Uncle Sam’s Eggs and Ham
Landscape Analysis on the Federal Government’s Purchases of Animal Products

A Study Conducted for The Greenfield Project

Washington D.C.

by

Rohini Banskota

Spring 2018

The author conducted this study as part of the program of professional education at the Goldman School of Public Policy, University of California at Berkeley. This paper is submitted in partial fulfillment of the course requirements for the Master of Public Policy degree. The judgments and conclusions are solely those of the author and are not necessarily endorsed by the Goldman School of Public Policy, by the University of California or by any other agency.
# Table of Contents

**Executive Summary** ............................................................................................................... 4

**Data** ......................................................................................................................................... 5
  - Data Limitations ......................................................................................................................... 5
  - Interviews ................................................................................................................................ 5
  - Acronyms and Definitions .......................................................................................................... 6
  - Acknowledgements ................................................................................................................... 6

**Overview of Federal Spending** ................................................................................................. 7

**Contracting Climate** .................................................................................................................. 9
  - Spending by Category: Meat, Poultry, and Fish ...................................................................... 9
  - Spending by Category: Dairy Foods and Eggs ......................................................................... 10

**Contract Size** ............................................................................................................................. 13
  - Contract Size: Meat, Poultry, and Fish .................................................................................... 13
  - Contract Size: Dairy Foods and Eggs ....................................................................................... 14
  - Animal Products Contracting Climate Analysis ....................................................................... 15

**Recipient Profile** ....................................................................................................................... 17
  - Company Profile: Meat, Poultry, and Fish .............................................................................. 17
  - Company Profile: Dairy Foods and Eggs ................................................................................. 18

**Competition in Procurement** ..................................................................................................... 20
  - Competition in Procurement Between Contract Size: Meat, Poultry, and Fish .................... 20
  - Competition in Procurement Between Contract Size: Dairy Foods and Eggs ....................... 21

**Federal Animal Product Procurement** ..................................................................................... 22
  - Agency Spending Findings ......................................................................................................... 22
  - Agency Spending Profile: Meat Poultry and Fish .................................................................. 22
  - Agency Spending Profile: Dairy Foods and Eggs ................................................................... 23

**Sub-agency Animal Product Procurement** ............................................................................... 24
  - Agriculture Marketing Service ................................................................................................ 24
  - Defense Logistics Agency ........................................................................................................ 24
  - Defense Commissary Agency (DeCA) .................................................................................... 24
  - Sub-agency Spending Profile: Meat, Poultry, and Fish ............................................................. 24
  - Sub-agency Spending Profile: Dairy Foods and Eggs ............................................................... 25

**Government Contracts: How the Process Works** .................................................................... 27
  - Regulations and Policies That Govern Federal Contracts ....................................................... 27

**Animal Product Procurement Standards** ............................................................................... 29
<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Contract Requirements</td>
<td>29</td>
</tr>
<tr>
<td>How the Process of Selling Food to the USDA Works: Competitive Contracts</td>
<td>30</td>
</tr>
<tr>
<td>How the Process of Selling Food to the Department of Defense Works</td>
<td>30</td>
</tr>
<tr>
<td>Food Programs Federal Agencies Support: Ability One and the Federal Prison Industries</td>
<td>31</td>
</tr>
<tr>
<td>Additional Domestic Sourcing Restrictions – The Berry Amendment and the Buy American Act</td>
<td>31</td>
</tr>
<tr>
<td>Small Business Set-Asides</td>
<td>32</td>
</tr>
<tr>
<td><strong>Federal Purchasing and Animal Welfare</strong></td>
<td>33</td>
</tr>
<tr>
<td><strong>Creation of Market Opportunities</strong></td>
<td>34</td>
</tr>
<tr>
<td><strong>Animal Welfare Standards in Federal Procurement</strong></td>
<td>36</td>
</tr>
<tr>
<td>Who Sets the Rules for Animal Products in Procurement?</td>
<td>36</td>
</tr>
<tr>
<td>Animal Welfare and Procurement Standards</td>
<td>36</td>
</tr>
<tr>
<td>Poultry and the HMSA</td>
<td>37</td>
</tr>
<tr>
<td>HMSA and Procurement</td>
<td>38</td>
</tr>
<tr>
<td>Professional Animal Auditor Certification Organization (PAACO) and the North American Meat Institute (NAMI)</td>
<td>39</td>
</tr>
<tr>
<td>Department of Defense Procurement Standards</td>
<td>39</td>
</tr>
<tr>
<td><strong>Pathways to create stronger animal welfare procurement requirements for animal products</strong></td>
<td>40</td>
</tr>
<tr>
<td>Policy Alternatives</td>
<td>40</td>
</tr>
<tr>
<td><strong>Conclusion</strong></td>
<td>42</td>
</tr>
<tr>
<td><strong>Works Cited</strong></td>
<td>43</td>
</tr>
</tbody>
</table>
Executive Summary

The United States federal government spends a significant amount of money purchasing animal products each year. From Fiscal Year (FY) 2007 though FY 2017, the federal government spent $13.6 billion purchasing meat, poultry, and fish and $7.6 billion purchasing dairy foods and eggs, for a total of $21.2 billion over the 11-year purchasing period. The majority of federal animal product purchases are made by the United States Department of Agriculture (USDA) and the Department of Defense (DoD).

When the federal government purchases animal products, it does so primarily through a small number of large contracts. Competition for each contract is limited, with a majority of contracts receiving three or fewer offers.

With a $2.1 billion average yearly spending on animal products, the federal government is an important economic actor that can exert influence on how farms that produce animal products regard animal welfare. Unfortunately, companies that are able to compete for government contracts are generally known to have few or no animal welfare standards. This report explores the role the federal government might have in influencing animal welfare through commodity purchasing and identifies some limiting factors.

Federal agencies can require heightened procurement standards only if there is a federal statute that provides authority for these standards with broad discretion for meeting their needs. However, the only animal welfare statute reflected in federal procurement standards is the Humane Methods of Slaughter Act (HMSA). In fact, one federal agency, the Agricultural Marketing Service (AMS), the marketing and purchasing arm within USDA, has chosen to set animal welfare standards slightly higher than those outlined in HMSA regulations. However, although there are additional federal laws that address animal welfare at times other than slaughter, such as during transportation and on organic farms, USDA has chosen so far, only to incorporate animal welfare standards at slaughter for their procurement requirements.

Given the lack of farm animal welfare legislation beyond organic farms, transportation, and slaughter, the ideal pathway to incorporate on-farm animal welfare standards through federal government procurement is to first pass federal legislation that addresses these issues. This report also explores other policy avenues for improving animal welfare procurement standards.
Data

The data used in this report came from variety of sources.

Government contract data came from USASpending.gov, which provided data as far back as FY 2008 and up to FY 2017. The fiscal year, which is the accounting period for the federal government, begins on October 1 and ends on September 30. Contracts are identified as belonging to a fiscal year based on the date the contract was awarded. It should be noted, that while USASpending.gov provides data only as far back as FY 2008, in data from FY 2008-FY 2017 1,074 meat, poultry, and fish contracts and 652 dairy foods and eggs contracts were identified as being awarded in FY 2007. This data was removed from other fiscal year data and added to FY 2007 data in order to accurately assess spending trends by year. The FY 2007 data included in this report is most likely an underrepresentation of contract data as there were so few contracts identified in FY 2007. The number of contracts awarded for meat, poultry and fish FY 2008-FY 2017 range from 3358-11,233 contracts per year. The number of contracts for and dairy foods and eggs awarded from FY 2008–FY 2017 range from 9,361-23,763 contracts per year.

When the federal government makes purchases, it assigns each contract a product service code describing the commodity purchased. The federal government has designated product service code 8905 to identify all purchases made for meat, poultry, and fish and product service code 8901 to identify purchases of dairy foods and eggs. Thus, product service codes 8905 and 8910 identify the animal product contracts discussed in this report. All dollar values in this report are not adjusted for inflation. All contract data in this report is limited to domestic contracts only. Contracts identified as domestic are those with companies headquartered in the United States.

The USDA was the only federal agency that made data publicly available on its website regarding the quantity of animal products purchased for several years.

A section of this report details the recipients of government contracts. Many companies that received contracts also have subsidiary companies that received contracts. Where possible to identify, the calculations of a company’s contract total include the value of contracts held by subsidiaries listed on the parent company website.

Data Limitations

There were several contracts in the data set with a listed value of less than $1 or a listed value of zero. Although federal agency representatives did not respond to requests for an official explanation of these values, the values most likely reflect missing or inaccurate data. As such, the numbers in this report likely reflect an underestimation of government spending on animal products. That being the case, the importance of the government’s role in the industry is likely greater than the numbers in this report would indicate.

Interviews

Additional data came from interviews with procurement staff at the Agriculture Marketing Service and DoD as well as with a navy veteran who currently works on food advocacy on military bases.
Acronyms and Definitions

AMS  Agriculture Marketing Service
Animal Products  Meat, poultry, fish, dairy foods, and eggs
CDC  Centers for Disease Control and Prevention
DeCA  Defense Commissary Agency
DLA  Defense Logistics Agency
DoD  Department of Defense
FMIA  Federal Meat Inspection Act
FSIS  Food Safety and Inspection Service
FY  Fiscal Year
HMSA  Humane Methods of Slaughter Act
NAMI  North American Meat Institute
PAACO  Professional Animal Auditor Certification Organization
USDA  United States Department of Agriculture

Acknowledgements

Special thanks go to Liz Hallinan from The Greenfield Project for her endless mentorship and guidance throughout preparation of the report. Additionally, I would like to thank Carl Schroder from the USDA for providing me with critical procurement data.
Overview of Federal Spending

The United States government is the world’s largest purchaser of goods and services, spending hundreds of billions of dollars per year (USA Spending). In 2017, the federal government spent $78.1 billion on contractual services and supplies (USA Spending). For those who care about our food system and understanding the impact animal products have on the environment, as well as those who care about animal welfare, the government’s large role as a purchaser brings into question: how much does the federal government spend purchasing animal products?

