

**PERSPECTIVES FROM THE FIELD:
FARMER AND RANCHER VIEWS ON THE
AGRICULTURAL ECONOMY, PART 2**

HEARING
BEFORE THE
**COMMITTEE ON AGRICULTURE,
NUTRITION, AND FORESTRY**
UNITED STATES SENATE
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FIRST SESSION

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PERSPECTIVES FROM THE FIELD: FARMER AND RANCHER VIEWS ON THE AGRICUL- TURAL ECONOMY, PART 2

WEDNESDAY, FEBRUARY 26, 2025

U.S. SENATE
COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY
Washington, DC.

The Committee met, pursuant to notice, at 10:32 a.m., in Room SD-216, Dirksen Senate Office Building, Hon. John Boozman, Chairman of the Committee, presiding.

Present: Senators Boozman [presiding], Hoeven, Ernst, Hyde-Smith, Marshall, Tuberville, Justice, Grassley, Moran, Klobuchar, Bennet, Smith, Booker, Luján, Warnock, Welch, Schiff, and Slotkin.

STATEMENT OF HON. JOHN BOOZMAN, U.S. SENATOR FROM THE STATE OF ARKANSAS, CHAIRMAN, U.S. COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Chairman BOOZMAN. Good morning, and welcome. It is my privilege to call this hearing to order. I would like to thank our witnesses for taking time away from your families and your farms to share your expertise with our Committee today.

Before we get started, I want to take a moment to thank Agriculture Secretary Brooke Rollins for her announcement today on a bold strategy to address avian influenza. The virus continues to threaten our poultry and dairy farmers with ripple effects throughout the food supply chain. I applaud the Trump Administration for prioritizing a response from day one.

This hearing is the second of a series to examine the state of the agriculture economy by getting the perspective of leading producers across our country. These hearings are meant to help the Committee understand the challenges our farmers and rural communities currently face as we work to pass a five-year farm bill.

In our first hearing, we heard from some of our major farm groups and row crop producers about their unique experiences. Today, I am delighted to welcome two additional very important constituencies to the discussion. First, we will hear from several specialty crop growers and stakeholders from various parts of the country. The specialty crop industry continues to face unique pressures: the high cost of labor, competition with cheap imports, pests and disease, limited access to risk management tools, and the list goes on and on.

Our second panel will feature livestock, poultry, and dairy producers.

While they have seen some improvement in economic conditions in recent years, significant headwinds remain. Livestock production remains highly capital-intensive, and high interest rates and elevated production costs have trimmed margins. Animal disease threats like avian influenza and new world screwworm have added tremendous uncertainty across all aspects.

Burdensome government regulation at both the Federal and State level have also threatened viability of livestock operations. For example, California's Prop 12 has required many of our pork producers to spend millions of dollars retrofitting their barns while costing the California consumers nearly \$300 million annually.

In the next farm bill, it is critical we improve risk management tools to support both our specialty crops and livestock producers. It is important to continue investing in our research and marketing programs. We must invest in our animal health programs to prevent and respond to disease outbreaks, and we must address regulatory overreach burdening all producers. I am confident the Members on this Committee stand willing and ready to roll up our sleeves and get to work in passing a new farm bill.

I look forward to hearing from today's witnesses, and I now turn to Ranking Member Klobuchar for her opening comments.

**STATEMENT OF HON. AMY KLOBUCHAR, U.S. SENATOR FROM
THE STATE OF MINNESOTA**

Senator KLOBUCHAR. All right. Well, thank you very much, Chair Boozman, and thank you to all our witnesses, including Lori Stevermer who is here from Minnesota with our pork producers, as well as John Zimmerman from our State with the turkey producers. We are excited to have them here.

There was bipartisan agreement during our last hearing that our Committee should continue to work together to ensure that farmers and consumers have the certainty that they need in a difficult economy. This means passing a bipartisan farm bill that is reflective of the needs of the people of this nation.

It also means tackling today's challenges head-on, whether they are avian flu, whether they are input costs, whether they are these potential tariffs that I do not agree with—I just wanted to put a footnote on that—or whether they are ensuring that our farmers and ranchers have the tools they need to thrive.

Our witnesses today are going to shed light on the challenges facing our farmers, including those who grow fruits and vegetables, and I really appreciated the words of Chair Boozman about the headwinds that these farmers face. We also are going to focus on those who milk cows day in and day out, those who raise the high-quality beef, and pork, and poultry that fuels us.

Today's first panel, as noted, is going to focus on specialty crops. I think instead of calling them specialty crops, given that they are everything from potato, to asparagus, to apples, to the chiles from New Mexico, which is way too hot for Minnesota, but I cannot wait to try them, we should call them omnipresent crops. They are crops that really matter to the people of this country.

According to the most recent Census of Agriculture, there are over 5,000 farms in Senator Smith's and my State growing these crops representing over \$3 billion in market value. That is why the

Specialty Crop Block Grant Program is so important. Other things we can do as we look at the challenges ahead is we can improve crop insurance options for these growers, and give them the tools they need to prevent devastating pests and disease outbreaks. We can protect our investments in critical nutrition programs, allowing Americans to afford more fruits and vegetables.

We must stand with these farmers as they face the workforce shortages, emerging diseases, import pressures that threaten their economic viability. The one thing we do not want to do is to make things worse.

Our second panel will focus on our poultry, livestock, and dairy farmers. Now more than ever, we must support our poultry and livestock producers as their farms are hit by avian flu. This outbreak has impacted more than 160 million birds and nearly 1,000 dairy herds across the country, causing economic hardship for producers and driving up food costs for their families.

I look forward to reading and learning about the proposal set forward by the Secretary of Agriculture today. It was the number one thing I raised with her, and we look forward to reviewing it, and I am sure we will always have suggestions.

We must follow the science to build on the existing national testing strategies and support for farmers, engaging with experts to develop new prevention and response methods, and a thoughtful vaccine strategy. Any vaccine strategy must be supported by, of course, field trials, clear plan for outreach and deployment, and proactive engagement with our trading partners to mitigate market disruptions.

This also means keeping nonpartisan experts in the Federal Government, including veterinarians, animal disease researchers, and frontline animal disease responders. My colleagues and I, of course, have pressed when some of these people were laid off. I understand some of them are being rehired, but we just cannot mess around with this right now.

We must make sure that the USDA has the resources available to respond to this outbreak. This outbreak also underscores the need to invest in the National Animal Health Lab Network, National Animal Vaccine Bank, and the National Animal Disease Preparedness and Response Program. Senator Cornyn and I established these programs in the 2018 Farm Bill and they were of help during these last outbreaks, but we have to do more.

In addition to giving livestock producers the support they need on their farms, we need to make it easier, not harder, to reach new markets. The recent proposal to implement sweeping tariffs on Canada and Mexico, even if delayed 30 days, has already caused chaos in the marketplace, and threatens farmers' livelihoods.

Our farmers in our State in particular, stand to suffer from these tariffs. Around a million pigs cross our border with Canada every single year. On top of that, almost two weeks ago, the President announced new plans to develop reciprocal tariffs on all countries that would go into effect as soon as April. While we do not know the details of where and how high these new tariffs would be, we do know that agriculture often bears the brunt of retaliatory tariffs, and this puts more markets in jeopardy as farmers try to plan this year.

The bottom line is that our farmers need certainty. The certainty of a fair playing field and transparent practices for all, the certainty that we are investing in the research and response programs that protect their crops and their flocks, and the certainty in trade policy to continue doing what they do best; feeding and fueling the world. All of this will be important to keep in mind as we continue the Committee's task of passing a bipartisan farm bill.

As I have said often, I am so excited to work with Senator Boozman, and our team, I am excited about our new Members. There is Senator Slotkin at the end of the row that are on this Committee, and Senator Justice, and work together to get a farm bill done. It could not be more important. Thank you very much, Chair Boozman.

Chairman BOOZMAN. No, thank you. I also am really excited about our Committee this year. We just simply have a great Committee of a lot of outstanding individuals. Before we begin introducing our first panel of witnesses, I request unanimous consent to submit for the record a number of written testimonies and materials the Committee has received for today's hearing. Without objection, so ordered.

[The letters can be found on pages 136–140 in the appendix.]

We will now introduce the first panel of witnesses, Mr. Bret Erickson. I am happy to introduce Bret who serves as Chair of the U.S. Government Relations Council for the International Fresh Produce Association. Bret lives in the Rio Grande Valley in Texas, and is a Senior Executive for J&D Produce, which is a family owned and operated grower, packer, and shipper of more than 40 products.

I had the pleasure of meeting Bret last year during a farm bill listening session in Texas with Senator Cornyn. Bret, thank you so much for being here today.

Mr. Jeremy Hinton. Senator McConnell was unable to be with us this morning, but he is very proud to have Jeremy Hinton here before the Committee today. I am submitting Senator McConnell's remarks regarding Jeremy into the record. Without objection, so ordered.

[The letter can be found on page 141 in the appendix.]

Chairman BOOZMAN. Jeremy Hinton is an eighth-grade—I got to slow down.

[Laughter.]

Chairman BOOZMAN. Jeremy Hinton is an eighth-generation farmer from Kentucky. He and his wife Joanna, own and operate a diversified farming operation, that in addition to soybeans, and burley tobacco, includes two direct-to-consumer farm markets, selling a variety of greenhouse flowers, herbs, fruits, and vegetables. Jeremy, again, thank you for being here.

Dr. Tim Boring serves as the Director of the—are you going to introduce him? I am sorry.

Senator KLOBUCHAR. Yes, Senator Slotkin.

Chairman BOOZMAN. Senator Slotkin.

Senator SLOTKIN. Thank you. Thank you for not stealing my thunder, Mr. Chairman. It is an honor to introduce Tim Boring, the Director of Michigan's Department of Agriculture and Rural Development, or MDARD, as we call it. Director Boring supports the de-

partment's commitment to investing in our State's urban and rural farming communities, providing opportunities for food and agriculture businesses, protecting consumers from the pump to the plate, and preserving Michigan's amazing natural resources, particularly our Great Lakes.

He approaches those issues with a focus on economic prosperity, regenerative agriculture, and diversifying agricultural production across the State. We like to say in Michigan that we used to say that we are the second most diverse agricultural State in the country, after California. We have changed the tagline; we are the most diverse agricultural State in the country with regular access to water. We are——

Senator KLOBUCHAR. You are doing that when Senator Schiff is out of the room?

Senator SLOTKIN. He is out of the room. I managed it. I told him to get out before I started picking on California. He is a six-generation farmer in Stockbridge, Michigan. I have visited his family farm. This is personal to him. He got his Ph.D. from Michigan State University—Go Green—and I have had the pleasure of working with him for many, many years.

I just want to take a particular moment in saying what Mr. Boring has done in preventing avian flu in the State of Michigan. Michigan was hit early with avian flu. I think watching the State of Michigan, again, without regard to party, without regard to politics, just doing what we needed to do to control the outbreak and spread of avian flu has been really an example for the rest of the country.

For all he does every day for our specialty crops, I know we have our potato farmers in the room and others, thank you to Tim Boring, and I am glad to share his wisdom with the greater panel here.

Chairman BOOZMAN. Thank you. Senator Hyde-Smith, to introduce Mrs. Rhinewalt.

Senator HYDE-SMITH. Thank you, Mr. Chairman, very much. It is my pleasure to introduce one of our witnesses today from Mississippi. I had the pleasure of meeting with her earlier. Such a delightful meeting, and I so appreciate your efforts and you being here today.

We have Mrs. Anna Rhinewalt. She and her brother and her husband operate Sandy Ridge Farms in Senatobia, Mississippi, and she has just completed a three-year term serving on the Mississippi Farm Bureau Federation, State Young Farmers and Ranchers Committee, which is so viable in our State and such a good organization.

She currently serves on the Mississippi Sweet Potato Council Board, as well as on the Mississippi Farm Bureau Labor Committee, which we all know the issues with labor. Thank you for your efforts there. Just last year, Anna was named the 2024 Mississippi Farm Woman of the Year.

We just want to welcome you today, and I am sure there is several people watching you, and I bet Evelyn Ruth, and Eleanor Grace are watching you today as well. She is the mother of two, but you sure do a great job where you are, and I thank you for representing Mississippi as well as you do.

Chairman BOOZMAN. Very good. Senator Luján will introduce Mr. Etcheverry.

Senator LUJÁN. Thank you, Mr. Chairman. It is an honor to introduce Mr. Ben Etcheverry, a dedicated community leader, agricultural expert, and chile advocate from Deming, New Mexico.

Mr. Etcheverry is a leader of New Mexico's farming community, and works tirelessly to represent the priorities of our local farmers. As the President of the New Mexico Chile Association, he plays a crucial role in promoting and protecting New Mexico's pride and joy, our chile, and that is with an E, not with an I. Mr. Etcheverry was raised on an alfalfa farm in Carlsbad, New Mexico, where his life in agriculture began. He is also the proud husband of Jessica, and the proud father of Samuel.

Currently, Mr. Etcheverry is the Agricultural Operations Crop Manager of Olam, Food Ingredients Chile Pepper Division, in Deming, where he oversees a plant breeding program specializing in chile pepper genetic innovation. He has dedicated his career to ensuring the chile industry thrives in our State and preserving this important agriculture tradition for future farmers and chile lovers.

Now, as was pointed out, there is sometimes some heat involved with our chile products, but I am telling you, it is always flavorful. For those of you that have not fallen in love with it yet, you let me know and I will serve it for you. I will prepare it myself.

Mr. Etcheverry holds both an undergraduate and a master's degree in Agribusiness from New Mexico State University. Now, while attending NMSU, he was employed by the Chile Pepper Institute. His time at NMSU fostered his love of chile production in New Mexico agriculture, with a lifetime of experience in the field, he has built a deep understanding of the industry and its impact on New Mexico's economy and culture.

Ben, I want to recognize your extensive knowledge and experience. We appreciate you being here today, and especially the sacrifice of all of our panelists. Taking time away from your families, from your responsibilities at home to be here as well. This matters and these conversations matter as well.

Thanks for having us. I yield back.

Chairman BOOZMAN. We look forward to some Luján and chile.

Senator LUJÁN. Yes, sir.

Chairman BOOZMAN. Again, thank all of you so much for being here. Mr. Erickson, you are recognized.

STATEMENT OF BRET ERICKSON, CHAIRMAN, U.S. GOVERNMENT RELATIONS COUNCIL, INTERNATIONAL FRESH PRODUCE ASSOCIATION, EDINBURG, TEXAS

Mr. ERICKSON. Thank you, Chairman Boozman, Ranking Member Klobuchar, Members of the Committee.

Little Bear Produce is a family owned grower, packer, shipper, and fresh cut processor headquartered in Edinburg, Texas. Jimmy and Diane Bassetti came to Texas from Vineland, New Jersey in 1984, and started a small mom-and-pop brokerage, which has grown into a multi-national agribusiness, employing nearly 200 full-time employees with comprehensive benefits including health and life insurance and 401ks. We also hire an additional 500 to 600

seasonal workers, primarily through H-2A to harvest and pack our products.

Labor costs remain the biggest threat to the future of the U.S. fresh produce growers. In Texas, our labor costs have essentially doubled in just five years. We are currently at \$23 an hour for our cost. The federally mandated Adverse Effect Wage Rate, inflates labor costs beyond market realities, making it difficult to compete with foreign producers. We urge USDA to revise the farm labor survey to reflect base wages only. Additionally, we would request USDA to appoint an Agriculture Liaison to the Department of Labor to help guide policy that impacts food and farm production.

Texas farmers are facing severe water shortages, in part, due to Mexico's failure to meet its obligation under the 1944 Water Treaty. Mexico is required to deliver 200,000-acre feet of water per year. They are now in debt 1.3-million-acre feet, which is over six years' worth of water, and using it to grow competing crops like onions and pecans.

Less than 10 years ago, we were paying about \$30 per acre foot of water. Today, it is as high as \$225 per acre foot and climbing. That is if we can find it. Meanwhile, Mexico is withholding six years' worth of water, and using it to grow competing crops like onions and pecans.

On farm bill priorities, specialty crops represent nearly half the total U.S. farm gate crop value, yet they receive less than one percent of farm bill funding. We would urge investments in research and development for increased yield sustainability, mechanization and automation, expanded crop insurance. Texas produces nearly 65 specialty crops. We have insurance programs for three. Market development support to stabilize pricing and competitiveness, and Federal procurement reform to increase specialty crop purchases.

On crop protection and regulatory challenges, fresh produce growers are rapidly losing access to essential pest management tools. As key pesticides and herbicides are phased out, there are a few viable alternatives and even fewer in the EPA's approval pipeline. A recent example is Dacthal, a herbicide relied on for onion production. After 50 years of safe use, the EPA abruptly canceled it last year with no comparable replacement. EPA has yet to provide guidance on viable alternatives. This creates instability for growers, which in turn creates opportunity for foreign producers. We urge Congress to restrain regulatory overreach on bureaucratic red tape.

On trade and economic competitiveness, fair trade is critical for fresh produce growers. A recent Texas A&M study highlighted USDA ERS data showing an eye-popping decline in the U.S. fresh produce trade balance. You all should have that chart in your papers. It began in the early 1990's and it has accelerated through the 2022.

Like many in our industry, our company imports from Mexico to supplement our U.S. production in order to provide our customers a consistent year-round supply, but only when we are out of season. At the end of the day, pricing is king, but how can a U.S. grower compete on cilantro, onions, parsley, or watermelons when my labor cost is \$23 per man hour and a foreign producer pays

their worker \$18 per day and operates under less regulation. That is not a fair playing field.

On the flip side, we sell a lot of products to our Canadian friends. They are incredible customers who value good quality. They love fresh produce. They also buy Canadian pork grown whenever available. They will not bring in our product when they are in season. I admire that, and believe we could learn a lesson from our friends to the North. Protect your growers, they keep you fed.

In closing, over the last three decades, U.S. fruit and vegetable production has declined while imports have surged. The reason is clear; misguided U.S. policies and excessive regulation have created a tilted market pushing production out of the U.S. and into the arms of cheaper, less regulated foreign producers.

Once our production is lost, it is not likely to return. The barriers to entry are too high and the cost of land, equipment and labor make it nearly impossible for new farmers to enter the business. We should protect and preserve what remains of our specialty crop production in the interest of our national security and the future wellness of our country.

Thank you for the opportunity to testify. God bless our farmers. I am happy to answer your questions.

[The prepared statement of Mr. Erickson can be found on pages 52–61 in the appendix.]

Chairman BOOZMAN. Thank you. Mr. Hinton.

STATEMENT OF JEREMY HINTON, CHAIRMAN, KENTUCKY HORTICULTURE COUNCIL, PRESIDENT, LARUE COUNTY FARM BUREAU KENTUCKY FARM BUREAU FEDERATION, HODGENVILLE, KENTUCKY

Mr. HINTON. Good morning, Chairman Boozman, Ranking Member Klobuchar, and Members of the Committee.

I would like to begin today with a quote. “No other human occupation opens so wide a field for the profitable and agreeable combination of labor with cultivated thought as agriculture.” These are words of our 16th President, Abraham Lincoln, who was born only a few miles from our family’s farm near Hodgenville, Kentucky.

As an eighth-generation farmer in LaRue County, my connection to agriculture traces back to the time that Lincoln wandered the fields around his home. First, with the farming operation that looks different from my grandfather’s Hartford cattle farm, and second, as a crop insurance agent, helping other farmers manage their risks.

While our operation includes soybeans and burley tobacco, our main focus is nearly 30 edible crops from apples to zucchini and our greenhouse flowers and vegetable plants. Most of our sales are direct-to-consumers through our two retail markets and local farmer’s markets. My wife Joanna and I began the business in 2002, and are both involved daily with production and marketing of our crops along with our three children ages 20, 17, and 11.

As this Committee develops the next farm bill, you must plan for both the present and the future. My work on the farm and crop insurance requires a similar focus. While most traditional row crops acres are covered under the Federal Crop Insurance programs, participation for specialty crop growers is often more complicated be-

cause sporadic geographic distribution limits policy availability. Agents and growers must often work to ensure specialty crops under RMA-approved written agreements.

Whole Farm, and its companion, Micro Farm policies, are good options, but can be complicated for both farmers and agents, and have not been widely adapted. In 2024, for example, there were only six Whole Farm policies and four Micro Farm policies written in Kentucky compared to nearly 7,000 policies for soybeans.

Efforts are being made by RMA and organizations like Kentucky Horticulture Council, which I chair, to increase awareness and understanding of options for specialty crops. Many growers still do not understand how they work for their operation. We look for solutions to better manage risks and specialty crops.

Possible solutions may include improvement to Whole Farm, a rainfall and temperature index, products similar to PRF that could have consideration for both excess and below normal conditions, or expanded revenue products for specialty crops, but based on farm records rather than tax returns. While each of these have challenges, I encourage you to engage with RMA, the crop insurance industry, and specialty crop growers to help find solutions.

