MAY --, 2022.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. DAVID SCOTT of Georgia, from the Committee on Agriculture, submitted the following

R E P O R T

[To accompany H.R. 7606]

[Including cost estimate of the Congressional Budget Office]

The Committee on Agriculture, to whom was referred the bill (H.R. 7606) to establish the Office of the Special Investigator for Competition Matters within the Department of Agriculture, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.
This Act may be cited as the “Meat and Poultry Special Investigator Act of 2022”.

SEC. 2. OFFICE OF THE SPECIAL INVESTIGATOR FOR COMPETITION MATTERS.
(a) IN GENERAL.—The Department of Agriculture Reorganization Act of 1994 is amended by inserting after section 216 (7 U.S.C. 6916) the following:

“SEC. 217. OFFICE OF THE SPECIAL INVESTIGATOR FOR COMPETITION MATTERS.
“(a) ESTABLISHMENT.—There is established in the Department an office, to be known as the ‘Office of the Special Investigator for Competition Matters’ (referred to in this section as the ‘Office’).
“(b) SPECIAL INVESTIGATOR FOR COMPETITION MATTERS.—The Office shall be headed by the Special Investigator for Competition Matters (referred to in this section as the ‘Special Investigator’), who shall be a senior career employee appointed by the Secretary.
“(c) DUTIES.—The Special Investigator shall—
“(1) use all available tools, including subpoenas, to investigate and prosecute violations of the Packers and Stockyards Act, 1921 (7 U.S.C. 181 et seq.), by
packers and live poultry dealers with respect to competition and trade practices in the food and agriculture sector;

“(2) serve as a Department liaison to, and act in consultation with, the Department of Justice and the Federal Trade Commission with respect to competition and trade practices in the food and agricultural sector;

“(3) act in consultation with the Department of Homeland Security with respect to national security and critical infrastructure security in the food and agricultural sector;

“(4) maintain a staff of attorneys and other professionals with appropriate expertise; and

“(5) in carrying out the requirements of this subsection, coordinate with the Office of the General Counsel and the Packers and Stockyards Division of the Agricultural Marketing Service.

“(d) PROSECUTORIAL AUTHORITY.—

“(1) In general.—Notwithstanding title 28, United States Code, the Special Investigator shall have the authority to bring any civil or administrative action authorized under the Packers and Stockyards Act, 1921 (7 U.S.C. 181 et seq.), against a packer.

“(2) Effect.—Nothing in this section alters the authority of the Secretary to issue a subpoena pursuant to the Packers and Stockyards Act, 1921 (7 U.S.C. 181 et seq.).

“(3) Notification.—With respect to any of the actions brought under this subsection in Federal district court, the Special Investigator shall notify the Attorney General.”

(b) CONFORMING AMENDMENT.—Section 296(b) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 7014(b)) is amended by adding at the end the following:

“(11) The authority of the Secretary to carry out section 217.”.

(c) TECHNICAL AMENDMENT.—Subtitle A of the Department of Agriculture Reorganization Act of 1994 is amended by redesignating the first section 225 (relating to Food Access Liaison) (7 U.S.C. 6925) as section 224A.
This legislation, as reported out of Committee, creates an Office of the Special Investigator within the Secretary’s office at USDA. The Special Investigator would be a senior career employee who is tasked with investigating and prosecuting violations of the Packers and Stockyards Act of 1921 (PSA). In their role, the Investigator will lead an office of attorneys and other staff at USDA. The Investigator will also coordinate internally with other agencies and offices in USDA that have a role in PSA enforcement, along with the Department of Justice (DOJ), the Department of Homeland Security (DHS), and the Federal Trade Commission (FTC). The legislation provides USDA with civil litigation authority to enforce violations of the Packers and Stockyards Act of 1921. As amended, the Investigator must alert the Attorney General before pursuing civil action in Federal Court.