From FY 2007 though FY 2017, the federal government spent $13.6 billion purchasing meat, poultry, and fish and $7.6 billion purchasing dairy foods and eggs, for a total of $21.2 billion over the 11-year period (see Figure 1).

To put this in perspective, the federal government spends, on average, $1.3\(^1\) billion purchasing meat, poultry, and fish yearly while the world’s largest burger chain, McDonalds, spends $1.3 billion purchasing just beef yearly (Roybal, 2011; Filloon, 2018). These numbers tell us that that the United States federal government is a large economic actor whose purchasing practices can help shape industry standards.

Figure 1: Total Federal Dollars Spent on Animal Products FY 2007 - FY 2017

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meat, Poultry, and Fish</td>
<td>$13,646,211,175</td>
</tr>
<tr>
<td>Dairy Foods and Eggs</td>
<td>$7,556,014,711</td>
</tr>
<tr>
<td><strong>Total Federal Spending</strong></td>
<td><strong>$21,202,225,886</strong></td>
</tr>
</tbody>
</table>

\(^1\) This number excludes data from FY 2007 in order to get an accurate average of yearly spending.
Note: The upward trend in spending in 2011 and 2012 may be explained by the increase of corn and soy bean prices, as corn and soy commodity prices were peaking during these years. However, this trend might also be attributed to incomplete data published on USASpending.gov (e.g., data reported with values $0, $1, or less than $1) and could falsely suggest a downward trend in animal product purchasing. Further research is required (USDA Economic Research Service). Finally, as detailed in the “Data” section above, data from 2007 is almost certainly an under representation of federal dollars spent on animal product purchases.
**Contracting Climate**

**Spending by Category: Meat, Poultry, and Fish**

Meat and poultry are staples in the American diet. Americans consume more meat than almost any country in the world at 270.7 pounds per person a year (Barclay, 2012). Understanding what production practices, the government supports through its purchasing power is important to understanding our food system.

In the past 10 years (FY 2008–FY 2017), the federal government spent a yearly average of $1.3 billion purchasing meat, poultry, and fish (see Figure 2).

**Figure 2: Total Dollars Spent: Meat, Poultry, and Fish**

![Graph showing total dollars spent on meat, poultry, and fish from 2007 to 2017.]

The average spending on meat, poultry, and fish in FY 2008–FY 2012\(^2\) was $1.7 billion. The average spending for the latter half of the decade, FY 2013–FY 2017, was $1 billion. As American meat consumption is on the rise, in all likelihood, these trends reflect missing data rather than actual trends in purchasing (Durisin, 2018). The decline in meat, poultry, and fish product federal purchasing might also be attributed to First Lady Michelle Obama’s Healthy School Lunch Initiative; however, further research is required (Barclay, 2012).

\(^2\)FY 2007 data was excluded from this analysis as only as FY 2007 data from USASpending.gov is likely an underrepresentation of government purchases.
The USDA was the only federal agency that provided data regarding the quantity purchased over multiple years. USDA data was provided only for 2012–2017.

**Figure 3: USDA Meat, Poultry, & Fish: Quantity Purchased & Total Dollars Spent**

<table>
<thead>
<tr>
<th>Year</th>
<th>Quantity (lbs.)</th>
<th>Quantity Percent Change</th>
<th>Dollars Spent</th>
<th>Dollars Spent Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>625,032,569</td>
<td></td>
<td>$ 879,368,573</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>614,845,498</td>
<td>-2%</td>
<td>$ 854,818,693</td>
<td>-3%</td>
</tr>
<tr>
<td>2014</td>
<td>487,686,112</td>
<td>-21%</td>
<td>$ 766,635,356</td>
<td>-10%</td>
</tr>
<tr>
<td>2015</td>
<td>593,969,206</td>
<td>22%</td>
<td>$ 895,496,438</td>
<td>17%</td>
</tr>
<tr>
<td>2016</td>
<td>545,937,057</td>
<td>-8%</td>
<td>$ 810,497,927</td>
<td>-9%</td>
</tr>
<tr>
<td>2017</td>
<td>555,257,267</td>
<td>2%</td>
<td>$ 893,988,716</td>
<td>10%</td>
</tr>
</tbody>
</table>

The USDA spent less per unit of meat, poultry, and fish in 2012 than it did in 2017 (see Figure 3). Based on the information in the published data, the USDA purchased 70 million pounds less of meat, poultry, and fish in 2017 than it did in 2012. The price the federal government spent purchasing meat, poultry, and fish increased from $1.41 per pound in 2012 to $1.61 per pound in 2017. Data from the USDA shows that the price for meat, poultry, and fish in the market increased by 7.18% from 2012 to 2016, which largely explains this increase in price.\(^3\) In addition, inflation accounts for about 10 cents of the price change for this period.

**Spending by Category: Dairy Foods and Eggs**

Americans are heavy consumers of dairy products. In 2011, the average American ate 600.5 pounds of non-cheese dairy products, 31.4 pounds of cheese, and 32.7 pounds of eggs (Aubrey, 2011). While consumption of some dairy products, such as cheese, yogurt, and sour cream, has risen since the 1970s, milk consumption has declined, according to the USDA Economic Research Service.

In the past 10 years (FY 2008- FY 2017), the federal government spent a yearly average of $740 million purchasing dairy foods and eggs (see Figure 4).

\(^3\)According to USDA meat, poultry, and fish data in the Food at Home series, the total percent change from 2012 to 2016 was 7.6%. The USDA Economic Research Service calculates the annual consumer price index (CPI) of certain foods. The CPI measures the average change in retail prices paid by consumers over time.
The average spending on dairy foods and eggs in FY 2008–FY 2012 was $941 million. The average spending for the latter half of the decade, FY 2013–FY 2017, was $539 million. Similar to meat, poultry, and fish purchases, the decline in dairy foods and egg product federal purchasing might also be attributed to First Lady Michelle Obama’s Healthy School Lunch Initiative however, further research is required (Barclay, 2012).

The USDA was the only federal agency that provided data regarding the quantity of dairy foods and eggs purchased over multiple years. While the USDA provided data from 2012 to 2017, data from 2012 to 2014 only included egg products and shell eggs. Data from 2015 to 2017 included egg products, shell eggs, milk, cheese, yogurt, and butter. Because there was such a vast discrepancy in the data provided, only data from 2015 to 2017 was used in this analysis (see Figure 5).

### Figure 5: USDA Dairy Foods and Eggs: Quantity Purchased and Total Dollars Spent

<table>
<thead>
<tr>
<th>Year</th>
<th>Quantity (lbs.)</th>
<th>Quantity Percent Change</th>
<th>Dollars Spent</th>
<th>Dollars Spent Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>241,724,962</td>
<td></td>
<td>$ 349,452,938</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>310,005,042</td>
<td>28%</td>
<td>$ 399,127,997</td>
<td>14%</td>
</tr>
</tbody>
</table>
The USDA spent less per unit of dairy foods and eggs in 2012 than it did in 2017. The USDA purchased 54.5 million pounds more dairy foods and eggs in 2017 than it did in 2012. The price the federal government spent purchasing dairy foods and eggs increased from $0.69 in 2015 to $0.75 in 2017. This change in price can be partially explained by inflation, as inflation accounts for $0.03.
Contract Size

Contract Size: Meat, Poultry, and Fish

This section of the report details the size of contracts that were awarded in FY 2007–FY 2017 for federal animal product purchases. Because there is such a large variation in the size of contracts that were awarded by the federal government, for ease of comparison, the analysis that follows will compare “large” and “small” contracts. Large contracts are defined as being worth $1 million and more. Small contracts are defined as being worth $50,000 or less. These values, while somewhat arbitrarily chosen, are chosen as the definitions of large and small contracts to understand the differences between the type of farm or company that applies for contracts worth vastly different amounts.

Out of the 60,089 contracts for meat, poultry, and fish from FY 2007–FY 2017, 4 of the contracts had a dollar value of less than $1 (ranging from $0.01–$0.2), and 1,333 contracts had a value of zero according to records obtained from USASpending.gov. While it is unclear what the dollar value of zero or less and $1 means, it is likely that this reflects missing data, and the data presented here might therefore be an underrepresentation of total government spending on meat, poultry, and fish. The 1,337 contracts with a dollar value of zero and less than $1 were removed from the data analysis in the section below in order to accurately analyze the contracts that had a dollar value.

Similarly, contracts of $1 likely reflect missing data, however it is unknown how small a contact can get before it is known it is not an error in data reporting. Therefore, all contracts with a dollar value of $1 or greater, are accounted for in the analysis.

The total number of contracts for meat, poultry, and fish from FY 2007 to FY 2017 analyzed below is 58,752.

