INTERSTATE SHIPMENT LEGISLATION

Expands Small Business & Rural Development

- Most state-inpsected meat and poultry plants are owned and operated by small business owners who want to sell their products in the local region. They want to provide a market for local cattle, hog, goat, and sheep producers. The interstate shipment ban prevents small businesses from capitalizing on sales opportunities such as niche marketing through mail-order gift catalogs, internet sales, or even serving very small communities or rural areas which straddle state boundaries. Other opportunities include sales to federally-inspected plants for further processing into finished products or exports to other countries.

- Interstate shipment will spur more competition and innovation in the industry by giving farmers and ranchers more opportunities to sell their livestock at a better price. This will create jobs and stimulate the rural economy. Without change, growing concentration in the processing sector will continue to leave smaller farmers and ranchers with fewer buyers for their livestock and poultry.

- Farmers and ranchers will have more local plant options for delivering their livestock. In some regions, farmers have to transport animals over long distances.

- Interstate markets for state-inspected products will increase local tax bases. Increased markets will not only benefit producers and processors, but related industries such as paper products, printers, seasonings, distributors, and local shops carrying regional products.

State Small Business Survey Shows Economic Benefits

The Wisconsin Association of Meat Processors conducted a survey of their small business owners in April 2006. In the survey:

33% believed that interstate shipment would increase their total sales by more than 10%. 33% responded that interstate shipment would increase their total sales by 5 to 10%. 29% believed their sales would grow by 1 to 5%.

The Wisconsin survey also asked how this potential, additional sales increase would benefit their business and local economy. The survey showed:

79% would add employees or increase payroll hours. 83% would invest in additional equipment. 64% would expand their existing plant. 42% would open new retail locations.