Purpose and Need for Legislation

There has been ongoing concern from many livestock stakeholders about the need for stronger enforcement of the Packers and Stockyards Act of 1921 (PSA). This legislation provides USDA with an additional enforcement tool and staff resources to enforce the PSA in a more effective manner, without changing the underlying definition of what constitutes a violation of the PSA.

Over the past few years, there have been allegations of anti-competitive behavior and several large anti-trust settlements from the Big Four packing companies. Providing USDA with additional resources will give them the ability to investigate possible transgressions more effectively. Giving USDA civil litigation authority, along with elevating enforcement of the PSA to the level of the Secretary’s office, will emphasize the importance of enforcement while also providing the necessary tools to conduct thorough investigations.

Stronger enforcement of the PSA and a high-level focus on competition in meat and poultry processing at USDA will contribute to a more competitive and fairer marketplace for meat and poultry producers.

H.R. 7606, Meat and Poultry Special Investigator Act of 2022

Section-By-Section

Section 1. Short Title.

Section 1 provides the short title of the bill as the “Meat and Poultry Special Investigator Act of 2022.”

Sec. 2. Office of the Special Investigator for Competition Matters.

Section (2) inserts a new section in the Department of Agriculture Reorganization Act of 1994 to establish the Office of the Special Investigator for Competition Matters (Office) at USDA. It requires that the Secretary appoint a senior career employee to head the Office and be the Special Investigator for Competition Matters (Special Investigator). This section requires the Special Investigator to use all available tools to investigate and prosecute violations of the Packers and Stockyards Act, 1921, by packers and live poultry dealers with respect to competition and trade
practices in the food and agricultural sector; serve as liaison to the Department of Justice and the Federal Trade Commission with respect to competition and trade practices in the food and agriculture sector; act in consultation with the Department of Homeland Security with respect to national security and critical infrastructure security in the food and agricultural sector; maintain a staff of attorneys and other professionals with appropriate expertise; and coordinate with the Office of the General Counsel and the Packers and Stockyards Division of the Agricultural Marketing Service. This section also grants the Special Investigator the authority to bring any civil or administrative action authorized under the Packers and Stockyards Act, 1921, against a packer and requires that the Attorney General be notified of any action brought in Federal district court.

Subsection (b) amends section 296(b) of the Department of Agriculture Reorganization Act of 1994 to ensure that the Secretary has the authority to establish the Office.

Subsection (c) amends Subtitle A of the Department of Agriculture Reorganization Act of 1994 as a technical amendment.

COMMITTEE CONSIDERATION

I. Hearings

The Committee on Agriculture has held three hearings in the 117th Congress to examine issues facing the cattle industry and hear various perspectives on how to address industry and market challenges.

On July 28, 2021, the Subcommittee on Livestock and Foreign Agriculture held a hearing entitled State of the Beef Supply Chain: Shocks, Recovery, and Rebuilding where some of the following witness testified on matters addressed in H.R. 7606:

- Dr. Jayson Lusk, Distinguished Professor and Head of the Department of Agricultural Economics, Purdue University, West Lafayette, IN
- Dr. Jennifer van de Ligt, Director, Food Protection and Defense Institute, University of Minnesota, St. Paul, MN
- Dr. Keri Jacobs, Associate Professor of Ag & Applied Economics, Division of Applied Social Sciences, College of Agriculture, Food and Natural Resources, University of Missouri, Columbia, MO
- Dr. Dustin Aherin, Vice President and Rabo Research Animal Protein Analyst, Rabo AgriFinance, Chesterfield, MO

In response to questions from Members of the Committee, witnesses discussed potential ways to increase transparency in the cattle markets.

On October 7, 2021, the full Committee held a hearing entitled A Hearing To Review the State of the Livestock Industry where the following witnesses testified on some matters that were subsequently addressed in H.R. 7606:

Panel 1:
- The Honorable Chuck Grassley (R), United States Senator, Iowa

Panel 2:
- The Honorable Thomas J. “Tom” Vilsack, Secretary, U.S. Department of Agriculture
This hearing examined various aspects of the livestock industry, including oversight by the Packers and Stockyards Division at AMS.

