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Federal Office for Food Processing Security — Beef, Pork, and Poultry

"The American food supply is critical national infrastructure. It belongs in American hands."

1. The Problem

Four companies control 82% of U.S. beef processing. The largest beef processor in America is JBS — a Brazilian company. The largest pork processor in America is Smithfield — owned by WH Group of China. American ranchers raise the cattle. American workers slaughter and process the meat. American consumers buy the product. The most profitable step in that chain — the processing margin — flows to foreign shareholders in Brazil and China. This is not a business story. It is a national security story. A foreign government or a foreign corporate decision made in Sao Paulo or Beijing can disrupt the American food supply. That is not a risk a sovereign nation accepts.

2. The Governing Principle

The American food supply is critical national infrastructure. Critical national infrastructure belongs in American hands. A country that cannot guarantee its own food processing capacity — that depends on foreign-owned facilities to feed its people — has surrendered a fundamental attribute of sovereignty. The federal government acquires strategic beef, pork, and poultry processing capacity and operates it as government-owned, contractor-operated facilities. The processing margin stays in America. Ranchers get a fair price. Consumers get competitive pricing. Foreign shareholders stop extracting profit from the American food chain.

3. The Specific Policy

I. The National Security Argument — Food Processing as Critical Infrastructure

- **What a foreign-controlled food processing system means in practice:** in 2021 JBS — the Brazilian company that controls approximately 20-25% of American beef processing — was hit by a ransomware attack. The attack shut down U.S. beef processing operations for days. JBS paid $11 million in ransom to a criminal organization to restore operations. A foreign-owned company, attacked by foreign criminals, processing American food, with the American food supply held hostage until the ransom was paid. The U.S. government had no control over that decision.
- **The concentration risk:** four companies controlling 82% of beef processing means four points of failure for the entire American beef supply. A disease outbreak, a cyberattack, a foreign government sanction, a corporate bankruptcy, or a labor dispute at any one of the big four can

remove 20-25% of American beef processing capacity overnight. The U.S. military learned this lesson about semiconductor supply chains. The same lesson applies to food.

- **The foreign ownership vector:** JBS is Brazilian. Smithfield is Chinese-owned. A Brazilian or Chinese corporate decision — driven by shareholder interests, foreign government pressure, or geopolitical calculation — can affect what Americans pay for meat, whether processing capacity is available, and how American ranchers are compensated. These decisions are made in Sao Paulo and Beijing, not in Washington or Kansas City.
- **The COVID supply chain proof:** in April and May 2020 multiple major meat processing plants shut down due to COVID outbreaks among workers. Grocery stores ran out of beef and pork within days. The concentration of processing in a small number of foreign-owned facilities meant the entire American food supply was vulnerable to a single category of disruption. A distributed, government-owned processing network would have maintained capacity through the same disruption.
- **The sovereignty argument:** the United States operates its own nuclear weapons plants, its own naval shipyards, and its own semiconductor research facilities because those capabilities are too strategically important to leave in private or foreign hands. The ability to process the food that feeds 330 million Americans belongs on that list. Dependency on foreign-controlled food processing is a national security vulnerability of the first order.

II. The GOCO Acquisition Strategy — Starting with Distressed and Closing Facilities

- **Federal acquisition of closing and distressed processing facilities first:** the market is already creating the acquisition opportunity. Tyson Foods closed its Joslin, Illinois plant (2,800 workers), its Pasco, Washington plant, and its Lexington, Nebraska plant in 2023-2024. These facilities represent existing processing infrastructure, existing trained workforces, and existing supply chains. The federal government acquires these facilities at fair market value rather than letting them sit idle or be demolished.
- **GOCO operating model — proven at Pantex, Savannah River, and Y-12:** the government owns the facility. A qualified American food processing operator runs it under a performance contract. Workers keep their jobs. Processing capacity is maintained. The operating margin — currently extracted by foreign shareholders — flows to the U.S. Treasury. Nobody calls Pantex socialism. The GOCO model for food processing is the same principle applied to a different critical infrastructure category.
- **Phased acquisition timeline:** Year 1-2 — acquire identified distressed and closing facilities through voluntary purchase or eminent domain where national security justifies it. Year 3-4 — expand capacity through construction of new government-owned facilities in regions with inadequate processing infrastructure. Year 5-8 — achieve sufficient government-owned processing capacity to provide genuine market competition and price discovery for American ranchers, hog producers, and poultry growers.
- **Target capacity:** the federal government acquires sufficient processing capacity to handle at least 25% of American beef, pork, and poultry — enough to be a genuine market competitor, enough to maintain food supply continuity if private processors face disruption, and enough to give American producers an alternative to the big four that they can use as leverage in private negotiations.

