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S. CON. RES. 8

Expressing the sense of Congress that assistance should be provided to pork producers to alleviate economic conditions faced by the producers.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 10, 1999

Mr. GRASSLEY (for himself and Mr. KERREY) submitted the following concurrent resolution; which was referred to the Committee on Agriculture, Nutrition, and Forestry

CONCURRENT RESOLUTION

Expressing the sense of Congress that assistance should be provided to pork producers to alleviate economic conditions faced by the producers.

Whereas the price for domestic live hogs has declined by 72 percent since July 1997;

Whereas on December 12, 1998, the price of domestic live hogs decreased to below \$10 per hundredweight for the first time since 1955;

Whereas pork producers are losing between \$55 and \$70 on each hog the producers sell;

Whereas, adjusted for inflation, prices paid to pork producers for live hogs have not been this low since the Great Depression;

Whereas based on estimates made by the Secretary of Agriculture, pork producers are losing approximately \$144,000,000 in equity per week and lost more than \$2,500,000,000 in equity during 1998;

Whereas low prices for hogs are threatening the livelihood of tens of thousands of farm families and the very existence of suppliers, equipment dealers, and main street businesses in rural communities across the United States;

Whereas the domestic demand for pork increased by up to 7.1 percent during 1998 despite average retail prices for pork remaining roughly the same;

Whereas despite the loss of markets in Asia and Russia, pork exports from the United States during 1998 increased by 28 percent;

Whereas a primary cause of these increased pork exports is increased pork supply intensified by an increase of pork imports from Canada and a reduction in domestic slaughter capacity for hogs;

Whereas the slaughter plant bottleneck for hogs has been exacerbated by approximately 100,000 Canadian hogs being trucked to the United States for slaughter each week; and

Whereas a 37 percent increase in the number of Canadian hogs being exported to the United States for slaughter has caused the number of live hogs to exceed the 383,000 daily slaughter capacity of United States plants, depriving domestic pork producers of all leverage in bargaining for a fair price: Now, therefore, be it

- 1 *Resolved by the Senate (the House of Representatives*
- 2 *concurring),*

1 **SECTION 1. NEED FOR ASSISTANCE FOR PORK PRODUC-**
 2 **ERS.**

3 It is the sense of Congress that—

4 (1) the President and the Secretary of Agri-
 5 culture are commended on their efforts to assist
 6 pork producers in alleviating economic conditions
 7 faced by the producers; and

8 (2) additional assistance needs to be provided to
 9 pork producers to alleviate the economic conditions.

10 **SEC. 2. FORMS OF ASSISTANCE FOR PORK PRODUCERS.**

11 To alleviate the economic conditions that are faced
 12 by pork producers, it is the sense of Congress that the
 13 President should—

14 (1) immediately request an emergency supple-
 15 mental appropriation to provide funds for
 16 providing—

17 (A) guarantees of farm ownership loans
 18 under subtitle A of the Consolidated Farm and
 19 Rural Development Act (7 U.S.C. 1922 et seq.),
 20 and operating loans under subtitle B of that
 21 Act (7 U.S.C. 1941 et seq.), made to pork pro-
 22 ducers; and

23 (B) assistance to pork producers under the
 24 interest rate reduction program established
 25 under section 351 of the Consolidated Farm
 26 and Rural Development Act (7 U.S.C. 1999)

1 and other provisions of that Act that authorize
2 the Secretary of Agriculture to reduce or sub-
3 sidize the interest rate paid by pork producers;

4 (2) prepare and submit to Congress a report
5 that analyzes the feasibility and cost of implement-
6 ing, not later than 30 days after enactment, a pro-
7 gram to provide disaster assistance to pork produc-
8 ers, including assistance in the form of—

9 (A) economic assistance;

10 (B) an expanded loan and debt restructur-
11 ing program; and

12 (C) compensation for lost markets as a re-
13 sult of increased pork imports;

14 (3) continue to facilitate the donation and dis-
15 tribution of pork and pork products for humani-
16 tarian purposes;

17 (4) work with the Canadian Government to ad-
18 dress the many problems that contribute to the in-
19 creased export of pork and pork products into the
20 United States;

21 (5) take appropriate steps to encourage in-
22 creased use and expansion of the domestic slaughter
23 capacity for hogs;

24 (6) direct the Secretary of Agriculture, the At-
25 torney General, and the Secretary of Commerce to

1 investigate noncompetitive and antitrust practices in
2 the pork industry;

3 (7) direct the Secretary of Agriculture to im-
4 prove price reporting in the domestic livestock indus-
5 try to ensure fair, open, and competitive markets;
6 and

7 (8) immediately implement the loan guarantee
8 paperwork reduction regulation of the Secretary of
9 Agriculture that will allow pork producers and lend-
10 ers to use existing lender documents, rather than
11 creating new documents, when applying for loan
12 guarantees under the Consolidated Farm and Rural
13 Development Act (7 U.S.C. 1921 et seq.).

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