On April 27, 2022, the full Committee held a hearing entitled An Examination of Price Discrepancies, Transparency, and Alleged Unfair Practices in Cattle Markets where the following witnesses testified on matters addressed in H.R. 7606:

Panel 1:
- Mr. Coy Young, cow/calf producer, Blythedale, MO
- Mr. Gilles Stockton, cow/calf producer, on behalf of National Plains Research Council, Grass Range, MT
- Mr. Don Schiefelbein, cattle producer and President, National Cattlemen’s Beef Association, Kimball, MN

Panel 2:
- Mr. David MacLennan, Chief Executive Officer, Cargill, Inc., Wayzata, MN
- Mr. Tim Schellpeper, Chief Executive Officer, JBS USA Holdings, Inc., Greeley, CO
- Mr. Tim Klein, Chief Executive Officer, National Beef Packing Company, LLC, Kansas City, MO
- Mr. Donnie King, Chief Executive Officer, Tyson Foods, Springdale, AR

Witnesses discussed their views on concentration and competition in the livestock industry. Some witnesses expressed views that enforcement and oversight of the Packers and Stockyards Act and other anti-trust laws should be strengthened.

II. Full Committee

On May 17, 2022, the Committee on Agriculture met pursuant to notice, with a quorum present to consider H.R. 7606, To establish the Office of the Special Investigator for Competition Matters within the Department of Agriculture. Chairman Scott made an opening statement as did Ranking Member Thompson. Chairman Scott requested other Members submit their opening statements for the record. Without objection, H.R. 7606 was placed before the Committee for consideration, a first reading of the bill was waived.

Chairman Scott made a motion for unanimous consent to discharge H.R. 7606 from the Subcommittee on Livestock and Foreign Agriculture. The motion was adopted without objection. Chairman Scott recognized Ms. Spanberger, the sponsor of the bill, to speak on the bill. Discussion occurred.
Chairman Scott recognized Mr. Costa to offer an amendment to the bill that would require the Special Investigator to be a senior career employee. After discussion, the amendment passed by voice vote. Chairman Scott recognized Mr. Panetta to offer an amendment to the bill that would require the Special Investigator to coordinate with Office of the General Council and the Packers and Stockyards Division while carrying out the requirements in the bill. It would also require the Special Investigator to notify the Attorney General of any actions filed in Federal court. After discussion, the amendment passed by voice vote.

Chairman Scott recognized Mr. Rouzer to offer an amendment to the bill that would require the Special Investigator to request an economic analysis from the USDA Office of the Chief Economist on the costs and benefits of upcoming Packers and Stockyards rules and to publicly post the results of such analysis 90 days prior to the rules being officially proposed. After discussion, a voice vote was conducted. Mr. Rouzer asked for a recorded vote. By a roll call vote of 22 yeas and 25 nays, the amendment failed.

There being no further amendments, a voice vote was conducted. Mr. Allen asked for a recorded vote. By a roll call vote of 27 yeas and 21 nays, H.R. 7606, as amended, was ordered reported. See Roll Call No. 2.

At the conclusion of the meeting, Chairman Scott advised Members that pursuant to the Rules of the House of Representatives, Members had until May 20, 2022, at 12:00 p.m. to file any supplemental, additional, dissenting, or minority views with the Committee. Without objection, staff was given permission to make any necessary technical, clarifying, or conforming changes to reflect the intent of the Committee. Chairman Scott thanked all Members and adjourned the meeting.

**COMMITTEE VOTES**

In compliance with clause 3(b) of Rule XIII of the House of Representatives, the Committee sets forth the record of the following roll call votes taken with respect to H.R. 7606.

**ROLL CALL NO. 1**

Summary: Amendment #3, would require the Special Investigator to request an economic analysis from the USDA Office of the Chief Economist on the costs and benefits of upcoming Packers and Stockyards rules and to publicly post the results of such analysis 90 days prior to the rules being officially proposed.