Figure 6 below shows how many contracts were awarded for meat, poultry, and fish products in FY 2007–FY 2017. The largest contract awarded was $26,567,575 and the smallest contract was $1. The mean of all meat, poultry, and fish contracts was $232,268, while the median was $10,353. The most common contract value was $4,950. The large variation in contract size means that there might also be a large variation in the size and type of farm or company that is awarded with federal contracts.

Large Contracts: Contracts worth $1 million or more

There were 3,341 contracts worth $1 million or more. The total value of all 3,341 contracts is $10.9 billion.

These large contracts account for only 6% of all 58,752 meat, poultry, and fish contracts, but account for 80% of all dollars spent on meat, poultry, and fish.

Small Contracts: Contracts worth $50,000 or less

---

4 Federal representatives from USDA and DoD did not respond to requests for an official explanation of contract values of $0, $1, or less than $1 in the data reported.
There were 47,512 contracts with a value of $50,000 or less. The total value of all 47,512 contracts is $523,574,375.

These small contracts account for 81% of all 58,752 meat, poultry, and fish contracts, but account for only 4% of all dollars spent on meat, poultry, and fish.

The data (see Figure 6) shows that the federal government does a majority of its spending through very few, very large contracts.

**Figure 6: Meat, Poultry, and Fish Number of Contracts by Contract Value**

<table>
<thead>
<tr>
<th>Contract Value in Dollars</th>
<th>Number of Contracts</th>
</tr>
</thead>
<tbody>
<tr>
<td>$27 Million–$22 Million</td>
<td>12</td>
</tr>
<tr>
<td>$22 Million–$12 Million</td>
<td>71</td>
</tr>
<tr>
<td>$12 Million–$9 Million</td>
<td>67</td>
</tr>
<tr>
<td>$9 Million–$5 Million</td>
<td>419</td>
</tr>
<tr>
<td>$5 Million–$1 Million</td>
<td>2,772</td>
</tr>
<tr>
<td>$1 Million–$500K</td>
<td>1,613</td>
</tr>
<tr>
<td>$500K–$100K</td>
<td>3,725</td>
</tr>
<tr>
<td>$100K–$50K</td>
<td>2,562</td>
</tr>
<tr>
<td>$50K–$10K</td>
<td>18,825</td>
</tr>
<tr>
<td>$10K–$1K</td>
<td>26,006</td>
</tr>
<tr>
<td>$1K and Less</td>
<td>2,681</td>
</tr>
</tbody>
</table>

**Contract Size: Dairy Foods and Eggs**

All 163,902 contracts for dairy food and eggs from FY 2007 to FY 2017 reported a contract dollar value. Therefore, the total number of contracts for dairy foods and eggs FY 2007 to FY 2017 analyzed below is 163,902.

Figure 7 below shows how many contracts for dairy foods and egg purchases in FY 2007–FY 2017 were awarded. The largest contract awarded was $31,910,021, and the smallest contract was $853. The mean of all contracts to purchase dairy foods and eggs was $46,101, while the median was $6,460. The most common contract value was $7,500. The large variation in contract size means that there is likely also a large variation in the size and type of farm or company that applies for these contracts.
Large Contracts: Contracts worth $1 million or more
There were 1,545 contracts worth $1 million or more. The total value of all 1,545 contracts is $4.2 billion.

These large contracts account for only 1% of all 163,902 dairy foods and eggs contracts, but account for 56% of all dollars spent on dairy foods and eggs.

Small Contracts: Contracts worth $50,000 or less
There were 152,198 contracts with a value of $50,000 or less. The total value of all 152,198 contracts is $1.4 billion.

These small contracts account for 93% of all 163,902 dairy foods and eggs contracts, but account for only 18% of dollars spent on dairy foods and eggs.

Figure 7: Dairy Foods and Eggs Number of Contracts by Contract Value

Animal Products Contracting Climate Analysis
Federal purchases of animal products are highly concentrated toward contracts with very large dollar values, $1 million or more. Six percent (6%) of all meat, poultry, and fish contracts account for 80% of all dollars spent on meat, poultry, and fish, and 1% of all dairy foods and eggs contracts account for 56% of all dollars spent on dairy foods and eggs.

At the same time, the great majority of contracts are awarded with small dollar amounts, $50,000 or less. Eighty-one percent (81%) of all meat, poultry, and fish contracts were worth $50,000 or less, but they accounted for only 4% of all dollars spent. A full 93% of dairy foods and eggs
contracts have a dollar value of $50,000 or less, but those contracts account for only 18% of all dollars spent.

When the federal government allocates a significant portion of its spending to large contracts, (80% of all meat, poultry, and fish and 56% of all dairy foods and eggs), the question becomes: who wins a majority of government contract dollars?
Recipient Profile

Company Profile: Meat, Poultry, and Fish

This section of the report details the recipients of meat, poultry, and fish federal government contracts. Since a majority of federal meat, poultry, and fish contract dollars is spent through very large contracts, it is relevant to examine how many dollars large agribusiness companies received from federal contracts (see Figure 8). This section of the report includes all 1,337 contracts that had a dollar value of less and $1 or 0 in order to account for the total number of contracts that were awarded to a particular company. Therefore, all, 60,089 meat, poultry, and fish contracts are analyzed in the section below.

Figure 8: Meat, Poultry, and Fish Recipient Profile: Number of Contracts and Total Dollars Awarded FY 2007- FY 2017

<table>
<thead>
<tr>
<th>Name</th>
<th>Number of Contracts</th>
<th>Percent of Total Contracts (58,752) With a Dollar Value</th>
<th>Total Dollar Value Spent</th>
<th>Percent of Total Federal Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tyson Foods</td>
<td>1,418</td>
<td>2%</td>
<td>$ 3,571,958,505</td>
<td>26%</td>
</tr>
<tr>
<td>JBS USA</td>
<td>585</td>
<td>1%</td>
<td>$ 802,461,502</td>
<td>6%</td>
</tr>
<tr>
<td>Hormel Foods</td>
<td>315</td>
<td>1%</td>
<td>$ 607,082,599</td>
<td>4%</td>
</tr>
<tr>
<td>Smithfield Foods</td>
<td>419</td>
<td>1%</td>
<td>$ 361,801,335</td>
<td>3%</td>
</tr>
<tr>
<td>National Beef</td>
<td>117</td>
<td>0%</td>
<td>$ 517,240,150</td>
<td>4%</td>
</tr>
<tr>
<td>Cargill</td>
<td>211</td>
<td>0%</td>
<td>$ 335,880,815</td>
<td>2%</td>
</tr>
<tr>
<td>Perdue</td>
<td>58</td>
<td>0%</td>
<td>$ 20,505,797</td>
<td>0%</td>
</tr>
<tr>
<td>Grand Total</td>
<td>3,123</td>
<td>5%</td>
<td>$ 6,216,930,703</td>
<td>46%</td>
</tr>
</tbody>
</table>

The seven meat, poultry, and fish companies listed above account for 31% of all meat, poultry, and fish contract dollar value. While 31% indicates the degree of market concentration within the meat, poultry, and fish federal government contract sector, the meat, poultry, and fish government contract sector is not “highly concentrated,” defined here as occurring when the top five firms in a sector control at least 50% of the market. However, it is important to note that a single player in the sector does control at least 20% of the market.

---

5 Companies included in Tyson Foods total: Tyson Foods, Tyson Fresh Meats, Sara Lee Bakery Group, Sara Lee Corporation, Advance Pierre Foods.
6 Companies included in JBS USA total: Swift & Co., Pilgrim’s Pride Corporation, JBS USA.
7 Companies included in Hormel Foods total: Hormel Foods Corporation, Jennie-O Turkey Store, Valley Fresh Foods.
9 Companies included in National Beef total: National Beef.
10 Companies included in Cargill total: Cargill Meat Solutions.
11 Companies included in Perdue total: Perdue.
Tyson Foods has only 2% of all meat, poultry, and fish contracts but accounts for 26% of all meat, poultry, and fish contract dollar value.

Market concentration is important because if one player controls a majority of the market, that company has the ability to shape prices without competition. It can also set animal welfare standards in production methods that other companies will follow if they are trying to compete.

**Tyson Foods has 2% of meat, poultry, and fish contracts that account for 26% of meat, poultry, and fish dollars awarded.**

**Company Profile: Dairy Foods and Eggs**

This section of the report details the recipients of dairy foods and eggs federal government contracts. Figure 9 below details company totals. Since the federal government awards a majority of its purchasing dollars for dairy foods and eggs in very few large contracts, this report examines how many dollars large dairy companies have received.

Dean Foods is the largest dairy company in the United States (Bloomberg, 2016). Leprino Foods Dairy Products Company is a large cheese and lactose producer. It sells one billion pounds of cheese per year and supplies cheese to 85% of the pizza market (Proctor & Sweeney, 2002). Leprino Foods Dairy Products Company is the only company included in Leprino Foods Dairy Products Company total. Dairy Farmers of America is a large national milk marketing cooperative that represents over 8,500 dairy farms. In 2016, Dairy Farmers of America sales accounted for about 29% of milk production in the United States (Dairy Farmers of America, 2017). Dairy Farmers of America is the only company in Dairy Farmers of America total.