Labor is another area that requires specialty crop growers to work in the moment while keeping an eye on the future. I think other Members are going to address that, so I am going to move on. As we work for a better future, specialty crop growers are especially dependent on the resources of extension at our land grant universities.

Extension recommendations for disease and pest control and fertility in our crops is invaluable to our success. Your support is vital to research and direct technical assistance delivered by our colleges of agriculture. A true focus on the future must also recognize the loss of farmland to development in Kentucky and across the Nation. According to the census of agriculture, Kentucky lost more than 546,000 acres of farmland from 2017 to 2022, or more than 290 acres per day. For context, the average farm size in Kentucky is 179 acres.

Kentucky Farm Bureau through creation of the Kentucky Farmland Transition Initiative is working with stakeholders at both the State and Federal levels to provide resources and education network opportunities and develop policy recommendations. I urge your involvement in developing solutions to this important issue. While on one hand, new neighbors meet new customers for retail markets like ours, we must find a balance between well-planned development and farmland preservation to ensure the future of our farms and our rural communities.

Despite many challenges, there are many positives in the specialty crop segment of agriculture. In direct-to-consumer sales, we see increased demand for locally grown products and for building relationships with those who want to know the farmer feeding their families. A new farm bill is an opportunity to increase purchases of locally grown foods for schools, hospitals, and other State and Federal institutions, and to open additional markets for our products, and improve the health of our communities.

By focusing on the issues of today and the future, I look forward to my children becoming the ninth generation of my family to farm

the lands where Lincoln walked. I want to thank each of you for your willingness to serve, and for your work to ensure a healthy agriculture industry in a safe, stable food supply. It has been an honor for me to address this group, and I look forward to answering any questions.

[The prepared statement of Mr. Hinton can be found on pages 62–55 in the appendix.]

Chairman BOOZMAN. Thank you. Dr. Boring.

STATEMENT OF TIM BORING, DIRECTOR, MICHIGAN DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT, STOCKBRIDGE, MICHIGAN

Dr. BORING. Good morning, Chairman Boozman, Ranking Member Klobuchar, Members of the Committee, thank you for the opportunity to participate today. My focus will be on specialty crops, their importance, the challenges, and opportunities the growers and consumers face as you continue to work on a farm bill. Members of this Committee can foster the success of specialty crops today and for years to come, and I am looking forward to the constructive solutions and policy decisions that will come out of this hearing.

As the Junior Senator from Michigan, Senator Elissa Slotkin, likes to point out, food security is national security, and I believe the next farm bill serves as the crossroads for whether or not we take that fact seriously. The perspective I bring to the hearing today is as the Director of the Michigan Department of Agriculture and Rural Development. I am proud to lead a state agency of dedicated public servants who are committed to providing opportunities for our food and agricultural businesses, lifting up our rural communities, and preserving Michigan's natural resources.

Agriculture is a \$105 billion industry from Michigan, and I consider our specialty crop farmers the backbone of our success with more than 300 specialty crops produced in our State. Since your invitation was extended from my testimony, I have been asked by producers to share just how vital specialty crop support programs are for their existence.

Unfortunately, for many specialty crops, times have never been more tenuous. What once provided an avenue for farmers to diversify their products has forced many to choose whether or not their farm will welcome back the next generation, whether it is due to trade pressures, rising input costs, climate variability, labor constraints, and threats of pests and disease.

Many specialty crops in this country are either harder to grow, more difficult to get to market, or challenging as ever to reach the consumer. In the interest of time this morning, I want to highlight some key areas that are either currently supported in the farm bill or need to become a priority as well as share some of what we are doing in Michigan that is seeing success and deserves more attention at a Federal level.

First, public sector research has been critical for specialty crops, specifically specialty crop block grants that are currently supported by specialty crop research initiative. These investments have been instrumental in keeping farmers one step ahead of the next disease or pest threat.

For instance, last year in Michigan, cherry farmers lost between 30 and 75 percent of their crops because of abnormal weather events that drove unprecedented insect and pest pressure. Losses such as these are becoming far more common. A farm bill that provides grower support such as through new research, helps ensure the continuation of family farms in the face of these unprecedented challenges, and is critical for the long-term viability of specialty crops in Michigan and across the country.

Another area that growers made clear and needs continued support is the Marketing Assistance for Specialty Crop Program, which helps growers expand domestic markets and develop new markets for their crops. At a time when there is so many unknowns with our trade partnerships, fostering stronger domestic markets will be critical for the success of our growers.

Finally, I want to share two areas where we are seeing success in Michigan thanks to Governor Gretchen Whitmer investing State dollars and new flagship programs; our Regenerative Agriculture Unit, and the new Farm-to-Family Program. Regenerative agriculture is an adept and active approach to land management driven by improving soil health. Our Regenerative Agriculture Unit, the first of its kind embedded in the State department, supports producers engaging in this approach to production agriculture.

By adopting regen agriculture practices, farmers and landowners can improve profitability, restore healthy soils, and safeguard natural resources for future generations. Commodity row crop operators have been on the front lines of integrating many of these practices, but they are equally important for specialty crop growers.

Our Farm-to-Family programs are also a first-of-its-kind effort, working to strengthening agrifood systems, bolstering market demand for products, and increasing food access, and availability. Our first investment through this initiative is a middle of the supply chain program supporting food hubs and farm stops, which are innovative models and market outlets, aggregation and distribution that are important value chain nodes for a variety of specialty crops in our State.

Together, these programs are working to add value to the crops grown on Michigan farms and get those crops to the people of Michigan. I share all this today because the support of our specialty crops directly translates to the tools that keeps farmers farming, keeps rural communities vibrant and keeps fruit and vegetables on the dinner plates across America.

Thank you, again, for the opportunity this morning, and I look forward to questions from the Committee.

[The prepared statement of Dr. Boring can be found on pages 67–73 in the appendix.]

Chairman BOOZMAN. Thank you. Mrs. Rhinewalt.

STATEMENT OF ANNA RHINEWALT, COUNCIL MEMBER, MISSISSIPPI FARM BUREAU FEDERATION/MISSISSIPPI SWEET POTATO COUNCIL, SENATOBIA, MISSISSIPPI

Mrs. RHINEWALT. Chairman Boozman, Ranking Member Klobuchar, and other distinguished Members of this Committee, thank you for inviting me today to testify about the current state of our farm economy.

Our Nation has experienced many years blessed with a robust and successful farm economy, but current conversations around farm office tables and mailboxes full of farm dispersal sales tell a vastly different story of what has happened in the last five years. New equipment is 30 to 40 percent higher. Many parts and repairs have doubled or tripled. Per acre supplies for specialty crop producers have increased by at least 50 percent. Wage rates have increased in our State by 30 percent.

Farmers who were once profitable enough to finance themselves are now paying eight to ten percent interest rates on multi-million dollar operating loans just to try to stay afloat. These increases are taking hundreds of thousands of dollars off of farmers' bottom lines every year. Some of these same farmers have experienced unprecedented weather events that have diminished and destroyed their crops. Finally, market pricing for crops like soybeans and sweet potatoes has been stagnant, if not in decline. Farmers are trying to claw their way out, but they cannot pay their debts with losses.

Specialty crop producers like me are faced with another variable that, if not addressed soon, is going to be the catalyst for our closure. The number of messages I have received in the last 24 hours regarding this testimony has made an impression on me. There are so many constituents watching today. I sense they are encouraged that this hearing was called and they are hopeful that you are listening and will help us.

While I understand this Committee does not have direct jurisdiction over the H-2A program reform, I urge you to share my testimony with your colleagues to make them aware that we are desperate for relief. The Adverse Effect Wage Rate was initially established to protect the domestic farm workers from foreign worker wage depression. Decades later, the domestic workforce has almost entirely moved away from owned farm jobs.

In 2023, of the 380,000 H-2A eligible positions, only 10,000 domestic applications were received, 97 percent went unanswered. Since 2019, the AEWR in our State has risen almost 31 percent resulting in an additional \$12 million impact to Mississippi sweet potato growers annually. We do not understand why the rate continues to rise so dramatically using the rationale that it is to protect a domestic workforce that no longer exists.

Seasonality restrictions are also affecting our farmers. We increasingly need a year-round solution. Our long-term domestic crews are dwindling and there do not seem to be any new workers willing to fill the gap. Some farms are closing for two months, missing critical sales until their H-2A workers return.

Finally, in the last 24 months, the Department of Labor has issued over 3,000 pages of H-2A rulings. Please understand H-2A workers live on our farms with our families for months at a time. We have very positive relationships with our workers to suggest that it requires thousands of regulations to establish a fair, safe, and mutually beneficial employer-employee arrangement is offensive to farmers.

Our livelihoods are inextricably linked to the presence and quality of our workforce. We appreciate the willingness of our H-2A workers and we understand the sacrifices they make to provide a better life for their families, much like we do. We support a

straightforward common-sense program that protects our workers without burying us under a mountain of policy.

I hope my testimony today has provoked a sense of urgency. This situation is playing out in families all across our country. I ask that you assess the ramifications of the loss of food production from within our borders. Food grown and raised domestically is safer, of a higher quality, and it is most importantly, a matter of national security. We are so close to losing the American farm. Please help us pave a way forward, remove our obstacles, and lead our country into a renewed awareness that without food, nothing else matters.

Thank you for holding today's hearing, and I would be pleased to answer any questions the Committee may have.

[The prepared statement of Mrs. Rhinewalt can be found on pages 74–82 in the appendix.]

Chairman BOOZMAN. Thank you. Mr. Etcheverry.

**STATEMENT OF BEN ETCHEVERRY, PRESIDENT, NEW MEXICO
CHILE ASSOCIATION, DEMING, NEW MEXICO**

Mr. ETCHEVERRY. I am incredibly proud to represent the Chile Capital of the world as the President of the New Mexico Chile Association and share my perspective on the agricultural economy. Thank you, Chairman Boozman, and Ranking Member Klobuchar, and Members of this Committee.

Immigration is a hot debate in America right now, and agricultural labor is closely tied to it. It is nice to be noticed, but these circumstances are less than favorable. As you know, most produce in this country is hand-harvested. As such, we have a tremendous need for the human touch and the hard work that comes with it to plant, grow, and harvest our products.

As our economy is developed, far less people pursue work on the farm. With this challenge, we have become more reliant upon the H-2A Program to shore up the gap in agricultural employment. Unlike large acreage crops like corn or cotton, we do not have reliable automation and mechanization options for produce. Consumers demand perfect peppers at the grocery store with no blemishes and any slights thereof.

The New Mexico Chile Association has spent a lot of time trying to develop automation solutions for our industry with the help of USDA. This work needs to continue and expand until we solve the riddle for chiles as well as other vegetable crops. While this Committee does not have jurisdiction over immigration, I do want to share a few words on this topic.

First, the H-2A Program, as we know, is broken, and it needs to be fixed. The program is expensive, loaded with numerous costs and paperwork involved, and is at times torturous as best.

Second, we need to have a functioning and fair immigration system. I have seen many leaders in my rural community who came to this country long ago and enriched it. There is a middle ground and it is my hope this Committee can use its influence to elevate the need for agriculture labor reform.

Trading tariffs are also a burning issue, and our growers have seen this issue close up for years. Currently, the domestic red chile production in the Southwest is down by 50 percent across the board since 2018. This is largely due to foreign paprika being shipped to

intermediaries repackaged as intermediary paprika then shipped to the U.S. with the landed cost 10 to 15 percent below the cost of the domestic growers on farm price, let alone the cost of dehydration and packaging.

I already talked about the need to have Federal funding that helps fuel innovation and automation, but I want to highlight three additional areas of necessity improvement in the farm bill.

First, the Specialty Crop Block Grant is incredibly valuable and has helped our growers gain access to marketing materials for increased consumer education. As Senator Luján knows, we have a wonderful certified program that protects our products so they are not confused with imports often gaining our growers a premium.

Second, the availability of water, especially in desert producing regions, is becoming less consistent and reliable. It is critically important that conservation programs like EQIP be bolstered to help growers use Federal matching money to switch to more efficient irrigation systems.

Finally, specialty crops have less support, higher risk, and unfortunately, a weaker risk mitigation system to rely on than our friends in row crops. Right now, our industry relies on an outdated crop insurance program that USDA helped set up in the 1980's. We need to correct this immediately to help ensure our farm survival.

In closing, due to the efforts of the farm bill and the legislative history of this body, we have created a food policy program that has helped us shrug off wars, would-be famines, economically trying times, and set the standard on which the modern agricultural model in the world was created. I implore this Congress to set aside partisan differences to make sure that farmers have the support to continue provisions for enough food to eat and enough food to make sure our next-door neighbors do not go without.

Thank you, again, for this opportunity, and I will look forward to your questions.

[The prepared statement of Mr. Etcheverry can be found on pages 83–86 in the appendix.]

Chairman BOOZMAN. Thank you. Mr. Erickson, the trade imbalance on fresh produce is disappointing and is the primary contributor to the growing trade deficit across all of agriculture. What should this Committee be thinking about as we work together to evaluate this concern?

Mr. ERICKSON. Thank you for the question, Mr. Chairman. This graph should be in your information that was submitted to you. This is the fresh produce trade balance from 1980 to 2022. You do not have to be up close to see, this is a pretty vicious picture. This is not fair trade for the specialty crop produce industry. We need controls on the cost of our labor. When I am paying \$23 per man hour and Mexico can grow the same crop and they are paying \$18 per day, per person, that gap is insurmountable. We need common sense solutions to help control the cost of our labor.

Second, water. In the case of Texas, our water situation is threatening our very existence that we farm about 6,000 acres of fruits and vegetables. We grow over 40 different commodities. This year, we left fallow 2,000 acres that we could not farm because we did not have water for it. Because of that, we had to relocate some of our production to outside growers and to other regions.

For those of you folks here that use the H-2A Program, shifting your H-2A people around when you have not put a location on a petition and we are making adjustments on the fly is very difficult. Additionally, at \$23 per hour, our cost per person moving people around from farm to farm is impossible. We need to have them centrally located.

Controls on cost in the H-2A Program. Support in pressing Mexico to make regular water payments for us. Support through getting the farm bill completed and finding ways to invest in the mechanization and automation. Finding ways to stop regulatory overreach, such as when I talked about the EPA. Basically, from one day to the next, pulling a very important herbicide that we use in onion production that has been in use for 50 years. Essentially, from one day to the next, it was pulled away with no options, no input, no alternatives, and our foreign competitors are not under that kind of regulatory pressure.

Those would be some areas that I would point to that this Committee could focus on.

Chairman BOOZMAN. Very good. Thank you. Mrs. Rhinewalt, can you talk more about how the changes to the H-2A Program over the past several years have affected your day-to-day and what having a voice for agriculture leading the Department of Labor would mean for the specialty crop industry?

Mrs. RHINEWALT. Thank you for the question, Senator. Day-to-day, we are trying to keep our heads above water in response to a wage rate that is taking from our farm an additional \$70,000 annually off our bottom line. We have cut where we can to compensate, but we recognize that another increase would be devastating.

To your point about having a voice for agriculture as leader of the DOL, we are very optimistic about President Trump's nominee, Lori Chavez-DeRemer, she seems to be a friend of farmers and an advocate for H-2A reform. Recently, she was a member of the House Agriculture Labor Working Group who drafted a very articulate recommendation for H-2A reform that largely has bright bipartisan support. We hope if she is confirmed that she will help us push reform in this new policy over the finish line.

Chairman BOOZMAN. Very good. Mr. Hinton, in your testimony, you noted the challenges faced by many specialty crop producers in finding adequate tools to manage their risk. What are some ways that we can strengthen insurance options for specialty crop growers?

Mr. HINTON. Thank you for the question, Mr. Chairman. As I mentioned, one of the most difficult challenges is the geographic distribution of crops and the lack of concentration. I know for Mrs. Rhinewalt, there are a lot of sweet potatoes grown in her area, and so that is an insurable crop. For us, for example, with our operation, peaches are one of the crops that we grow and peach insurance is available in three of the 120 counties in Kentucky just because of the lack of historic production.

As we look at that one option that we have is to insure crops with written agreements. Unfortunately, there is a relatively high standard of proof in terms of the disposition of those crops where the way that they are sold. For markets like ours that sell directly

to consumer, it is very difficult to be able to produce the records even with a point-of-sale system to back and document where those fruits went, when they were sold. Unlike if we have sale tickets for a wholesale purchase, when you are dealing with a direct-to-consumer transactions, it is much more difficult to back up and prove those.

I think there is potential in Whole Farm and Micro Farm, it certainly has its places where it fits. I do not think it is the answer for everything. One of my biggest challenges with Whole Farm is the timing of it. Obviously, when the losses are paid based on tax returns, that means that any losses are not paid until taxes are filed. If for example, for me, if I had a loss in strawberry production that happens in May, it might be a full year from now before I would be able to collect an indemnity payment for that.

That is one of the challenges I would encourage further looks at revenue-based products that could be based on farm records instead of those tax returns that could reduce the burden of record keeping for producers. I think that is one of the most intimidating things about Whole Farm is the record keeping burden that comes along with this. I have had a couple of really good conversations, one last night with Mrs. Rhinewalt, about their operation and how they are hoping that Whole Farm will work for them.

I had a conversation with an apple grower in Michigan a couple of weeks ago who has been using Whole Farm and is very pleased with how it works for his operation. He is primarily a wholesale seller of his crop, and so that is a little different situation. I think anytime we talk about crop insurance, we have to talk about all of the pieces. With the industry, we talk about the three-legged stool with RMA, and the AIPs, and with agents.

We have to remember all of the different layers that are involved there and make sure it is a good fit for everyone. We have not had an inflation adjustment for the A&O payments that are made to the AIPs for nearly 10 years, and that is something that I think would help our industry as a whole.

Something else that I think would bear consideration is specialty crops fall in the same category with corn, soybean, wheat, the main commodity crops. They are subject to the pro rata reduction in payments. We have seen that firsthand in our agency being heavily in burley tobacco. Our revenue from our tobacco policies has been reduced by 40 percent because of the pro rata factor on corn and soybeans. It works perfectly for those crops, but when we are not aligned with the same increase in market value, increase in insured value in premiums, then it makes it difficult for agencies that focus on those extra crops.

Chairman BOOZMAN. Senator Klobuchar.

Senator KLOBUCHAR. Very good. Thank you. I appreciate a number of you raising the workforce issue, and I noted you, Mr. Etcheverry, talking about how important that is going to be. Senator Bennet is an expert on this and actually has a really good bill that I have co-sponsored on immigration reform for agriculture workers. He will ask those questions.

I wanted to lead with the funding for the Marketing Assistance for Specialty Crop Program. The program, as you know, recognizes the struggles that specialty crop growers have with import pres-

tures, rising costs, inadequate safety net. I know USDA has made the initial payments, but eligible growers are still waiting for the rest of the assistance—this is for you, Director Boring. They have received a partial payment, and this includes crop growers in Minnesota.

We are pushing for the department to make good on the promise that was made. What response have you gotten from specialty crop growers in your State regarding this program from the USDA?

Dr. BORING. Thank you for the question. We have seen tremendous interest for the program, especially crop growers in Michigan. I know FSA offices has seen quite a bit of interest. I believe there has been over 1,000 applications that have gone in for that program. My understanding is around half the money perhaps has gone out to specialty crop producers.

You know, it is a really important lifeline for producers of diversifying market access and the ability to move products into different areas. You mentioned some of these challenges around international pressures coming in. We certainly see that through a variety of different specialty crops in Michigan, right, similar to what we see across the country here. Expanding out the domestic markets is going to be really critical, and strengthening some of these linkages between—like, Michigan farmers grow food and it needs to be on tables.

Senator KLOBUCHAR. I would, for your research, is also really important. That is something we do big time at the University of Minnesota, soil health, those kinds of things. It is also important. Is that right?

Dr. BORING. Absolutely, yes.

Senator KLOBUCHAR. Then risk management tools. Again, Mr. Etcheverry was noticing that the crop insurance provisions have not been updated since the 1980's. You know, that was when Cabbage Patch dolls were popular, walkman's were the rage, and the women, I think Senator Smith and I may remember this, we are wearing little bow ties with our suits. Are you saying it might be time to update things since then?

Dr. BORING. Certainly, timely.

Senator KLOBUCHAR. Okay. Good. Mr. Erickson, could you talk about how specialty crop growers can benefit when more families are able to afford fruits and vegetables?

Mr. ERICKSON. Thank you for the question, Senator. We grow medicine, fruits and vegetables, they are mother nature's medicine, so anything and everything we can be doing to encourage, increase consumption of fresh fruits and vegetables, I think is critical. Our Nation is facing a health crisis, and we should be investing in and supporting programs that encourage the consumption of fruits and vegetables.