Offered By: Representative David Rouzer of North Carolina

Results: Not agreed to by a recorded vote of 22 yeas, 25 nays, and 2 not voting.

**YEAS**

1. Mr. Thompson  
2. Mr. Austin Scott  
3. Mr. Crawford  
4. Mr. DesJarlais  
5. Mrs. Hartzler  
6. Mr. LaMalfa  
12. Mr. Johnson  
13. Mr. Baird  
14. Mr. Jacobs  
15. Mr. Balderson  
16. Mr. Cloud  
17. Mr. Mann
Summary: Motion to Report H.R. 7606, as amended.
Results: Passed by a recorded vote of 27 yeas, 21 nays, and 1 not voting.

YEAS

1. Mr. David Scott
2. Mr. McGovern
3. Ms. Adams
4. Ms. Spanberger
5. Mrs. Hayes
6. Mr. Delgado
7. Ms. Brown
8. Mr. Rush
9. Ms. Pingree
10. Mr. Sablan
11. Ms. Kuster
12. Mrs. Bustos
13. Mr. Maloney
14. Mr. O’Halleran
15. Mr. Carbajal
16. Ms. Craig
17. Mr. Khanna
18. Mr. Lawson
19. Mr. Correa
20. Ms. Schrier
21. Mrs. Axne
22. Mr. Panetta
23. Ms. Kaptur
24. Mr. Bishop
25. Mr. Johnson
In compliance with clause 3(c)(1) of Rule XIII and clause 2(b)(1) of Rule X of the Rules of the House of Representatives, the Committee’s oversight findings and recommendations are reflected in the descriptive portions of this report.

**COST OF LEGISLATION AND THE CONGRESSIONAL BUDGET ACT**

The provisions of clause 3(c)(2) of Rule XIII of the Rules of the House of Representatives and section 308(a)(1) of the Congressional Budget Act of 1974 (relating to estimates of new budget authority, new spending authority, new credit authority, or increased or decreased revenues or tax expenditures) are not considered applicable. The estimate and comparison required to be prepared by the Director of the Congressional Budget Office under clause 3(c)(3) of Rule XIII of the Rules of the House of Representatives and sections 402 and 423 of the Congressional Budget Act of 1974 submitted to the Committee prior to the filing of this report are as follows:

June 2, 2022

Honorable David Scott
Chairman
Committee on Agriculture
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 7606, the Meat and Poultry Special Investigator Act of 2022.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Erik O’Donoghue.

Sincerely,

Phillip L. Swagel

Enclosure

cc: Honorable Glenn “GT” Thompson
    Ranking Member

Congressional Budget Office
Cost Estimate

June 2, 2022

H.R. 7606, Meat and Poultry Special Investigator Act of 2022
As ordered reported by the House Committee on Agriculture on May 18, 2022

<table>
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<tr>
<th>By Fiscal Year, Millions of Dollars</th>
<th>2022</th>
<th>2022-2027</th>
<th>2022-2032</th>
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<td>Direct Spending (Outlays)</td>
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<td>0</td>
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<tr>
<td>Revenues</td>
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<tr>
<td>Increase or Decrease (-) in the Deficit</td>
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<td>0</td>
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<tr>
<td>Spending Subject to Appropriation (Outlays)</td>
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<td>9</td>
<td>not estimated</td>
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<table>
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<tr>
<th>Statutory pay-as-you-go procedures apply?</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2033?</td>
<td>No</td>
</tr>
</tbody>
</table>

Mandate Effects

- Contains intergovernmental mandate? No
- Contains private-sector mandate? No
H.R. 7606 would establish the Office of the Special Investigator for Competition Matters within the Department of Agriculture (USDA) to promote competition in the food and agriculture sectors. The bill also would authorize that office to investigate and prosecute violations of the Packers and Stockyards Act of 1921.

