

## OPINION

### OTHER VIEWS

# \$1B bet on more meat processing capacity

Politicians have a way of oversimplifying complex problems. Often, their answer to a problem is to add money, and lots of it.

If only it was that simple.

During the past two years — the Era of COVID — the main answer to almost every problem that arose was to add money. Trillions of dollars were injected into the economy to keep the doors open at certain businesses. Those were the success stories; many other businesses closed permanently. Millions of people were thrown out of work for extended periods and received money, sometimes more than they were making on the job.

Most recently, the Biden administration, with Agriculture Secretary Tom Vilsack on board, has decided to “solve” the complex problem of low cattle prices and high meat prices by spending \$1 billion to subsidize the construction or expansion of small and medium-sized meat processing plants.

If only it was that simple.

First the facts. About 85% of the beef processing capacity is owned by four large companies — Tyson, Cargill, JBS and National Beef. During the COVID pandemic, they struggled to keep up with demand as employees fell ill. Until they figured out how best to keep employees safe and healthy the processors could not keep up with consumer demand, and retail beef prices jumped.

At the same time, because the processors were struggling just to keep their plants in operation, they didn’t need to buy as much cattle as usual. Those prices dropped — a body blow to ranchers and feedlot owners who bought cattle anticipating a certain price range but received far less.

It was a worst-case scenario for cattle producers.

Even before COVID, cattle producers worried out loud that processors held too much sway over the markets. They called for more openness in price discovery through public auctions so everyone could see what the prices were and who was paying them.

USDA under Vilsack has opened some of those doors, even promising to work with the Department of Justice to look for antitrust violations.

We have to wonder why the USDA and DOJ weren’t doing that all along. One of their jobs is making sure all U.S. commodity markets are open and competitive.

We believe in competition. It is the lifeblood of capitalism. But we worry about the unintended consequences of injecting \$1 billion into the beef processing industry.

Will it go to the processing plants that are already under construction? Will it go to plants that are struggling? Will it convince reticent local politicians that new processing plants are good for their communities?

And, ultimately, will it increase cattle prices and decrease beef prices?