On the other side, there is a lot of work that needs to be done to ensure that those of us who are sitting here and who are producers can remain in business, and stay in business. It requires the need to be profitable to run our farms and operations. Investing in school nutrition programs, and WIC programs, and encouraging and requiring the consumption of fresh fruits and vegetables, I think is critical.

Senator KLOBUCHAR. Thank you. Mr. Etcheverry, I cannot help but just keep being drawn to your chile peppers and what is going on there in New Mexico. Could you just talk about what the Specialty Crop Block Grant how important it is, and how it has helped that industry, and what it means beyond even the growers, right, the restaurants, and just the tourism, and things like that for your State?

Mr. ETCHEVERRY. It is critical for us as we are a super specialty crop, that we have a very local following on.

Senator KLOBUCHAR. Is that a term of law?

[Laughter.]

Mr. ETCHEVERRY. Fanatic. It has allowed us to penetrate other markets, and other States, and educate our consumers on how to prepare our peppers and enjoy them as well.

Senator KLOBUCHAR. Thank you. I will yield the rest of my time back. Thanks.

Chairman BOOZMAN. Senator Hyde-Smith.

Senator HYDE-SMITH. Thank you, Mr. Chairman. I certainly appreciate the opportunity that you have called this meeting, and I want to thank all of our witnesses today. This is incredibly important for our country, and your part today is very, very helpful.

My question is for Mrs. Rhinewalt of Mississippi. A few weeks ago, we heard from the row crop folks and the producers in our State, and the outlook is very, very grim. It goes without saying, that farming is heading in a very dark direction. I know that you guys have the specialty crop side of things, but your family happens to also be involved in both with the row crops, a 2,000-acre operation that includes sweet potatoes as well.

Would you just, generally, describe for the Committee what your challenges are and the various hardships your family operations are facing from the high cost of inputs, the depressed prices, the red tape, the regulations? Can you just share with us your greatest challenges?

Mrs. RHINEWALT. Sure. Thank you, Senator. We utilize row crops primarily on our farm for crop rotation with sweet potatoes. Unfortunately, the higher margins that we do experience on the specialty crop side are pretty much diminished on the row crop side due to high equipment costs, primarily, and then also, historically, low crop prices that we are experiencing right now.

A particular note would be critically outdated reference prices. The farm safety net is not triggering as quickly as it should to really provide the relief we need for people who use row crop farming as a supplement, but most especially those who their whole livelihood, is dependent on that.

Senator HYDE-SMITH. The update, again, is so critically important. In your testimony, you also refer to the H-2A temporary agriculture workers who are so important. My takeaway is that this program is critical in helping American farmers fill employment gaps that other people just do not, they are unwilling to do that type of work. It is terribly expensive in recent years, and riddled with red tape as we well know.

Could you, again, shed some light on the challenges you faced with the H-2A workers, the programs, but most of all, how we need to improve it?

Mrs. RHINEWALT. Yes, Senator, thank you for that opportunity. Outside of the 3,000 pages of regulation that we are struggling to keep up with, we really need reform in the areas of AEW, as I stated before. The AEW rate in our State is currently \$14.83, which is 31 percent higher than it was five years ago. In particular, that rate does not consider the housing cost that we have to pay, transportation, and administrative expense.

Typically, that can bring the rate that we are actually paying, I would say, a conservative estimate would be four to five additional more dollars per hour that we are paying. That \$14.83 now is leaning into \$20, which for the cost of living in our State is quite expensive.

We also need a path to year-round labor so that we do not experience gaps in production. A lot of farms like us, we are a grower and a packer. The planting and harvest seasons have been critical for H-2A, but since our long-term domestic workforce that has worked in the pack house has kind of dwindled and there is not a new generation coming on.

A lot of people in our shoes we are able to kind of patch it together. Our whole family is on the pack line working just trying to get through that eight weeks until H-2A workers return. I have friends who have to shut down their pack lines completely because they just do not have enough help to keep it going, and that really exposes them with their customer base. Their customers could move on to somebody else. They really just need to kind of fill in that gap there. That is probably about it.

Senator HYDE-SMITH. If we do not have these changes and the suggestions that this entire panel is making, can you just look five years out and tell me how you foresee your operation if this Committee and this Congress does not do something immediately?

Mrs. RHINEWALT. If we do not make changes within, I do not think it will take five years for us to get the answers to that question. It will be far less if we certainly continue on the trajectory that we are currently on. It will take far less than five years to put a vast majority of specialty crop producers out of business they cannot afford. That increase in labor wage rates in particular, we are having to eat all of that because for many of us depending on what your specialty crop is, our markets will not bear us passing along that cost to our customers.

Senator HYDE-SMITH. I am out of time. Thank you, Mr. Chairman.

Chairman BOOZMAN. Senator Bennet.

Senator BENNET. Thank you, Mr. Chairman. Thank you for holding the hearing. I want to thank the Ranking Member for her mention of the workforce issues here, and I am glad they are coming up everywhere.

Mr. Etcheverry, I am going to come to a question with you, but I will say, since you strike me as an honest man, and I know there are a lot of people from New Mexico and your family watching you today, I am not going to ask you about the virtues of Pueblo Chile today.

[Laughter.]

Mr. ETCHEVERRY. Thank you, I appreciate that.

Senator BENNET. You are most welcome, but we can talk about it later. Every single one of these, in fact, Anna said that the future of the American farm is at stake. I agree with that. I think when I transport myself back to another time, not that long ago in American history, just about 10 years ago, we had an agreement, the Gang of Eight bill on immigration that had tens, and tens, and tens of billions of dollars of border security. I think it was like \$70 billion in current dollars.

It had a pathway to citizenship of the 11 million people that are here that are undocumented. It had agriculture provisions that I negotiated with Senator Rubio, and Senator Hatch, and with Senator Feinstein. Two of those people have passed from this earth. It was supported.

The agriculture provisions of that bill were supported by the growers all over America, and were supported by the farm workers, which is how it should be because of what Mr. Erickson said; the importance of the food that they are growing to the lifeblood of this nation. You know, the growers and the farm workers are doing something that most of us would never be able to do, most of us could never do. They are an essential part of not just our economy, but our culture, who we are as the American people.

It is a reminder that of how, in my opinion, how impoverished our discussion on immigration has become in this country. Not because we should not secure the border, I am for that. I was for that long before Donald Trump rode his escalator down at Trump Tower. We are never going to get a plan together that does not do all of the things that we tried to do in the Gang of Eight bill.

In 2022 you know, we had a bipartisan proposal, similar to the one that is in the House that was described that actually had a wage freeze and dealt with the adverse wage issues that was agreed to by the farm workers and also by almost all the growers in America, but not by all the growers in America.

What I would say is we need your help, you know, before we lose American agriculture, before we lose farms and ranches that are just going to move to places where they can find the labor they need to be able to do what we used to do here and are in danger of not being able to do anymore.

I wonder, Mr. Etcheverry, in all of that context, and I apologize for the long windup, but I do think it is important to recognize that there was a time when our politics was not as broken as it is around this issue. I guess also a reminder that this economy, especially our rural farm economy, depends on immigration and our having a functional immigration system in this country.

Mr. Etcheverry, could you talk a little bit about how things have gotten more dire in the last few years on this subject? Then if there is anybody else who would like to comment, I am happy to take that, too.

Mr. ETCHEVERRY. It has become more dire with all the comments from this board. We are seeing higher interest rates, lower farmer wages. One of my growers did the math on his take-home, and he makes \$3 an hour. It is just hard. It is just really hard.

Senator BENNET. Anna, do you want to talk—I am sorry, Ben, are you done?

Mr. ETCHEVERRY. We have a lot of on-farm workers close to the border who want to be good Americans. They want to come over, they want to work, they pay their taxes, and they go home and they raise their families.

Senator BENNET. I remember Jeff Flake was part of that negotiation as well. He learned this on his family's farm and ranch in Arizona. Anna, do you want to say anything else?

Mrs. RHINEWALT. We are a little bit farther north than Mr. Etcheverry, so I do not have a whole lot of experience. We transitioned directly from domestic workforce into the H-2A Program.

Senator BENNET. You talked about the need for year-round folks, didn't you?

Mrs. RHINEWALT. Yes.

Senator BENNET. Could you talk a little bit about that?

Mrs. RHINEWALT. There are a tremendous number of constituents right now who have never even had access to the H-2A Program because their operations, we have different segments of our operations. Some are seasonal, and they are easy to enter into the H-2A Program quickly, but their operations are specifically year-round. They have not even been able—they are suffering without a reliable workforce, and they have not been able to take advantage of the H-2A Program at all due to the seasonality.

Senator BENNET. Thank you for that. With my last two seconds, I would say to the Chairman and the Ranking Member, you know, as somebody on this panel said already, this is not in the jurisdiction of this Committee. That is true, but I think that Republicans and Democrats here could provide some leadership to the rest of the Senate in terms of bringing these proposals forward. I just want to volunteer my services in your efforts to do that.

Chairman BOOZMAN. Senator Tuberville.

Senator TUBERVILLE. Thank you, Mr. Chairman. Thanks for you being here today, all of you. Our agriculture economy is a disaster. Complete disaster. You know, if we do not do something, and I do not know how it is going to work, we are not going to have an Agriculture Committee here in a few years. We lost 150,000 farms in the last few years, 150,000 farms.

If that is not a disaster, I do not know what is, but we do not help you at all. Regulations are overboard. Labor is out of sight. You have no water. I do not know what we have done right up here. Does not sound like a whole lot. Mrs. Rhinewalt, what is the ideal rate if we were to revert back to labor cost? What would be the ideal rate that we would pay if you are to make a profit?

Mrs. RHINEWALT. Senator, thank you. We actually had that discussion yesterday. We chuckled talking about wages that were based on maybe 115 percent of the Federal wage rate or State minimum wage rates, but we know that is at \$7.25. Farmers are not suggesting that we pay that low. We do want to have some consideration, a formulation for the wage rate that takes into account that \$14.83 may be the wage rate, but we need to consider the transportation cost, the administrative cost, the housing cost, and maybe—what is the word? Prorate that in consideration of those factors because it is a fallacy to say that because we are paying

\$14.83, that is not really the wage rate we are paying. It is really more like \$20 or \$21 an hour.

Senator TUBERVILLE. Exactly. Thank you. Mr. Erickson, \$23 an hour. You got to be kidding me. How do you make it? I mean, what would be your cost to make a profit?

Mr. HINTON. Well, I wish it was not. It is. To Mrs. Rhinewalt's comments, you know, all the costs that are involved with applying for the program, transporting the laborers from their home country to the United States, where they are going to work. We transport them. We put them in housing, hotels, we transport them from the hotel to the job site. They have catering services. We provide food. You know, you need to take them to doctor's appointments and to get sundries and such. I do not know, how you roll back. In Texas, the AEWR is, I believe, it is \$15.87 an hour. Our actual cost is about \$23 per hour. When you add all that in, I do not know what the number is. We definitely need to put a cap on the increases that have occurred.

How do we deal with it? Unfortunately, in the case of Little Bear Produce, I wish Senator Luján was still here, we recently shut down. We had an onion packing facility in Deming, New Mexico. It was an important part of our operation that had about 15 full-time people, and we brought in 20 to 30 seasonal people. We had onions, hatch chiles, pumpkins, watermelons up there. We had to recently shutter that facility because, in part, the water that is being withheld in Mexico. They are using that water to grow our crops, and then we are having to purchase those products.

It is a crazy situation for us to be in. As a business, we had to make the decision, and you have to sit down with each one of these people who have been working for us for 12 or 15 years. To sit down and tell them, you know, we have to let you go. Unfortunately, we are going to work with you to try to transition into another job. And you know what? The craziest thing was those folks, in talking to them, they were so thankful for the opportunity that they had during the 12 or 15 years that they were working for us. They were so thankful for that. If we do not get these costs under control for U.S. producers, we are going to continue to hand over the production of specialty crops and fruits and vegetables.

Senator TUBERVILLE. It is going to be over. Mrs. Rhinewalt, could we do without the H-2A Program?

Mrs. RHINEWALT. No, sir. We would be completely out of business.

Senator TUBERVILLE. How are domestic workers being affected by H-2A Program?

Mrs. RHINEWALT. Well, a domestic workforce is never, again, going to be the remedy for agriculture production in the United States per their response to the jobs. Ninety-seven percent of jobs remain open when we are required to advertise them to domestic workers first before we can receive any assurance that we are allowed to bring H-2A onto our farms. We would be happy to pay our own citizens a very reasonable wage and save all those auxiliary costs that I mentioned, but they simply do not want the jobs.

Senator TUBERVILLE. Thank you. Good luck. Hope we get out of your way—

Mrs. RHINEWALT. Thank you.

Senator TUBERVILLE [continuing]. because that is what we are going to have to do. Thank you.

Chairman BOOZMAN. Senator Smith.

Senator SMITH. Well, thank you. Thank you, Chair Boozman. Thank you very much for this hearing. Welcome to all of our panelists. I want to particularly give a welcome to Lori and to John from Minnesota for your work. We are blessed, Mr. Chair, to have Minnesotans lead both National Pork and National Turkey, and I think it is a tribute to the diverse farm economy that we have in Minnesota. I want to welcome you both here.

I also just want to associate myself with the comments that Senator Bennet made and the great insights from our panel on the issues around farm labor reforms, which I think it is just so important for us all to hear. It does not work for us sitting up here to say, you know, somebody should do something about all the problems when we really are the ones that need to put aside our partisan differences and figure it out.

Mr. Etcheverry, I am a proud Senator of Minnesota, but I was born in New Mexico, and so for me, chile is not a specialty crop. It is a necessary crop. I really appreciate also the comments that we have had around the importance for bipartisan risk management tools that work for specialty farmers. I appreciated your question on this, Senator Boozman, and others.

We keep hearing that we do not—I think we do not pay enough attention to how crop insurance just does not work like it should for many farmers, especially small farmers and specialty farmers. The Whole Farm Revenue Protection option was designed to fill some of those gaps, but it has got shortcomings. I have been working on some legislation to address these shortcomings. Many of the challenges that you have raised, our bill goes at trying to work on.

I would like to continue this conversation and get feedback from all of you on that legislation. I would love to see that be a part of the work that we do in the upcoming farm bill. Mr. Chair, I would like to enter into the record a letter from the Minnesota Farmers Union opposing staffing cuts at local and regional USDA offices.

[The letters can be found on pages 142–143 in the appendix.]

Chairman BOOZMAN. Without objection.

Senator SMITH. This letter says, and I quote, “We want a USDA that is effective, responsive, and accountable to the farmers and communities that they serve. This requires adequate staffing and stable funding.”

I know, I bet you all are seeing this in your States. We are seeing it in Minnesota. USDA county and local offices. They help farmers in so many different ways, managing disease outbreaks, safety net programs, or partners with farmers dealing with all of the challenges that you have been describing. Yet, despite the critical work that they are doing, many of these positions and local offices have been eliminated over the last few weeks.

Just yesterday, I was hearing from Minnesotans about local USDA employees who were almost through their probationary period to replace soon to be retiring FSA staff only to get fired after all that training. They are worried, of course, that those folks are going to retire anyway, that those new probationary employees were going to be filling the spots of. You have to remember that

these FSA employees or NRCS employees are often farmers themselves who are trying to find extra farm income because of all the challenges that you all have laid out.

I want to just talk for a minute about the importance of this regional local staff, USDA staff. Mr. Boring, I am going to ask you about this. Can you just talk about the impacts of firing these USDA employees, and how these local FSA offices are helping farmers, and what it means if they are just not there?

Dr. BORING. Well, I think it is a great question. Great point to bring up. As a former State Executive Director in Michigan of FSA, I know firsthand of how dedicated certainly Midwest and Michigan FSA employees are to farmer partnerships and working closely providing that assistance.

You know, we talked a little bit about today of some of the challenges of these programs. A lot of the services that are available to growers are complicated, and there is a lot of nuances to these programs. FSA staff help growers navigate these issues, right?

Senator SMITH. They are partners, really partners.

Dr. BORING. I think that is true in so much of the work that we are working to foster in agriculture. It is true of the crop insurance agents that are partners with farmers out there. It is true of how we are advancing conservation practices, implementing different land management approaches that requires technical expertise. The partnerships broadly here, it is really essential to working with farmers and to building stronger, more resilient farming systems.

Senator SMITH. I think that is absolutely right. I hear so often from Minnesota farmers about how they rely on FSA advice and get to develop long-term relationships with folks. That is all going out the window with these firings.

Mr. Chair, I know that we have worked in a bipartisan way to try to address some of the staffing shortages that we have seen in FSA, and yet what the administration is doing right now goes absolutely counter to, I think, what is a shared bipartisan goal here. I hope that we can find a solution that will make sure that farmers across the country have the support that they need from FSA and other regional offices. Thank you, Mr. Chair.

Chairman BOOZMAN. Thank you, Senator Smith. Senator Justice.

Senator JUSTICE. Thank you, Mr. Chairman. Let me just tell this, you know, I do not have a script to go by. I am a new kid on the block in a lot of ways, but I promise you that I really think you should listen to what I have to say today.

In many ways I would say, what should we do? What should we do? There is a solution to all this. My dad would have said a long time ago, and if I can use the slang that he would use, he would say, "Son, I don't know exactly what we should do, but this—" and he would not say, dad gum, he would say this—"whatever, surely ain't it." I would tell you all just exactly just this.

I really appreciate those coming today and their testimony. I really appreciate our Chairman and our Ranking Member, but we have the real deal Chairman right now, and we can really make a difference. Let me just take you through some level of math. The small family farm in America today, the average size is 430 plus acres.

Now, just think about this just for a second. They are hurting in every way imaginable. We better awaken real quickly to just a couple things. We go into grocery stores and as far as you can see a mile long, there is every choice imaginable. We pay almost nothing of our annual incomes compared to countries all across this globe to have a luxury like you cannot imagine that we have in America. That is all there is to it. We have that luxury because of these people, because of many of you that are sitting right out here right now. Absolutely.

When it comes right down to it, our family farms in this country do something that defies all financial reasonableness. That is all there is to it. Just let me walk you through just a little bit of math. If you had 500 acres today in Champagne, Illinois, it is probably worth greater than \$15,000 an acre. With all that being said, if you just do the math real quick and everything, that is \$7.5 million. If that farmer had \$500,000 in the bank, he had \$8 million worth of worth.

Really, and truly what he does is he goes out and pushes it all out on the table every year and says, "I'm all in. I'm waiting on it to rain." Absolutely, that farmer probably is living off of \$28,000 or \$42,000 a year, when if he sold his land tomorrow, he could absolutely go to Goldman Sachs, and Goldman Sachs would bring him a return of probably \$350,000 a year.

He does not do it. He does not do it for all of us, for every last one of us. He does not do it. The reason he does not do it is because he loves what he is doing, and we better love him. That is all there is to it. At the end of the day, if we do not love him enough, we are going to be in real trouble.

Now, what happens? What happens tomorrow if big giant corporations, Exxon, whatever it may be, all get together and decide, I will tell you what we are going to do. This guy is not going to continue to farm. He is not going to continue to do what he does. He decides he wants to go to the Bahamas and hang out and absolutely have somebody send him an annual income of \$350,000 instead of his \$28,000 and driving a 12-year-old pickup truck. What do we do if we lose him?

Absolutely, whatever it may be, a foreign interest, Exxon and whatever decides just out of the clear blue sky that what they are going to do is they are going to plant one crop, and then they are going to say, the price of corn is \$150 a bushel. If you do not want it, we are not going to plant anymore. What happens to us? We have a meltdown in our food industry. We have a meltdown in a crisis in this country like you can imagine. We owe so much to those people it is off the chart.

Coach Tuberville is a great friend. We are both coaches in our own way. With all that being said, I absolutely promise you, promise you to God above, we have got to fix this. We have got to fix this right now. We have got to fix crop insurance. We have got to have a farm bill that is a true bill, that basically probably is regionalized instead of a one-size-fits-all. It does not fit all. That is all there is to it.

I have grown many specialty crops, and I salute you for what you do. It is a high-risk business. You are fighting everything from regulations, to labor, and on, and on, and on. We all are, but we got

to wake up. Absolutely. If we do not wake up right now and we awaken to those farmers leaving the farm for whatever reason it may be, it is going to be a bad day in America.

Mr. Chairman, I salute you in every way. Absolutely, I thank all of you all that are involved in agriculture and especially this Committee. Thank you so much for your testimony and everything. God Bless America in every way, and we got to fix it, and we better fix it now or we are going to be in a heck of a mess. Thank you all so much.

Chairman BOOZMAN. Thank you, Senator Justice. Again, very well said. Senator Booker.

Senator BOOKER. Mr. Chairman just appointed privilege. Forgive me for my language, but I just want to say, damn, I was not a coach. I was a player in the once great Pac-10, that is no more. If you are the coach and you talk like that, put me in coach. Because I am ready to play in a bipartisan way to deal with this.