H.R. 7606 would direct the Secretary of Agriculture to appoint a special investigator to head the new office and to serve as a liaison to the Department of Justice and the Federal Trade Commission. The special investigator also would consult with the Department of Homeland Security regarding critical infrastructure in the food and agricultural sector.

For this estimate, CBO assumes that the legislation will be enacted late in fiscal year 2022; thus, any costs in 2022 would not be significant.

Using information from the agency, CBO expects that USDA would hire 10 attorneys and other professionals to support the office at a cost of $2 million per year, though costs in 2023 would be lower because it would take time to hire all the staff. CBO estimates that implementing H.R. 7606 would cost $9 million over the 2022-2027 period; any spending would be subject to the availability of appropriated funds. Because the costs of implementing the bill are subject to future appropriation, CBO did not include the potential effects from behavioral changes (if any) that might result from actions the new office would undertake.

The costs of the legislation, detailed in Table 1, fall within budget function 350 (agriculture).

| Table 1. Estimated Increases in Spending Subject to Appropriation Under H.R. 7606 |
|-----------------------------------------------|--------|--------|--------|--------|--------|--------|--------|
|                                               | 2022   | 2023   | 2024   | 2025   | 2026   | 2027   | 2022-2027 |
| Estimated Authorization                        | *      | 1      | 2      | 2      | 2      | 2      | 9        |
| Estimated Outlays                             | *      | 1      | 2      | 2      | 2      | 2      | 9        |

* = between zero and $500,000.

The CBO staff contact for this estimate is Erik O’Donoghue. The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.

**CONSTITUTIONAL AUTHORITY STATEMENT**

The Committee finds the Constitutional authority for this legislation in Article I, section 8, clause 18, that grants Congress the power to make all laws necessary and proper for carrying out the powers vested by Congress in the consideration of the United States or in any department or officer thereof.

**PERFORMANCE GOALS AND OBJECTIVES**
Pursuant to clause 3(c)(4) of Rule XIII of the House of Representatives, the performance goals and objectives of this measure are to create an Office of the Special Investigator within the Secretary’s office at USDA to investigate and prosecute violations of the Packers and Stockyards Act of 1921.

**Advisory Committee Statement**

No advisory committee within the meaning of section 5(b) of the Federal Advisory Committee Act was created by this legislation.

**Applicability to the Legislative Branch**

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act (Public Law 104–1).

**Federal Mandates Statement**

The Committee adopted as its own the estimate of Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act (Public Law 104–1).

**Earmark Statement**

This measure does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(e), 9(f), or 9(g) of Rule XXI of the House of Representatives.

**Duplication of Federal Programs**

This measure does not establish or reauthorize a program of the Federal Government known to be duplicative of another Federal program, a program that was included in any report from Government Accountability Office to Congress pursuant to section 21 of Public Law 111–139, or a program related to a program in the most recent Catalog of Federal Domestic Assistance.

**Disclosure of Directed Rule Makings**

The Committee does not believe that the legislation directs an Executive Branch official to conduct any specific rule making proceedings within the meaning of 5 U.S.C. 551.
In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, and existing law in which no change is proposed is shown in roman):

DEPARTMENT OF AGRICULTURE REORGANIZATION ACT
OF 1994

TITLE II—DEPARTMENT OF
AGRICULTURE REORGANIZATION

Subtitle A—General Reorganization
Authorities

SEC. 217. OFFICE OF THE SPECIAL INVESTIGATOR FOR COMPETITION
Matters.
(a) Establishment.—There is established in the Department
an office, to be known as the “Office of the Special Investigator for
Competition Matters” (referred to in this section as the “Office”).
(b) Special Investigator for Competition Matters.—The
Office shall be headed by the Special Investigator for Competition
Matters (referred to in this section as the “Special Investigator”),
who shall be a senior career employee appointed by the Secretary.
(c) Duties.—The Special Investigator shall—
(1) use all available tools, including subpoenas, to inves-
tigate and prosecute violations of the Packers and Stockyards
Act, 1921 (7 U.S.C. 181 et seq.), by packers and live poultry
dealers with respect to competition and trade practices in the
food and agriculture sector;
(2) serve as a Department liaison to, and act in consulta-
tion with, the Department of Justice and the Federal Trade
Commission with respect to competition and trade practices in
the food and agriculture sector;
(3) act in consultation with the Department of Homeland
Security with respect to national security and critical infra-
structure security in the food and agricultural sector;
(4) maintain a staff of attorneys and other professionals
with appropriate expertise; and
(5) in carrying out the requirements of this subsection, coordinate with the Office of the General Counsel and the Packers and Stockyards Division of the Agricultural Marketing Service.

