

— TESTIMONY —
U.S. House Committee on Agriculture
Dave MacLennan | April 27, 2022

Chairman Scott, Ranking Member Thompson, Members of the Committee:

Thank you for inviting me here today to discuss the food system and the shared challenges we face to ensure food is produced and delivered safely, responsibly and reliably in the United States and around the world.

The food system has been remarkably resilient through the challenges of the last two years. We've faced an ongoing pandemic, extreme weather conditions and global disruptions. Still, food shortages have been rare and we have maintained good supplies due to the essential work of those in the sector.

My name is Dave MacLennan and I am the CEO of Cargill.

Cargill is 155,000 people working across the globe to nourish the world in a safe, responsible and sustainable way.

Our operations are broad. We bring together people, ideas and resources to deliver products, technology and ways of operating that build successful businesses and communities.

We produce a range of edible oils used in restaurants and home cooking, as well as ingredients for food and beverage manufacturers and foodservice companies.

We provide bio-based solutions across industries, including construction materials, paints and beauty products.

We support better animal health and nutrition with feed and premix options.

We help farmers finance their operations, manage risk and improve their soil.

And we process beef, turkey, value-added meats and egg products for retail, foodservice and processing customers. We also innovate by producing alternative proteins, including plant-based.

My understanding is that today's hearing is focused on North America protein, one of Cargill's many businesses. Cargill Meat Solutions Corporation is headquartered in Wichita, Kansas, and employs more than 28,000 people in 19 states. It operates facilities, distribution centers, feed mills and hatcheries in rural communities across the U.S.

The jobs Cargill employees do every day in these facilities put protein on the table for millions of Americans. We recognize their contributions with competitive compensation and benefits like onsite medical care, nearby wellness clinics and housing support. We increased base pay significantly over the past two years to recognize the critical role they play as frontline workers.

We acknowledge that the rising cost of most goods — including food — poses significant challenges for consumers worldwide. The price for meat is not immune to the global factors impacting inflation. Supply and demand, labor constraints, transportation challenges and rising feed costs add even greater pressure on supply chains and are resulting in increased prices at retail.

Meatpacking is a complex and cyclical business. The size and scale of our operations provides the agility to help mitigate volatility and ensure food is efficiently brought from farm to table.

We are providing a consistent food supply and strengthening the resilience of the food system to mitigate disruptions. We are actively hiring to reduce labor shortages, increasing wages and benefits for employees and investing in our plants so that they are run as efficiently and as safely as possible.

We also welcome competition to the industry and support the dynamics of a free market.

We believe in price transparency and fair, open markets. In our North America protein business, for example, Cargill consistently purchases a third of our cattle on a cash basis.

We also are committed to empowering and improving the livelihoods of the people who grow and raise our food. Our partnerships with farmers and ranchers are critical in delivering quality, affordable protein to groceries and consumers across the U.S.

We know how hard and cyclical the cattle industry is. It is critical to all of us that ranchers sustain their operations and withstand market volatility.

Mr. Chairman and Ranking Member Thompson, we appreciate the work you and the members of this committee do to support America's farmers and ranchers. Cargill was started in 1865 in the farming community of Conover, Iowa, with the goal of providing markets for farmers. From that day on, we've known that if producers aren't successful, our company won't be.

Thank you for the opportunity to address the members of this committee. I look forward to answering your questions.

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