



June 30, 2010

Hon. J. Dudley Butler
Administrator
Grain Inspection, Packers and Stockyards Administration
Stop 3601, Room 2055-South Building
1400 Independence Avenue, SW
Washington, DC 20250-3601

Re: Implementation of Regulations Required Under Title XI of the Food, Conservation and Energy Act of 2008; Conduct in Violation of the Act; Proposed Rule; RIN 0580-AB07; 75 *Fed. Reg.* 35338 (June 22, 2010).

Dear Mr. Butler:

The American Meat Institute (AMI) respectfully requests that the comment period for the above-referenced proposed rule be extended by an additional 120 days such that comments would be due on December 20, 2010. For the several reasons set forth below, AMI believes such an extension is warranted.

The genesis of this rulemaking is the Food, Conservation and Energy Act of 2008 (Farm Bill), which directed the Secretary of Agriculture, and therefore the Grain Inspection, Packers and Stockyards Administration (GIPSA or the agency), to engage in rulemaking to establish criteria that the Secretary will consider in determining what constitutes providing or giving an undue or unreasonable preference or advantage under the unlawful practices section of the Packers and Stockyards Act (P&S Act or the Act). GIPSA also was directed to promulgate regulations regarding 1) whether a live poultry dealer has provided reasonable notice to growers of any suspension of delivery, 2) whether a requirement of additional capital investment over the life of a poultry growing arrangement or swine production contract violates the PSA, and 3) whether a swine contractor or poultry dealer has provided a reasonable period of time for a grower to remedy a breach of contract that could result in termination of the contract.

The proposed rule, however, goes well beyond the parameters articulated by the Farm Bill. Specifically, proposed sections 201.210 (unfairness), 201.212 (purchasing practices), 201.213 (contracts), 201.214 (tournament systems), and elements of sections 201.3 (competitive injury), and 201.94 (recordkeeping) are all outside the scope of the Farm Bill mandate. The agency has taken almost two years to develop and publish this proposed rule, which would have a highly restrictive impact on how livestock is procured in the United States. Because of the breadth of the proposal and the impact it almost certainly would have on how packers and producers interact, the proposed rules warrant careful scrutiny, analysis, and the submission of comprehensive comments. To that end, it is appropriate, and equity dictates, that additional time is allotted to the affected producers, processors, and packers so that they may provide the most substantive comments possible.

In addition to the substantive elements of the proposal and the impact they could have, the agency has invited comment on the economic impact of the proposed rule. The economic analysis conducted by the agency and identified in the proposal is somewhat limited. An initial review suggests that the analysis understates the direct and indirect costs to producers, processors, and packers, nor does the analysis appear to consider the direct and indirect economic impact the proposal could have on consumers. Because it will take considerably more than 60 days to develop a comprehensive economic analysis not included in the proposal, an extension is warranted for that reason as well.

For the foregoing reasons, AMI respectfully requests that the comment period be extended by an additional 120 days so that the comment would close on December 20, 2010. I would be pleased to discuss this request and the above-discussed reasons at your convenience.

Respectfully submitted,

Mark Dopp
Senior Vice President, Regulatory Affairs &
General Counsel

Cc: Patrick Boyle
Mike Brown
Dale Nellor