Because this panel, I was sitting there listening and the nobility of what you all stand for and what you all do, and the unnecessary crap that you have to deal with that undermines your ability to do what is the greatest profession to help found this nation, which is to farm, to feed communities.

It is evident and we have to fix this stuff. There are common-sense ways that I have been talking about for a long time. Agriculture is the fourth biggest industry in my State, and we are a so-called "specialty crop" State. This one-size-fits-all does not work. It really does not work. We are a nation that spends 93 percent of our agriculture subsidies on the big commodity crops and does not support so-called specialty crops in the way we do, nor do we do common-sense things; limiting regulations, supporting labor to help them out. This was really, really, to me, exciting to hear, Senator Justice. I am coming for you. That is not a threat. That is a compliment for us to work together.

I just want to take my few moments, if you all do not mind. We are going to work on these issues, and I will champion them. I just want to say, a lot of my farmers in New Jersey and across the country are just struggling right now with an immediate crisis, which is the illegal funding freeze that has been imposed on thousands of USDA contracts.

I am getting calls and emails from farmers all across my State from all different political perspectives that are just saying, why are we investing money on farms for things like planting cover crops or installing irrigation systems? Now, those farmers are not receiving their reimbursements. They outlaid cash and they are now in a crisis.

For many farmers, this is tens of thousands or even hundreds of thousands of dollars that the USDA is now stiffing them on. For some of these farmers, they are saying that if they are not able to move forward with their spring planting. They are ultimately at risk for losing their farms in foreclosure because of what the USDA is doing to them. It will be catastrophic. These reimbursement payments and signed contracts with farmers that have been frozen, this is wrong. The USDA has also frozen their reimbursements to nonprofits and small businesses who provide critical assistance to farmers.

In Jersey, we have nonprofits and small businesses who give this kind of technical assistance. They too are in crisis. There are also groups who help farmers implement conservation practices that we supported in a bipartisan way. There are groups helping those farmers that are now facing this crisis. All of these nonprofits and small businesses have signed contracts with the USDA to provide these services. They have laid out money in reliance upon them, and now they are being—excuse my language Mr. Chairman, they are being screwed.

This is wrong, and it is hurting people, and it is a self-inflicted wound that has got to stop. It is killing me that we are now seeing people in my State, farmers that are laying off staff that they are not getting the help they deserve and they are not doing their innovations that are going to help them be better stewards of the land because they know how to supply the land. That is why a lot of these conservation programs have been so oversubscribed. It is outrageous and it is illegal.

Multiple Federal courts have instructed the administration to lift these bans, lift these broad freezes. The USDA is ignoring the court orders and intentionally causing serious harm to farmers across our country. On top of all that, the USDA has fired many of the local level staff who farmers rely upon, and who would be helping the farmers to navigate this crisis.

I know Secretary Rollins. I voted for Secretary Rollins. We need help. If the USDA does not immediately release the funding to our farmers, I hope this Committee will quickly bring her back here to explain to us why every day that we wait. We are already in a farming crisis in this country. We are already losing thousands of independent family farmers. This is outrageous at a time that we have other issues we should be dealing with right now, dealing with this crisis.

I just want to say one more thing on another subject because I know I am not going to be here for the next panel. I know Prop 12 is going to be brought up. I just want to say my piece for 10, 20 seconds. I am concerned that there is no witness here today to speak for the independent family farmers who support Prop 12. The National Pork Producer Council does not represent all the hog farmers in the country. They may speak for the big producers. They may align with the biggest multi-national corporations, but they do not represent our smaller independent hog farmers.

In fact, a large group of those independent farmers filed a BLE brief with the Supreme Court for Prop 12, arguing that Prop 12 helped them by creating new markets for their products and allowing them to better compete with the big vertically integrated meat packers like Smithfield.

I did not vote for Justice Gorsuch, but here is his brief in his Supreme Court decision upholding Prop 12. Justice Gorsuch cited directly these independent hog farmers and cattle farmers in our country. I would like to ask unanimous consent to enter the brief for these independent family farmers.

[The document can be found on pages 144–187 in the appendix.]

Chairman BOOZMAN. Without objection.

Senator BOOKER. Mr. Chairman, and Mr. Justice, if you want to know where I am going to stand, it is for small, mid-size inde-

pendent family farmers. You started your statement by talking about the average farms in our country. These entrepreneurs, these folks have been devastated in the last decade. We are losing thousands of farmers. I have sat with them from the Midwest to around my State. This is a crisis being made worse right now by the USDA, but I am hoping that we can work together to solve some of these problems. Thank you, Mr. Chairman.

Chairman BOOZMAN. Senator Welch.

Senator WELCH. Thank you very much. Before I start, I do hope the Committee—Senator Justice, I really appreciated your remarks. I think all of us feel pretty much the same way. The farmers are the lifeblood of our local rural communities and they—nobody works harder. Maybe the coal miners in West Virginia, but they are right up there, the farmers and the coal miners.

I am just shocked that where there have been agreements made. We have farmers in Vermont who under the IRA made an agreement, and in response to that agreement, borrowed money, and then did the work that they promised to do. It might be solar. It might be a streambed protection. Now got an email saying the Federal Government's going to stiff them. I so admire about farmers, like promise made is a promise kept. Right? I mean, this is like impossible for the folks who do this farming to imagine that you have an agreement and then it is violated.

My hope Mr. Chairman, is that the Committee would weigh in here and insist that these deals that have been signed and where our farmers now put the money out, done the work and are getting stiffed that we really strongly object and call on the administration and reverse that.

I just want to ask some questions about specialty crops. You know, so much of our Farm Program is on commodities, dairy included, but the specialty crops, it is a funny name for me because it is like everything local, everything fresh and everything nutritious. My view is we need more, not less of the specialty crops. A lot of our specialty crop farmers got really hurt by the floods we had in July 2023 and July 2024. Our crop insurance program really needs to be improved.

You know, maple syrup is one which I like to talk about. With Senator Collins from Maine, I have endorsed the we have sponsored and introduced the Supporting All Producers, the SAP Act. We have, in that, what that does is helps the sustainability of that program. Another program that we—or another bill that we have introduced together, Making Agricultural Products Locally Essential, the MAPLE Act.

I want to ask, Mr. Boring, we have talked a lot about maple syrup, but the climate related disturbances are not unique to maple. It is affecting all kinds of crops. My question is, what can we do to provide specialty crop growers the support they need to ensure the continuation of their family farms with all the changes in weather?

Dr. BORING. Well, I think that is an excellent question. Certainly, we enjoy maple syrup in Michigan as well. We are coming into the season for that. Looking forward to that. You know, I think we need more certainty for specialty crop growers. I think so much of the questions that issues we are talking about today come down to

providing more certainty for producers, and in some ways, better valuing the impacts of what these crops are, not only for farms, but for the rural economies, the process, so many of them that the communities that they feed.

We have touched on some, points around, you know, revisions to crop insurance, certainly. We need better management tools so that we can deal with increasingly extreme and erratic weather. I think there is promise about looking at how we broaden out conservation practices and impact—

Senator WELCH. Let me go to another question. I mean, I think we have to have more emphasis on them because the real opportunity is it is local, it is nutritious. The people in the communities really support it, and it is entry point for some younger farmers that does not have as many financial barriers.

You know, just as an example, Mr. Chairman, the USDA has a Specialty Crop Block Grant Program, and Vermont received \$334,000. That is not a lot of money in the scheme of things, but it did a lot in Vermont. With a \$56,000 grant, one USDA recipient in Vermont was able to expand the market opportunities for 60 local farmers. A lot of this is like the farm stand-type of situation. This is tiny compared to the \$6.3 billion that we spend on the Commodity Crop Program. It is important, I know to you, but the specialty is really important as well.

Tell me, how has the Federal funding—and Mr. Boring—freeze affected our specialty crop growers?

Dr. BORING. It creates uncertainty, and I think that is the biggest question of what those risk mitigation tools are going to be into the future of the reliability and access to markets when crops might be harvested later this fall. There is uncertainty on the research front as researchers are working on this. In essence, uncertainty.

Senator WELCH. Thank you. I yield back.

Chairman BOOZMAN. Thank you. Senator Luján.

Senator LUJÁN. Thank you, Mr. Chairman. Mr. Chairman, as I begin, I would like to ask that the written testimony from Gene Baca of Bueno Foods that his remarks be submitted into the record.

[The letter can be found on pages 188–190 in the appendix.]

Chairman BOOZMAN. Without objection.

Senator LUJÁN. Thank you so much, Mr. Chairman. Mr. Baca is a 14th generation New Mexico founder and former President of the New Mexico Chile Association, and a leader in New Mexico's food and agricultural industry.

Now, the strength of our country and our agricultural industry I believe is its diversity. That is a word that I use a lot. It is a good word. It talks about our crops. Diversity and crops is good. The success, Mr. Hinton, that you described with the varieties and the diversity you have of crops help you prosper and connect with more folks, whether it is domestically or internationally. I applaud you for that as well.

The diversity of our growers and the products they raise and grow help make us stronger as a nation. We need more producers in America, not fewer producers. We need more generations. Well, I cannot brag that I am eight generation farming, so I am fourth

generation in the family house that I live in today and the little farm that I still call home. God willing, it will be in the family for generations after us.

The power of finding more farmers, encouraging younger generations to get involved and stay involved is so critically important. I have spoken many times in this Committee about how the farm bill can and should do more to support the diverse farms and ranches across our great country. I look forward to working on some bipartisan initiatives where we provide support farmer-to-farmer.

You know, there is a lot of programs out there that provide support to farmers, but if you are a farmer and you are giving your time to another farmer to teach them how to farm and qualify for these USDA programs, you do not get compensated a penny out of the generosity of your heart because you care about the industry. Well, there should be a support program for that so we can tap into the genius of existing farmers and producers across the country and learn from them how best to do what you do. I look forward to continuing this work, and as I said, it is bipartisan.

Now, Mr. Etcheverry, in your testimony, you mentioned the frustrations that New Mexico growers have with crop insurance and your desire to see it expand. What challenges do you see specialty crop growers facing when looking at the risk management tools currently available to them?

Mr. ETCHEVERRY. Sir, bureaucracy. We want the insurance and there is minimal insurance. We asked the USDA to be able to get more insurance and we were basically told, okay, go collect the data yourself and then we will take a look at the data you collected. We are all working full-time jobs. The average on-farm time for a grower is 18 hours a day. For him to stop and do the job that the USDA should do is hard enough.

Senator LUJÁN. I appreciate that, Mr. Etcheverry and Mr. Chairman. As I have learned from smaller producers across the country, there are offerings on paper, but they do not work once folks try to get them to use them. I often compare it to when we talk about water rights in the West. We like wet water, we do not just like water on paper. Everyone is chuckling here because you know what I am talking about.

It is the same vein in this space. You should not just get a piece of paper that says you bought the policy. It has got to work for these folks. I look forward to working with you on that and the Ranking Member.

Now, Ben, I want to maybe get something from you for the official record so that you have some thought to put into this, but specifically, what should Congress do to expand access to risk management programs for specialty crop growers? I would invite all of you to help us understand how to cut through that bureaucracy as well, and then make sure that that policy is actually applicable to what you are doing on the ground and helping folks.

There is a farmer from New Mexico that testified to this Committee not long ago, and he taught me that he had to learn how to farm USDA. I said, "What do you mean by that Mr. Bustos?" He said, "If I don't farm USDA, I don't get access to any of these programs. I have to change the way that I was planting, change the way that I was going after programs." That thought has stuck with

me for years at a time because it should not be that case. You are there to produce food, to nurture that land, to make sure that you are selling those crops. You do not need to be going through all these other steps. I hope that we can get that better as well.

Mr. Chairman, I have a slew of other questions, but I have gone on and on my own. I am just going to submit them into the record to each and every one of you. Mr. Etcheverry, I cannot thank you enough for taking time to travel from home to come out here. I mean this truly because you are in the midst of a lot of important decisions that are taking place as we speak, but it means a lot to the people back home that you are here. I hope that the rest of the country just falls in love with Chile as much as we love it as well. Thanks, again.

Chairman BOOZMAN. Thank you all very much for being here. We appreciate it. Let us swap panels real quick. Again, thank you all so much. Your testimony was great.

[Pause.]

Senator KLOBUCHAR. [Presiding.] All right. Thank you. Chairman Boozman had to go vote, so he has given me the gavel, so who knows what is going to happen. I am pleased to introduce this second panel, and if we could all sit down. Thank you. There we go. That first panel could not have gone better. As you can see, we have a lot of interested Members and a lot of bipartisan support for a lot of the ideas we are talking about.

Our second panel. First of all, we have Mr. Ben Lehfeldt and he serves as President of the American Sheep Industry Association. A fifth-generation sheep rancher from Montana, Mr. Lehfeldt's family has been involved in the sheep industry for 140 years. He also serves as President of his County Farm Bureau, serves on his county FSA committee, and is chairman of his local school board. I look forward to hearing about your perspectives on the sheep industry.

We are also joined by Mr. Buck Wehrbein. Thank you very much. I know that Senator Fischer wanted to be here to welcome you. She said great things about you. I will introduce you for now. You are from Waterloo, Nebraska, is that right? You serve as President of the National Cattleman's Beef Association. I think Senator Fisher knows a little bit about cattle. Mr. Wehrbein brings over 45 years of experience from the cattle feeding sector across both Texas and Nebraska, and has served in various leadership posts in the beef industry. Thank you for being here today. It is also an important industry in my State.

We are also joined by Mr. Harold Howrigan. Senator Welch is here to introduce Mr. Howrigan.

Senator WELCH. Thank you very much. Mr. Howrigan is here from the dairy capital of the United States of America, Sheldon, Vermont, and we are glad to have him. Harold and his wife, Bet, she is an elementary teacher, are the sixth generation on their family farm. Is that right? Six generations? He has got grandkids there right now doing the work. Well, we are here four adult children, five grandchildren. He is in business with his brothers, Lawrence, and Michael, and his three sons, three nephews, and their families.

They have got four dairies, 350 cows on each. I started out my political career on the Agriculture Committee in the State of

Vermont in 1981. Your uncle, Francis, was my boss on the Agriculture Committee and one time he gave me the highest compliment. He said, "You're a dairy guy." I am delighted to have you here representing Vermont dairy. It is just wonderful, and we are going to see a great farmer. Thank you.

Senator KLOBUCHAR. Very exciting. Thank you, Senator Welch. Now, Minnesota is the top turkey producing State in the Nation. I do not know if you knew that, Senator Welch?

Senator WELCH. I did.

Senator KLOBUCHAR. Yes, as well as the second top pork producer in the U.S. We are fortunate to have two outstanding Minnesota witnesses, and Senator Smith and I welcome both of you. First of all, Lori Stevermer of Easton, Minnesota. Lori currently serves as the President of the National Pork Producers Council's Executive Board. She is the Customer Success Manager for Alltech's U.S. Pork Business, having spent her time in sales and marketing in the animal nutrition business for over 30 years.

I often see her at the Minnesota State Fair at the pork booth. There with our little oink oink hat. We welcome you, Senator Welch, I know you want to wear one of those. Lori is a graduate of the University of Minnesota with a bachelor's degree in Animal Science.

John Zimmerman is also with us. John is the Chairman of the National Turkey Federation. John is a 35-year veteran of the turkey industry, and a proud second-generation turkey farmer who also raises corn and soybean. It gives him a unique view of all of this being diversified that way. He does that on his family farm with his wife Kara and their son, Grant.

I have known John for several years, and I remember when avian flu hit and just the emotion of so many of yours and your producers during that time. I know you are going to provide an incredibly valuable perspective to this Committee today.

We also have with us Tony Wesner from Seymour, Indiana, on behalf of the United Egg Producers. Mr. Wesner serves as CEO of Rose Acre Farms, the second largest egg producer in the Nation. He has served in various roles with Rose Acre Farms over the past 30 years. Given everything that is going on, there is a lot of discussion about eggs right now and what is happening with avian flu and prices. I really look forward to your testimony on the challenges that our egg producers currently face. Thank you for being here today, Mr. Wesner.

Now we are going to start with you, Ben, thank you very much for being here.

STATEMENT OF BEN LEHFELDT, PRESIDENT, AMERICAN SHEEP INDUSTRY ASSOCIATION, LAVINA, MONTANA

Mr. LEHFELDT. Thank you very much. Chairman Boozman, Ranking Member Klobuchar, Senators, thank you for inviting me today. My fellow sheep ranchers in the entire industry appreciate the opportunity to share our Federal policy priorities. The farm bill, specifically, and 2025, in general, will be key for the survival of our industry, given the impacts from Federal regulations, taxes, Federal programs, and trade on my fellow producers.

As the oldest livestock trade association in the country, we are a key component to America's future. From the land we have cherished and protected for generations, to the uniforms worn by our American warriors, and the high-quality American land that has fed them and their fellow Americans for centuries. We are proud and a key piece of that American story.

Sheep producers are dealing with record high input costs and depressed or flat markets for lamb and wool. The wholesale lamb market has been stagnant for the past year and any uptick is quickly dampened by a surge of imports of Australia and New Zealand lamb. In fact, 2024 saw portions of those imports increased by one-third over 2023. ASI's producers are looking for solutions to help curb the influx of those imported lamb that seems to continually floor our market.

Thanks to the Chairman's encouragement last year, USDA's Risk Management Agency issued a report assessing the risk management tools currently available to the sheep industry or lack thereof. The report acknowledged our need for a quality risk management tool, but ultimately, it did not provide recommendations. We therefore ask that you direct the Secretary to provide recommendations for a viable sheep-specific risk management tool.

A large share of our 2024 wool clip did not receive a bid, and yet, we are now sharing the 2025 clip. The 2018 Trade War with China blew up our single largest market for American wool. This loss was followed by a pandemic that wiped out demand for most wool garments, a lack of demand easily seen in our overflowing wool warehouses and something well known and used by our buyers' purchasing decisions. We ask the Committee to update the wool marketing loan rate that unlike other commodities, has not been updated since 2002.

We strongly support the 2024 House bills proposal and appreciate your mirroring of that effort. In addition, we ask your strong support in ensuring that the administration includes wool in any future market equalization payments to help rectify a long-standing trade imbalance. Free trade only works if it is fair trade.

One-third of our America's sheep herd is under the watch of an H-2A sheep herder. Our labor costs have skyrocketed over the past eight years, salary alone in California, the second largest sheep producing State is nearly \$58,000 annually per herder. This combined with the mandate that we provide the herders with food, board, and clothing, while also covering their application and visa fees has driven our cost to an untenable level. California has lost nearly 15 percent of sheep production over the last two years alone. Our survival is literally reliant on a modernized Sheep Herder Guest Worker Program.

In closing, we support the FMD and MAP programs, the reauthorization of the Livestock Mandatory Price Reporting, the enhancement of conservation and technical assistance tools, and the vital funding from our farm bill's orphan programs. I pledge ASI's full support for your efforts to secure our priority request in the 2025 Farm Bill. Enactment of a farm bill is crucially important to the thousands of sheep operations across the country. Thank you for your efforts to continue American agricultures uniquely impor-

tant role in feeding, fueling, and clothing the world. We are proud to be a part of it. Thank you.

[The prepared statement of Mr. Lehfeldt can be found on pages 87–90 in the appendix.]

Senator KLOBUCHAR. Well, thank you. We have now been joined by Senator Fischer who was off of voting, and I know she wants to say a few more words about you, Mr. Buck Wehrbein, who is probably the best name ever for a cattle rancher we could have. Go ahead.

Senator FISCHER. Thank you, Senator Klobuchar, and thank you to all the witnesses for being here today.

Nebraska is the beef State, and so I am very, very happy today to have Mr. Buck Wehrbein here as a witness. In May 2023, when Chairman Boozman visited Nebraska on his farm bill tour, we were able to visit Buck's feedlot and hear directly from him about how the farm bill could support cattle producers.

Mr. Wehrbein grew up in eastern Nebraska on a farm raising cattle, hogs, and chickens. He has managed custom feedlots in Nebraska and in Texas—we will forgive him that—since 1984, while feeding his own cattle since 1980. He has been active in the beef industry, and he has served as both Chairman and Treasurer for the Nebraska Beef Council, and served on the Beef Promotion Operating Committee.

He currently serves as President of the National Cattleman Beef Association. Buck and his wife have been married 50 years. He has three children, seven grandchildren, and 10 great-grandchildren. How is that possible, Buck? I am very, very proud to have you here today, Buck, representing Nebraska, and I look forward to hearing your testimony. Thank you for being here.

Senator KLOBUCHAR. Thank you, Senator Fischer. Mr. Wehrbein.

