

Rep. Jim Costa Testimony on GIPSA Rule for March 9, 2017

Chairman Aderholt and Ranking Member Bishop, thank you for providing Members with the opportunity today to discuss the fiscal year 2017 agriculture appropriations bill. As the Ranking Member of the House Agriculture Subcommittee on Livestock and Foreign Agriculture, I respectfully request you retain the bipartisan provision fixing the GIPSA rule that was included in the Committee-passed FY 2017 agriculture appropriations bill.

On June 22, 2010, the U.S. Department of Agriculture's Grain Inspection, Packers and Stockyards Administration proposed a massive rule – referred to as the GIPSA rule – that will severely disrupt the livestock and poultry industries and add massive costs to the industry and consumers. The firestorm of objections from stakeholders and Congress was swift, loud, and bipartisan. As a result, Congress has prohibited USDA from moving forward with the proposal in four consecutive appropriations bills.

One would think that USDA would have received the message, but at the very end of the last administration, the Department published an interim final rule and two proposed rules derived from the original 2010 proposal. Of the three, the interim final rule, or IFR, is the most disruptive and immediate – it's currently scheduled to become effective April 22. If allowed to become effective, the extraordinary economic cost and regulatory burden of the Rule will be felt across the entire livestock and poultry industry, from producers to packers and processors, and will result in fewer choices for consumers. It's insulting that the agency continues to attempt to accomplish by rulemaking what proponents of this rule have failed to do legislatively.

This rule, if implemented, would fundamentally and negatively change the way that livestock and poultry are marketed in this country by taking away the value added marketing agreements that have been put in place to help producers get more return on their animals and would open floodgates to baseless litigation. When cattle markets are already depressed, the government should not be limiting marketing opportunity. Additionally, implementation of this rule could lead to retaliatory tariffs by trading partners, we have seen such action taken in the past.

The GIPSA language that would address this issue, Section 767 of H.R. 5054, is supported by all the mainstream livestock and poultry organizations, including the National Cattlemen's Beef Association, National Pork Producers Council, National Chicken Council, and National Turkey Federation.

Support for this language is bipartisan. I have worked alongside Chairman David Rouzer on this issue and I hope you too will work in a bipartisan manner to maintain the provision fixing the GIPSA rule.

I urge you to retain the language in the fiscal year 2017 agriculture appropriations bill and in the fiscal year 2018 measure as well. Thank you.