**Figure 9: Dairy Foods and Eggs Recipient Profile: Number of Contracts and Total Dollars Awarded**

<table>
<thead>
<tr>
<th>Name</th>
<th>Number of Contracts</th>
<th>Percent of Contracts</th>
<th>Total Dollar Value</th>
<th>Percent of Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dean Foods</td>
<td>1,631</td>
<td>1%</td>
<td>$689,393,237</td>
<td>9%</td>
</tr>
<tr>
<td>Leprino Foods Dairy Products Company</td>
<td>223</td>
<td>.1360%</td>
<td>$566,652,025</td>
<td>7%</td>
</tr>
<tr>
<td>Dairy Farmers of America, Inc.</td>
<td>289</td>
<td>.1763%</td>
<td>$262,844,916</td>
<td>3%</td>
</tr>
<tr>
<td>Grand Total</td>
<td>2,143</td>
<td>1%</td>
<td>$1,518,890,178</td>
<td>20%</td>
</tr>
</tbody>
</table>

12Companies included in Dean Foods total are: Alta Dena Certified Dairy, Barber’s Milk, Broughton Foods, Country Fresh, Creamland Dairies, Dean Dairy Holdings, Dean Foods Company, Gandy’s Dairies, Garelick Farms, Land O’Lakes, Mayfield Dairy, McArthur Dairy, Model Dairy, Purity Dairies, Swiss Dairy, T.G. Lee, and Tuscan/Leigh Dairies.
The three large dairy foods and egg companies listed above account for 20% of the dollar value of all dairy foods and eggs contracts. While 20% indicates the degree of market concentration for government spending, the dairy foods and eggs government contract sector is not “highly concentrated,” defined here as occurring when the top five firms in a segment control at least 50% of the market. It should also be noted that a single player in the sector does not control at least 20% of the market. Dean Foods is the company that comes closest. Dean Foods has 1% of all dairy foods and egg contracts but has 9% of all contract dollar value.

**Dean Foods has 1% of all dairy foods and eggs contracts that account for 9% of dairy foods and eggs dollars awarded.**
Competition in Procurement

When the federal government publicly announces plans to buy a particular food through a contract, any company or farm on a qualified bidder list can place an offer in order to win the contract. The “number of offers received,” is defined here as the number of farms or companies that applied to win a government contract.

This section of the report excluded the 1,337 meat, poultry, and fish contracts that had a dollar value of zero or less than $1. Total number of contracts included in the analysis below is 58,752 for meat, poultry, and fish and all 163,902 contracts for dairy foods and eggs.

Competition in federal animal products contracts is limited, with a majority of contracts receiving 3 or fewer offers from a farm or company.

Key Findings:

• Seventy-one percent (71%) of all meat, poultry, and fish contracts received 3 or fewer offers.

• Eighty-three percent (83%) of all dairy foods and eggs contracts received 3 or fewer offers.

Because there is such a large variation in the size of contracts that were awarded, for ease of comparison, the analysis that follows will compare “large” and “small” contracts to understand the differences between the type of farm or company that applies for contracts worth vastly different amounts. Large contracts are defined as being worth over $1 million and small contracts are defined as being worth $50,000 or less.

Competition in Procurement Between Contract Size: Meat, Poultry, and Fish

Large Contracts: Contracts worth $1 million or more

For the 3,341 contracts that had a dollar value of $1 million or more, the maximum number of offers received for a contract was 17. The minimum was 1. The most common number of offers received was 3. The median number of offers received for a contract was 4.

Small Contracts: Contracts worth $50,000 or less
For the 42,957 contracts of $50,000 and less, the maximum number of offers received was 100. The minimum was 0. The most common number of offers received for a contract was 1, and the median number of offers received for a contract was 2.

It should also be noted that most common number of offers received is 3 for contracts worth $1 million or more and 1 for contracts worth $50,000 and less. This may be because government contracting is a laborious process, and many companies may not want to undergo the process of applying for government contracts for smaller amounts.

**Competition in Procurement Between Contract Size: Dairy Foods and Eggs**

**Large Contracts: Contracts worth $1 million or more**

As shown in Figure 10, for the 1,545 contracts that were worth $1 million or more, the maximum number of offers received for a contract was 14, the minimum was 1, and the most common number of offers received was 1. The median number of offers received for a contract was 3.

**Small Contracts: Contracts worth $50,000 or less**

For the 152,135 contracts that were worth $50,000 or less, the maximum number of offers received was 43. The minimum was 0. The most common number of offers received for a contract was 2, and the median number of offers received for a contract was 2.

**Figure 10: Maximum Number of Offers Received for Animal Products Contracts**

<table>
<thead>
<tr>
<th>Contracts Dollar Value</th>
<th>$1 Million or more</th>
<th>$50K or less</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meat, Poultry, and Fish</td>
<td>17</td>
<td>100</td>
</tr>
<tr>
<td>Dairy Foods and Eggs</td>
<td>14</td>
<td>43</td>
</tr>
</tbody>
</table>

13 The assumption, for purposes of this report, is that when the minimum offer is reported as 1 or 0, only one company is thought to be capable of fulfilling a contract, or only one company had the resources to fulfill a contract. It is unclear if the government was able to approach a company to fulfill an order or if there was an error in data reporting. More research is needed.
Federal Animal Product Procurement

This section of the report details which federal agencies primarily purchase animal products.

Agency Spending Findings

As shown in Figure 11 and 12, the USDA and the Department of Defense are the two agencies that spend the most amount of money purchasing animal products. Together, the USDA and DoD represent 98% of all federal dollars spent on meat, poultry, and fish and 97% of all federal dollars spent on dairy foods and eggs.

Together, the USDA and DoD represent 98% of all federal dollars spent on meat, poultry, and fish and 97% of all federal dollars spent on dairy foods and eggs.

Agency Spending Profile: Meat Poultry and Fish

Figure 11: Meat Poultry and Fish Agency Spending Profile

<table>
<thead>
<tr>
<th>Agency Name</th>
<th>Total Dollars Spent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Agriculture</td>
<td>$8,077,595,682</td>
</tr>
<tr>
<td>Department of Defense</td>
<td>$5,235,687,180</td>
</tr>
<tr>
<td>Department of Justice</td>
<td>$310,334,229</td>
</tr>
<tr>
<td>Department of Veterans Affairs</td>
<td>$13,128,571</td>
</tr>
<tr>
<td>Department of the Interior</td>
<td>$5,999,345</td>
</tr>
<tr>
<td>Department of Homeland Security</td>
<td>$2,932,628</td>
</tr>
<tr>
<td>Department of Commerce</td>
<td>$302,360</td>
</tr>
<tr>
<td>Department of Health and Human Services</td>
<td>$145,157</td>
</tr>
<tr>
<td>Smithsonian Institution</td>
<td>$54,561</td>
</tr>
<tr>
<td>Department of State</td>
<td>$20,991</td>
</tr>
<tr>
<td>National Aeronautics and Space Administration</td>
<td>$6,180</td>
</tr>
<tr>
<td>Social Security Administration</td>
<td>$4,292</td>
</tr>
<tr>
<td>Grand Total</td>
<td>$13,646,211,175</td>
</tr>
</tbody>
</table>
Key findings from data shown in Figure 11:

- The USDA represents 59% of all dollars spent.
- The DoD represents 38% of all dollars spent.
- Together, the USDA and DoD represent 98% of all federal dollars spent on meat, poultry, and fish.

**Agency Spending Profile: Dairy Foods and Eggs**

*Figure 12: Dairy Foods and Eggs Agency Spending Profile*

<table>
<thead>
<tr>
<th>Agency Name</th>
<th>Total Dollars Spent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Defense</td>
<td>$ 4,005,634,675</td>
</tr>
<tr>
<td>Department of Agriculture</td>
<td>$ 3,334,971,589</td>
</tr>
<tr>
<td>Department of Justice</td>
<td>$ 157,376,081</td>
</tr>
<tr>
<td>Department of Veterans Affairs</td>
<td>$ 44,938,883</td>
</tr>
<tr>
<td>Department of the Interior</td>
<td>$ 7,486,346</td>
</tr>
<tr>
<td>Agency for International Development</td>
<td>$ 3,302,200</td>
</tr>
<tr>
<td>Department of Health and Human Services</td>
<td>$ 1,948,543</td>
</tr>
<tr>
<td>Department of State</td>
<td>$ 318,782</td>
</tr>
<tr>
<td>Department of Homeland Security</td>
<td>$ 32,072</td>
</tr>
<tr>
<td>Department of Commerce</td>
<td>$ 5,539</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>$ 7,56,014,711</strong></td>
</tr>
</tbody>
</table>

Key findings from data shown in Figure 12:

- The Department of Defense accounts for 53% of all dollars spent.
- The USDA accounts for 44% of all dollars spent.
- Together, the DoD and the USDA, account for 97% of all dollars spent on dairy foods and eggs.
Sub-agency Animal Product Procurement

Understanding which sub-agencies within each executive agency are purchasing animal products is important to understanding who is responsible for the spending. Within USDA and DoD, the AMS (in USDA), the Defense Commissary Agency (in DoD), and the Defense Logistics Agency (in DoD) are the sub-agencies that do the majority of animal product purchasing.

Agriculture Marketing Service

The USDA purchases food through the AMS Commodity Procurement Division. The AMS purchases products for the following programs within the USDA:
- Commodity Supplemental Food Program
- Food Distribution Program on Indian Reservations
- The Emergency Food Assistance Program
- USDA Foods in Schools Program
  - Includes: National School Lunch Program, the Child and Adult Care Food Program, and the Summer Food Service Program.
- Nutrition Services Incentives Program (NSIP)

Defense Logistics Agency

The Defense Logistics Agency (DLA) has been designated as the sub-agency responsible for food procurement for DoD. The DLA Troop Support manages food, clothing and textiles, medical supplies, construction equipment and material, and support for humanitarian and disaster relief efforts at home or abroad. DLA Subsistence also supports other non-DoD activities, such as the Federal Emergency Management Agency, the State Department, and Veterans’ Homes.