STATEMENT OF BUCK WEHRBEIN, PRESIDENT, NATIONAL CATTLEMEN'S BEEF ASSOCIATION, WATERLOO, NEBRASKA

Mr. WEHRBEIN. Chairman Boozman, Ranking Member Klobuchar, and Members of the Committee, thank you for inviting me to testify before you today on the state of the cattle business. My name is Buck Wehrbein, I am currently serving as President of the National Cattleman's Beef Association, the oldest and largest organization representing cattle producers in America.

Through NCBA's century-old grassroots policy process, our members direct us to advocate their interests here in the Nation's capital. It is on behalf of these family seed stock, cow calf stocker, and feeding operations that I appear before you today.

Overall, I am pleased to report that the state of the cattle industry is strong. Strong cattle prices and beef demand have made the marketing environment for cattle better than virtually any time in the last five years. It is worth noting that these market improvements have occurred without any new legislation or regulation aimed at the cattle markets.

While we have reason for optimism, like everyone else in agriculture, cattlemen and cattlemen still face challenges, particularly with input costs that seem to never stop rising. Unfortunately, the rising cost of feed, fuel, animal health products, and other essentials still pose the greatest threat to producer profit-

ability. We are hopeful Congress and the new Trump Administration can swiftly adopt policies which will curb these inflationary pressures and deliver critical relief to cattle producers.

As you look for ideas on how to accomplish this, I would draw your attention to the following key issues. A significant portion of cattle producers input costs result from compliance with arduous Federal regulations, whether adhering to agenda-driven Endangered Species Act, and National Environmental Policy Act requirements, or navigating miles of bureaucratic red tape to access farm programs, the outsize impact of Federal rules cuts into producers' pockets.

While we are grateful that some of the most atrocious proposed regulations like the Biden Administration's attempts to rewrite the Packers and Stockyards Act have been abandoned, more oversight is needed to ensure similarly harmful rules never finalize.

In a Post-Chevron deference world and with a renewed eye on government efficiency, we are hopeful that common sense will be inserted into the rulemaking process. Producer profitability is always at the forefront of NCBA's priority, and right-sizing the Federal Government is the smartest way to begin addressing that issue.

One of the most effective tools designed to put dollars back into the pockets of farmers and ranchers is the Beef Checkoff. This immensely popular program has come under fire from the radical animal rights industry and the fake farm groups they bankroll. The truth is the Beef Checkoff works for producers, and it does all this with the pooled resources of cattle producers across the country at zero cost to the taxpayer.

The Beef Checkoff is the model public-private partnership, and NCBA urges Congress to reject measures aimed at dismantling it. NCBA also urges the House and Senate to swiftly adopt a farm bill. We have supported and continue to support Chairman Thompson's bipartisan legislation and your framework, Mr. Chairman.

There are many other important issues which I do not have time to address in my opening statement, and I would direct your attention to my written testimony for more detail. In closing, Mr. Chairman, NCBA is ready to work alongside this Committee, this administration, and anyone else to ensure the future of the cattle industry remains strong. Thank you for your time, and I look forward to answering your question.

[The prepared statement of Mr. Wehrbein can be found on pages 91-102 in the appendix.]

Senator KLOBUCHAR. Thank you very much. Next up, Mr. Howrigan.

STATEMENT OF HAROLD HOWRIGAN, BOARD MEMBER, NATIONAL MILK PRODUCERS FEDERATION, FAIRFIELD, VERMONT

Mr. HOWRIGAN. Chairman Boozman, Ranking Member Klobuchar, thank you for the opportunity to testify. My name is Harold Howrigan. My wife, Bet, and I, are sixth generation on our family farm in Vermont. I am honored to serve on the board of both Dairy Farmers of America and National Mountain Producers Federation, which Dairy Farmers of America is a member. I am

pleased to speak today on the dairy industry. We appreciate all the steps you have taken toward completing a farm bill, and we urge this Committee to prioritize timely passage of a new five-year bill to provide certainty to our industry.

The Dairy Margin Coverage Program has served farmers well during difficult times. Since it was implemented six years ago, our farm has consistently purchased the maximum \$9.50 coverage, knowing it is meant to be a safety net when needed. We urge this Committee to continue the program, and update its production history calculation to reflect more recent on-farm production levels. I thank you, Chairman Boozman, and Ranking Member Klobuchar, for your support for this update.

We are also pleased that USDA has finalized its Federal Milk Marketing Order Modernization decision, but we need this Committee's help on one piece. The dairy industry lacks accurate transparent data on dairy product processing costs. We thank Members of this Committee for supporting language to require USDA to conduct mandatory processing cost studies every two years. This will give us all better data, and we can hope to work with you in the future to get this done.

I will touch on just a few more topics today. First, agriculture labor reform. We continue to face an acute shortage of workers. Dairy farmers consistently try to hire domestic workers, but ultimately rely on immigrant workers to make sure we can produce our milk. We strongly urge Congress to enact long overdue legislation to provide permanent certainty for our current workers and their families, and to open the H-2A Program to dairy. Failing to act risks damaging the vitality of our entire sector.

Second, trade. Nearly one-fifth of U.S. dairy production is exported, and this share is only likely to rise. We must seek new market access so we do not continue to slip behind our competitors. We urge doubling the funding for trade promotion programs, which boosts the presence of American dairy worldwide. We also urge Congress to help resolve trade issues with Canada during the USMCA review.

Third, nutrition. Dairy is a nutrition powerhouse, but continues to be under consumed by most Americans. I am grateful to you, Senator Welch, for co-authoring the bipartisan Whole Milk for Healthy Kids Act to fix our school nutrition problem. I urge this Committee to swiftly pass this legislation.

Finally, H5N1. U.S. dairy farmers continue to work closely with USDA, FDA, and other agencies to safeguard dairy herds and farm employees from highly pathogenic avian influenza. We appreciate USDA's work to accelerate vaccine development and urge that the vaccine be made available as soon as possible.

Thank you, again, for the opportunity to testify. I am happy to answer any questions later.

[The prepared statement of Mr. Howrigan can be found on pages 103–112 in the appendix.]

Chairman BOOZMAN. [Presiding.] Thank you. Mrs. Stevermer.

**STATEMENT OF LORI STEVERMER, PRESIDENT, NATIONAL
PORK PRODUCERS COUNCIL, EASTON, MINNESOTA**

Mrs. STEVERMER. Well, good afternoon, Chairman Boozman, Ranking Member Klobuchar, and Members of the Committee. I am Lori Stevermer, pork producer from Easton, Minnesota, and President of the National Pork Producers Council.

Every morning when I wake up on my family farm, I think about two things. First, producing wholesome nutritious pork while serving my community and employees.

Second, how policies and regulations impact families across America, not just now, but for future generations.

For several years, America's over 60,000 pork producers have faced difficult times. While farmers are ever optimistic about the future, we are emerging from multiple years of losing, on average, \$30 per pig. Production costs have declined and hog prices have improved, but many farmers have not yet recovered financially from the worst period of losses in our industry's history.

To provide the certainty, we need to continue farming, American agriculture needs a five-year farm bill in which pork producers have three needs. First, we must address the problems caused by California's Proposition 12, which has increased farmers' operating cost, created business uncertainty, and raised pork prices at the grocery store. As you know, this law reaches far beyond California to include farmers in other States and even other countries.

The outcome of Prop 12 defies common sense and creates a patchwork of differing State regulations if Congress does not act. Prop 12, opposed by both President Trump and President Biden, is harming small and medium family farmers the most. We have followed the processes in place to address this issue, and we are before you because the Supreme Court has said it is a matter for Congress to take up.

Second, we must ensure we protect our animals from foreign animal diseases by funding USDA programs for detection, prevention, and rapid response to outbreaks.

Third, we must promote our exports by funding the Foreign Market Development Program and Market Access Program.

Another matter that deserves this Committee's attention is a five-year reauthorization of the Livestock Mandatory Reporting Program. It ensures reliable and accurate information, influencing critical business decisions is available to farmers like myself and others at this table.

Farmers across the country desperately need employees. The H-2A Visa Program must be expanded to include year-round foreign-born workers. Given our ongoing challenges, farmers need assurances we will not be subject to regulations that restrict our ability to buy and sell our animals. For that reason, we urge Congress and the administration to defund and withdraw the Packers and Stockyards Rules.

Finally, let me say a few words about international trade. Without trade to our customers beyond our borders, we see and feel deep substantial losses. International trade provides us with an additional \$66 a pig. Without those markets for a wide range of products we produce, many of us simply would not be able to continue to farm.

U.S. Pork producers face tariff and non-tariff barriers to our products in many countries, including China and the EU. Opening new and expanding existing markets is paramount and allows many farms to stay afloat. The best way to do this is through comprehensive trade agreements, eliminating those tariff and non-tariff barriers. We now export more pork to the 20 countries where we have a comprehensive trade agreement than to the other 80 countries where we ship pork.

It is also important to realize that there are feed ingredients, re-import, including amino acids and trace minerals only available from China. We must keep this in mind as Congress and the administration continue to have conversations on the future of our relationship with China.

We are proud of the work we do and appreciate the opportunity to feed American families and to present our perspective on the agricultural economy. Thank you for the opportunity to testify before you today.

[The prepared statement of Mrs. Stevermer can be found on pages 113–120 in the appendix.]

Chairman BOOZMAN. Thank you. Mr. Zimmerman.

STATEMENT OF JOHN ZIMMERMAN, CHAIRMAN, NATIONAL TURKEY FEDERATION, NORTHFIELD, MINNESOTA

Mr. ZIMMERMAN. Good morning, Chairman Boozman, Ranking Member Klobuchar, Members of the Committee. Thank you for the opportunity to share the turkey industry's perspective today. This morning I would like to highlight the animal disease portion of the written testimony I submitted for the record.

For more than a year, the turkey industry has been dealing with the negative impacts of highly pathogenic avian influenza, as well as another highly consequential respiratory virus, avian metapneumovirus, which has impacted between 60 and 80 percent of turkey flocks nationwide.

In Minnesota alone, 127 cases of HPAI in commercial turkeys have led to the loss of more than 6.6 million birds. While HPAI is 100 percent lethal to birds exposed to the virus long enough, aMPV is more subtle, but equally impactful due to its ability to significantly reduce egg sets of the breeder stock that produces the next generation of turkeys, and causes severe, prolonged mortality in commercial flocks.

Together, these two respiratory viruses have exponentially increased volatility, supply shortages, and market uncertainty. This one-two punch has caused many farmers to quit raising turkeys with several others on the brink of shutting down. Banks are very concerned about our farm's financial health, and some farmers are struggling to obtain credit after losing 30 to 50 percent of their flocks to aMPV.

HPAI is a terrible disease, but with aMPV, there is no indemnity and no assistance. I would urge Congress to make aMPV an eligible disease under the USDA's Livestock Indemnity Program. This would assist growers in mitigating the economic loss, and will go a long way to assist poultry producers who are being hit hard stay on their farms, producing the most abundant food supply in the world.

On a more positive note, the first imported aMPV modified-live vaccine doses have reached Minnesota farms this month with more on the way to assist farmers nationwide. I want to personally thank the Chairman and Ranking Member Klobuchar for leading the charge and supporting the importation of this much needed imported modified-live vaccine for aMPV. I also want to thank USDA for their efforts in getting this across the finish line.

However, I also think it is important to acknowledge the industry's incredible frustrations with USDA's review process of an imported modified-live vaccine. I appreciate the importance of ensuring the safety of a vaccine and that the aMPV vaccine was the first of its kind to ever be approved.

However, when an entire industry is at significant risk, it should take a matter of months, not over a year for a widely used and well-established global vaccine to be imported and available for use. I would encourage the Committee to use your experience in evaluating USDA's review process to ensure a faster, more efficient response to future animal disease outbreaks.

Unfortunately, aMPV is only half the battle. Time is of the essence on HPAI. A national strategy targeting all potential hosts of H5 influenza is lacking, allowing the virus to spread.

The global poultry industry is in crisis. Pursuing a successful vaccination program that does not negatively impact trade as part of a stamp-out strategy, is the key to significantly reducing disease rates. If the U.S. fails to lead globally on implementing animal health solutions capable of preventing disease and death in commercial poultry, we will be at a significant disadvantage in world trade. Empowering USDA to increase proactive engagement with trading partners and solidify a new framework to reduce disease outbreaks impact on the global food supply is essential.

In closing, as Congress writes a new farm bill, NTF urges the renewal and robust funding of animal disease programs, and the establishment of an HPAI strategic initiative to ensure the turkey industry has the tools necessary to combat the current and future animal health diseases.

I also recognize that Secretary Rollins just announced measures to address HPAI and we appreciate the urgent attention. After a brief overview, it seems only to cover the egg laying industry. As I have stated in my testimony, the turkey industry has been devastated by HPAI, and we ask that any plan also address the urgent needs of the turkey industry.

Thank you, again, for the opportunity to testify today, and I look forward to answering any questions you may have.

[The prepared statement of Mr. Zimmerman can be found on pages 121–124 in the appendix.]

Chairman BOOZMAN. Thank you. Mr. Wesner.

STATEMENT OF TONY WESNER, BOARD MEMBER, UNITED EGG PRODUCERS, SEYMOUR, INDIANA

Mr. WESNER. Chairman Boozman, Ranking Member Klobuchar, and the Committee, on behalf of UEP and Rose Acre Farms, I would like to thank you for the opportunity to be heard. I will talk a little more about avian influenza as my colleague from the turkey industry just did.

Since 2015, we have lost 10 million birds to avian influenza. Six million of those since January 1st of this year. That is 25 percent of our current production. There has been 162 million poultry since 2022, that has been put down, 126 million of those were layers, 792 were backyard flocks. To give you an idea of the normal numbers of layers in this country is about 315 million.

Since 2015, we have now seen an increase in, and we have seen the problems with the dairy, and it is really not hard to find wildlife in the areas that are positive. It is a biosecurity nightmare and that is really our only method today to deal with it along with depopulation.

A lot of talk today about egg prices. Egg farmers today are not price makers. They are price takers. They do not get to set the market on eggs. It is like a corn and soybean farmer. We take what the price is and it is done on supply and demand. Demand is very high right now. Still, that is different than what we have seen in 2015. My theory on that is people are still shopping for an affordable protein in the store, and so they are still turning back to eggs because there is not a cheaper alternative today. That is why you are seeing the high demand. I also think the high protein diets that are popular in this country now are fueling the protein craze. You have people looking for more protein.

Another aspect of that is I think the egg shortage is bigger than we know. There is a researcher at North Carolina State, Dr. Ken Anderson. He is well respected. He would estimate the backyard flock in this country at a size of 200 million birds or more. Remember I told you our commercial flock is 315. I think that avian influenza has devastated the backyard flocks in this country, and people really do not know what is wrong with their birds. I think those people are now at the store buying eggs, also.

We have the tool of indemnity, which helps. I would just ask that we continue to look at it. There has been \$1.4 billion worth the indemnity paid out since 2022. I would ask that we continue to look at that with common sense and fairness. It is a way to have a stop-gap measure to keep people in business.

Finally, when we get down to vaccination, UEP and Rose Acre Farms fully supports vaccination in their industry. We have to control this disease. We have to do it with offense, not defense, which in my opinion is what we have done to this point. We know of a farm in Colorado that 1.5 million birds went positive three times in three years. They just got the farm repopulated and two geese fell out of the sky within yards of the first house down there just a few weeks ago. This thing is not going to get better. It is going to get worse.

Nobody wants to see trade stopped because we start using vaccines. I looked up on the charts. If you look at the chicken last year that left this country, almost 40 percent of it went to countries that are also vaccinating. I cannot understand why we cannot get together with those countries and figure this out so we do not ruin trade. Nobody wants to hurt anybody in the poultry sector or in agriculture. Period.

Dairy, layer, and turkeys need the vaccine. Turkeys should not have been left out on what was done today. I hope it was an oversight, but it really needs to be done. Still, we start taking this

thing seriously. It is not a U.S. problem, it is a global problem, and what is at stake is food security and protein security. We have to put people in the room that are smart.

I am not sure vaccine is 100 percent the answer, but I think that if we go down that road and we start there, there will be people working hard and spending a lot of money to try to come up with answers, and I would look for you guys to be leaders in that. It all starts with all of us on whether we are going to fix this or not. Thank you.

[The prepared statement of Mr. Wesner can be found on pages 125–134 in the appendix.]

Chairman BOOZMAN. Thank you. Mrs. Stevermer, can you tell us more about how a disruptive patchwork of State laws like Proposition 12 would be on the pork sector, and why it is critical for us to utilize the farm bill to prevent these harmful proposals from moving forward?

Mrs. STEVERMER. Well, thank you, Senator Boozman. In my role as president, I get the opportunity to talk to producers of all sizes, small, medium, large. Some are Prop 12 compliant, some are not. The concern that all of them have is that patchwork of regulations. That if California could put in a set of regulations and another State can do the same thing. That patchwork causes chaos in our business because it is hard to make business decisions. It is hard to make changes not knowing what the next regulation might be.

That is why it is important that Congress addresses this. The Supreme Court said it was Congress's issue to deal with. We need to have it addressed in the farm bill to provide that certainty so that we can make business decisions.

I would say it is also generational. When we look at the next generation of farmers determining if they want to come into their family farms and they see that uncertainty, it is hard for them to know if that is where they want to be. Thank you.

Chairman BOOZMAN. Very good. Mr. Wehrbein, over the past four years, the Biden Administration went far beyond its mandate under the Packers and Stockyards Act to implement costly, burdensome rules, often without being able to show any quantifiable benefit to producers. Can you talk about the need to prevent these rules from proliferating in the future, and the impact that regulatory overreach has on livestock producers?

Mr. WEHRBEIN. Thank you, Mr. Chairman. We feed about 70 percent of the cattle in our feedlot are customer cattle from Okeechobee, Florida to the Big Island of Hawaii, and in all points in between. Because of the opportunities for marketing, we have a lot of different ways that we can market their cattle so that they can be paid for the superior genetics and superior animal husbandry and so forth that makes a superior product.

A lot of those opportunities would have been taken away by the changes to the Packers and Stockyards Act. We do not need the Federal Government shouldering their way in and telling us how to market cattle. It would be very good if we could eliminate the ability for the government to do that. That is a hardship on us and these people, good producers producing good product need to be able to be paid on the merit of their product.

Chairman BOOZMAN. Very good. Thank you. Mr. Wesner, thank you for your comments on avian influenza. Can you speak about the importance of strengthening the work between growers, USDA, and States? You talked about this a little bit, and States to respond to avian influenza, and to provide support to producers when they are impacted?

Mr. WESNER. Well, I appreciate the question. Our experience with USDA in navigating the bird flu problem, for the most part, has been very positive. If I would say there is one way to improve it is sometimes you have to get bureaucracy out of the way and get decisions made. I think that is a—you have heard that before this morning with some of the other testimonies.

I would encourage U.S. data to tackle this bird flu thing head-on with money and funding to support research. You know, I was brought a product to me this week that is not a vaccine, that is a pharmaceutical that is being used in Russia with good results. It actually cures avian influenza. Those are the kind of things is it real? I am not sure, but we have to look at it and we have to go down and look at things like that all to try to find an answer to this thing.

You know, there are people going hungry in this country, and there are people going hungry all over this world, and we have to protect the protein. So, USDA, and anything that the Federal Government can do to be supportive of that research. You know, vaccine is probably not the answer today, but it is the only tool that we have. I really believe that we are going to get better vaccines.

Right now, people have not worked hard on vaccines because they do not know if they are ever going to be able to sell it, or if it is ever going to be able to be used because they did not think it was going to. The fact that the announcement's today, I am hoping we have turned a corner that there will be cooperation between USDA with the farmers, with the researchers, that we really come up with an answer that makes sense for avian influenza and makes sense for the American consumer ultimately.

Chairman BOOZMAN. Senator Klobuchar.

Senator KLOBUCHAR. Thank you very much. Thank you. We have had, not just the vote, but I have a Judiciary hearing, a Commerce hearing, and I have now put on 5,100 steps, Mr. Chairman, I just looked, running back and forth.

Avian flu, I raised the importance of a coordinated response to this virus with Secretary Rollins during her confirmation hearing, along with Senators Ernst and Fetterman. We led a request of her, and I am looking forward to reading the document today where the Secretary has come out with the coordinated response.

Mr. Zimmerman, how would a strategic initiative bringing together animal health experts from across impacted industry at USDA and enhance our ability to mitigate and prevent the spread of avian flu? I suppose you want to emphasize how important it is to include turkeys in this response.

Mr. ZIMMERMAN. Thank you, Senator. Yes, we do hope that turkeys are included in future drafts of the announcement today. We have been great partners with APHIS and USDA in mitigating the disease outbreaks that we have had, and we are very thankful for their support.

Looking forward, we have made incredible strides in biosecurity, and I question whether that should be at the forefront anymore. We are going to continue to push biosecurity, but we have to look at new solutions, and a strategic initiative around HPAI would help us do that. We need to look into how, when and if we can address the trade issues, how we will deploy a vaccine. We know it will not go to every bird right away all the time. We know what birds we have to protect the layer flock, obviously—

Senator KLOBUCHAR. I see Mr. Wesner nodding his head.

