

118TH CONGRESS
1ST SESSION

S. 2951

To require the Secretary of Agriculture to establish a program to provide loans and loan guarantees to assist new and expanded meat processors and renderers, and for other purposes.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 27 (legislative day, SEPTEMBER 22), 2023

Mr. MORAN (for himself and Mr. BENNET) introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

A BILL

To require the Secretary of Agriculture to establish a program to provide loans and loan guarantees to assist new and expanded meat processors and renderers, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Butcher Block Act of
5 2023”.

6 **SEC. 2. ASSISTANCE FOR NEW AND EXPANDED MEAT PROC-**
7 **ESSORS AND RENDERERS.**

8 (a) **DEFINITIONS.**—In this section:

1 (1) COVERED FACILITY.—The term “covered
2 facility” means a facility—

3 (A) for which a loan or loan guarantee is
4 provided to an eligible entity under the pro-
5 gram; and

6 (B) that is—

7 (i) a meat processing establishment
8 that employs fewer than 500 employees; or

9 (ii) a rendering facility establishment
10 that employs fewer than 200 employees.

11 (2) ELIGIBLE ENTITY.—

12 (A) IN GENERAL.—The term “eligible enti-
13 ty” means—

14 (i) a public, private, or cooperative or-
15 ganization organized on a for-profit or
16 nonprofit basis;

17 (ii) an Indian Tribe (as defined in sec-
18 tion 4 of the Indian Self-Determination
19 and Education Assistance Act (25 U.S.C.
20 5304)); and

21 (iii) an individual farmer, rancher, or
22 business owner.

23 (B) EXCLUSIONS.—The term “eligible en-
24 tity” does not include—

1 (i) an entity described in subpara-
2 graph (A)(i) that is partly or wholly owned
3 by a foreign entity; or

4 (ii) an entity that has processed an
5 average of not less than 5 percent of the
6 beef, pork, chicken, or turkey processed
7 nationally during the immediately pre-
8 ceding 5 calendar years.

9 (3) MEAT.—The term “meat” includes poultry.

10 (4) PROGRAM.—The term “program” means
11 the program established under subsection (b).

12 (5) RURAL AREA.—The term “rural area” has
13 the meaning given the term in section 343(a) of the
14 Consolidated Farm and Rural Development Act (7
15 U.S.C. 1991(a)).

16 (6) SECRETARY.—The term “Secretary” means
17 the Secretary of Agriculture.

18 (b) ESTABLISHMENT.—The Secretary shall establish
19 a program under which the Secretary shall provide loans
20 and loan guarantees to eligible entities to use in accord-
21 ance with subsection (f).

22 (c) PROGRAM PURPOSES.—The purposes of the pro-
23 gram are—

24 (1) to increase capacity of meat processing and
25 rendering;

1 (2) to diversify meat processing and rendering
2 ownership;

3 (3) to bolster local and regional food security
4 through increased meat processing and rendering ca-
5 pacity; and

6 (4) to improve, develop, or finance meat proc-
7 essing and rendering capacity or employment, in-
8 cluding through the financing of working capital.

9 (d) MAXIMUM AMOUNT.—Except as provided in sub-
10 section (g)(1), the amount of a loan or loan guarantee pro-
11 vided under the program shall not exceed \$50,000,000.

12 (e) PRIORITY.—In providing a loan or loan guarantee
13 under the program, the Secretary shall give priority to eli-
14 gible entities that—

15 (1) are able to increase overall meat processing
16 or rendering capacity in the region involved, as de-
17 termined by the Secretary; and

18 (2) are located in a rural area.

19 (f) USE OF LOANS AND LOAN GUARANTEES.—An eli-
20 gible entity that receives a loan or loan guarantee under
21 the program shall use that loan or loan guarantee, as ap-
22 plicable, to construct, expand, modify, refurbish, or re-
23 equip a covered facility described in clause (i) or (ii) of
24 subsection (a)(1)(B).

25 (g) SPECIAL RULES FOR COOPERATIVES.—

1 (1) AMOUNT OF LOAN OR LOAN GUARANTEE.—

2 The Secretary may provide a loan or loan guarantee
3 of not more than \$100,000,000 to an eligible entity
4 described in subsection (a)(2)(A)(i) if the loan in-
5 volved is used to carry out a project that signifi-
6 cantly increases meat processing or rendering in the
7 State or region—

8 (A) in which the applicable covered facility
9 is or will be located; and

10 (B) that has insufficient processing or ren-
11 dering capacity, as determined by the Sec-
12 retary.

13 (2) ACCOUNTS RECEIVABLE.—In the case of a
14 loan or loan guarantee provided to an eligible entity
15 described in subsection (a)(2)(A)(i), the Secretary
16 may take accounts receivable as security for the obli-
17 gations entered into in connection with the loan or
18 loan guarantee, and the eligible entity may use ac-
19 counts receivable as collateral to secure the loan or
20 loan guarantee, if the Secretary determines that
21 such actions would not create or otherwise con-
22 tribute to an unreasonable risk of default or loss to
23 the Federal Government.

