

## The Meat & Poultry Promotion Coalition urges you to vote **NO** on the Tester Amendment

The success of the U.S. meat, poultry, and livestock marketing system can be greatly attributed to its flexibility in allowing producers, processors, and retailers to respond to market signals. Senator Tester has filed an amendment to the farm bill that would eliminate this market flexibility by requiring that a packer treat all producers the same “regardless of any alleged business justification”. The Tester amendment would prohibit producers and packers from making sound business transactions based on the quality and consistency of producers’ livestock or poultry. The Tester amendment would send the industry back to the days of generic meat and poultry products by requiring that all producers be treated the same regardless of the quality and value of their animals.

- This type of generic marketing scheme was rejected by U.S. consumers 20 years ago, and led to the industry losing market share. Producers have since responded to consumer demands by finding innovative ways to develop and market premium quality and branded meat and poultry products.
- Under the Tester amendment, packers and processors would be unable to compensate producers for investments in their animals. As a result, producers would not be able to seek innovative marketing tools and would have no incentive to add value and quality to their poultry and livestock.
- Currently, a producer or packer can refuse to buy hogs or livestock from certain producers for reasons such as disease or poor quality animals and defend this choice as a business justification. The Tester amendment would eliminate any business justification defense and allow poorly performing producers to sue producers and packers who refuse to buy their sick or poor quality animals.
- Those who stand to lose the most from the Tester amendment are the poultry and livestock producers who have invested time and labor into maximizing the value of their poultry, hogs, and cattle, only to be guaranteed a standard price for a premium product.
- The broad range of meat and poultry products that U.S. consumers have demanded could not be produced under this flawed amendment. Production models, such as organic, free-range, antibiotic-free, and humanely-raised meat and livestock are high-cost methods of raising poultry and livestock that cannot exist under a generic marketing scheme.

When livestock and poultry producers incur high input costs they need assurance that there is a buyer who will compensate them for their investment. Freedom of choice in the livestock and poultry market has allowed producers to develop innovative production models such as organic livestock and poultry. Such production models would not be feasible under the Tester amendment, because the amendment would prohibit a producer and packer from making a justified business agreement for an exchange of a premium product for a premium price. The Tester amendment would eliminate the freedom of choice that allows U.S. consumers, processors, and producers to compete for the best product at the best price. For these reasons we urge a **NO** vote on the Tester amendment.

### *The Meat & Poultry Promotion Coalition includes:*

National Cattlemen’s Beef Association • National Chicken Council • National Pork Producers Council • National Turkey Federation • American Foods Group • American Meat Institute • Cargill • Christensen Farms • Hatfield Quality Meats • Hormel Foods • National Beef • National Meat Association • Seaboard Corporation • Smithfield Foods • Swift & Co • Tyson Foods, Inc. • U.S. Premium Beef