III. Market Competition and Producer Fairness

- **The government-owned processor as price floor:** when the federal processor publishes its prices — what it pays ranchers per hundredweight, what it charges retailers per pound — it creates a transparent market reference that private packers must compete with. The current formula pricing system, where packers set prices with no competitive reference, collapses when a transparent government competitor enters the market.
- **Cash market minimum restored:** 30% of all fed cattle must be sold on the open cash market. The federal processor participates in the cash market — its bids are public and published. Private packers must compete with those bids. Ranchers who have been price-takers for decades become price-negotiators.
- **COOL restoration — full country of origin labeling:** a steer born in Mexico, raised in Canada, slaughtered in Kansas, and packaged in a U.S. facility currently may be labeled Product of USA. That ends. Labels must identify country of birth, country of raising, and country of slaughter. Product of USA means born, raised, and slaughtered in the United States. Government-processed product carries a Federal Processing seal — consumers know it was processed in an American-owned facility.
- **Foreign adversary ownership ban — immediate:** entities from China, Russia, Iran, and North Korea may not own U.S. meat processing facilities. Smithfield — Chinese-owned — must divest its American pork processing operations within 3 years. IEEPA executive order on Day 1. CFIUS review required for all future foreign acquisitions of food processing facilities above defined capacity thresholds.

IV. The Answer to the Nationalization Charge

Critics will call this nationalization. The honest answer has three parts.

- **First — the government already owns critical production facilities:** the United States operates Pantex, which assembles nuclear weapons. It operates the Savannah River Site, which processes nuclear materials. It operates the Kansas City National Security Campus, which manufactures nuclear weapon components. Nobody calls these socialism. They exist because the capabilities are too important to leave in private or foreign hands. The ability to process American beef, pork, and poultry for 330 million Americans is in the same category.
- **Second — this is not a government monopoly:** the federal processor handles 25% of capacity. The private market handles 75%. JBS, Tyson, Cargill, and National Beef continue operating. They compete with the federal processor. Competition is the outcome, not government control. The private market has had decades to provide fair competition and has instead consolidated to 82% concentration under partial foreign ownership. The federal processor corrects the market failure without replacing the market.
- **Third — the alternative is already here:** the alternative to government ownership is Chinese ownership of American pork processing and Brazilian ownership of American beef processing. That is not a free market. That is a foreign-controlled market. The choice is not between government ownership and free markets. The choice is between American government ownership and foreign corporate ownership. On that question the platform has a clear answer: American.

4. Estimated Cost

Acquisition of distressed and closing facilities: estimated $500 million to $2 billion for initial facility purchases — existing infrastructure at distressed market prices. New facility construction where needed: $200-500 million per facility. Total capital investment Years 1-4: approximately $3-6 billion. Operating costs offset by processing revenue — target breakeven by Year 3 at market processing

margins. DOJ antitrust investigation into the big four packers: within existing DOJ budget. Foreign adversary divestiture enforcement: within existing IEEPA and CFIUS authority.

5. Year 1 Implementation and Measurable Result

Year 1 measurable result: IEEPA executive order banning foreign adversary ownership of food processing facilities issued on Day 1; Smithfield divestiture timeline established within 30 days; DOJ antitrust investigation of the big four packers announced within 60 days; first federal facility acquisition completed within 180 days — beginning with identified distressed and closing plants; COOL labeling restored via USDA rulemaking within 90 days; cash market minimum of 30% established within 180 days; Federal Processing seal program launched for government-operated facilities.

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