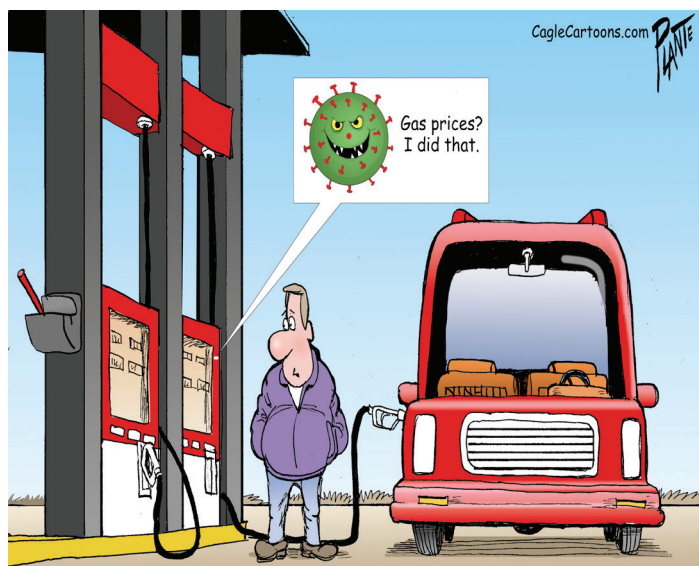
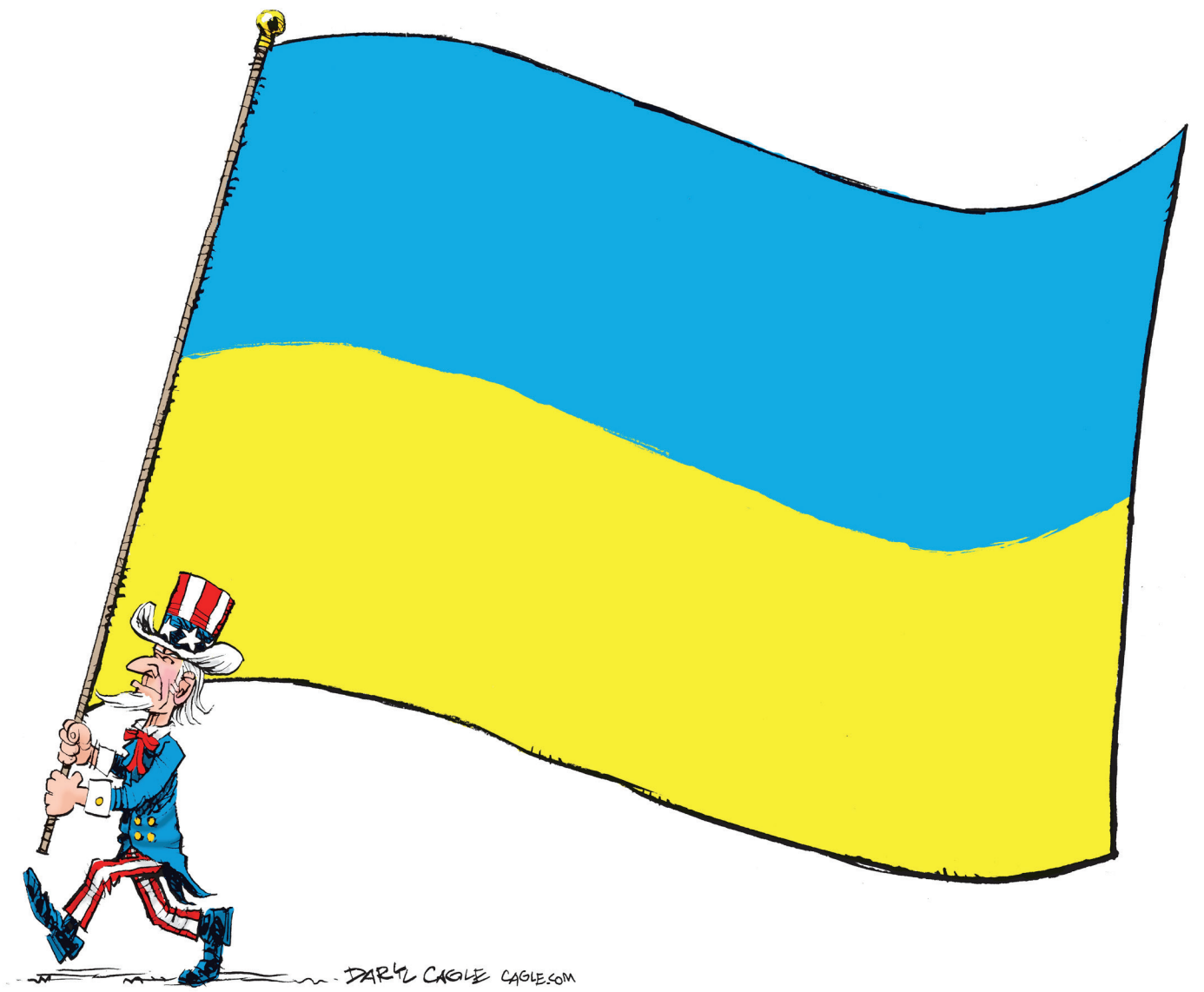
These are questions without answers, and certainly without any guarantees attached.

All we know is it will be a long time before new plants — or additions to small and medium plants — go online.

And when that happens, we can only hope the supply of labor will be adequate. Getting and keeping good employees has been one of the largest challenges facing processors of all sizes.

We hope Vilsack and President Biden have thought this through. The new worst-case scenario that we don’t want to see is to be five years down the road and still have low cattle prices and high beef prices even after spending \$1 billion.

— Capital Press



### LETTERS to the EDITOR

#### Reporting needed on modernized dam

Certainly of late, your in-depth reporting of local happenings has been insightful and thorough. The cattle abandonment story and the efforts to recover them put readers on the site, if not literally, at least mentally.

An issue that I would like to see reported on with equal intensity and with regular updates is one that will affect all of us currently living in this gorgeous valley and those who will be privileged to over the next century, anyway. Though seemingly absent from in-depth reporting and receiving occasional mention, the design of and implementation of the modernized

dam on Wallowa Lake’s north end seems a lasting edifice that will shape agriculture and fish populations and, thusly, all of our lives.

Please consider an in-depth look at and a monthly update on this dam’s progress and thank you.

David Hayslip  
Enterprise

#### Gail Swart will truly be missed

It has been good to read in the Chieftain about one of Wallowa County’s most distinguished citizens — Gail Swart. Here

is another accolade of her unselfish sharing of her musical talent. Each week — rain or shine, spring, summer, fall or winter, Gail would drive from her home at Wallowa Lake (at her own expense) to play the piano for the residents at Alpine House Assisted Living. She would ask the residents if anyone had a favorite or request and she played them all using no written music. She played the oldies, religious, classical, popular, boogie woogie, and jazz. She entertained and blessed many senior citizens over the years who looked forward to her weekly visits. She is and will be truly missed.

Residents of Alpine House  
Joseph

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about individual services and products or letters that infringe on the rights of private citizens. Letters must be signed by the author and include the city of residence and a daytime phone number. The phone number will not be published. Unsigned letters will not be published.

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