



Agricultural Marketing Service

[Document Number AMS-TM-21-0034]

Supply Chains for the Production of Agricultural Commodities and Food Products

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Notice; request for public comments.

SUMMARY: On February 24, 2021, President Biden issued an Executive Order on “America’s Supply Chains,” which directs several Federal agency actions to secure and strengthen America’s supply chains. One of these directions is for the Secretary of Agriculture (the Secretary) to submit, within one year, a report to the President that assesses the supply chains for the production of agricultural commodities and food products. This notice requests comments and information from the public to assist the U.S. Department of Agriculture (USDA) in preparing the report required by the Executive Order. Through this notice, USDA is also requesting public comment to inform our thinking regarding how stimulus relief programs and spending related to food supply chain resilience as authorized by the Consolidated Appropriations Act, 2021 (CAA), and the American Rescue Plan Act of 2021 (ARPA) can help to increase durability and resilience within the U.S. food supply.

DATES: Comments must be received by [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: All written comments in response to this notice should be posted online at www.regulations.gov. Comments received will be posted without change, including any personal information provided. All comments should reference the docket number AMS-TM-21-0034, the date of submission, and the page number of this issue of the **Federal Register**. Comments may also be sent to Dr. Melissa R. Bailey, Agricultural Marketing Service, USDA, Room 2055-S, STOP 0201, 1400 Independence Avenue, SW,

Washington, D.C. 20250-0201. Comments will be made available for public inspection at the above address during regular business hours or via the Internet at www.regulations.gov.

FOR FURTHER INFORMATION CONTACT: Dr. Melissa R. Bailey, Agricultural Marketing Service, at (202) 205-9356; or by email at melissa.bailey@usda.gov.

SUPPLEMENTARY INFORMATION:

I. Background

On February 24, 2021, President Biden issued Executive Order 14017, “America’s Supply Chains” (86 FR 11849) (E.O. 14017). E.O. 14017 focuses on the need for resilient, diverse, and secure supply chains to ensure U.S. economic prosperity and national security. Such supply chains are needed to address conditions that can reduce critical manufacturing capacity and the availability and integrity of critical goods, products, and services. In relevant part, E.O. 14017 directs that, within one year, the Secretary shall submit a report to the President, through the Assistant to the President for National Security Affairs (APNSA) and the Assistant to the President for Economic Policy (APEP), on the supply chains for the production of agricultural commodities and food products. This notice requests comments and information from the public to assist USDA in preparing the report required by E.O. 14017. Further, USDA will use public comments received through this notice to inform our thinking regarding how stimulus relief programs and spending related to food supply chain resilience as authorized by the CAA and the ARPA can help to increase durability and resilience within the U.S. food supply. We are particularly interested in comments addressing local and regional food systems, creating new market opportunities (including for value-added agriculture and value-added products), facilitating fair and competitive markets (including traceability and supply chain transparency), advancing efforts to transform the food system, meeting the needs of the agricultural workforce, supporting and promoting consumers’ nutrition

security, particularly for low-income populations, and supporting the needs of socially disadvantaged and small to mid-sized producers and processors.

In developing this report, the Secretary will consult with the heads of appropriate agencies, and will be advised by all relevant components of USDA, including but not limited to the Office of the Chief Economist, Office of Homeland Security, Agricultural Marketing Service, Animal and Plant Health Inspection Service, Food Safety and Inspection Service, Agricultural Research Service, Economic Research Service, National Institute of Food and Agriculture, Rural Development, Farm Service Agency, Risk Management Agency, Natural Resources Conservation Service, Food and Nutrition Service, and Foreign Agricultural Service.

II. Written Comments

USDA is particularly interested in comments and information directed to the policy objectives listed in E.O. 14017 as they affect agricultural and food products supply chains, including but not limited to the following elements:

(i) the critical goods and materials underlying agricultural and food product supply chains. Under section 6(b) of E.O. 14017, “critical goods and materials” means goods and raw materials currently defined under statute or regulation as “critical” materials, technologies, or infrastructure;

(ii) other essential goods and materials underlying agricultural and food product supply chains, including digital products, and infrastructure. Under section 6(d) of E.O. 14017, “other essential goods and materials” means those that are essential to national and economic security, emergency preparedness, or to advance the policy set forth in section 1 of E.O. 14017, but not included within the definition of “critical goods and materials.” USDA also will consider “other essential goods and materials” relative to nutrition security given its related importance to national and economic security. USDA is particularly interested in comments on the following goods and materials pertaining to

agricultural and food supply chain resilience including, but not limited to: seed, fertilizer, pesticides, livestock/animal health, feed and feed additives, plant health, soil health, water (availability, quality, access, infrastructure), energy (availability, access, infrastructure), viability of pollinators, the agricultural workforce (sufficiency, reliability, documentation, health and well-being), access to capital/financing, access to farm production tools (including for farmers interested in value-added agriculture such as USDA organic certification), access to critical food distribution assets (shipping containers, cold chain equipment, and materials such as packaging) and technology, access to food processing and markets (including traceability and transparency), and access to training, education, and technical assistance;

(iii) the manufacturing or other capabilities necessary to produce the materials identified in subsections (i) and (ii) of this section, including emerging capabilities.

