



May 26, 2026

Food Safety and Inspection Service, USDA
1400 Independence Avenue SW
Washington, DC 20250

Submitted via [Regulations.gov](https://www.regulations.gov)

Re: Public Comment on Proposed Revisions to Establishment Size Definitions

Dear Food Safety and Inspection Service,

Farm Action submits this comment in response to the U.S. Department of Agriculture's (USDA) proposed revisions to establishment size definitions used by the Food Safety and Inspection Service (FSIS).

Accurate establishment size definitions are critical to ensuring balanced regulatory treatment, effective food safety oversight, and fair allocation of federal resources across the meat and poultry sector. Current classifications no longer reflect the realities of the modern processing industry, including increasing consolidation, corporate ownership structures, differences in production volume, the impacts of automation and mechanization, and varying compliance capacities among establishments.

Farm Action is a nonpartisan, farmer-led watchdog organization working to hold corporations and government accountable in the food and agriculture system. Founded in 2019 and based in Missouri, Farm Action conducts research, public education, strategic communications, and farmer-informed advocacy to help the public understand how market concentration and corporate influence shape food and agriculture markets.

This comment was developed in consultation with producers and processors in Farm Action's network who operate, rely on, and/or are connected to small processing facilities, and reflects the on-the-ground realities and shortcomings they have identified in establishment size definitions.

The current framework relies heavily on employee counts as a proxy for operational scale. However, employee-based classifications are increasingly disconnected from actual production capacity and market power. In an industry increasingly shaped by technological advancement and automation, facilities with similar employee numbers may process vastly different product volumes.

As a result, employee counts fail to accurately capture the amount of product entering commerce, the potential public health implications of food safety failures, or an establishment's ability to absorb regulatory costs and comply with new requirements.

At the same time, existing definitions fail to adequately account for industry consolidation and corporate ownership structures. Under the current framework, corporate enterprises—subsidiaries of large multinational corporations—may qualify as “small” establishments despite operating with access to substantial parent-company resources, compliance infrastructure, and market power. This undermines the purpose of regulatory distinctions intended to support genuinely small and independent processors.

Accordingly, USDA should revise its establishment size definitions to center production volume and corporate ownership in establishment classifications and should adopt more detailed size categories that create a more accurate classification system and better distinguish truly small independent processors from establishments operating under large multinational corporate control.

I. Employee Counts Are an Inadequate Measure of Establishment Size

Employee counts do not accurately reflect production capacity, market share, or an establishment's economic capacity to comply with regulatory obligations. Two facilities with comparable workforce sizes may process dramatically different product volumes depending on their level of automation, processing technology, and operational structure. In practice, employee-based metrics often obscure rather than clarify the actual scale of operations.

This problem is compounded by industry consolidation. Current definitions may permit subsidiaries of large corporate enterprises to qualify for benefits or exemptions intended for small businesses solely because a particular facility falls below an employee threshold. Yet these establishments continue to benefit from the broader financial resources, legal infrastructure, and compliance capacity of their parent entities.

Existing classifications are also overly broad. The wide size range within each category groups together facilities that operate at vastly different scales, creating classifications that do not accurately reflect operational capacity. As a result, regulatory burdens and benefits are not always aligned with actual operational realities.

II. FSIS Size Definitions Should Incorporate Production Volume and Ownership Structure

Production volume is a more accurate measure of establishment size because it reflects the amount of product entering commerce, the scale of potential food safety exposure, and an establishment's overall economic capacity. Facilities processing substantially larger volumes of meat and poultry products have greater market impact and generally possess greater ability to absorb regulatory costs than genuinely small establishments.

USDA should therefore adopt more detailed, volume-based categories for establishment size classifications. For example, USDA could classify establishments as: Very Small (0–500,000 lbs/year), Small (500,001–1.1 million lbs/year), Medium (<1.1–10 million lbs/year), and Large (more than 10 million lbs/year). Additional categories would create a more proportionate and accurate classification system while improving USDA's ability to tailor oversight and regulatory obligations.

USDA should also evaluate establishment size at the level of the parent enterprise rather than solely at the individual facility level. Subsidiaries of dominant meatpacking companies should not qualify for benefits intended for genuinely small independent processors merely because an individual facility falls below a numerical threshold. Large integrated firms possess materially greater access to capital, staffing, compliance infrastructure, and operational flexibility than independent establishments. Although affiliations with large business entities are considered when determining reduced fee eligibility, parent-entity relationships should be considered in all aspects of compliance and benefits linked to FSIS classifications.

