To make improvements with respect to the pricing of cattle in the United States, and for other purposes.

A BILL

To make improvements with respect to the pricing of cattle in the United States, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Butcher Block Act”.

SEC. 2. ASSISTANCE FOR NEW AND EXPANDED LIVESTOCK OR MEAT PROCESSORS.

(a) IN GENERAL.—The Secretary of Agriculture (in this section referred to as the “Secretary”) may make or guarantee a loan for the purpose of—
(1) facilitating economic opportunity for livestock and meat producers seeking further processing capacity and diversification of processor ownership to increase competitiveness in the livestock and meat industry;

(2) increasing value-added opportunities for livestock and meat production through investment in processing capacity;

(3) improving, developing, or financing livestock and meat processing activity and employment including through the financing of working capital; or

(4) promoting the interstate trade and local sales of processed meat by financing improvements to meet relevant Federal, State, and local regulatory standards.

(b) ELIGIBILITY; GENERAL LIMITATIONS.—

(1) ELIGIBLE RECIPIENT.—An entity shall be eligible for a loan or guarantee under this section if the entity is—

(A) a public, private, or cooperative organization organized on a for-profit or nonprofit basis;

(B) an Indian tribe on a Federal or State reservation, or any other federally recognized Indian tribal group; or
(C) an individual.

(2) FACILITY LOCATION.—

(A) IN GENERAL.—Except as provided in subparagraph (B), a facility constructed with proceeds from a loan made or guaranteed under this section shall be in a rural area.

(B) EXCEPTION.—A facility constructed with proceeds from a loan made or guaranteed under this section may be in a non-rural area if—

(i) the primary use of the loan involved is for the facility, and the facility will provide value-added processing for agricultural producers that are located within 300 miles of the facility;

(ii) the applicant demonstrates to the Secretary that the primary benefit of making the loan or guarantee will be to provide employment for residents of a rural area;

(iii) the loan involved will be used to increase the competitiveness of meat, poultry, or seafood processing in a region; and

(iv) the principal amount of the loan involved does not exceed $50,000,000.
(C) Rural area defined.—In this paragraph, the term “rural area” has the meaning given the term in section 343(a)(13) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)(13)).

(3) Limitations.—

(A) Limitation on amount of loan involved.—A loan of more than $50,000,000 may not be made or guaranteed under this section.

(B) Limitation on eligibility.—A loan may not be made or guaranteed under this section to an entity that is owned in partnership or in whole by—

(i) a foreign entity; or

(ii) an entity that currently processes over 5 percent of the daily harvest of any species.

(c) Special rules applicable with respect to cooperatives.—

(1) Limitation on amount of loan involved.—

(A) In general.—Notwithstanding subsection (b)(3), a loan of not more than
$100,000,000 may be made or guaranteed for a cooperative organization under this section.

(B) Conditions Applicable If Loan Involved Is for More Than $50,000,000.—A loan of more than $50,000,000 may not be made or guaranteed for a cooperative organization under this section unless the loan is used to carry out a project that—

(i) provides for the value-added processing of agricultural commodities; or

(ii) significantly increases competitiveness or increases capacity where insufficient capacity exists for livestock harvest or meat processing, as determined by the Secretary.

(2) Intangible Assets.—

(A) In General.—In determining whether a cooperative organization is eligible for a loan or guarantee under this section, the Secretary may consider the market value of a properly appraised brand name, patent, or trademark of the cooperative.

(B) Accounts Receivable.—In the sole discretion of the Secretary, if the Secretary determines that the action would not create or
otherwise contribute to an unreasonable risk of
default or loss to the Federal Government, the
Secretary may take accounts receivable as secu-
rity for the obligations entered into in connec-
tion with a loan made or guaranteed under this
section, and a borrower may use accounts re-
ceivable as collateral to secure such a loan.

