act to regulate the interactions between packers and producers. By design, the proposed rules will discourage the use of alternative marketing arrangements (AMAs) – the very tools that have improved efficiency, productivity, and risk management over the past two decades and allowed the sector to meet consumer expectations for increased beef quality.

<sup>1</sup> Neumeier and Mitloehner doi:10.2527/af.2013-0022

As multiple agricultural economists<sup>2</sup> and cattle producers<sup>3</sup> have explained, AMAs increase market efficiency by transmitting market signals about consumers' preferences to producers. The remarkable improvement in beef quality demonstrates this.



In his testimony before this Subcommittee, Dr. Jason Lusk stated:

[S]trengthening of consumer demand for beef over the past several decades has occurred over a period in which there was increased use of formula pricing that rewarded quality improvements. Eroding the ability of consumers, retailers, and packers to incentivize quality through formulas and vertical coordination may have detrimental impacts on demand.<sup>4</sup>

<sup>2</sup> See the following: The U.S. Beef Supply Chain: Issues and Challenges, Proceedings of a Workshop on Cattle Markets, Agriculture and Food Policy Center, Texas A&M University, 2021, [cattle.pdf \(tamu.edu\)](#); Anderson, et al, Univ. of Arkansas, 2022, <https://cpb-us-e1.wpmucdn.com/wordpressua.uark.edu/dist/6/907/files/2022/01/CPDTA-analysis-01.18.22.pdf>; Koontz, S., Costs and Benefits of Mandatory Negotiated Cash Participation in Fed Cattle Markets, 2022;

Glynn Tonsor, Ph.D., Professor, Department of Agricultural Economics, Kansas State University, testimony before the Senate Agriculture Committee, June 23, 2021, [https://www.agriculture.senate.gov/imo/media/doc/Testimony\\_Tonsor%2006.23.211.pdf](https://www.agriculture.senate.gov/imo/media/doc/Testimony_Tonsor%2006.23.211.pdf)

<sup>3</sup> Gardiner, Congressional testimony

<sup>4</sup> Jayson Lusk, Ph.D., Distinguished Professor and Head, Department of Economics, Perdue University, testimony before the House Agriculture Subcommittee on Livestock and Foreign

Today, consumers demand increased environmental sustainability, and AMAs are essential to continued innovation and improved efficiency. In a 2021 online survey of more than 1,000 consumers, 72 percent of consumers said “sustainability was a very or somewhat important purchase consideration,” and 68 percent said they were “willing to pay more for sustainable products.”<sup>5</sup> As Dr. Stephen Koontz of Colorado State University has written, “... thinking about future marketing environments, the value of AMA use will be larger.”<sup>6</sup>

The Meat Institute urges USDA to avoid unintended negative consequences from the forthcoming Packers and Stockyards proposals that will negatively affect efficiency and sustainability in the cattle and meat sectors. Government intervention could jeopardize the gains made to date as well as the industry’s ability to provide the products customers demand in the future.

The North American Meat Institute is prepared to discuss these issues and work with the Committee on the issues facing the industry. Thank you for the opportunity to provide this testimony.

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Agriculture, July 28, 2021, <https://docs.house.gov/meetings/AG/AG29/20210728/113973/HHRG-117-AG29-Wstate-LuskJ-20210728.pdf>

<sup>5</sup> [https://www.meatpoultry.com/articles/26103-research-focuses-on-consumers-willingness-to-pay-up-for-sustainable-products?e=slittle@meatinstitute.org&utm\\_source=MEAT%2BPOULTRY+Daily&utm\\_medium=New%2Bletter&oly\\_enc\\_id=7576I4152845C0R](https://www.meatpoultry.com/articles/26103-research-focuses-on-consumers-willingness-to-pay-up-for-sustainable-products?e=slittle@meatinstitute.org&utm_source=MEAT%2BPOULTRY+Daily&utm_medium=New%2Bletter&oly_enc_id=7576I4152845C0R)

<sup>6</sup> Koontz, Ibid