24 (h) CONDITIONS APPLICABLE WITH RESPECT TO
25 USING LOAN INVOLVED FOR REFINANCING.—An eligible

1 entity receiving a loan or loan guarantee under the pro-
2 gram may use not more than 25 percent of the involved
3 loan to refinance a loan obtained for carrying out an activ-
4 ity described in subsection (f) if—

5 (1) the eligible entity is current and performing
6 with respect to the loan to be refinanced;

7 (2) the eligible entity has not defaulted on any
8 payment required to be made with respect to the
9 loan to be refinanced;

10 (3) none of the collateral for the loan to be refi-
11 nanced has been converted; and

12 (4) there is adequate security or full collateral
13 for the loan to be refinanced.

14 (i) CONDITIONS RELATING TO CARCASSES.—An eli-
15 gible entity receiving a loan or loan guarantee under the
16 program—

17 (1) shall accept all carcasses allowed under
18 Federal law; and

19 (2) shall not limit the size or type of producers
20 from which the eligible entity procures carcasses.

21 (j) APPRAISAL.—The Secretary may require that any
22 appraisal made in connection with a loan or loan guar-
23 antee provided under the program be conducted by a spe-
24 cialized appraiser that uses standards that are similar to

1 standards used for similar purposes in the private sector,
2 as determined by the Secretary.

3 (k) **AUTHORIZATION OF APPROPRIATIONS.**—There is
4 authorized to be appropriated to the Secretary to carry
5 out this section \$100,000,000 for each of fiscal years 2024
6 through 2029.

7 **SEC. 3. NEW, MOBILE, AND EXPANDED MEAT PROCESSING**
8 **AND RENDERING GRANTS.**

9 (a) **DEFINITIONS.**—In this section:

10 (1) **ELIGIBLE ENTITY.**—The term “eligible enti-
11 ty” means—

12 (A) a governmental entity;

13 (B) a public, private, or cooperative orga-
14 nization organized on a for-profit or nonprofit
15 basis;

16 (C) an Indian Tribe (as defined in section
17 4 of the Indian Self-Determination and Edu-
18 cation Assistance Act (25 U.S.C. 5304)); and

19 (D) an institution of higher education.

20 (2) **MEAT.**—The term “meat” includes poultry.

21 (3) **SECRETARY.**—The term “Secretary” means
22 the Secretary of Agriculture.

23 (b) **GRANTS.**—The Secretary shall make grants to eli-
24 gible entities to use in accordance with subsection (d).

25 (c) **PURPOSES.**—The purposes of this section are—

1 (1) to create more resilient local and regional
2 food systems;

3 (2) to expand, diversify, and increase resilience
4 in meat processing and rendering activities;

5 (3) to improve compliance of meat processors
6 with livestock and poultry processing statutes (in-
7 cluding regulations), including the Federal Meat In-
8 spection Act (21 U.S.C. 601 et seq.) and the Poultry
9 Products Inspection Act (21 U.S.C. 451 et seq.);

10 (4) to reduce barriers to entry for new meat
11 processors and renderers; and

12 (5) to update, expand, or otherwise improve ex-
13 isting meat processing and rendering facilities.

14 (d) USE OF FUNDS.—An eligible entity receiving a
15 grant under this section may use the grant to establish
16 or support new, innovative, or expanded meat processing
17 or rendering activities, or other activities that will increase
18 the customer base or revenue returns of livestock and
19 poultry producers, including by undertaking projects—

20 (1) to identify and analyze business opportuni-
21 ties, including feasibility studies required for credit-
22 worthiness;

23 (2) to identify, train, and provide technical as-
24 sistance to existing or prospective entrepreneurs and
25 managers or processing or rendering facilities;

1 (3) to achieve compliance with applicable Fed-
2 eral, State, or local regulations;

3 (4) to conduct regional, community, and local
4 economic development planning and coordination
5 and leadership development;

6 (5) to establish a center for training, tech-
7 nology, and trade that will provide training to meat
8 processing and rendering employees; and

9 (6) to incentivize new, innovative, or mobile en-
10 terprises to increase or improve local and regional
11 meat processing and rendering.

12 (e) CONDITIONS RELATING TO CARCASSES.—An eli-
13 gible entity receiving a grant under this section—

14 (1) shall accept all carcasses allowed under
15 Federal law; and

16 (2) shall not limit the size or type of producers
17 from which the eligible entity procures carcasses.

18 (f) AUTHORIZATION OF APPROPRIATIONS.—There is
19 authorized to be appropriated to the Secretary to carry
20 out this section \$25,000,000 for each of fiscal years 2024
21 through 2029.

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