To require the Secretary of Agriculture to establish a program to provide loans and loan guarantees to assist new and expanded meat processors and renderers, and for other purposes.

---

IN THE SENATE OF THE UNITED STATES

Mr. Moran introduced the following bill; which was read twice and referred to the Committee on _____________

---

A BILL

To require the Secretary of Agriculture to establish a program to provide loans and loan guarantees to assist new and expanded meat processors and renderers, 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 of 2023”.

SEC. 2. ASSISTANCE FOR NEW AND EXPANDED MEAT PROCESSORS AND RENDERERS.

(a) DEFINITIONS.—In this section:
(1) COVERED FACILITY.—The term “covered facility” means a facility—

   (A) for which a loan or loan guarantee is provided to an eligible entity under the pro-
   gram; and

   (B) that is—

      (i) a meat processing establishment that employs fewer than 500 employees; or

      (ii) a rendering facility establishment that employs fewer than 200 employees.

(2) ELIGIBLE ENTITY.—

   (A) IN GENERAL.—The term “eligible entity” means—

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

      (ii) an Indian Tribe (as defined in section 4 of the Indian Self-Determination
          and Education Assistance Act (25 U.S.C. 5304)); and

      (iii) an individual farmer, rancher, or business owner.

   (B) EXCLUSIONS.—The term “eligible entity” does not include—
(i) an entity described in subpara-
graph (A)(i) that is partly or wholly owned
by a foreign entity; or

(ii) an entity that has processed an
average of not less than 5 percent of the
beef, pork, chicken, or turkey processed
nationally during the immediately pre-
ceeding 5 calendar years.

(3) MEAT.—The term “meat” includes poultry.

(4) PROGRAM.—The term “program” means
the program established under subsection (b).

(5) RURAL AREA.—The term “rural area” has
the meaning given the term in section 343(a) of the
Consolidated Farm and Rural Development Act (7
U.S.C. 1991(a)).

(6) SECRETARY.—The term “Secretary” means
the Secretary of Agriculture.

(b) ESTABLISHMENT.—The Secretary shall establish
a program under which the Secretary shall provide loans
and loan guarantees to eligible entities to use in accord-
ance with subsection (f).

(c) PROGRAM PURPOSES.—The purposes of the pro-
gram are—

(1) to increase capacity of meat processing and
(2) to diversify meat processing and rendering ownership;

(3) to bolster local and regional food security through increased meat processing and rendering capacity; and

(4) to improve, develop, or finance meat processing and rendering capacity or employment, including through the financing of working capital.

(d) **MAXIMUM AMOUNT.**—Except as provided in subsection (g)(1), the amount of a loan or loan guarantee provided under the program shall not exceed $50,000,000.

(e) **PRIORITY.**—In providing a loan or loan guarantee under the program, the Secretary shall give priority to eligible entities that—

(1) are able to increase overall meat processing or rendering capacity in the region involved, as determined by the Secretary; and

(2) are located in a rural area.

(f) **USE OF LOANS AND LOAN GUARANTEES.**—An eligible entity that receives a loan or loan guarantee under the program shall use that loan or loan guarantee, as applicable, to construct, expand, modify, refurbish, or re-equip a covered facility described in clause (i) or (ii) of subsection (a)(1)(B).

(g) **SPECIAL RULES FOR COOPERATIVES.**—
(1) Amount of Loan or Loan Guarantee.—

The Secretary may provide a loan or loan guarantee of not more than $100,000,000 to an eligible entity described in subsection (a)(2)(A)(i) if the loan involved is used to carry out a project that significantly increases meat processing or rendering in the State or region—

(A) in which the applicable covered facility is or will be located; and

(B) that has insufficient processing or rendering capacity, as determined by the Secretary.

(2) Accounts Receivable.—In the case of a loan or loan guarantee provided to an eligible entity described in subsection (a)(2)(A)(i), the Secretary may take accounts receivable as security for the obligations entered into in connection with the loan or loan guarantee, and the eligible entity may use accounts receivable as collateral to secure the loan or loan guarantee, if the Secretary determines that such actions would not create or otherwise contribute to an unreasonable risk of default or loss to the Federal Government.

(h) Conditions Applicable With Respect to Using Loan Involved for Refinancing.—An eligible
entity receiving a loan or loan guarantee under the program may use not more than 25 percent of the involved loan to refinance a loan obtained for carrying out an activity described in subsection (f) if—

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

(2) the eligible entity has not defaulted on any payment required to be made with respect to the loan to be refinanced;

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

(4) there is adequate security or full collateral for the loan to be refinanced.

(i) Conditions Relating to Carcasses.—An eligible entity receiving a loan or loan guarantee under the program—

(1) shall accept all carcasses allowed under Federal law; and

(2) shall not limit the size or type of producers from which the eligible entity procures carcasses.

(j) Appraisal.—The Secretary may require that any appraisal made in connection with a loan or loan guarantee provided under the program 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.

(k) Authorization of Appropriations.—There is authorized to be appropriated to the Secretary to carry out this section $100,000,000 for each of fiscal years 2024 through 2029.

SEC. 3. NEW, MOBILE, AND EXPANDED MEAT PROCESSING AND RENDERING GRANTS.

(a) Definitions.—In this section:

(1) Eligible entity.—The term “eligible entity” means—

(A) a governmental entity;

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

(C) an Indian Tribe (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304)); and

(D) an institution of higher education.

(2) Meat.—The term “meat” includes poultry.

(3) Secretary.—The term “Secretary” means the Secretary of Agriculture.

(b) Grants.—The Secretary shall make grants to eligible entities to use in accordance with subsection (d).

(c) Purposes.—The purposes of this section are—
(1) to create more resilient local and regional food systems;

(2) to expand, diversify, and increase resilience in meat processing and rendering activities;

(3) to improve compliance of meat processors with livestock and poultry processing statutes (including regulations), including the Federal Meat Inspection Act (21 U.S.C. 601 et seq.) and the Poultry Products Inspection Act (21 U.S.C. 451 et seq.);

(4) to reduce barriers to entry for new meat processors and renderers; and

(5) to update, expand, or otherwise improve existing meat processing and rendering facilities.

(d) USE OF FUNDS.—An eligible entity receiving a grant under this section may use the grant to establish or support new, innovative, or expanded meat processing or rendering activities, or other activities that will increase the customer base or revenue returns of livestock and poultry producers, including by undertaking projects—

(1) to identify and analyze business opportunities, including feasibility studies required for creditworthiness;

(2) to identify, train, and provide technical assistance to existing or prospective entrepreneurs and managers or processing or rendering facilities;
(3) to achieve compliance with applicable Federal, State, or local regulations;

(4) to conduct regional, community, and local economic development planning and coordination and leadership development;

(5) to establish a center for training, technology, and trade that will provide training to meat processing and rendering employees; and

(6) to incentivize new, innovative, or mobile enterprises to increase or improve local and regional meat processing and rendering.

(e) CONDITIONS RELATING TO CARCASSES.—An eligible entity receiving a grant under this section—

(1) shall accept all carcasses allowed under Federal law; and

(2) shall not limit the size or type of producers from which the eligible entity procures carcasses.

(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary to carry out this section $25,000,000 for each of fiscal years 2024 through 2029.