Mr. ZIMMERMAN. We are in agreement here. We need to have a plan in place because we know that our trading partners are going to request that plan. Getting the experts together to address these issues that have not been addressed yet, but just being prepared for the eventuality that we are going to be able to vaccinate at some point in time in the future. Then, also researching other novel ways to vaccinate. Right now, it would be an injectable vaccine, and we cannot inject every bird in the country. We have to look at other modes of delivering vaccine for the future. Anything we can do to further our knowledge of how to mitigate this disease would be incredibly helpful.

Senator KLOBUCHAR. Okay. Thank you. Mrs. Stevermer, thank you for being here. Can you talk about how the threat of tariffs and potential retaliation from trading partners like Mexico, China, Canada, really the whole world, could impact pork producers and have a—you already seen impacts in the future's market. Could you talk about the tariffs on Canada in particular?

Mrs. STEVERMER. Yes, thank you, Senator Klobuchar. About 25 percent of our pork products are exported. That adds about \$66 worth of value. The U.S. pork's industry is a net exporter, so we export more than we import. Any type of retaliatory tariff back on us would be concerning. It could be disruptive to our markets.

I think it is also important to note that we get a number of weaned pigs, small little pigs, from Canada into the U.S., especially in Minnesota. The increase in tariffs would increase the cost of those piglets into the United States, and then, you know, affect our cost of production. The countries that we have the comprehensive trade agreements with; Canada, Mexico, they are our top export.

Senator KLOBUCHAR. USMCA.

Mrs. STEVERMER. USMCA, those are our top exporting markets. We are an integrated market here between Canada, U.S., and New Mexico. I explained some of the ways we do that. We also talk about animal health issues together. We are good partners, and once again, any type of tariffs, retaliatory tariffs especially, that would disrupt that business would be very concerning.

Senator KLOBUCHAR. All right. I appreciate your answer. Mr. Howrigan, thinking of USMCA, knowing we need some improvements there on dairy, but also knowing how important that agreement is. I just noted that before the State agriculture commissioners that I addressed yesterday. A number of us up here crafted improvements to the former Dairy Margin Protection Program which led to the creation of the Dairy Margin Coverage Program in the 2018 Farm Bill.

The DMC Program serves as a safety net for dairy farms across the U.S. As you know, it is working well, but I know there are

some improvements we can make, talking to my own dairy farmers in Minnesota. What changes would you like to see in the upcoming farm bill to improve the Dairy Margin Coverage Program's ability to assist producers?

Mr. HOWRIGAN. Thank you for the question. As I stated, DMC is very important to the dairy industry and naturally like to improve it. Fundamentally, we would at least like to stay status quo with all the budget talks. National Milk Producers Federation, which I represent here today, could not come to an agreement on which way to go. Status quo is where they are.

Dairy Farmers of America would like to see it represent a more average-size farm in this country. A five-million-pound level, which it represents now is probably an eight or 10-year-old number. I think the average dairy is up closer to seven or eight million pounds of milk, which would justify coverage. We would also like to see the basis increase of production history. Right now, they are working with 2011 to 2013 numbers. Dairy is a growth industry. We consistently have to produce more milk each year as the price seems to stay pretty level.

Getting more efficient and doing everything we do on the dairy means growing production. Raising that production history would be helpful.

Senator KLOBUCHAR. Got it. Thank you very much, all of you.

Chairman BOOZMAN. Senator Ernst.

Senator ERNST. Thank you, Chair Boozman, and Ranking Member Klobuchar. Thank you to the second panel of witnesses for being here today. As many of you displayed in your testimonies this morning, it is clear that the agriculture economy is struggling. Last year, Congress was able to provide some temporary support, but we really do need lasting changes in the five-year farm bill, one that will actually focus on the farm.

Mr. Wesner, and Mr. Zimmerman, from your statements a moment ago, you had said the continued spread of Highly Pathogenic Avian Influenza, or HPAI, is a major concern for many farmers and especially for farmers in my State. In the last few months, we have seen over seven million birds just in Iowa alone that have been impacted. Unfortunately, it is a number that continues to grow every single day, even with farmers who are adopting the heightened biosecurity protocols and States that are implementing strict movement controls.

While there is a significant amount of work ahead, I am thankful that this remains a top priority for the administration. We did see earlier today, Secretary Rollins announcing several steps she is taking to help mitigate the ongoing outbreak. I am grateful that the Secretary has taken a number of the suggestions that my friend and colleague Senator Fetterman and I provided to the Department of Agriculture last week.

One of the strategies includes developing new vaccines that can effectively protect laying hens and turkeys from the virus. USDA is also creating a task force to effectively work through any trade concerns and maintain export access to international markets. For both of you, let us start with Mr. Wesner, can you explain why a vaccination strategy is so important to preventing the spread of HPAI, and what do the next steps look like in protecting our trade?

Mr. WESNER. The vaccination today is, I believe, our only protection that we are going to have. If you look at diseases that we have had in the poultry industry in the past, you know, there is some of them that just the only way to come to get past it was through vaccine. I think this avian influenza, now that it is mutated to other species, and we have even had one human death in the United States, vaccine needs to be forefront. They need to be the right vaccines. They need to be safe.

This is not a short-term. This is not going to happen next year. We are talking a two-to-five-year thing to really, in my opinion, see much advancement improvement. I think when the light turns green and researchers and the people that do know that it is going to be used, I think you will see advancements may become quicker than I think. We have to go down this road because right now, today, it is the only answer we have to do, nothing is wrong.

Hopefully, they will come up with better answers. Right now, the vaccines today, as Mr. Zimmerman said, you know, taking a needle to 300 million chickens across this country, a lot of them now cage free 45 percent or whatever, that is not an easy task and easily done. Someone is going to help us come up with a vaccine that makes sense. Today, what we have is what we have and we have to start somewhere.

I applaud the administration for making that step today. I just hope it does not take too long, and I hope that we move roadblocks out of the way and that we go after it with a vengeance, because there is a lot on the line.

Senator ERNST. I appreciate that. Mr. Zimmerman?

Mr. ZIMMERMAN. We are beyond biosecurity. We have done as much as we can. Some of our most strict biosecure facilities are still contracting aMPV and HPAI. We need to expand the toolbox. We have viral load exponentially increased with dairy herds being infected now, and cats, and other species. We have just seen a great increase in the incidents of HPAI in Illinois, Indiana, and Ohio, where before it was in the Midwest. We cannot track it like we used to because of the viral load that is present in the environment.

The strategic initiative would help us decide the logistics and the work that needs to be done to roll out a vaccine strategy for multiple species, and I am including dairy in this, so we can get the viral load diminished in the United States. We do not plan to vaccinate every bird right away, but if we can reduce that viral load through specific vaccination in different regions while addressing the trade issues, it would be a giant step toward controlling this virus.

Senator ERNST. Thank you. I appreciate it. HPAI is such a huge, huge issue right now for all Americans. I apologize, I am out of time. I did want to address Proposition 12 as well.

Senator ERNST. This also coming from Iowa, the number one pork producing State in the Nation. It is a big deal and we have got to figure this out. Thank you, Mr. Chair. Thank you.

Chairman BOOZMAN. Senator Hyde-Smith.

Senator HYDE-SMITH. Thank you, Mr. Chairman. Thank you, panel, for being here. I like the two panels because we have an op-

portunity to get to visit with many of you from throughout the country.

Right now, I am going to have two things I want to address. I am trying to be brief, and this one is for Mr. Lehfeltdt. I understand the U.S. sheep inventory has been so reduced because we are competing with other countries. I have been texting with Cole Estill, and I think that you were emailing with him last night. I met with him. He has an operation in northern Nevada and California. Also, Mike Bartley. They were very, very concerned. I promised them that I would certainly address this in this Committee.

The imports from Australia and New Zealand have increased like 500 percent in the last many, many years, 30 years. It seems to me that U.S. sheep producers are at a distinct disadvantage compared to our foreign competitors. I am concerned that the high volume and the low-priced imports could put our producers completely out of business. This is certainly what Mr. Estill and Mr. Bartley were telling me. Could you shed some light on the challenges our domestic producers are facing with the respect of high volume of the cheap imports that we are seeing?

Mr. LEHFELDT. Yes. Thank you for your question. I appreciate you meeting with sheep producers out there. You know, it is a desperate need in a lot of places in the sheep industry. Right now, we are close to 30 percent domestic, 70 percent imports. Right out of the gate, we have a 40 percent currency deficit that we have to overcome that, you know, producers have no absolutely no control over.

We struggle, especially out west, with predator control. Our importers and those that bring in imported lambs do not have those issues. We struggle with labor. We have talked about that in States of California, Colorado, and Oregon. Even the mandated Federal level has been increased to a level that is completely untenable for these sheep produce. That is why we are losing some of these big flocks. It is very, very important that we understand these issues.

In California, you know, most of the largest producers of sheep are actually delivering wildfire control in those areas. In my State of Montana, we are delivering noxious weed control on many cattle ranchers and fishing game sites instead of a pesticide or an herbicide application. There are so many opportunities with sheep. We just need that little pressure to make sure we can be competitive.

Senator HYDE-SMITH. Great. Thank you very, very much. Another one top priority of mine in this new administration and the immediate future is I want to talk about estate taxes, death taxes. I just do not think there is anything this Congress can do that would be more vitally important to keeping acreage in production than addressing this.

Mr. Wehrbein, I will address you on this one. I want to talk about that. You know, it is a death sentence for so many family farms and businesses. We are cattle producers ourselves, and we see this all the time with people in our stock yard who sell cattle. I know what it is like to operate on limited cash for all of these people, like many of us, who have a lot of value tied up in the land.

The death tax, it is a massive burden on so many cattle producers and farm operations, forcing these families to sell off livestock, to sell off property after a death of a family member simply

to pay the IRS. I am thrilled that our Senate Majority Leader Thune, has introduced legislation to repeal the death tax. You would see me elated, dancing in the halls of Congress, if this happens, and I am proud to be a co-sponsor of it.

While tax legislation does not fall under this Committee's jurisdiction, the farming community needs to be more vocal about the death taxes. Many people do not realize how many acres are taken out of production because of this when we are trying to feed this country. We are losing acreage all the time.

Will you please elaborate on the burden of the death tax in U.S. cattle operations?

Mr. WEHRBEIN. Amen, and thank you for that question. The way land is appreciated and the value of it now, which of course is a good thing for the owner of it, as you said, when it changes hands at a death, then the cost, they can either have to sell or take on great debt to pay the tax on it. This is a huge one, and we were very pleased with what the Trump Administration did in their first term. We know that he wants to reauthorize the Tax Cuts and Jobs Act and maybe even improve on it. Even with the higher level that is in it now, that even needs to be more.

I could not agree with you more that, that is a big one for land-owners and in agriculture, which is high volume, low margin, it is especially a hardship. We appreciate your concern, and we will be working closely with the administration toward that end.

Senator HYDE-SMITH. Thank you very much. I am out of time, Mr. Chairman.

Chairman BOOZMAN. Thank you. Senator Hoeven.

Senator HOEVEN. Thanks, Mr. Chairman. I work closely with our outstanding Chairman, Senator Boozman, also Ranking Member Senator Klobuchar. In addition, I Chair Agriculture Appropriations, and we have the Commodity Credit Corporation Program under that. It is vitally important, and keeping that tool going forward as we work on the farm bill is going to be incredibly important.

I want to point to two examples. The first is at the end of the year, because we were not able to put a new farm bill in place. Some of the Members have talked about the importance of that and getting it done. I, of course, agree with that very strongly. We were able to put a one-year extension in place, and we secured \$33 billion in emergency assistance, which came from the CCC, for our farmers and ranchers.

In addition, now we are looking at addressing avian influenza, and we are using funding from the CCC. You know, day in and day out between farm bills, when all these things happen out in farm country, we need that tool to have the flexibility to respond to our farmers and ranchers. There are two instances right now here today that point out how important that is and to be able to work with the administration to use it in an effective way.

First to you, Mr. Wehrbein, your thoughts on as we get work to get this \$33 billion out in emergency assistance, do you have any specific recommendations as to how that could be done most effectively?

Mr. WEHRBEIN. Well, the first thing would be to talk with the people that need it and hear what they need rather than make the decisions up here, you know, through a central planning idea.

Senator HOEVEN. You do not think Senator Boozman should just arbitrarily make the decisions all by himself?

Mr. WEHRBEIN. I do not think that is what I meant.

[Laughter.]

Mr. WEHRBEIN. As the Senator would do, and the Chairman would do, would be to talk to the people that are out there in the need.

Senator HOEVEN. Sure.

Mr. WEHRBEIN. There is a great need, and it needs to be expedited so it is quicker because they need it quickly.

Senator HOEVEN. Yes. It is really key to getting to the next farm bill with updated reference prices and affordable crop insurance and the other things we need. Enhanced LIP, ELAP, and LFP for our ranchers, right, those kinds of tools. It is vital as a bridge to get to where we need to go with the next farm bill. You would agree?

Mr. WEHRBEIN. Agreed.

Senator HOEVEN. Okay. Then, Mr. Wesner, and Mr. Zimmerman, you may want to both comment on this. Secretary of Agriculture, Brooke Rollins, came out with a comprehensive plan this morning to address avian influenza. I really want to commend her for that. She has hit the ground running. We think she is going to be a very strong, very effective Secretary for Secretary of Agriculture. We are already working with her closely.

Her five-point plan, I do not know if you all have had a chance to take a look at it. It looks to me like it is a solid plan. It is comprehensive. Again, it will be CCC funding. We are working with her on it very closely and intend to continue to do that.

This is a huge problem, this avian influenza. Obviously, the price of eggs is through the roof. Have you had a chance to look at that five-point plan, and do you have any specific thoughts or input that might be helpful as we work to implement it?

Mr. WESNER. I looked at it briefly before we walked in here this morning. I think it is a good start. I think it is a good start. You know, the proof is in the details. You know, when it gets right down to it, and I think that, you know, we just have to go down the road and see where it leads.

I think all the things that we were worried about, they have addressed somewhat in it. When you look at the details, we will just have to see if it makes sense, how we are going to attack it. You had to start somewhere. I commend the administration, and I commend her for taking that step. Does not matter what happens in the past, it only matters what we do today, and what we do tomorrow.

I am excited about it. I think it is a good start. I really do. We have got to come up with funding maybe for national poultry research programs and things to really look at these things. Not just deal with this problem today, but to deal with problems in the next decade, and the decade after that so we do not have to relive these things. I think it can be done, but we cannot do it pulling funding

out some of these research labs where a lot of smart people can really come together and get answers.

Senator HOEVEN. Yes. Well, this is a \$1 billion comprehensive plan. I think she has really taken the right approach here. Obviously, implementing it, we need to work closely with folks like you. Because it is complicated. It affects trade, affects so many things—

Mr. WESNER. It does.

Senator HOEVEN [continuing]. to get it right and to make sure it is effective and as expeditiously as possible. Anything you wanted to add, Mr. Zimmerman?

Mr. ZIMMERMAN. Yes. We have, obviously, seen the plan and looked over it briefly. Obviously, this is a very fluid situation that we are dealing with, but we do want to make sure that all harbors of the virus are included in this plan; eggs, poultry, and also dairy cattle, and wildlife also. Because if we leave sources of the virus in the environment, we are just going to be reinfected. I think we can all agree that depopulation is an incredibly expensive, economically and emotionally devastating, thing to have to do.

As we move forward and can look at different tools, vaccine to be one of them, and if we can, you know, on a parallel path, make sure the trade issues are addressed long-term, this will be a much more financially viable solution to this virus outbreak than what our current path has done. Thanks to Secretary Rollins for looking at novel approaches to dealing with high-path avian influenza.

Senator HOEVEN. Thank you. Thank you, Mr. Chair.

Chairman BOOZMAN. Senator from Kansas, Senator Moran.

Senator MORAN. Mr. Chairman, thank you. I have chaired hearings before, and the last thing you want is somebody to walk in at the last minute and put their name plate up and ask a question. I do not know what has been asked or answered, but I did not want to miss the chance to get this panel's instructions to me and to the Senate about the importance of trade and what happens in the current circumstance with the potential of tariffs.

Maybe the easiest question in that arena is what countries could we enter into bilateral trade agreements with that would be the most beneficial and something we might actually be able to achieve. I direct that to whoever has the best answer.

Mr. WEHRBEIN. I will give a shot at it. Thank you. I would say that we have an issue with two countries that perhaps we should not be in an agreement with, and that is Brazil and Paraguay, because they cannot live or will not live up to the health standards that everybody else does.

Then, we have an agreement with Australia, and we have bought beef from them for 20 years and have not spent one red cent with us. It is not just having an agreement, but it is also enforcing the agreement. That would be an example of what you are talking about.

Senator MORAN. Perhaps what you are suggesting to me is that rather than looking for that next new market, make sure that the agreements that we have in place today are ones that are being enforced and the advantages of trade are being realized.

Mr. WEHRBEIN. That is the way I would see it.

Senator MORAN. Thank you.

Mr. HOWRIGAN. Senator, dairy industry exports almost 20 percent of our products daily, weekly, monthly. About 40 percent of those go to our two neighboring countries, Canada, and Mexico. I would encourage this Committee and administration to when we look at the USMCA agreement to look at our partners to the North and Canada, they have a history of kind of circumventing the process they agreed to. Many of their TRQs are traditionally given to companies from Canada in this country for the trade. It kind of leaves us out. That plan needs to be revised with them. Our Southern Border, Mexico, they are a great trade partner, and from them I would hope we would do no harm. Thank you.

Senator MORAN. Let me follow-up with that and then I will conclude, Mr. Chairman. Are there any efforts underway, administration to, to dairymen or livestock producers, others in having those, particularly about USMCA, at least the press reports that there is going to be new USMCA agreements or negotiated attempts at those new agreements? Are there conversations going on between the administration, and are those personnel yet in place, although we are in the process of confirming one of the important players today?

Mr. HOWRIGAN. As I understand it, the USMCA with Canada will be reviewed as they have been in violation of some of the parts of the agreement. I think it is.

Senator MORAN. At some point in time, you expect to have input into those agreements?

Mr. HOWRIGAN. We hope to.

Senator MORAN. Yes, sir. Thank you.

Chairman BOOZMAN. I want to thank, again, all of our witnesses for being here. You all did a tremendous job and this is certainly very, very helpful. We appreciate your participation. I know you have got other things to do, but both panels represented their industries very, very well.

The record will remain open for five business days. With that, today's hearing is now adjourned.

[Whereupon, at 1:14 p.m., the hearing was adjourned.]

A P P E N D I X

FEBRUARY 26, 2025

**Testimony of Mr. Bret Erickson, J&D Produce Inc.,
on behalf of the International Fresh Produce Association**

**U.S. Senate Committee on Agriculture, Nutrition and Forestry
“Perspectives From the Field: Farmer and Rancher Views on the
Agricultural Economy, Part 2”
February 26, 2025, 10:30 a.m. ET**

Introductions

Thank you, Chairman Boozman, Ranking Member Klobuchar, and members of the Committee. My name is Bret Erickson. I am the Senior Vice President of Business Affairs at [J&D Produce Inc.](#) I am joining you today, also representing the [International Fresh Produce Association](#) (IFPA), where I am a board member and chair of the U.S. Government Relations Council. I have worked in agriculture my entire career. Before joining J&D, I was President & CEO of the Texas International Produce Association and Executive Vice President of the Texas Vegetable Association for almost 6 years. I am extremely well-versed in the challenges and opportunities this Committee will oversee in the 119th Congress.

IFPA is the largest and most diverse association serving the entire fresh produce and floral supply chain worldwide and the only one to seamlessly integrate advocacy and industry-facing support. IFPA proudly represents member companies, from small family businesses to large corporations, throughout the fresh fruit and vegetable supply chain, including growers, shippers, fresh-cut processors, wholesalers, distributors, retailers, food service operators, industry suppliers, and allied associations.

Now, for my grower's story. J&D – also known as Little Bear Produce - is a multigenerational family-owned and operated business headquartered in Edinburg, Texas, in the Rio Grande Valley. Our owners, Jimmy & Diane Bassetti, moved from Vineland, New Jersey, to McAllen, Texas, in 1984 and officially started the business in 1986. We are a grower/packer/shipper of more than 40 products including fresh greens, onions, cabbage, and melons: just the greens, we grow almost 30 different types, including kales, chards, collards, mustard greens, kohlrabi, beets, and herbs.