Defense Commissary Agency (DeCA)

The Defense Commissary Agency (DeCA) is an agency of the Department of Defense that operates nearly 240 commissaries worldwide. American military commissaries sell groceries and household goods to active-duty, Guard, Reserve, and retired members of all seven uniformed services of the United States and eligible members of their families at cost plus surcharge, saving authorized patrons thousands of dollars compared to what they would pay to civilian supermarkets. DeCA decides what products to sell based on consumer demand. 14

Sub-agency Spending Profile: Meat, Poultry, and Fish

Figure 13: Meat Poultry and Fish Sub-agency Spending Profile

14 This information was obtained through interviews with a Navy veteran who actively works to create healthier options at DeCA.
### Sub-agency Name

<table>
<thead>
<tr>
<th>Sub-agency Name</th>
<th>Total Dollars Spent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture Marketing Service (AMS)</td>
<td>$ 8,068,400,373</td>
</tr>
<tr>
<td>Defense Commissary Agency (DeCA)</td>
<td>$ 4,806,085,399</td>
</tr>
<tr>
<td>Defense Logistics Agency (DLA)</td>
<td>$ 377,690,948</td>
</tr>
<tr>
<td>Federal Prison System</td>
<td>$ 268,387,780</td>
</tr>
<tr>
<td>Department of the Army</td>
<td>$ 46,826,766</td>
</tr>
<tr>
<td>Federal Prison System/Bureau of Prisons</td>
<td>$ 41,942,550</td>
</tr>
<tr>
<td>Department of Veterans Affairs</td>
<td>$ 13,128,571</td>
</tr>
<tr>
<td>Forest Service</td>
<td>$ 4,846,763</td>
</tr>
<tr>
<td>Department of the Navy</td>
<td>$ 4,755,240</td>
</tr>
<tr>
<td>Farm Service Agency&lt;sup&gt;15&lt;/sup&gt;</td>
<td>$ 4,088,786</td>
</tr>
<tr>
<td>Bureau of Indian Affairs</td>
<td>$ 3,658,408</td>
</tr>
<tr>
<td>Federal Emergency Management Agency</td>
<td>$ 2,759,983</td>
</tr>
<tr>
<td>Bureau of Indian Affairs and Bureau of Indian Edu.</td>
<td>$ 2,176,330</td>
</tr>
<tr>
<td>Department of the Air Force</td>
<td>$ 328,826</td>
</tr>
<tr>
<td>National Oceanic and Atmospheric Administration</td>
<td>$ 292,888</td>
</tr>
<tr>
<td>Agricultural Research Service</td>
<td>$ 217,583</td>
</tr>
<tr>
<td>Indian Health Service</td>
<td>$ 145,157</td>
</tr>
<tr>
<td>National Park Service</td>
<td>$ 131,966</td>
</tr>
<tr>
<td>U.S. Immigration and Customs Enforcement</td>
<td>$ 115,031</td>
</tr>
<tr>
<td>Smithsonian Institution</td>
<td>$ 54,561</td>
</tr>
<tr>
<td>Animal and Plant Health Inspection Service</td>
<td>$ 42,177</td>
</tr>
<tr>
<td>U.S. Coast Guard</td>
<td>$ 36,187</td>
</tr>
<tr>
<td>U.S. Customs and Border Protection</td>
<td>$ 21,427</td>
</tr>
<tr>
<td>Department of State</td>
<td>$ 20,991</td>
</tr>
<tr>
<td>U.S. Fish and Wildlife Service</td>
<td>$ 18,069</td>
</tr>
<tr>
<td>National Institute of Standards and Technology</td>
<td>$ 9,472</td>
</tr>
<tr>
<td>Geological Survey</td>
<td>$ 9,052</td>
</tr>
<tr>
<td>National Aeronautics and Space Administration</td>
<td>$ 6,180</td>
</tr>
<tr>
<td>Bureau of Land Management</td>
<td>$ 5,520</td>
</tr>
<tr>
<td>Social Security Administration</td>
<td>$ 4,292</td>
</tr>
<tr>
<td>Federal Bureau of Investigation</td>
<td>$ 3,494</td>
</tr>
<tr>
<td>U.S. Marshals Service</td>
<td>$ 405</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>$ 13,646,211,175</strong></td>
</tr>
</tbody>
</table>

Key findings from data shown in Figure 13:

- The USDA (AMS + FSA) represents 59% of spending.
- The Defense Commissary Agency represents 35% of spending.
- The Defense Logistics Agency represents 3% of spending.

**Sub-agency Spending Profile: Dairy Foods and Eggs**

**Figure 14: Dairy Foods and Eggs Sub-agency Spending Profile**

<sup>15</sup>The Farm Service Agency (FSA) no longer purchases commodities. When FSA makes food purchases, it does so through the Agriculture Marketing Service (AMS). USDA spending can be represented by adding FSA + AMS, which is $8,072,489,159 for FY 2007–FY 2017.
<table>
<thead>
<tr>
<th>Sub-agency Name</th>
<th>Total Dollars Spent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farm Service Agency (FSA)(^\text{16})</td>
<td>$ 2,746,771,176</td>
</tr>
<tr>
<td>Defense Logistics Agency (DLA)</td>
<td>$ 2,021,670,262</td>
</tr>
<tr>
<td>Defense Commissary Agency (DeCA)</td>
<td>$ 1,964,975,784</td>
</tr>
<tr>
<td>Agriculture Marketing Service (AMS)</td>
<td>$ 584,785,914</td>
</tr>
<tr>
<td>Federal Prison System</td>
<td>$ 133,159,252</td>
</tr>
<tr>
<td>Department of Veterans Affairs</td>
<td>$ 44,938,883</td>
</tr>
<tr>
<td>Federal Prison System</td>
<td>$ 24,216,829</td>
</tr>
<tr>
<td>Department of the Navy</td>
<td>$ 10,415,186</td>
</tr>
<tr>
<td>Department of the Army</td>
<td>$ 8,511,403</td>
</tr>
<tr>
<td>Bureau of Indian Affairs</td>
<td>$ 5,831,665</td>
</tr>
<tr>
<td>Agency for International Development</td>
<td>$ 3,302,200</td>
</tr>
<tr>
<td>Animal and Plant Health Inspection Services</td>
<td>$ 2,289,897</td>
</tr>
<tr>
<td>Centers for Disease Control and Preventions</td>
<td>$ 1,762,326</td>
</tr>
<tr>
<td>Bureau of Indian Affairs and Bureau of Indian Education</td>
<td>$ 1,327,241</td>
</tr>
<tr>
<td>Forest Service</td>
<td>$ 1,124,603</td>
</tr>
<tr>
<td>Department of State</td>
<td>$ 318,782</td>
</tr>
<tr>
<td>Geological Survey</td>
<td>$ 318,281</td>
</tr>
<tr>
<td>Indian Health Service</td>
<td>$ 186,217</td>
</tr>
<tr>
<td>Department of the Airforce</td>
<td>$ 58,041</td>
</tr>
<tr>
<td>U.S. Immigration and Customs Enforcement</td>
<td>$ 25,000</td>
</tr>
<tr>
<td>U.S. Fish and Wildlife Service</td>
<td>$ 7,964</td>
</tr>
<tr>
<td>U.S. Coast Guard</td>
<td>$ 7,072</td>
</tr>
<tr>
<td>National Oceanic and Atmospheric Administration</td>
<td>$ 5,539</td>
</tr>
<tr>
<td>Missile Defense Agency</td>
<td>$ 4,000</td>
</tr>
<tr>
<td>Bureau of Land Management</td>
<td>$1,194</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>$ 7,556,014,711</strong></td>
</tr>
</tbody>
</table>

**Key findings from data shown in Figure 14:**

- The USDA (FSA +AMS) represents 44% of spending.
- Defense Logistics Agency represents 27% of spending.
- Defense Commissary Agency represents 26% of spending.

\(^{16}\) The Farm Service Agency (FSA) no longer purchases commodities. When FSA makes food purchases, it does so through the Agriculture Marketing Service (AMS). USDA spending can be represented by adding FSA + AMS, which is $3,331,557,090 for FY 2007–FY 2017.
Government Contracts: How the Process Works

Contracting with the federal government is significantly different from contracting with the private sector. First, because government contracts use taxpayer dollars, government contracts are subject to myriad regulations and policies. Second, government contracts contain clauses which give the government special contractual rights, including the right to unilaterally change contract terms and conditions or terminate the contract. Third, due to the government’s special status as a sovereign entity, disputes and litigation follow unique procedures (Staff, 2007).

Regulations and Policies That Govern Federal Contracts

The following acts govern and regulate the way government contracts are handled:

- Federal Acquisition Regulation
- Administrative Procedure Act
- Competition in Contracting Act
- Federal Acquisition Streamlining Act
- Contract Disputes Act
- Prompt Payment Act

The Federal Acquisition Regulation is a principal set of rules regarding government procurement that all federal contracts must follow. Notably, executive branch agencies, such as the USDA and DoD, may issue their own regulatory supplements to the Federal Acquisition Regulation.

What does full and open competition mean?