For example, a former ground beef processing plant in Milwaukee, Wisconsin employed 221 people, which would have aligned it with the “small” size category. However, the plant was owned by Cargill, the largest privately held company in the U.S.¹ Classifying this plant as “small” alongside plants that do not have the support and resources of large parent companies falsely equates their burden of regulatory compliance and could misdirect government resources intended for small operations.

In addition to considering large corporate entity ownership in establishment sizes, it may be helpful to consider whether products being processed are sourced from large corporations. Further definitions that consider product sourcing to account for small facilities processing product from large entities would help ensure that federal procurement carveouts are directed toward truly small processors and producers.

¹ Carrico, J. (2026, February 13). Cargill closes Milwaukee ground beef plant. DTN/Progressive Farmer. <https://www.dtnpf.com/agriculture/web/ag/news/business-inputs/article/2026/02/13/cargill-closes-milwaukee-ground-beef>

Aggregating establishments under common corporate ownership would help ensure that small-business grants, procurement carveouts, and regulatory exemptions are directed toward truly small facilities, while better reflecting the actual compliance capacity and market position of large firms.

III. USDA Should Not Rely on SBA Size Definitions

Small Business Administration (SBA) size standards were developed primarily for broad procurement purposes and do not adequately account for the unique characteristics of meat and poultry processing. Food production implicates significant public health, food safety, supply chain, and national food security concerns that require sector-specific classifications tailored to operational scale and market impact.

Unlike many other industries, meat and poultry processing involves substantial federal oversight responsibilities directly tied to public health outcomes. Establishment classifications should therefore reflect throughput volume, market concentration, and operational capacity.

If USDA incorporates SBA standards into its approach, those standards should be modified to include production volume, more granular size categories, and corporate ownership aggregation to ensure that classifications better reflect actual operational realities within the processing sector.

IV. More Accurate Definitions Would Improve Regulatory Fairness and Food Safety Oversight

More accurate establishment size definitions would improve regulatory fairness by allowing USDA to better align compliance obligations with actual operational capacity. Truly small establishments face unique constraints, including higher relative compliance costs, difficulty obtaining inspection coverage, and reduced flexibility during operational disruptions. Current classifications do not adequately distinguish these establishments from larger operations with substantially greater resources.

Improved classifications would also help ensure that inspection and testing obligations are more proportionate to the volume of product entering commerce. Facilities processing significantly larger product volumes may currently face comparatively lower oversight burdens relative to throughput than establishments processing much smaller product volumes. Aligning classifications more closely with production volume would improve the allocation of inspection and testing resources while strengthening public confidence in food safety oversight.

Additionally, more accurate size definitions would allow USDA to better tailor compliance timelines, overtime fee structures, exemptions, and inspection policies to the actual capacities of establishments rather than relying on broad and increasingly outdated employee thresholds.

V. Record Collection and Reporting Requirements

USDA already possesses much of the relevant production and slaughter data necessary to classify establishments and should avoid imposing duplicative self-reporting burdens where existing records are sufficient. Any reporting requirements should be limited, efficient, and proportionate in order to avoid creating unnecessary administrative burdens on processors.

USDA should also ensure that establishments have access to a fair and transparent process for challenging incorrect classifications, particularly where classification decisions may affect eligibility for grants, procurement programs, or regulatory exemptions.

VI. Recommendation

Farm Action urges USDA to revise establishment size definitions to center around production volume, aggregate establishments under common corporate ownership, and adopt more detailed size categories that better reflect operational scale and compliance capacity. Revising the current framework in this manner would improve regulatory fairness, strengthen food safety oversight, and better ensure that federal benefits and exemptions are directed toward genuinely small independent processors.

VII. Conclusion

USDA's current establishment size definitions no longer reflect the structure and operational realities of the modern meat and poultry industry. Employee-based classifications fail to adequately capture production scale, corporate concentration, and relative compliance capacity in an increasingly consolidated and technologically advanced sector.

Revising establishment size definitions to focus on production volume and corporate ownership would create a more accurate and fair regulatory framework while improving food safety oversight and supporting truly small independent processors. Farm Action therefore urges USDA to adopt revised classifications that better align regulatory obligations and federal benefits with actual operational scale and market realities.