Most of our products are grown on our own land and managed by our own people. We also work very closely with many other farmers in South Texas and handle their produce, too. J&D helps those farmers by harvesting, washing, packing, marketing, selling, and collecting on those sales. We also help neighboring farms with food safety, financing, and regulatory compliance for our smaller growers who cannot otherwise manage those highly regulated functions on their own. Our company may not be a small farm by acres, but we are very much still a family operation with close bonds to our community and where the owners know each employee by name. The Bassetti's story is the quintessential "American Dream", and we hope to continue to tell that story for generations to come – but that future is in question.

The Vital Role of Fresh Produce

Fresh produce—fruits, vegetables, tree nuts, herbs, and florals—represents about \$28 billion annually in U.S. agricultural output. The fresh sector is a crucial economic engine for our communities and the nation, and we also play a vital role in improving the health of everyday Americans by providing the healthiest foods available. That's the good news: the promise of robust production, availability, and consumption of fresh produce.

The bad news is that the fresh sector in the U.S. faces tremendous headwinds. Like most of the stories you hear from our friends in the row crop and livestock sectors, we are experiencing enormous economic challenges in the marketplace...many of which are self-inflicted by the federal government's overregulation and unwillingness to address agriculture's crippling shortage of reliable, legal labor.

Our Labor Crisis

Labor is by far the most consequential concern and cost for fresh produce growers, affecting nearly every aspect of our operations—from planting to harvest to processing. *Labor costs now make up more than 50%—and in some cases, a significantly higher percentage—of the total expenses for fresh produce growers* and these costs are steadily rising. It is the number one threat to remaining profitable and competitive in fresh produce production. If our Nation is serious about maintaining robust domestic production and food security in the United States, Congress and the Trump administration must address agriculture's labor crisis now.

Finding domestic workers at nearly any price is almost impossible. We've tested the theory that if agricultural employers "just paid more," Americans would willingly seek jobs on the farm: it didn't work. U.S. growers pay our employees well above the

minimum wage, and we value their work. We would love to hire domestic employees and are required by law to do so, but they do not want jobs on the farm for any reasonable wage. Instead, we depend on willing, legal foreign workers.

Within this Committee's purview, IFPA and our specialty crop allies have laid out several priorities for the next farm bill that would ease our labor challenges. The most significant is the need *for greater federal investment in research and development in specialty crop mechanization and automation, and we urge your support to provide the resources for that relief this Congress.*

The produce sector now relies on the Department of Labor's (DOL) H-2A foreign agricultural worker program for our workforce. Even this program limits our ability to grow our operation since it is so outdated and challenging to navigate. Although the jurisdiction for immigration reform does not fall under this committee, there are things you and USDA can do to help.

Agricultural employers participating in the DOL's H-2A visa program must pay a federally mandated wage known as the Adverse Effect Wage Rate (AEWR). Unfortunately, the current method of calculating the AEWR—using each year's average wage to set the following year's minimum—artificially inflates agricultural wages nationwide, often exceeding actual market conditions. This creates a unique and unsustainable challenge for agricultural employers, jeopardizing their businesses and displacing domestic farmworkers. To improve this information used to regulate, we urge you to *work with the National Agricultural Statistics Service (NASS) to adjust the Farm Labor Survey to mitigate artificial inflation by collecting data specifically on the "base wage."* This would involve excluding bonus pay, piece-rate pay, incentive pay, and overtime from the survey. Since the AEWR was originally intended to serve as a minimum wage for agricultural work, this adjustment would provide a more accurate representation of the base wage in the industry. We also ask that you *encourage DOL to revise the definition of AEWR and base it on the "base wage of field and livestock workers combined"* to fully implement these critical improvements.

We also ask that you communicate to the administration support for better interagency coordination and regulatory reform. If DOL's regulatory overreach is not addressed, the U.S. will increasingly rely on foreign markets for our food supply. IFPA asks that the Committee join us in seeking the *administration's appointment of an agricultural liaison from USDA to DOL empowered to meaningfully advise and*

guide DOL on regulations that impact food and farm production. Other sectors of the economy, including labor unions, are afforded significant influence over the DOL priorities and actions; we ask that agriculture be given an equal voice on matters that impact our ability to feed this Nation and the world.

IFPA is asking the administration to reform H-2A-related rules and processes to help make American agriculture more competitive. These final rules issued by the DOL and the Department of Homeland Security are of particular concern, and I urge the Committee to support their withdrawal and/or reform:

- The *Adverse Effect Wage Rate (AEWR) Rule (February 2023)* has increased wage costs for employers by awarding workers increased pay for work not actually done – a process called “disaggregation.”
- The *Improving Protections for Workers in Temporary Agricultural Employment in the United States Rule (April 2024)* Rule increases cost and gives foreign workers rights that Congress expressly did not grant farm workers. IFPA is in active litigation with the Department of Labor over this rule and has already won an initial legal victory in the Federal District Court of Mississippi.
- The Occupational Safety and Health Administration’s *Heat Injury and Illness Prevention in Outdoor and Indoor Work Settings* rule is particularly challenging as a grower in South Texas where the regulation’s costly requirements would have kicked in 298 days of the year in 2024.
- The *Department of Homeland Security’s (DHS) Modernizing and Improving the H-2 Temporary Visa Programs Rule* (proposed) was recently finalized and is already leading to some workers being denied.

Finally, we urge this committee to consider a [report](#) released last year by the [House Agriculture Committee’s Bipartisan Working Group on Agricultural Labor](#). This bipartisan effort resulted in the unanimous endorsement of suggested policy changes that Congress and the administration should adopt to address many of my concerns. The House Labor Report provides a blueprint for reform that we believe must be pursued to provide meaningful relief from the biggest threat to domestic production’s prosperity and long-term viability.

We need a Farm Bill

The fresh sector is an active leader in the Specialty Crop Farm Bill Alliance (SCFBA). My testimony references many [SCFBA farm bill priorities](#), and IFPA strongly supports and incorporates, without direct reference, all SCFBA priorities.

Specialty crops account for nearly half of the total farm gate crop value in the U.S., yet we only receive a fraction of total resources. In the 2018 farm bill, funding for horticulture programs was just 0.5% of the total farm bill. This imbalance is unsustainable and must be addressed in the next farm bill to protect our domestic food system. The next farm bill must invest robustly and more equitably in specialty crop production to maintaining a reliable, affordable domestic food supply.

The fresh sector needs a comprehensive farm bill that addresses the structural challenges we face. IFPA urges each of you to *support investments in the following areas*:

1. *Research and Development*: Supporting innovation in crop protection, automation, and combating pests and diseases.
2. *Policy Reform in Federal Procurement*: Ensuring that the fresh produce grown by U.S. farmers is prioritized in federal nutrition programs, increasing the availability of nutritious food to Americans.
3. *Reforms to Crop Insurance are Critical*: Most fresh produce growers currently lack access to affordable and effective crop insurance. USDA must be directed and empowered to build a better system for specialty crops and build it quickly. Specialty crop growers are among the most vulnerable to natural disasters, and we are dramatically impacted by market price fluctuations, just like our neighbors in the row sector. We have also learned that we cannot rely on timely support from disaster aid when the worst happens. Congressional gridlock means relief comes too little and too late. We want better options for managing production risks and protecting our businesses. I implore the Committee to include farm bill provisions that create a risk-based safety net for *all* specialty crop growers to help them weather the unpredictable nature of food production.

Make Crop Protection Work Again

Fresh produce growers are losing the crop protection and pest management tools they rely on at an unprecedented rate. As key pesticides and herbicides are phased out, few viable alternatives exist, and even fewer new options are in the Environmental Protection Agency's (EPA) pipeline, leaving growers with few to no tools available to protect their crops from pests and diseases.

The commodities we grow are regularly threatened by pests, pathogens, and weeds, requiring the use of safe and effective crop protection tools. *All* production methods

use crop protection tools, both conventional and organic. The fresh produce sector relies on integrated pest management — in some cases, regenerative practices — to ensure our stewardship of natural resources. However, conventional, biological, and biotechnology products are *required* for modern, commercial production to feed this Nation and the world.

Fortunately, the U.S. federal regulatory system is in place to help deliver on those needs. Unfortunately, in recent years, EPA's regulatory process has been in disarray and dysfunction from adverse legal decisions and political paralysis. The result is a dramatic loss of options. Due to how and what we grow in the specialty crop sector, our loss of alternatives is far more dramatic than our friends in the row crop sector. If agriculture is to remain an essential component of our national economy, farmers must have the federal government's commitment to providing certainty that products to control damaging pests will be safe *and* available.

One product our operation relied on for onion production in Texas is an herbicide called DCPA or Dacthal. Growers have been using it for more than 50 years, and it was the only product we could reliably use for pre-emergent control of a broad range of weed species. However, EPA recently, and with very little stakeholder engagement, identified health concerns with using the product. Within four months, growers went from being able to use the herbicide to EPA canceling the product. No comparable alternatives have been identified, and EPA has not provided meaningful guidance on whether options are under review for the future.

I appreciate and acknowledge the importance of protecting human and environmental health and the role EPA plays – the U.S. is and should remain the gold standard for risk-based scientific review. To that end, in addition to pushing for process improvements and better stakeholder engagement by EPA, IFPA urges the Committee to join us in supporting and elevating USDA's Office of Pest Management and Policy (OPMP). OPMP is a vital partner in agriculture's engagement with EPA on policies associated with the use of pesticides and protections for endangered and threatened species. We ask that you ensure that OPMP is robustly supported in its efforts to work with growers and EPA to provide evidence and data on the benefits of pesticides and find common-sense solutions to mitigate risks.

More Fruits and Vegetables Mean Better Health

The fruits and vegetables IFPA members provide should fill half of every American plate. With the Trump administration's strong commitment to enhancing health and

reducing diet-related diseases, the fresh produce industry is perfectly positioned to help finally achieve these goals.

For years, Dietary Guidelines for Americans (DGA) have recommended that Americans eat more fruits and vegetables. Sadly, only one in ten of us meets those consumption targets. USDA plays a critical role in addressing this nutrition crisis, both by prioritizing fruit and vegetable availability and consumption in federal nutrition programs at schools, food banks, and retail and by supporting the overall strength of the fresh produce supply chain to support truly better making Americans healthier. IFPA believes prioritizing more nutritious options would go a long way towards increasing the vitality of the fresh sector and improving health outcomes. I ask the Committee join us in *incentivizing fruit and vegetable consumption in the Supplemental Nutrition Assistance Program (SNAP), maintaining the fruit and vegetable benefit in the Supplemental Nutrition for Women, Infants and Children (WIC) and building out online WIC, supporting fruits and vegetables in the School Meals Programs including the Fresh Fruit and Vegetable Program, and improving the variety and options of fresh produce in USDA procurement programs, including The Emergency Food Assistance Program (TEFAP)*. For example, in FY23, USDA purchased more than \$4 billion worth of domestically produced agriculture products for its USDA Foods program. According to the [USDA State of Origin report](#), [only one fresh produce commodity \(apples\) was purchased from Texas, totaling \\$138,160 out of more than \\$4 billion in purchases.](#)

Trade Matters Tremendously

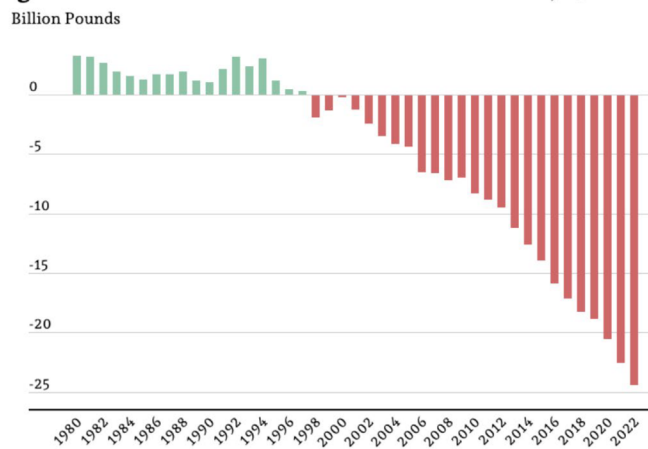
Like most agricultural organizations, IFPA members support fair, strong trade among nations because it grows markets, increases their prosperity, and ensures everyone can access the healthiest, freshest foods. Fresh produce growers and suppliers proudly feed Americans and the world every day, and the world wants to do business with the U.S. in return.

Regarding tariffs, IFPA believes that every nation that can feed itself should do so. And, like many agricultural organizations, we firmly support fair and thriving international trade. Fair trade expands markets, drives prosperity, and ensures access to fresh, nutritious foods worldwide. U.S. fresh produce growers and suppliers play a pivotal role in this system, feeding Americans and consumers worldwide while fostering mutually beneficial trade relationships.

Fresh produce, specialty crops, and floral products are among North America's most actively traded commodities. A secure and sustainable food supply — domestic and worldwide — thrives with strong and reliable access to global markets. Growing seasons and regions mean the North American market serves U.S. consumers who demand year-round access to a robust variety of fresh produce. There are some products for which there is no or minimal U.S.-based production due to the lack of appropriate growing conditions, e.g., bananas and most tropical fruits. As we have graphically learned from recent acute supply chain disruptions, marketplace volatility and supply limitations threaten growers' stability and result in consumers paying higher prices at the grocery store.

IFPA sponsored a recent study with Texas A&M to evaluate the shift in the balance of trade in fresh produce over the last 40 years. This chart indeed tells a disappointing story for U.S. producers. As noted, many factors can be attributed to this imbalance, but the trend is dramatic and unsustainable for the future of fresh produce production in this country.

Figure 6: U.S. Fresh Produce Trade Balance*, 1980-2022



* Excluding Bananas Imported and Exported

Source: Fruit and Tree Nut/Vegetable and Pulse Yearbooks, USDA ERS

Targeted use of tariffs can be a tool for addressing challenges or inequities between trading partners. However, the broad application of tariffs can disrupt supply chains, threaten market expansion, increase consumer costs, and place unnecessary strain on growers and producers.

To improve the competitiveness of producers while keeping food affordable for consumers, IFPA advocates for *swift and meaningful regulatory relief and reform as the most effective way to support agriculture and strengthen American food security*. We look forward to working with the Trump administration and Congress to advance policies that empower growers, expand market access, and ensure a competitive, resilient agricultural sector that benefits producers and consumers.

There are ways the Committee can support the fresh sector on trade directly and quickly. Many programs at USDA's Trade and Foreign Agriculture Agency (TFAA) help U.S. specialty crop growers compete worldwide. Our trading partners have historically used non-tariff trade barriers, such as overly stringent maximum residue levels (MRLs) and packaging standards, to keep U.S. fruits, vegetables, and nuts out of important trading markets. To counter those barriers, *IFPA asks that you fully fund and support SCFBA recommendations related to the Technical Assistance for Specialty Crops (TASC) and Assisting Specialty Crop Exports (ASCE) programs*.

No Water, No Food

Our water situation in Texas has reached a crisis point, with the ongoing lack of sufficient water deliveries under the 1944 water treaty between the U.S. and Mexico. This past year has been devastating for our business, as water shortages have crippled our ability to grow and harvest crops to the extent that we have shuttered some of our operations last year. Unfortunately, this issue will worsen in the coming year unless we see timely water deliveries from Mexico, as stipulated in the treaty.

Throughout the country, water delivery systems, especially west of the Mississippi River, are outdated, inefficient, and in dire need of federal investment. These crumbling systems and infrastructure only exacerbate our regulatory and trade challenges and hinder our ability to manage our resources sustainably. Without substantial improvements to agricultural water systems and enforcement of legal commitments to keep water flowing, our ability to continue farming is in jeopardy today. I ask for your support in finding meaningful solutions to the agriculture's critical need for water resources and infrastructure.

A Fresh Call for Action

The fresh produce sector makes the most nutritious food available to the world and we are an irreplaceable part of the agricultural industry. In the U.S., we contribute billions to the economy and our products improve the health of every American. However, the enormous headwinds we face require immediate action from Congress and the administration.

The future of U.S. agricultural production and food security depends on smarter federal policies that meaningfully address these challenges. By investing in the future of fresh produce growers, Congress can ensure that the U.S. remains a world leader in producing safe, abundant, affordable, and nutritious food.

Thank you for the opportunity to testify today. I am honored to represent the fresh produce sector at this pivotal time for American agriculture. IFPA looks forward to working with this Committee on policies that will secure the future of U.S. agriculture, the fresh sector, and, of course, J&D Produce. I am happy to answer any questions you may have.

Jeremy Hinton
Chairman, Kentucky Horticulture Council
President, LaRue County Farm Bureau
Kentucky Farm Bureau Federation

Good morning, Chairman Boozman, Ranking Member Klobuchar, and members of the committee. My name is Jeremy Hinton and I would like to begin my testimony today with a quote. “No other human occupation opens so wide a field for the profitable and agreeable combination of labor with cultivated thought, as agriculture”. These are the words of a man born only a few miles from our family’s farm near Hodgenville, Kentucky, who later became our 16th president, Abraham Lincoln. As part of the eighth generation of my family to farm in LaRue County, my connection to the agriculture began at the time that Lincoln wandered the fields around Sinking Springs and Knob Creek and continues today: first, as a farmer; but with an operation that looks different from my ancestors; and second, as a crop insurance agent helping other farmers manage their market and production risks.

I currently serve as Chair of the Kentucky Horticulture Council representing producers of all segments of Kentucky’s diverse and growing horticulture industry. I am also president of the LaRue County Farm Bureau Federation, a member of the Kentucky Farm Bureau Federation’s Resolutions Committee and Horticulture Advisory Committee and serve as chairman of the board for Feeding America, Kentucky’s Heartland, helping deliver agriculture’s bounty to our neighbors in need across central and western Kentucky.

While our operation does include more traditional crops for our area like soybeans and burley tobacco, the focus of our farm is our nearly 30 different edible crops and our greenhouse flowers, herbs, and vegetable plants. Most of our sales are direct to consumers through our two owned market locations and local farmer’s markets. My wife, Joanna, and I

began our business in 2002 and are both involved daily with production and marketing of our crops along with our three children ages 20, 17, & 11.

While my farm may look different from my grandfather's registered Hereford cattle farm, it also looks different than hundreds of other farms across the country that would be classified as "specialty crop" growers. Specialty crops come in many shapes and sizes, and while individually smaller in acreage when compared to other commodities like corn or cotton, the collective impact of these high value crops cannot be overlooked as part of the greater agriculture industry. Farmers of all kinds share many of the same challenges and concerns, but others are unique to operations like mine.

Loss of farmland to development is a key issue in the state of Kentucky as well as across the nation. According to the 2022 Census of Agriculture, Kentucky lost more than 546,000 acres of farmland from 2017 to 2022, meaning we are losing more than 290 acres per day in the Commonwealth. For context, the average farm size in Kentucky is 179 acres. As we in agriculture look to the future and a growing population, this issue is one that must be addressed. Kentucky Farm Bureau is taking the lead in our state to combat farmland loss with the creation of the Kentucky Farmland Transition Initiative. They are working with stakeholders at both the state and federal levels to address this key issue through education, providing resources and networking, and through policy recommendations. I look forward to your involvement in helping with solutions to this important issue. While on one hand, new neighbors mean new customers for our retail markets, we must find a balance between well planned development and farmland preservation to ensure the future of our farms and rural communities.

As I mentioned in my introduction, I am also a crop insurance agent. While most traditional row crop acres are covered under federal crop insurance programs, participation for specialty crop growers continues to be much lower. In my opinion, multiple factors contribute to this. First, in many areas there is a lack of available coverage. While availability of policies for specialty crops is increasing, the geographic disbursement of specialty crop acres often makes it difficult for actuaries to rate products for limited acres meaning agents and growers must meet additional requirements to ensure crops under written agreements approved by RMA. Second, there is a lack of education. While efforts are being made by organizations like our Kentucky Horticulture Council to increase awareness and understanding of the options available for specialty crops, growers in large part still do not understand how they can work for their operation. It is my hope that in a new farm bill and as negotiations open for changes in the crop insurance program, we can address issues that will strengthen insurance options for specialty crop growers. Whole Farm Revenue and its companion, Micro Farm policies, are good products in some situations but can be burdensome for both farmers and agents and so have not been widely adapted. Despite a rapidly growing base of specialty crop producers, in Kentucky in 2024 for example, there were only six Whole Farm policies and four Micro Farm Policies written in the entire state as compared with nearly 7,000 policies for soybeans.

For many specialty crop growers, our operation included, availability and cost of labor continues to be among our greatest challenges. Lack of available local labor led us to the H-2A program nearly 10 years ago. We are blessed with returning workers who are critical to the survival of our business, but as the cost of that labor continues to increase, we must either find additional efficiencies to reduce costs, respond with increases in our prices

to our customers, or reduce already slim profit margins. I encourage members of the committee to continue dialogue with those of us on the farm for meaningful reform to the H-2A and other temporary worker visa programs to support all segments of agriculture. It is critical to the stability of our food supply.