Full and open competition can be obtained through the use of sealed bids, competitive proposals, or other procurements defined as competitive under CICA. Full and open competition under CICA also encompasses “full and open competition after exclusion of sources,” such as when agencies engage in dual sourcing or set aside acquisitions for small businesses (Manuel, 2011).

The Competition in Contracting Act (CICA) is legislation that generally governs competition in federal procurement contracting. The Act requires that parties enter into contracts after “full and open competition through the use of competitive procedures” unless certain circumstances exist that would permit agencies to use noncompetitive procedures. The USDA, but not the DoD, has to follow CICA (Manuel, 2011). 17

The Federal Acquisition Streamlining Act is legislation that aims to lower procurement barriers. This Act enables Simplified Acquisition Procedures 18 where procurement is limited, facilitates reliance on commercial off-the-shelf technology, and promotes the use of fixed-price performance-based contracting 19.

---

17 It is unclear if DoD Subsistence, the department that purchases food, has to go through CICA.
18 Simplified Acquisition Procedures are streamlined techniques and guiding principles designed to reduce the administrative burden of awarding the lower dollar value procurements. They allow informal quoting and competition procedures, encourage accepting oral quotes vice written quotations, prefer comparing quoted prices
Once in a contract, if a vendor and the agency have a dispute about the contract they are in, the Contract Disputes Act requires the contracting officer to settle the dispute. If the vendor disagrees with the contacting officer’s final decision, the decision can be appealed.\textsuperscript{20} This is important to note, as this law can help protect smaller vendors from being taken advantage of by large government agencies (Staff, 2007).\textsuperscript{21}

Finally, the Prompt Payment Act makes sure that valid and proper invoices submitted by vendors are paid on time by federal agencies.

\textsuperscript{19} Performance-based contracting emphasizes objective, measurable performance requirements and quality standards in developing statements of work, selecting contractors, determining contract type and incentives, and performing contract administration (Office of Management and Budget, 1998).

\textsuperscript{20} After the contracting officer’s final decision, the claim may be appealed to either the United States Court of Federal Claims or to one of the Boards of Contract Appeals.

\textsuperscript{21} If a vendor thinks the way an executive agency has set up a contract is unfair, the General Accountability Office has the authority to hear challenges to an award, proposed award, or terms of a solicitation of a federal contract (Staff 2007).
Animal Product Procurement Standards

All federal agencies that purchase animal products have the authority to write their own procurement standards. However, federal agencies tend to follow procurement standards written by the USDA. USDA does not need to give permission regarding how other federal agencies procure animal products, but USDA’s procurement standards act as an unofficial “gatekeeper.” Procurement staff at USDA conjecture that the other agencies’ use of their standards might be for two reasons. First, USDA is the primary federal agency responsible for developing and executing federal laws related to farming and food, and therefore USDA is able to dedicate more necessary staff and resources regarding food procurement rules and oversight than other agencies could. Second, USDA makes all of its documents public on its website, making information on procurement easily accessible to anyone. Other federal agencies, such as DoD, do not publish procurement contracts, procurement contract requirements, or procurement compliance records on their websites.

General Contract Requirements

There are several general contract requirements that a company must follow if a vendor wishes to sell animal products to a federal agency. As noted above, these requirements have been created by USDA but are also followed by DoD.

A prospective company that wishes to obtain a government contract must:

1. Register in the primary supplier database called the System for Award Management. This database is used by all federal agencies for all federal contracts
2. Register its facility with the Food and Drug Administration
3. Maintain a Food Defense/Product Protection Plan and a Pest Management Program in accordance with government standards
4. Produce and process products in a Food Safety and Inspection Service (FSIS) federally inspected establishment, be accurately marked and/or labeled, and meet all FSIS regulatory requirements, including all microbiological testing requirements
5. Provide a written capabilities statement that includes:
   a. A description of the company’s historical business experiences
   b. A written capabilities statement that verifies the company’s qualification to apply for the award
   c. Three letters of references from customers that demonstrate the company is responsible
6. Demonstrate that the company has adequate financial resources to perform the contract, or the ability to obtain them
How the Process of Selling Food to the USDA Works: Competitive Contracts

1. **The Purchase Program Announcement:** The procurement process begins when AMS publicly announces plans to buy a particular food. It posts a purchase announcement on the Federal Business Opportunities website if the contract is worth $25,000 or more. The AMS Commodity Procurement Staff’s email distribution service also disseminates contract opportunity announcements.

2. **Solicitation:** A solicitation follows the purchase program announcement. Each solicitation describes the USDA’s needs in terms of the product, volume, delivery destination, and delivery window and invites approved vendors to submit offers to fill the demand.

3. **Responses to Solicitation:** Only approved USDA vendors may respond to a solicitation. At a minimum, the response indicates the price and maximum volume limit/constraint a company has for a product or delivery window on the solicitation.

4. **Audits and Inspections:** AMS agents perform audits and inspections for contract compliance at the expense of the contractor.

5. **Invoice and Payment:** Once the contractor has successfully delivered the product, the contractor submits an invoice and USDA make a payment in accordance with the Prompt Payment Act.

How the Process of Selling Food to the Department of Defense Works

The DLA can purchase animal products in two ways. One-way DLA can purchase animal products is through the same competitive contract process USDA uses, outlined in the section above, with two differences. First, in addition to the listing contract opportunities on the Federal Business Opportunities website, DLA announces contract opportunities though the DLA Internet Bid Board System. The DLA Internet Bid Board System is a web-based portal that allows vendors to search for, view, and submit secure quotes. Second, it is unclear if food purchased for the DLA is inspected by an AMS agent.22

The other way the DLA can purchase animal products is through the prime vendor process, which incorporates the following steps:

1. A single vendor provides products to all DoD departments in an assigned region.
2. A single vendor buys items from a variety of manufacturers, and the inventory is stored in commercial warehouses that are owned by the single vendor and not DLA.

---

22 Procurement staff at USDA and DoD did not respond to queries about whether an AMS agent had to inspect animal products sold to the DoD.
3. Any department within DoD can purchase items from the single vendor in the assigned region.

4. The Defense Supply Center of Philadelphia must first approve the order placed by a DoD department; then the single vendor fills, ships, and tracks the order through final acceptance.

5. The single vendor then submits an invoice to Defense Supply Center of Philadelphia, which authorizes payment to the single vendor and bills the DoD department that placed the order.

DLA relies on the prime vendor process to help with the acquisition, management, and distribution of commodities. According to DLA, the benefits of prime vendor contracts include improved access to a wide range of high-quality products, rapid and predictable delivery, and reduced overhead charges. Other benefits of prime vendor arrangement include significant reductions in the manpower needed to manage and warehouse these items at DLA and reduced transportation costs (GAO-07-396R Defense Management).

**Food Programs Federal Agencies Support: Ability One and the Federal Prison Industries**

There are two programs, Ability One and the Federal Prison Industries, that federal agencies can use when they purchase food.

**Ability One**

The Ability One Program is the largest source of employment for people who are blind or have significant disabilities in the United States. More than 550 nonprofit organizations employ these individuals and provide products and services to the federal government. The only animal product the Ability One program packages, supplies, and distributes is nonfat dry milk (Ability One, n.d.).

**Federal Prison Industries**

The Federal Prison Industries program operates under the trade name UNICOR. The mission of Federal Prison Industries (FPI) is to protect society and reduce crime by preparing inmates for successful reentry through job training. UNICOR offers a wide and diverse range of products for use in federal kitchens, mess halls, snack bars, dining halls, and break rooms (UNICOR, n.d.).

**Additional Domestic Sourcing Restrictions – The Berry Amendment and the Buy American Act**

There are two pieces of legislation that mandate that some agencies make domestic purchases. First, the Berry Amendment restricts DoD from procuring food that is not grown, reprocessed, or produced in the United States. Second, the Buy American Act applies to all federal agencies and restricts the purchase of supplies that are not domestic end products. There are many exceptions to these acts, but none of them apply to domestic food purchases (Manuel, 2016).
Small Business Set-Asides

The federal government is required to support various categories of small businesses. The current government-wide procurement goal states that at least 23% of all federal government contracting dollars should be awarded to small businesses. These goals are important because federal agencies have an obligation to reach out and consider different types of small businesses for procurement opportunities. The USDA defines a small processor as a company that has fewer than 500 employees. It defines a small farm as a farm that makes less than $750,000 in annual revenue.

The USDA defines a small processor as a company that has fewer than 500 employees. It defines a small farm as a farm that makes less than $750,000 in annual revenue.
Federal Purchasing and Animal Welfare

“The humane treatment of animals is not only the right thing to do, it’s our responsibility” --Tom Hayes, Chief Executive Officer, Tyson Foods

“We have a responsibility to be a leader in animal care” --Smithfield Foods website

Many of the companies that win awards, especially the large-dollar-value contracts, claim to highly value animal welfare practices. However, no company on the USDA-qualified bidder list has uniformly high animal welfare standards. Current data appear to show that the federal government currently purchases few to no animal products that are sourced from a third-party-certified high animal welfare operation.

As illustrated in Figure 15 below, the federal government sustains low animal welfare practices through its purchasing standards. As the government sets weak animal welfare standards in government contracts, farmers and/or companies with uniformly humane animal welfare standards are unable to get on the qualified bidder list and therefore unable to receive government contracts. Government contracts then go to factory farmers who mass-produce animal products with few animal welfare standards and continue to treat animals inhumanely, with the farmer receiving no incentive to change practices. An intervention to break the cycle and incentivize new opportunities for animal product production could be found in animal welfare standards that are set in government contracts.

