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Monfort, Inc.
Beef Division
Greeley Packing Plant
P.O. Box 2600/80632-2600
800 N. 8th Avenue
Greeley, Colorado 80631
(970)351-0800

March 17, 1999

FSIS Docket Clerk
Docket #98-052P
Room 102 - Cotton Annex Building
FSIS, U.S. Department of Agriculture
Washington, DC 20250-3700

98-052P
98-052P-Form Letter
Form Letter Total: 10

Re: Docket No. 98-052P
Fee Increase for Inspection Services

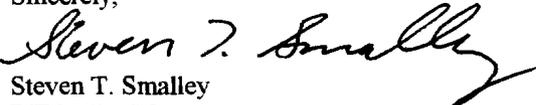
As a major manufacturer of beef and lamb carcasses, primals, and trim, ConAgra works closely at various levels with numerous USDA-FSIS personnel. The ConAgra Beef Division operates five fed cattle plants, three non-fed cattle plants, one lamb plant, and five processing plants. The fed and non-fed cattle plants comprise approximately 18 to 20 % of the total U. S. slaughter.

We are opposed to Docket No. 98-052P's proposed increase for USDA-FSIS employees' salary increase and projected increased travel and overhead costs. Our main objection is with the disparity between the cited pay raise of 3.1 % for inflation and the actual 12.53% and 9.12% in the proposal, respectively for Base Time and Overtime/Holiday Time. Also, the projected 1.9% increase needed for increased travel and overhead costs is dwarfed by the proposal's Laboratory Fee increase of 4.78%.

	<u>Current/Hour</u>	<u>Proposed/Hour</u>	<u>% Change</u>
Base Time	\$32.88	\$37.00	12.53 %
Overtime and Holidays	33.76	36.84	9.12
Laboratory Fees	48.56	50.88	4.78

Collectively within the ConAgra Beef Division's responsibility, this disparity will account for well over \$850,000.00 annually. The range of this effect upon individual fed and non-fed beef plants will range from over \$42,000 at our smaller facilities to over \$190,000 at our larger ones. **These numbers do not take into consideration cooperative certification programs with AMS, such as Certified Angus Beef.**

Again, because of this large disparity between the cited reasons and the actual proposal, we are strictly opposed to any rate increase in excess of the actual cost increases (5.0%) for wage and overhead adjustments. There is no basis for imposing any increases in excess of this.

Sincerely,

Steven T. Smalley
PIFS / QA Manager
EST. 969