(d) PROSECUTORIAL AUTHORITY.—

(1) IN GENERAL.—Notwithstanding title 28, United States Code, the Special Investigator shall have the authority to bring any civil or administrative action authorized under the Packers and Stockyards Act, 1921 (7 U.S.C. 181 et seq.), against a packer.

(2) EFFECT.—Nothing in this section alters the authority of the Secretary to issue a subpoena pursuant to the Packers and Stockyards Act, 1921 (7 U.S.C. 181 et seq.).

(3) NOTIFICATION.—With respect to any of the actions brought under this subsection in Federal district court, the Special Investigator shall notify the Attorney General.

SEC. 225A. FOOD ACCESS LIAISON.

(a) ESTABLISHMENT.—The Secretary shall establish the position of Food Access Liaison to coordinate Department programs to reduce barriers to food access and monitor and evaluate the progress of such programs in accordance with this section.

(b) DUTIES.—The Food Access Liaison shall—

(1) coordinate the efforts of the Department, including regional offices, to experiment and consider programs and policies aimed at reducing barriers to food access for consumers, including but not limited to participants in nutrition assistance programs;

(2) provide outreach to entities engaged in activities to reduce barriers to food access in accordance with the statutory authorization for each program;

(3) provide outreach to entities engaged in activities to reduce barriers to food access, including retailers, markets, producers, and others involved in food production and distribution, with respect to the availability of, and eligibility for, Department programs;

(4) raise awareness of food access issues in interactions with employees of the Department;

(5) make recommendations to the Secretary with respect to efforts to reduce barriers to food access; and

(6) submit to Congress an annual report with respect to the efforts of the Department to reduce barriers to food access.

Subtitle K—Miscellaneous Reorganization Provisions

SEC. 296. TERMINATION OF AUTHORITY.

(a) IN GENERAL.—Subject to subsection (b), the authority delegated to the Secretary by this title to reorganize the Department
shall terminate on the date that is 2 years after the date of enactment of this Act.

(b) FUNCTIONS.—Subsection (a) shall not affect:
   (1) The authority of the Secretary to continue to carry out a function that the Secretary performs on the date that is 2 years after the date of enactment of this Act.
   (3) The authority of an agency, office, officer, or employee of the Department to continue to perform all functions delegated or assigned to the entity or person as of that termination date.
   (4) The authority of the Secretary to establish in the Department the position of Under Secretary of Agriculture for Marketing and Regulatory Programs under section 285.
   (5) The authority of the Secretary to establish within the Department the position of Assistant Secretary of Agriculture for Civil Rights, and delegate duties to the Assistant Secretary, under section 218.
   (6) The authority of the Secretary to establish in the Department, under section 251—
       (A) the position of Under Secretary of Agriculture for Research, Education, and Economics;
       (B) the Office of the Chief Scientist; and
       (C) the National Institute of Food and Agriculture.
   (7) The authority of the Secretary to establish in the Department the Office of Advocacy and Outreach in accordance with section 226B.
   (8) The authority of the Secretary to carry out amendments made to this title by the Agricultural Act of 2014.
   (9) The authority of the Secretary to carry out the amendments made to this title by section 772 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2018.
   (10) The authority of the Secretary to carry out the amendments made to this title by the Agriculture Improvement Act of 2018.
   (11) The authority of the Secretary to carry out section 217.