USDA is particularly interested in comments on the processing and distribution, capacity, and access issues associated with food production across all agricultural commodities, the varying scales at which processing is available (including availability for small to mid-size producers), the geographic distribution of such processing (e.g., availability to local and regional producers and food hubs), access to transportation hubs and export facilities, and cold chain infrastructure and capacity, access to packaging (including the availability of sustainable packaging), as well as the ownership and financial viability of such facilities;

(iv) the defense, intelligence, cyber, homeland security, health, climate, environmental, natural, market, economic, geopolitical, human-rights or forced-labor risks or other contingencies that may disrupt, strain, compromise, or eliminate the supply chain—including risks posed by supply chains' reliance on digital products that may be vulnerable to failures or exploitation, and risks resulting from the elimination of, or failure to develop domestically, the capabilities identified in subsection (iii) of this

section—and that are sufficiently likely to arise so as to require reasonable preparation for their occurrence;

(v) the resilience and capacity of American manufacturing supply chains, including food processing (e.g., meat, poultry, and seafood processing) and distribution, and the industrial and agricultural base—whether civilian or defense—of the United States to support national, economic, and nutrition security, emergency preparedness, and the policy identified in section 1 of E.O. 14017, in the event any of the contingencies identified in subsection (iv) of this section occurs, including an assessment of:

(A) the manufacturing or other needed capacities of the United States, including the ability to modernize to meet future needs, including food processing (such as meat, poultry, and seafood processing) and distribution;

(B) gaps in domestic manufacturing capabilities, including nonexistent, extinct, threatened, or single-point-of-failure capabilities;

(C) supply chains with a single point of failure, single or dual suppliers, or limited resilience, especially for subcontractors, as defined by section 44.101 of title 48, Code of Federal Regulations (Federal Acquisition Regulation). USDA is particularly interested in comments related to the role of market concentration and consolidation in agricultural sectors and how it affects food system resilience, including potential system failures in the face of supply chain disruptions;

(D) the location and geographic distribution of key manufacturing and production assets, with any significant risks identified in subsection (iv) of this section posed by the assets' physical location or the distribution of these facilities. USDA is interested in comments on the risks associated with the current geographic distribution and diversification of where U.S. crops and livestock are grown/raised, processed, and marketed;

(E) exclusive or dominant supply of critical goods and materials and other essential goods and materials, as identified in subsections (i) and (ii) of this section, by or through nations that are, or are likely to become, unfriendly or unstable;

(F) the availability of substitutes or alternative sources for critical goods and materials and other essential goods and materials, as identified in subsections (i) and (ii) of this section. For example, USDA encourages commenters to consider agricultural products that could be domestically grown but are not practically available today for various reasons, and to describe whether and how such products (or their alternatives) could be made available through supply chain resilience efforts;

(G) current domestic education and manufacturing workforce skills for the relevant sector and identified gaps, opportunities, and potential best practices in meeting the future workforce needs for the relevant sector;

(H) the need for research and development capacity to sustain leadership in the development of critical goods and materials and other essential goods and materials, as identified in subsections (i) and (ii) of this section. USDA is particularly interested in comments related to education, technical assistance, capacity building, organizational development, and support necessary for success in U.S. agriculture and food production, processing, distribution, and marketing, including how to best target support for socially disadvantaged producers and processors, tribal communities, small businesses, beginning farmers and ranchers, and other key stakeholder groups;

(I) the role of transportation systems in supporting existing supply chains and risks associated with those transportation systems; and

(J) the risks posed by climate change to the availability, production, or transportation of critical goods and materials and other essential goods and materials, as identified in subsections (i) and (ii) of this section. Given the risks posed, USDA is particularly interested in the potential to retool, reengineer, or develop new capacity that would address the risks, improve efficiency, and have a climate benefit due to lower energy use, less food waste, or hasten capture of by-products and co-products (among other benefits).

