

April 29, 2021

The Honorable Seth Meyer
United States Department of Agriculture
Office of the Chief Economist
Room 112-A, Whitten Federal Building (mail stop: 3810)
1400 Independence Ave SW
Washington, DC 20250

RE: Notice of Request for Public Comment on the Executive Order on Tackling the Climate Crisis at Home and Abroad, Docket No. USDA-2021-0003

Dear Chief Economist Meyer:

The Pet Food Institute (PFI) appreciates the opportunity to provide comments regarding the Executive Order on Tackling the Climate Crisis at Home and Abroad, Docket No. USDA-2021-0003.

Established in 1958, PFI is the trade association and the voice of U.S. cat and dog food and treat manufacturers. Our members account for the vast majority of dog and cat food and treats made in the United States, and feed the vast majority of the 180 million pets in U.S. households. Our members operate under regulations issued by the U.S. Food and Drug Administration and enforced by both federal and state officials. This means dog and cat owners throughout the United States and around the world benefit from science-based regulation that provides the safest animal food supply available globally.

While PFI appreciates President Biden's initiative to act on climate change and understands the need to begin to address years of our collective unintended contributions to global warming, we do have serious concerns with mandating the use of food and feedstock as a significant source of renewable fuels and energy.

Pet food makers predominantly rely on U.S. food and agricultural production for human consumption to source many ingredients for cat and dog food. Pet food and treat manufacturers purchase ingredients sometimes referred to as by-products, which consist almost entirely of animal and plant origin ingredients (the pieces, parts, meal or oils) that are not usually preferred or consumed by people in the United States, and otherwise would be wasted. This includes ingredients such as bakery or brewery items, or parts of meat that Americans don't typically prefer.

These ingredients are safe for use in pet food and provide critical nutrition for a complete and balanced recipe. In addition, their utilization makes U.S. food and agriculture more sustainable by reducing food waste and ensuring more of our nation's food and agriculture bounty nourishes people and pets here and abroad. U.S. pet food makers remain committed to continuously working to improve the sustainability of pet food through areas such as ingredients and product packaging, and helping to further reduce agriculture's environmental footprint.

The use of by-products in pet food helps to support all of U.S. agriculture. [A recent report](#) commissioned by the Institute for Feed Education and Research, North American Renderers Association and the PFI found that pet food makers purchase \$6.9 billion in crops, livestock and poultry products grown and raised by U.S. farmers and ranchers. In turn, farmers and ranchers purchase roughly \$5.3 billion in materials and services from farm suppliers, who purchase approximately \$4.1 billion in inputs from other industries.

Overall, pet food manufacturers use roughly 8.65 million tons of animal- and plant-based ingredients. Research also found more than 500 ingredients used in dog and cat food, demonstrating the diversity of options available to shoppers at various price points to fit their budgets.

Unfortunately, renewable fuel mandates and tax credits for ethanol or biodiesel create an unfair government-driven market advantage to the energy sector and a disadvantage to companies purchasing ingredients for pet food. Tax credits that favor fuel production over food production create market distortions. While other industries reap tax credits for their commodity's use in renewable fuel, the feed industry bears the brunt of this disadvantaged domestic supply, facing significant burdens of cost and sourcing for these critical ingredients. Our members have seen notable input price increases we believe are attributable in large part to the competition for grains by both food and fuel producers.

One very real and current example: renewable diesel has spiked the price for animal- and plant-based oils and fats to two times their current market value, thus drastically increasing the cost of critical ingredients that pet food makers source for the nutrition and palatability of cat and dog food. Pet food makers rely on the essential fatty acids, found in oils and fat, to formulate foods that deliver nutrients that perform key functions in dog and cat immune and visual systems, as well as supporting a healthy skin and coat. Our members' commitment to long and healthy lives for pets means that they rely on access to dozens of animal- and plant-based oil and fat ingredients. This access is threatened by increased competition for animal protein by-products, grains and grain by-products as a result of tax incentives and mandates.

Now more than ever, it is important to people in the U.S. and around the world to find comfort and companionship with their pets. The human-animal bond is the documented occurrence of a positive connection established between you and your pet, that benefits both of you. In addition to providing companionship, numerous studies have documented the positive effects of the human-animal bond, which provides profound mental, social and physical health benefits for both owners and their companion animals. For example, studies indicate that sharing your life with a dog or cat can help reduce blood pressure and reduce levels of stress, and data indicate that animals can play a role in managing depression.

COVID-19 devastated the meat animal production and processing industry, distorting supply chains and causing untold economic ruin and heartache for many in the livestock production industry. These unprecedented circumstances also severely impacted pet food makers, making ingredients harder and more expensive to source, and requiring huge expenditures to ensure facility worker safety. Then the unforeseen and historic weather conditions in the South and Midwest in 2020 and early 2021 halted human and animal food manufacturing and distribution for weeks. Pet food makers have also been

impacted by trade developments, transportation issues and access to a stable and reliable workforce. At the same time, demand for pet food and treats has increased due to more Americans working from home and increases in pet ownership. We are fielding calls weekly from retailers, media, and pet owners concerned with shortages of their favorite pet food brands.

2020 was a very difficult year and 2021 continues to present significant sourcing challenges for pet food makers. Now is not the time to mandate domestic supply for the energy sector and disadvantage the feed industry by increasing ingredient costs, risking supply shortages, and adding another layer of stress to pet food makers, pet parents and the pets they love. On behalf of PFI members, whose nearly 25,000 employees in 32 states provide safe food for the 180 million pets across the U.S., we thank you for the opportunity to share our views. I would be happy to discuss this issue in more detail.

Sincerely,



Dana Brooks
Pet Food Institute
President and CEO