



United States Department of Agriculture

May 17, 2022

TO: Austin Mudd
Senior Desk Officer
Office of Management and Budget (OMB)

THROUGH: Levi Harrell
USDA Information Collection Officer

FROM: Michele Brooks
Director, Regulations Management Division
Innovation Center, Rural Development, USDA

SUBJECT: Request for Emergency Approval of a New Information Collection Request for Notice of Funding Opportunity for the Meat and Poultry Intermediary Lending Program (MPILP)

The Rural Business-Cooperative Service (RBCS), an agency of the Rural Development (RD) Mission Area (Agencies) within the United States Department of Agriculture (USDA), is seeking emergency review and approval of a new information collection for the Notice of Funding Opportunity (NOFO) for the Meat and Poultry Intermediary Lending Program (MPILP). The Agency is expecting to publish the NOFO by May 20, 2022. The 60-day notice will be published in the *Federal Register* as soon after that as possible.

Section 751 of the Consolidated Appropriations Act of 2021 authorizes the Secretary of Agriculture to "... to prevent, prepare for, and respond to coronavirus by providing support for agricultural producers, growers, and processors impacted by coronavirus." Given this authority, up to \$200 million in budget authority is being made available for the Meat and Poultry Intermediary Lending Program (MPILP). MPILP grants are available to qualified applicants (intermediary lenders) to facilitate financing for the start-up, expansion, and operation of entities engaged in primary processing (slaughter) or further processing of meat and poultry, to strengthen the financing capacity for independent processors, and to help create a more resilient, diverse, and secure U.S. food supply chain. The MPILP will also help strengthen the capacity of lenders that are financing or plan to finance meat or poultry processors. Eligible processing facilities will focus on USDA inspected facilities that process meat and poultry products derived from species amenable to USDA inspection and inspected by USDA, facilities that process nonamenable species eligible for voluntary USDA inspection, state or tribal inspected facilities that adhere to USDA regulations, and custom exempt facilities that adhere to USDA regulations. In compliance with the requirements of 5 CFR 1320.13, this request for emergency approval is essential for RBCS to fulfill its responsibility to administer MPILP.

The need to improve resiliency is urgent, particularly due to the severe impacts of COVID-19 or other disasters such as fires or cyberattacks on our meat and poultry supply chain. The impacts are felt all the way to the dinner tables of all Americans in pricing and availability, and ultimately threatening aspects of our economy.

The Rural Business-Cooperative Service (Agency) will announce via a Notice of Funding Opportunity the availability of up to \$200 million in competitive grants awarded to eligible entities through two funding rounds in calendar year 2022. The Notice will become effective 60 days after publication on Grants.gov and allow the Agency to implement the MPILP program.

An emergency clearance approval for this information collection is formally requested due to the need to effectively implement the program as quickly as possible to begin to increase the funds available to lenders to increase capacity for meat and poultry processing. Increasing capacity will help create a more diverse and secure U.S. food supply chain. Concentration within the meat and poultry sector had a disastrous effect on worker safety, producers' livelihood, and product availability at the height of the pandemic in 2020. This concentration must be addressed in order to avoid future disruptions and further price increases.

Furthermore, MPILP is a key plank of the Biden-Harris Action Plan for a Fairer, More Competitive, and More Resilient Meat and Poultry Supply Chain¹. On January 3, 2022, President Biden and Secretary Vilsack appeared together to announce the Action Plan, which is an important priority for the Biden-Harris Administration. To meet pressing needs, USDA and the White House agreed to an ambitious timeline, which has been shared publicly, for launch of MPILP and related programs to increase the capacity of the meat and poultry processing sector. This cannot be achieved without emergency review and approval.

USDA is requesting approval of this new collection package by May 20, 2022. Failure to collect proper information from borrowers will hinder the implementation of the program as well as the selection of recipients and result in improper determinations of assistance as well as encumber customer service.

The 60-day notice for comments will be published in the *Federal Register* requesting comments on the MPILP information collection package in order to submit the regular request to obtain a 3-year approval from OMB after receiving the 6-month OMB emergency approval. Due to the need to consider comments received and then issue another notice for the *Federal Register* for an additional thirty days of comment, RBCS would not be able to complete the information collection process without the emergency clearance. Please note that after the 60-day comment period closes, RBCS will submit the regular collection package for a 3-year approval addressing any comments received.

In compliance with OMB regulations (5 CFR Part 1320), which implements the Paperwork Reduction Act of 1995 (Pub. L. 104-13), the information collection and recordkeeping requirements that may be imposed by this section are submitted to OMB for emergency review and approval. Attached are the supporting statement and spreadsheet for the regulation.

¹ <https://www.whitehouse.gov/briefing-room/statements-releases/2022/01/03/fact-sheet-the-biden-harris-action-plan-for-a-fairer-more-competitive-and-more-resilient-meat-and-poultry-supply-chain/>

In summary, the expeditious implementation of this program is a priority for the Administration. Should you have any questions, please do not hesitate to contact Michele Brooks, Director, Regulations Management Division, Innovation Center, Rural Development by telephone at (202) 690-1078 or by email at Michele.Brooks@usda.gov or Lauren Cusick, Chief, Branch 2, Regulations Management Division, Innovation Center, Rural Development by telephone at (202) 720-1414 or email at Lauren.Cusick@usda.gov.

Thank you in advance for your quick review and response to us.