

## MINUTES

**Senate Committee on Agriculture, Forestry, and Economic Development  
House Committee on Agriculture, Forestry, and Economic Development  
Meeting Jointly**

**Tuesday, May 12, 2020**

**10:30 AM**

**Room A, MAC  
Little Rock, AR**

---

**Committee Members Present:** Senators John Cooper, Chair; Bruce Maloch, Mathew Pitsch, James Sturch, and David Wallace; Representatives Dan Douglas, Chair; Rick Beck, Mary Bentley, Stan Berry, Ken Bragg, Les Eaves, Jack Fortner, David Hillman, Steve Hollowell, Ron McNair, Stephen Meeks, Jeff Wardlaw, and Carlton Wing

**Other Members Present:** Representatives Cindy Crawford, Denise Ennett, Reginald Murdock, Marcus Richmond, and Dwight Tosh

Representative Douglas called the meeting to order.

**Consideration to Approve Meeting Minutes of December 5, 2019, and December 12, 2019  
[Exhibits C1 & C2]**

Without objection, the Minutes of the December 5 and December 12, 2019, were approved.

**Review of Rules for Incorporating Federal Standards [Exhibits D1 & D2]**

Wade Hodge, Chief Counsel, Arkansas Department of Agriculture (ADA), and Mark Stoll, Manager, ADA, explained the new regulations which adopt federal guidelines for safe growing, harvesting, and packing and holding of fruits and vegetables to the Arkansas Produce Safety Rule.

Without objection, the Produce Safety Rule was reviewed.

**Discussion of the Impact of COVID-19 on Meat Supply and on the Agriculture Industry**

Representative Douglas recognized the following speakers from the Division of Agriculture, University of Arkansas System: Dr. Mark Cochran, Vice President for Agriculture; Dr. John Anderson, Head Department of Agricultural Economics; and Harrison Pittman, Director of National Agricultural Law Center.

Dr. Cochran gave a brief overview of the impact of COVID-19 on agriculture. The importance of agriculture to Arkansas is the annual contribution, not counting the retail food markets or the wood products, tend to count for \$21 billion dollars, with the retail markets added in that is another \$4 billion dollars. Reviewing the farm level receipts poultry is the largest sector. With row crops it is soybeans, rice, cotton and corn are the principles for crops. Cattle and trees are also a large part of Arkansas's agriculture. The three broad impacts of COVID on agriculture are the disruption of supply chains, worker safety and labor and the decline in the economy. There is no evidence to suggest that COVID-19 is transferrable within the food and supply chain. The production capacity should be ramped up as soon as possible.

Dr. John Anderson briefly reviewed the impact COVID has on commodity groups. The short-term impacts are loss of food services, slowdown in the economy, and a spike in unemployment and labor market disruptions. The long-term impacts include lost income, risk among businesses, disrupted trade flow and lost productivity. COVID-19 has caused erratic price behavior for beef, pork, and poultry. Due to social distancing manufacturers are unable to get into processing plants. During March there was a 25% decline in spending on food services and dining; slaughter of beef and pork was down 30%; and chick placement was down 15%. Corn, cotton, soybeans, rice and wheat are all experiencing a slowdown in sales and growing. Additionally, labor availability and safety are a major concern.

Mr. Harrison Pittman briefly went over possible legal issues. Contracts for specific delivery dates are not being honored, the eligibility for farming operations and the application process. Labor has been another major issue. Specifically, the lack of labor and understanding the legal responsibility, obligations, and the best practices with respect to housing and avoiding congregation of farm workers. Another area is estate planning and living wills for farming operations and farm succession planning. The recent executive order issued by the president on April 28, 2020, under the Defense Production Act determined that the beef, pork and poultry industries manufacture critical materials and need to remain operational during the COVID-19 emergency while focusing on protecting the health and safety of workers is another legal issue coming up. Lastly, the issue of state meat inspection.

### **Discussion of Cattle Industry Issues**

Cody Burkham, Executive Vice President, Arkansas Cattlemen's Association gave an overview of the cattle industry. The mandatory country-of-origin labeling was implemented following passage of the 2008 Farm Bill. In December 2008, Canada and Mexico called the rule detrimental to their products and illegal under our trade obligations. Canada and Mexico appeared before the World Trade Organization (WTO) stating the rule detrimental and illegal and the WTO agreed with them. After three attempts the WTO ruled Canada and Mexico could retaliate against United States products. With \$2 billion at risk, Congress changed the rule to exclude beef for both countries.

COVID-19 has affected meat processing, packing, and inspection. Producers of livestock have asked for an approved state inspection program. Operating costs for a state inspection program range between \$2-10 million. Half of all beef products in the United States go to restaurants. Cattle producers have suffered \$3.1 billion in losses and individuals can slaughter their own stock as long as they do not sell it to anyone.

There being no further business, the meeting adjourned at 12:27 p.m.