(vi) allied and partner actions, including whether United States allies and partners have also identified and prioritized the critical goods and materials and other essential goods and materials identified in subsections (i) and (ii) of this section, and possible avenues for international engagement;

(vii) the primary causes of risks for any aspect of the agricultural and food production supply chains assessed as vulnerable pursuant to subsection (v) of this section;

(viii) a prioritization of the critical goods and materials and other essential goods and materials, including digital products, identified in subsections (i) and (ii) of this section for the purpose of identifying options and policy recommendations. The prioritization shall be based on statutory or regulatory requirements; importance to national, economic, and nutrition security, emergency preparedness, and the policy set forth in section 1 of E.O. 14017;

(ix) specific policy recommendations important to transforming the food system and increasing reliance in the supply chain for the sector. Such recommendations may include sustainably reshoring supply chains and developing domestic supplies, cooperating with allies and partners to identify alternative supply chains, building redundancy into domestic supply chains, ensuring and enlarging stockpiles, developing workforce capabilities, enhancing access to financing, expanding research and development to broaden supply chains, addressing risks due to vulnerabilities in digital

products relied on by supply chains, addressing risks posed by climate change, strengthening supply chains' ability to promote nutrition security, and any other recommendations. For example, as a part of this assessment, USDA is interested in recommendations that could improve local and regional food production, processing, packaging, and distribution, particularly for small to mid-sized producers and processors; support national nutrition security and health; address agricultural workforce needs; strengthen market transparency (such as traceability); and address disproportionate impacts on socially disadvantaged communities. As USDA implements stimulus relief programs and spending authorized by the CAA and ARPA, we seek public comments on targeting funds toward food supply chain resiliency. USDA's initial thinking includes, but is not limited to, funding, through a combination of grants or loans, needs such as: supply chain retooling to address multiple needs at once (i.e., achieving both climate benefits and addressing supply gaps or vulnerabilities concurrently), expansion of local and regional food capacity and distribution (e.g., hubs, cooperative development, cold chain improvements, infrastructure), development of local and regional meat and poultry processing and seafood processing and distribution, and food supply chain capacity building for socially disadvantaged communities. USDA notes that we will also consider public comments received during USDA's March 19, 2021, listening session and associated written comments on Coronavirus Response Grants related to CAA funding as part of the information considered for this Executive Order report;

(x) any executive, legislative, regulatory, and policy changes and any other actions to strengthen the capabilities identified in subsection (iii) of this section, and to prevent, avoid, or prepare for any of the contingencies identified in subsection (iv) of this section; and

(xi) proposals for improving the Government-wide effort to strengthen supply chains, including proposals for coordinating actions with ongoing efforts that could be

considered duplicative of the work of E.O. 14017 or with existing Government mechanisms that could be used to implement E.O. 14017 in a more effective manner.

USDA encourages commenters, when addressing the elements above, to structure their comments using the same text as identifiers for the areas of inquiry to which their comments respond. This would assist USDA in more easily reviewing and summarizing the comments received in response to these specific comment areas. For example, a commenter submitting comments responsive to “(i) critical and essential goods and materials underlying agricultural and food product supply chains” would use that same text as a heading in the public comment followed by the commenter’s specific comments in this area.

III. Requirements for Written Comments

The <http://www.regulations.gov> website allows users to provide comments by filling in a “Type Comment” field or by attaching a document using an “Upload File” field. USDA prefers that comments be provided in an attached document. USDA prefers submissions in Microsoft Word (.doc files) or Adobe Acrobat (.pdf files). If the submission is in an application format other than Microsoft Word or Adobe Acrobat, please indicate the name of the application in the “Type Comment” field. Please do not attach separate cover letters to electronic submissions; rather, include any information that might appear in a cover letter within the comments. Similarly, to the extent possible, please include any exhibits, annexes, or other attachments in the same file, so that the submission consists of one file instead of multiple files. Comments (both public comments and non-confidential versions of comments containing business confidential information) will be placed in the docket and open to public inspection. Comments may be viewed on <http://www.regulations.gov> by entering docket number **AMS-TM-21-0034** in the search field on the home page. All filers should name their files using the name of the person or entity submitting the comments. Anonymous comments are also accepted.

Communications from agencies of the United States Government will not be made available for public inspection. Anyone submitting business confidential information should clearly identify the business confidential portion at the time of submission, file a statement justifying nondisclosure and referring to the specific legal authority claimed, and provide a non-confidential version of the submission. The nonconfidential version of the submission will be placed in the public file on <http://www.regulations.gov>. For comments submitted electronically containing business confidential information, the file name of the business confidential version should begin with the characters “BC.” Any page containing business confidential information must be clearly marked “BUSINESS CONFIDENTIAL” on the top of that page. The non-confidential version must be clearly marked “PUBLIC.” The file name of the nonconfidential version should begin with the character “P.” The “BC” and “P” should be followed by the name of the person or entity submitting the comments or rebuttal comments. If a public hearing is held in support of this supply chain assessment, a separate **Federal Register** notice will be published providing the date and information about the hearing.

Bruce Summers,
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Agricultural Marketing Service.
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