Figure 15: Problem Cycle: Lack of Incentives for Humane Treatment of Animals in Federal Procurement

Animals are treated inhumanely, with the farmer receiving no incentive to change practices.

Government contracts incorporate weak animal welfare standards.

Government contracts go to factory farmers who mass-produce animal products with few animal welfare standards.

Farmers with uniformly humane animal welfare standards are unable to get on the qualified bidder list and/or receive government contracts.
Creation of Market Opportunities

With a $2.1 billion average yearly spending on animal products, the federal government is a large economic actor that could use its purchasing power to exert influence on how farms that produce animal products treat their animals. There are myriad reasons why the government should care about supporting farmers that implement high animal welfare practices. First, data shows that American citizens care about how farm animals are raised and treated. In a survey conducted for the American Society for the Prevention of Cruelty to Animals, 77% of consumers said they are concerned about the welfare of animals raised for food (AWI, 2018). In another survey conducted by Oklahoma State University, 95% of respondents agreed with the statement, “It is important to me that animals on farms are well cared for” (AWI, 2018). In a survey conducted by the University of Nebraska, 70% of rural Nebraskans agreed or strongly agreed with the statement, “Animal welfare means more than providing adequate food, water and shelter; it also includes adequate exercise, space, and social activities for the animals” (AWI, 2018).

Beyond addressing American citizens’ concerns about farm animal welfare, raising animals in a humane way has several other benefits, including positive impacts on the environment. Livestock production contributes to about 14.5% of global greenhouse gas emissions, with beef constituting 41% of that figure (Brown, 2018). A study conducted by a team of researchers from Michigan State University and the Union of Concerned Scientists suggests that if cattle are managed responsibly on pasture during the finishing phase, grass-fed beef production can be carbon-negative in the short term and carbon-neutral in the long term (Stanley et al., 2018). Currently only 3% of cattle continue to graze during the finishing phase. However, retail sales of organic grass-fed beef grew from $6 million in 2012 to $89 million in 2016, driven by consumers concerned about sustainability, health, and animal welfare (Brown, 2018).

Beyond the greenhouse gas emissions, the production of beef, chicken, and other meats contributes to a marine ecological disaster referred to as the “dead zone” in the Gulf of Mexico. A dead zone occurs due to a process called eutrophication, caused when agricultural runoff, including fertilizer and animal waste, gets dumped into rivers and ends up the ocean. The runoff contains nutrients like phosphorus and nitrogen that are the essential building blocks of life. While ecosystems need a steady supply of these nutrients, too many can actually suffocate life by drastically lowering the amount of oxygen available, killing native species and making the entire area uninhabitable (Roberts, 2017).

The runoff causing the dead zone in the Gulf of Mexico comes from farms that have low animal welfare practices, as the Mississippi River collects these nutrients in high quantities from Midwestern slaughterhouses and confined animal feeding operations. However, the main cause of the nutrient pollution is not the meat itself, but the huge quantity of fertilizer used to grow

Why is feeding cows grass an issue of animal welfare?

Beef cattle’s lives are divided into three phases: the cow-calf phase from birth to weaning, which the animals generally spend in pastures, paddocks, or rangeland; the growth phase, which they often pass in open grazing areas; and the “finishing” phase in the three months prior to slaughter, during which 97% are fattened with grain in feedlots of confined animal feeding operations. Thus, allowing an animal to graze in this last phase instead of being placed in a confined animal feeding operation is considered an issue of animal welfare.
corn and soy to feed the animals on factory farms. Thirty-six percent (36%) of corn raised in the United States goes to feed chickens and cows used for meat (Berke, 2018). 23

Additionally, according to the Centers for Disease Control and Prevention (CDC), manure produced from confined animal feed operations poses a major public health concern. The CDC estimates that livestock animals in the U.S. annually produce up to 20 times as much manure as people in the U.S. produce, or as much as 1.2–1.37 billion tons of waste. While manure is valuable to the farming industry, in quantities this large it becomes problematic. Animal waste from a confined animal feeding operation is often stored untreated in gigantic anaerobic waste storage structures or pits for up to 6 months. After storage, it is spread on farm fields for disposal, where it often enters surface water and ground water. This is a health concern as pathogens such as Escherichia coli (E.coli) bacteria, cryptosporidium, and salmonella are present, all of which can cause sickness or death in humans and animals (Hribar, 2010).

Furthermore, confined animal feeding operations also increase the prevalence of antibiotic-resistant diseases, due to the antibiotics regularly given to the animals in these operations. In addition, confined animal feeding operations are a known source of significant air pollution (Hribar, 2010).

As American citizens are concerned about the welfare of farm animals, and farms that have poor animal welfare quality raise pressing environmental and public health concerns, the federal government, with its $2.1 billion average yearly spending, should help shape industry standards by supporting farms that have high animal welfare practices though federal purchases.

---

23On high animal welfare farms, cows do not need to be fed corn and or soy as they can be grass fed. Pigs and poultry do need to be fed grain, however, even in high welfare operations.
Animal Welfare Standards in Federal Procurement

As mentioned earlier, federal agencies that purchase animal products have the authority to write their own procurement standards. However, federal agencies tend to follow procurement standards written by USDA. USDA does not need to give permission before other federal agencies procure animal products, but USDA’s procurement standards act as an unofficial “gatekeeper.”

Who Sets the Rules for Animal Products in Procurement?

Within USDA, AMS acts as the purchasing arm, and FSIS acts as the regulatory and inspection arm for most animal product production. FSIS is the public health agency within the USDA responsible for ensuring that meat, poultry, and processed egg products are safe, wholesome, and accurately labeled. FSIS enforces the Federal Meat Inspection Act (FMIA), the Poultry Products Inspection Act (PPIA), and the Egg Products Inspection Act, which require federal inspection and regulation of meat, poultry, and processed egg products prepared for distribution in interstate commerce for use as human food. Through the 2008 and 2014 Farm Bills, FSIS now also inspects catfish under the Federal Meat Inspection Act. Additionally, FSIS enforces the Humane Methods of Slaughter Act, which requires that livestock be handled and slaughtered humanely. A company interested in selling meat, poultry, fish, or processed eggs to any federal agency must pass FSIS inspection (FSIS, 2018).

Animal Welfare and Procurement Standards

Regarding farm animal welfare, there are 3 types of federal legislation that give USDA authority to incorporate animal welfare standards into procurement.

1. National Organics Act: USDA can write animal welfare requirements regarding on farm practices through the National Organics Act. This Act applies only to certified organic operations.
2. 28-Hour Law: USDA can regulate humane transportation via the standards in the 28-Hour Law.
3. HMSA, FMIA and PPIA: USDA can regulate slaughter standards through the HMSA, FMIA and PPIA. Although in general, USDA has only interpreted the HMSA to provide humane standards for slaughter.

While there are five pieces of federal legislation that exist to give USDA authority to regulate animal welfare, the Humane Methods of Slaughter Act (HMSA) is the only farm animal welfare legislation that the USDA chooses to use as the basis for its procurement standards.
“The Agricultural Marketing Service cannot arbitrarily or capriciously introduce requirements that have no founding in the law because we could be restricting competition.” --Carl Schroder, Agricultural Marketing Service

In the HMSA, Congress declared that humane handling and slaughter of livestock was public policy. The law states that “the use of humane methods in the slaughter of livestock prevents needless suffering; results in safer and better working conditions for persons engaged in the slaughtering industry; brings about improvement of products and economies in slaughtering operations; and produces other benefits for producers, processors, and consumers which tend to expedite an orderly flow of livestock and livestock products in interstate and foreign commerce.” (7 U.S. Code §1901).

Congress amended the HMSA in 1978 to provide the USDA the authority to inspect slaughterhouses for compliance with the HMSA and to penalize violators. The HMSA is referenced in the Federal Meat Inspection Act and is enforced via FSIS humane handling and slaughter regulations.

The Federal Meat Inspection Act provides that, for the purposes of preventing inhumane slaughter of livestock, the Secretary of Agriculture will assign inspectors to examine and inspect the methods by which livestock are handled and slaughtered in official establishments. These establishments must meet the humane handling and slaughter requirements in the regulations the entire time they hold livestock in connection with slaughter.

Because of the passing of the HMSA, USDA is required to regulate most establishments the entire time they hold livestock in connection with slaughter.

Prior to the animals’ arrival at slaughterhouses, USDA has federal legislative authority to regulate handling of animal transport under the 28-Hour Law. The 28-Hour Law provides that animals cannot be transported by “rail carrier, express carrier or common carrier” (except by air or water) for more than 28 consecutive hours without being unloaded for 5 hours for rest, water, and food. USDA has issued regulations regarding compliance with the 28-Hour Law, showing that the USDA has regulatory authority under this law. However, the USDA has interpreted the law to suggest the agency cannot enforce it.24

Poultry and the HMSA

The USDA has historically chosen to interpret the HMSA to not include any poultry species. The USDA could regulate the humaneness of poultry slaughter if it chose to interpret the word “livestock” in the Act to include poultry. Outside of the HMSA, the Poultry Products Inspection

24 The Animal Plant Health Inspection Service, another USDA agency, regulates all the animal disease and health aspects of animal transport. This is additional evidence, along with the 28-Hour Law rules, that the USDA has jurisdiction over animal transportation.
Act and related USDA regulations require that live poultry be handled in a manner that is consistent with “good commercial practices,” and that slaughter establishments ensure that poultry not die from causes other than slaughter (for example, drowning or suffocating to death). Notably, the good commercial practices themselves do not incorporate any specific animal welfare standards such as careful handling or painless death. USDA has chosen not to incorporate any of the good commercial practices requirements into their procurement standards for poultry.

