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United States Senate

COMMITTEE ON
AGRICULTURE, NUTRITION, AND FORESTRY

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April 17, 2018

The Honorable Steven Mnuchin
Secretary of the Treasury
U.S. Department of the Treasury
1500 Pennsylvania Ave NW
Washington, DC 20220

Dear Secretary Mnuchin:

As members of the Senate Committee on Agriculture, Nutrition, and Forestry, we write to you regarding the proposed purchase of a majority stake in National Beef Packing Co. LLC, a beef processing company based in Kansas City, Missouri and the fourth largest beef processor in the United States, by Marfrig Global Foods SA, a Brazilian meat processing and distribution company.

The security, safety, and resiliency of our food system is integral to the overall security of our nation. In light of recent acquisitions of U.S. food and agriculture companies such as Smithfield by Shuanghui in 2013 and the acquisition of Syngenta by ChemChina in 2016, it has become increasingly clear that growing foreign investment in U.S. agriculture requires a thorough review process to safeguard the American food system.

As such, we respectfully request that the Committee on Foreign Investment in the United States (CFIUS), chaired by the U.S. Department of the Treasury, exercise its authority to review this transaction to assess any potential ramifications the transaction may have on the security and safety of our food supply, and by extension, our nation. Other recent acquisitions of U.S. food and agriculture companies have undergone similar reviews by CFIUS.

While this Committee has not reached any conclusions regarding the proposed purchase of National Beef by Marfrig, any foreign acquisition of an important U.S. agricultural asset should be reviewed closely for potential risks to our food system. For instance, we are concerned that this proposed transaction comes following the 2017 corruption scandal in Brazil's food safety system that revealed unacceptable safety and quality issues with Brazilian beef intended for the American market, including shipments from Marfrig. These issues ultimately resulted in the USDA's Food Safety Inspection Service completely halting imports of fresh beef products from Brazil in June 2017.

Additionally, CFIUS does not formally include the Department of Agriculture (USDA) and Food and Drug Administration (FDA) in its current review process. As USDA and FDA are the primary divisions of the federal government tasked with overseeing our food and agriculture

sectors, we ask that you include representation from these departments in reviewing this foreign investment and any other transactions involving critical U.S. agricultural assets.

The increasing trend of foreign investment in our food system should be met with careful scrutiny from the relevant experts in order to safeguard the security of our nation's food supply.

Thank you for your consideration and your attention to this matter.

Sincerely,



Debbie Stabenow
Ranking Member



Charles E. Grassley
United States Senator



Sherrod Brown
United States Senator



Joni K. Ernst
United States Senator

CC: The Honorable Sonny Perdue, Secretary, U.S. Department of Agriculture

The Honorable Scott Gottlieb, M.D., Commissioner, U.S. Food and Drug Administration