(3) PURCHASE OF COOPERATIVE STOCK.—

(A) IN GENERAL.—The Secretary may
make or guarantee a loan in accordance with
this section to an individual farmer or rancher
for the purpose of purchasing capital stock of
a farmer or rancher cooperative established for
the purpose of processing an agricultural com-
modity.

(B) PROCESSING CONTRACTS DURING INI-
tial PERIOD.—A cooperative described in sub-
paragraph (A) with respect to which a farmer
or rancher receives a guarantee to purchase
stock under subparagraph (A) may contract for
services to process agricultural commodities or
otherwise process value-added agricultural prod-
ucts, during the 5-year period beginning on the
date the cooperative commences operations, in
order to provide adequate time for the planning
and construction of the processing facility of
the cooperative.

(C) Financial Information.—A farmer
or rancher from whom the Secretary requires fi-
nancial information as a condition of making or
guaranteeing a loan under subparagraph (A)
shall provide the information in the manner
generally required by commercial agricultural
lenders in the geographical area in which the
farmer or rancher is located.

(d) Conditions Applicable With Respect to
Using Loan Involved for Refinancing.—A borrower
may use 25 percent of a loan made or guaranteed under
this section to refinance a loan made for a purpose de-
scribed in subsection (a) if—

(1) the borrower is current and performing with
respect to the loan to be refinanced;

(2) the borrower has not defaulted on any pay-
ment required to be made with respect to the loan
to be refinanced;

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

(4) there is adequate security or full collateral
for the loan to be refinanced.
(e) Loan Appraisal.—The Secretary may require that any appraisal made in connection with a loan made or guaranteed under this section be conducted by a specialized appraiser that uses standards that are similar to standards used for similar purposes in the private sector, as determined by the Secretary.

(f) Preference.—In making or guaranteeing a loan under this section, the Secretary shall give a preference to applicants that have experience in meat processing and can quickly scale-up to increase overall processing capacity in the region involved.

(g) Limitations on Authorization of Appropriations.—There is authorized to be appropriated to carry out this section $100,000,000 for each of fiscal years 2022 through 2024.

SEC. 3. NEW AND EXPANDING LIVESTOCK OR MEAT PROCESSING GRANTS.

(a) In General.—The Secretary of Agriculture may make grants to—

(1) expand, diversify, and increase competition in livestock or meat processing activities; 

(2) improve compliance with livestock and meat processing statutes (including the regulations issued thereunder), such as the Federal Meat Inspection
Act (21 U.S.C. 661) and the Poultry Products Inspection Act (21 U.S.C. 454);

(3) provide relief from financial barriers to entry into the livestock and meat processing industry; and

(4) update, expand, or otherwise improve existing facilities.

(b) ELIGIBLE GRANTEES.—An entity shall be eligible for a grant under this section if the entity is—

(1) a governmental entity;

(2) a public, private, or cooperative organization organized on a for-profit or nonprofit basis; or

(3) an Indian tribe on a Federal or State reservation or any other federally recognized Indian tribal group.

(e) USE OF FUNDS.—An entity to which a grant is made under this section may use the grant funds for a livestock or meat producing business opportunity, or a new or expanded processing project, that—

(1) identifies and analyzes business opportunities, including feasibility studies as required for creditworthiness;

(2) identifies, trains, and provides technical assistance to existing or prospective rural entrepreneurs and managers or processing facilities;
(3) provides technical assistance to gain compliance with Federal, State, or local regulations;
(4) conducts regional, community, and local economic development planning and coordination, and leadership development; or
(5) establishes a center for training, technology, and trade that will provide training to livestock or meat processing employees.

(d) Preference.—In awarding grants under this section, the Secretary shall give a preference to applicants that have experience in meat processing and can quickly scale-up to increase overall processing capacity in the region involved.

(e) Limitations on Authorization of Appropriations.—There is authorized to be appropriated to carry out this section $20,000,000 for each of fiscal years 2022 through 2024.