**HMSA and Procurement**

Because of the Humane Methods of Slaughter Act and the Federal Meat Inspection Act, USDA can regulate, audit, and enforce the practices of many slaughterhouses. Thus, AMS has the ability to write animal welfare standards during the time slaughterhouses hold livestock in connection with slaughter and the slaughter itself.

However, the Agriculture Marketing Service procurement standards currently go above and beyond the Humane Methods of Slaughter Act in several ways:

1. **Steering Committee:** AMS procurement standards require that an establishment selling an animal product regulated under HMSA have a steering committee that is ultimately accountable for animal handling and welfare initiatives within the organization.

2. **Mission Statement:** AMS requires that a company have a mission statement on animal handling and welfare and that the mission statement be distributed to all employees and conspicuously displayed on the premises.

3. **Animal Handling and Welfare Program:** AMS requires that a training program on animal handling and welfare be provided to all employees interacting with animals.
   b. The program must be facilitated by an employee who has earned and maintained a certification of animal handling and welfare training offered through the Professional Animal Auditor Certification Organization (PAACO) or an equivalent organization.  
   c. AMS requires signed documentation from each employee and confirmation by signature of the designated certified trainer upon successful completion of training.

4. **Management Plan:** AMS requires that the company wishing to sell meat products have a written quality management plan that is internal which addresses all provisions of Chapter 3: Transportation Audit Guidelines, 7 Core Criteria, of the *NAMI Recommended Animal Handling Guidelines & Audit Guide: A Systematic Approach to Animal Welfare*.

5. **Routine Assessment and Monitoring:** The establishment’s internal quality management plan must also provide for routine assessment and monitoring of humane handling through the use of a numerical scoring system conducted by a trained employee.

25 See more on PAACO below.
6. **Back-up Stunning Device:** All animal harvest facilities that supply raw materials from bovine, porcine, and ovine species must have a fully functioning back-up stunning device on site wherever animal stunning is performed.

7. **Audits:** The animal handling and welfare program will be audited by AMS or a firm accredited by AMS.

8. **Transportation:** AMS requires a company that wishes to sell meat to follow the *NAMI Recommended Animal Handling Guidelines & Audit Guide: A Systematic Approach to Animal Welfare*, (dated June 2017).

AMS officials have noted that they suspect the only reason they are able to go “above and beyond” the HMSA is that these requirements are not too difficult for companies to meet. Additionally, at any time, if a company wishes to sell an animal product to the USDA but does not want to comply with the animal welfare standards, the company could potentially sue the USDA because AMS is making requirements stronger than the federal law requires. However, this reasoning is belied by consistent case law holding that agencies have broad discretion to determine standards for procurement according to their needs and policy priorities.

**Professional Animal Auditor Certification Organization (PAACO) and the North American Meat Institute (NAMI)**

One way the AMS goes above the HMSA is by requiring a training program on animal handling and welfare that is provided to all employees interacting with animals. Furthermore, AMS requires that the training be facilitated by an employee who has earned and maintained a certification of animal handling and welfare training. Since the USDA has to know that the person leading the training has been trained by a legitimate company, AMS requires that the facilitator of the animal handling and welfare training program be certified by PAACO or an equivalent. The mission of PAACO is to promote animal welfare through auditor training and audit certification (PAACO). Interviewed procurement staff at the USDA have said that the USDA chose to use PAACO because, to the USDA’s knowledge, PAACO is one of the few unaffiliated auditor certification groups that trains and certifies individuals in animal handling and welfare training, if not the only such group.

The AMS also makes several requirements that include the *NAMI Recommended Animal Handling Guidelines & Audit Guide*. Interviewed procurement staff at the USDA observed that the USDA chose to use guidelines by NAMI because these guidelines were developed by Temple Grandin, an unaffiliated academic; additionally, there has been no pressure by advocates, the public, or industry for AMS to use different guidelines. Temple Grandin is a professor of animal science at Colorado State University and a consultant to the livestock industry on animal behavior. USDA considers her to be an authority on humane treatment of farm animals and considers NAMI to be a highly respectable organization. Notably, critics contend that animal welfare standards under NAMI fall short.

**Department of Defense Procurement Standards**

It is unclear whether DoD has the same requirements as AMS that go above and beyond the HMSA.
Pathways to create stronger animal welfare procurement requirements for animal products

With a tremendous purchasing power of $2.1 billion a year the federal government ought to take steps to enhance farm animal welfare practices. Currently, government contracts go to factory farmers who mass-produce animal products with few animal welfare standards and continue to treat animals inhumanely, with the farmer receiving no incentive to change practices. An intervention to break the cycle and incentivize new opportunities for animal product production could be found in animal welfare standards that are set in government contracts. Since federal agencies tend to follow procurement standards written by USDA, and USDA is one of the largest purchaser of animal products, the USDA should take the lead and have stronger animal welfare standards in procurement requirements. Current federal procurement standards are insufficient in regard to animal welfare.

As American citizens care about farm animal welfare, and industrial animal agriculture raises a multitude of environmental and public health concerns, it is apparent that steps ought to be taken to incorporate stronger animal welfare standards in federal procurement practices. The policy alternatives identified below aim to not only enhance farm animal welfare, but also use the federal governments prodigious purchasing power to shape industry-wide practices. The alternatives are listed in the order they are recommended to be pursued.

Policy Alternatives

1. **Enforce the 28-Hour Law**

   Current procurement regulations do not include requirements regarding compliance with the federal 28-Hour Law. The statute provides that animals cannot be transported by "rail carrier, express carrier or common carrier" (except by air or water) for more than 28 consecutive hours without being unloaded for five hours for rest, water and food. The USDA declined to answer why the 28-Hour Law was not written into procurement standards.

   It is important to understand why the USDA has chosen not to enforce and incorporate the federal law into procurement standards. Gaining this knowledge will not only expose if there is a course of action that can be taken to incorporate the 28-Hour Law into procurement standards, but also help understand the root cause of why that the law was not written into procurement standards; i.e. was it because of lobbying by animal product agribusiness companies, enforcement issues, or for another reason?

   Understanding why the USDA has chosen not to enforce and incorporate the law into standards for procurement is a recommended first step. Gaining this knowledge not only has the ability to
improve animal welfare in the near future, but also ultimately help create stronger farm animal welfare legislation in the long-term.

2. Work with States That Have Animal Welfare Laws

Data presented in this report represents purchases made by the federal government. States such as California and Massachusetts have higher farm animal welfare laws than the federal government. Both states have laws that prohibit the confinement of pregnant sows, veal calves and egg-laying hens in a manner that prevents them from freely turning around, lying down, standing up, and fully extending their limbs (ASPCA, 2018). California is the nation’s most populous state—with a population of 39 million people (PPIC, 2018). If companies that want to sell animal products to either state have to follow the state regulations regarding confinement of farm animals, California and Massachusetts are two states that can use their purchasing powers to shift animal product production in a direction that enhances animal welfare nationwide. Thus, exploring how states with higher animal welfare laws procure food would be a good step and one with the possibility for change.

3. Pass Federal Legislation

Given the lack of farm animal welfare legislation beyond organic farms, transportation, and slaughter, the ideal pathway to incorporate on-farm animal welfare standards through federal government procurement is to pass federal legislation that addresses these issues.

This policy alternative is evaluated as being the most difficult as federal legislation extremely difficult, expensive, and comes with numerous obstacles (legal and political). This alternative should be a long-term objective that farm animal welfare and environmental organizations work towards for lasting and significant change.
Conclusion

With a $2.1 billion average yearly spending on animal products, the federal government is a large economic actor. It could use its prodigious purchasing power to exert influence on how farms that produce animal products treat their animals.

There are myriad reasons why the federal government should care about supporting farmers and companies that implement high animal welfare practices. Data shows that American citizens care about how farm animals are raised and treated. In addition, raising animals in confined operations has several negative effects, including significant contributions to greenhouse gas emissions, marine dead zones, large manure pits that can contaminate surface and ground water, air pollution, and, finally, an increase in the prevalence of antibiotic resistant diseases.

The government purchases of animal products are highly concentrated toward large-dollar-value contracts that account for a majority of contract spending. Six percent (6%) of all meat, poultry, and fish contracts are above $1 million but account for 80% of all dollars spent on all meat, poultry, and fish, and 1% of all dairy foods and eggs contracts are above $1 million but account for 56% of all federal dollars spent on dairy foods and eggs. Unfortunately, the largest companies that win government contracts are generally known to have poor animal welfare standards.

The federal government should use its tremendous purchasing power to exert influence on how farms that produce animal products treat their animals.

The only federal law regarding animal welfare standards that federal agencies have chosen to incorporate in contract specifications is the HMSA. There are several existing animal welfare laws that federal agencies have chosen not to write into procurement standards, including the 28-Hour Law and poultry good commercial practices.

Federal representatives did not respond to queries about why the 28-Hour Law is not written into procurement standards. Thus, a recommend next step is to understand why USDA has chosen not to incorporate that federal law, and others, into purchasing standards when it has the authority to do so.
Works Cited