Growers of specialty crops are especially dependent on the resources of extension and our land grant universities. Local input suppliers rarely have staff that are trained to make recommendations for fertility or disease and pest control and so we depend on the expertise housed in our colleges of agriculture. For specialty crop growers to continue to grow and adapt to ever changing market demands and production pressures, we must have a well-funded, robust network of land grant universities and extension.

In contrast to the current outlook of many other commodities there are many positives to discuss in the specialty crop segment of agriculture. For those of us engaging in direct-to-consumer sales, we continue to see increased demand for locally grown products and in building relationships with customers who want to know who is growing the food they are feeding their families. I firmly believe that there is considerable potential for growth in this segment of the food system and look forward to opportunities in a new farm bill to further enhance those. In addition, because of the lower requirement of land and equipment, specialty crops offer opportunities for young farmers looking to start operations of their own or to diversify existing operations to make room for additional family members.

Kentucky is uniquely positioned, in my opinion, to be successful in growing specialty crops for several reasons: (1) as tobacco acres continue to decrease, growers who are accustomed to managing hand harvested crops and the labor force needed to accomplish

that are looking for alternatives and specialty crops are a good fit; (2) Kentucky is blessed with the abundant water needed to irrigate and successfully grow fruits and vegetables as well as ornamentals; and (3) Kentucky is a day's drive from 65% of the U.S. population, meaning that it is easy to transport crops from our fields and greenhouses to a majority of U.S. consumers. Because of these unique conditions, Kentucky has seen rapid growth in horticulture crops grown both in field systems and in protected environments. From 2017 to 2022, Kentucky's acres of production under glass and plastic grew by 832% from 1.48M square feet to 13.8M square feet, placing us second only to California in protected agriculture. As residential and commercial development takes away acres available for production, opportunities to grow specialty crops in protected systems allows us to grow more food in less space and continue to meet the needs of a growing population.

In closing, I want to thank each of the members of the committee for your willingness to serve your respective communities and our country. In a day when it is so easy to criticize rather than act, I have tremendous respect for the work that you are doing to help insure a healthy agriculture industry and a safe, stable food supply. It has been an honor for me to address this distinguished group today and I look forward to answering any questions you may have.



**Statement of the
Michigan Department of Agriculture and Rural Development**

**To the Senate Committee on Agriculture, Nutrition, and Forestry
“Perspectives from the Field: Farmer and Rancher Views on the
Agricultural Economy, Part 2”**

February 26, 2025

**Submitted By:
Tim Boring, Director
Michigan Department of Agriculture and Rural Development**

Good morning, Chairman Boozman, Ranking Member Klobuchar, and members of the committee. Thank you for the opportunity to speak before you as a part of your "*Perspectives from the Field: Farmer and Rancher Views on the Agricultural Economy*" series. My focus will be on specialty crops – their importance, and the challenges and opportunities that growers and consumers face as you continue to work on a Farm Bill. Members of this committee have the ability to foster the success of specialty crops today and for years to come and I'm looking forward to the constructive solutions and policy decisions that will come out of this hearing.

As the junior Senator from Michigan, Senator Elissa Slotkin, likes to point out: food security is national security. I believe the next Farm Bill serves as the crossroads for whether or not we take that fact seriously.

The perspective I bring to this hearing is as Director of the Michigan Department of Agriculture and Rural Development (MDARD). I'm proud to lead a state agency of dedicated public servants who are committed to providing opportunities for our food and agriculture businesses, lifting up our rural communities, and preserving Michigan's natural resources.

Agriculture is a \$105 billion industry for Michigan, and I consider our specialty crop farmers the backbone of our success.

While Michigan is largely considered "THE" specialty crop state with more than 300 crops produced, specialty crops are grown and consumed in all 50 states. Specialty crop producers feed the country and much of the world with nutritious fruit, vegetables, legumes, and more while supplying our homes and businesses with cut flowers and potted plants. Our holidays include celebrations that see families partake in food and drink flavored with herbs and spices, snacking on an array of tree nuts, or

maybe putting up Christmas Trees in December. Our yards and gardens are often landscaped with a fir, spruce, or hemlock. The point is that specialty crops truly *are* special and are integrated into what we eat, how we decorate, and when we share moments with friends and family.

This committee is well aware of the breadth of crops designated as “specialty” and it may be easy to assume these products have always been here and always will be. But since your invitation was extended for my testimony, I’ve been asked by a number of producers to share with you just how vital specialty crop support programs are for their existence.

Unfortunately, for many specialty crops, times have never been more tenuous. What once provided an avenue for farmers to diversify their products has forced many to choose whether or not their farm will welcome the next generation. Whether it’s due to trade pressures, market access challenges, rising input costs, climate variability, labor constraints, and threats of pests and disease – many specialty crops in this country are either harder to grow, more difficult to get to markets, or as challenging as ever to access for the consumer.

This committee has a history of championing specialty crops in a notably intentional way by passing Farm Bills that have opened market opportunities through purchasing and food access programs, as well as by funding programs that foster trade and advance agronomy and plant pathology.

Public sector research is critical for specialty crops. In Michigan, Specialty Crop Block Grants annual investments of approximately \$2 million in recent years support activities such as new leaf disease and seedling root rot research in celery; determining action thresholds and management strategies for root lesion

nematodes in carrot production; methods to combat onion Stemphylium leaf blight; and advancing etiology, detection, and management of blueberry viruses, to name a few.

Growing conditions are rapidly changing and becoming more unpredictable, making research to manage disease and pests more essential than ever. This is important not just because of the economic importance of specialty crops for growers and entire regional agricultural systems, but because these specialty crops are the food we eat. The nation's first land grant college, Michigan State University, is driving additional research, much of which is supported by the Farm Bill's Specialty Crop Research Initiative. Land grant universities across the country are also recipients of this research funding and are actively engaged on the front lines of trying to keep farmers one step ahead from the next pest or disease threat.

Last year, the Block Grant funding made it possible for Michigan specialty crop companies and associations to attend national and international trade shows including the National Restaurant Association Show, SIAL Paris, and the Global Produce and Floral Show. These trade shows resulted in 266 new buyers of specialty crops or specialty crop-processed products. Companies and specialty crops groups realized \$1.4 million in sales immediately from participating in these three trade shows with an additional \$7 million in sales anticipated through the buyer conversations and negotiations started at these events. The year before last, Specialty Crop Block Grant dollars funded consumer preference and market demand studies for blueberries, promoted specialty crops as healthy food options for school-aged children in urban communities across West Michigan, furthered sustainable dry bean production practices to meet evolving market demands, and advanced social media marketing support to engage target audiences and enhance competitiveness for Michigan apples.

Growers have also made clear with increasing urgency in recent weeks both the importance of the Marketing Assistance for Specialty Crops (MASC) program as well as the importance of passing a Farm Bill for all of the reasons mentioned above, and more.

MDARD is in constant communication with growers and specialty crop groups to ensure their state government is listening, engaged, and responsive. We hear from asparagus growers that the H2A program continues to present availability and affordability constraints; our blueberry growers echo that plus concerns around pests and disease; our potato growers note challenges around input costs and closely track the evolutions of nutritional guidelines and recommendations; our dry bean farmers constantly balance domestic and international market access; and Michigan cherry growers consider ripping out entire orchards due to development pressures and multiple, extreme weather events that have affected production and harvest in consecutive years.

On that last note in particular, I'll remark that everywhere I go in Michigan, growers continue to express concern over increasingly erratic growing conditions. For instance, last year our cherry farmers lost between 30 and 75 percent of their crop, depending on locality and variety, because of multiple abnormal weather events that drove unprecedented insect and disease pressure. Our state has experienced some of the warmest and wettest spring seasons on record in recent years, resulting in changes to pest life cycles and early bud breaks. When followed by events such as late frosts, we see crop disasters our growers cannot continue to endure. With the future of our specialty crop industry in such doubt, many farmers don't know how long their operations can continue. Accordingly, in Michigan, we've taken a posture of intentional coordination with federal and local partners to ensure we're taking action supporting farmers when they need it most. A

Farm Bill that provides growers the support to ensure the continuation of their family farms in the face of these unprecedented challenges is critical for the long-term viability of specialty crops in Michigan and across the country.

At MDARD we're focused on several overarching priorities: climate resiliency and regenerative agriculture; diversity in agriculture production; and economic prosperity across Michigan. Specialty crops are key to the realization of these priorities, not just in Michigan, but in many places across the country. Toward this end in Michigan, Governor Gretchen Whitmer has leveraged federal funding supporting specialty crops, investing state dollars in two new flagship programs: MDARD's Regenerative Agriculture Unit and the new Farm-to-Family program.

Regenerative agriculture is an active approach to land management driven by improving soil health. Rather than a rigid set of rules, it embraces a blend of sustainable farming methods tailored to each farmer's needs. Core principles include understanding the context of an individual's farm operation, minimizing soil disturbance, maximizing biodiversity, keeping soil covered, maintaining living roots year-round, and integrating livestock. Our regenerative agriculture unit is the first of its kind to be embedded in a state department. It allows Michigan producers to receive support to engage in this approach to production agriculture, which will only be more important in the years ahead. By adopting regenerative agriculture practices, farmers and landowners can improve profitability while restoring healthy soils and safeguarding natural resources for future generations. Commodity row crop farmers are on the front lines of integrating many of these practices, but they are equally important for specialty crop growers.

Established just this year, Michigan's new Farm-to-Family program is an innovative, first-of-its-kind program in state government that's working to strengthen agri-food systems across two peninsulas. Our first investment through this initiative is a middle-of-the-supply chain program that invests in expanding and bolstering food hubs and farm stops, both innovative models of market outlets, aggregation, and distribution that are important value chain nodes for an array of specialty crops in our state. Together, these programs are working to add value to the crops grown on Michigan farms and getting those crops to the people of Michigan.

The federal and state dollars that together support specialty crops are critical to the vibrancy of rural communities, quality of life from the Atlantic to the Pacific, enhancing America's economic competitive edge, and establishing and broadening lifelong consumers for U.S. food and agriculture produce domestically and in markets across the globe.

I share all of this in today's testimony because support for our specialty crops directly translates to tools to keep farmers farming, keep rural communities vibrant, and keep fruits and vegetables on dinner tables across America. Specialty crops are a vital piece in this puzzle, and I urge the Committee to ensure it doesn't get lost in the big picture as you negotiate the next Farm Bill.

Written Statement of Mrs. Anna Murphree Rhinewalt

Sandy Ridge Farms, Inc.

Senatobia, Mississippi

To the United States Senate Committee on Agriculture, Nutrition, and Forestry

**U.S. Senator John Boozman, Chair
U.S. Senator Amy Klobuchar, Ranking Member**

**Perspectives from the Field:
Farmer and Rancher Views on the Agricultural Economy
Part II**

February 26, 2025

**P.O. Box 1278
Senatobia, MS 38668**

Chairman Boozman, Ranking Member Klobuchar, and other distinguished members of the Committee, thank you for calling this hearing today to discuss this important topic and for allowing me to testify. I operate Sandy Ridge Farms, Inc. in Senatobia, Mississippi with my father, husband and brother. We raise 500 acres of sweet potatoes and 1,000 acres of row crops in the Northwest part of the state. I am an active member of the Mississippi Farm Bureau ® Federation and the Mississippi Sweet Potato Council.

I would like to share a bit about how I find myself here today. Fifty years ago, my 16-year-old father petitioned his parents first, and then the court to sign away his rights as a minor so that he could start farming. He had a passion that superseded any thoughts of long-term success or financial security. Whether or not he recognized it then, he'll tell you he was responding to God's will for his life. And an entire generation later, here I am today asking for you to help me persevere in what is now our family's call to grow food for others.

Today, my dad is 65 years old and is naturally looking ahead and assessing serious decisions surrounding transition and succession. As my husband, brother, and I cast a hopeful eye towards our future, it's impossible to not feel trepidation having endured several years under a sobering cloud of runaway input costs, soaring interest rates, uncooperative weather, and stagnant market prices. It has not been an experience that has produced great anticipation and excitement. Older farmers all over our country are assessing what their exit strategies look like. It is an unenviable position to be in, making hard, permanent decisions that sometimes bring an end the livelihoods of multiple generations. But the grim reality is – the risk may simply be too great to gamble everything once again on a new generation who, despite all earnest efforts, may be faced with factors so insurmountable their fate in farming is determined before they ever take up the mantle.

It is a sobering task communicating the years-long plight of specialty-crop farmers in our country. I hope this testimony adequately impresses upon you, the serious state we are in.

Record Production Costs: First and foremost, general production costs are at an all-time high. As you have heard from previous panels, inflated costs for seed, fertilizer, fuel, technology, equipment, and parts/repair continue to erode the profit for our farms. As shown in Figure 1 below, Mississippi's sweet potato industry has seen a steady increase in production costs over the last several years. Costs have continued to rise beyond 2023 and had we data to show from last year, it would certainly confirm the verbal reports that revenue is now slipping below the point of profitability. Many of our farms' larger line-item expenses have increased 20% and beyond between 2019 and 2024 – the most staggering being that of H-2A labor.

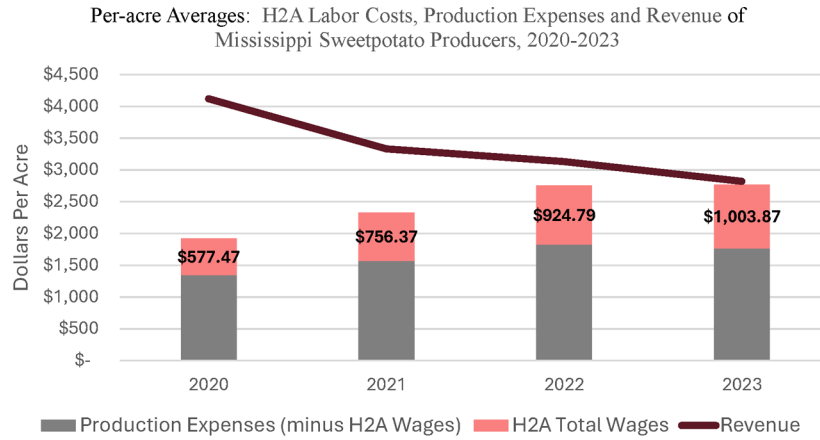


Figure 1. Per-acre averages: H2A labor costs, production expenses, and revenue of Mississippi sweet potato producers from 2020-2023. Data courtesy of Mississippi State University.

Drastic Labor Cost Increases: Like many specialty crops, labor is the lifeline of sweet potato farming. Figure 2 illustrates the current labor costs associated with sweet potatoes compared to other crops grown in Mississippi.

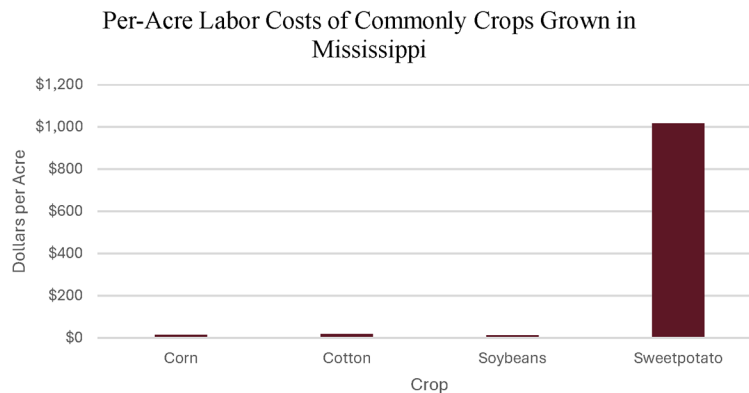
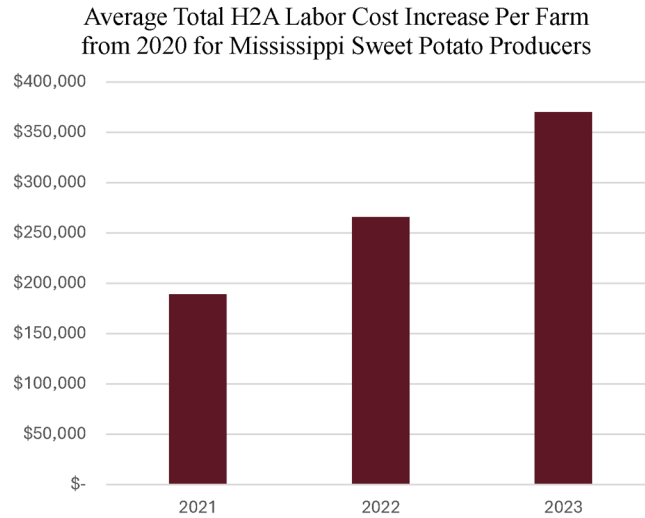


Figure 2. Per-acre labor costs of several common crops in Mississippi. Data courtesy of Mississippi State University.

Throughout various seasons, it takes between 12 and 40 workers to plant, harvest and pack our crop. There are 4 distinct jobs requiring H-2A labor to get our sweet potatoes from their seed state to the grocery store shelf. Seed-bedding occurs for 1 week in early March and utilizes 12 workers. Then, planting occurs during 3 weeks from mid-May into June utilizing up to 32 workers. Third, is harvest which takes place from September to November or as long as the weather holds. For our acreage, harvest requires 40 workers. Planting and harvest are peak seasons where work-weeks average 56 hours, but actually range from 30 to 75 or more, depending on crop-readiness and weather events. The final job is packing, which occurs year-round, but unfortunately does not require a full-time workforce – many weeks, offering only 24 hours of work. These seasonal swings in hours-offered leaves our farm at a terrible disadvantage to attract a reliable, domestic workforce.

The work required to plant and harvest specialty crops is inconsistent and grueling. The vast majority of American workers do not desire to sign on to a job that promises no benefits and no hour guarantees. We are wholly at the mercy of weather and from week-to-week cannot promise what reality the next week holds. Where our farm is located in the Southeast, it is not unusual to endure sporadic, torrential rain, hail storms, sweltering heat and drought and the collateral effects of hurricanes rising off the Gulf Coast. In the past 6 years, we have offered approximately 300 unique job positions. Before receiving assurance that we can employ H-2A workers, we are required to advertise in up to 4 states and hire domestically first. During that 6-year timeframe, we have received 50 domestic applicants. Most applied through state workforce agencies and never returned our initial call to schedule an interview. Not one ultimately pursued employment with our company.

To put this into a national perspective, according to the November 2024 report, “Debunking H-2A Myths” issued by the American Farm Bureau Federation, in 2023 alone, less than 10,000 domestic applications were received for 380,000 positions offered. That is a less than 3% application rate. It is outrageous to suggest that domestic workers are ever going to be the primary source of labor for American agriculture.



*Figure 3. Average total H-2A labor cost increases per farm from 2020 for sweet potato production.
Data courtesy of Mississippi State University.*

As represented in Figure 3 above, Mississippi sweet potato producers have seen an alarming increase in costs associated with H-2A labor since at least 2020. The increase is largely due to higher wage rates and increased hours needed from the H-2A program. The average producer spent over \$350,000 more in 2023 on H-2A wages compared to 2020, resulting in an annual industry impact of over \$12 million! On our farm, H-2A wages alone have risen more than \$70,000.00 using same-acre totals from 2019 to 2024. That is an almost 20% increase, meaning we have worked more efficiently trying to counter-act the almost 31% Adverse Effect Wage Rate (AEWR) increases during the same timeframe. However, those efforts have not been enough to outrun financial loss.

Figure 4 below, provided by the American Farm Bureau Federation, highlights the drastic increases H-2A program users in the U.S. Department of Labor-established Adverse Effect Wage Rate (AEWR).

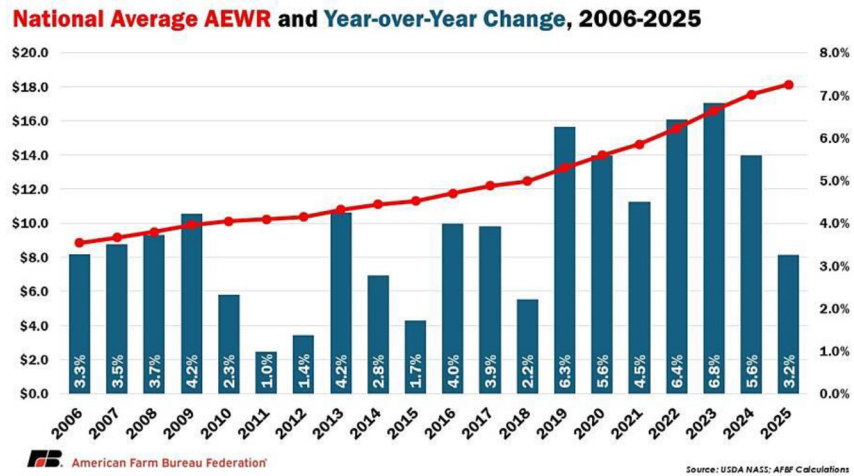


Figure 4: Graph courtesy of the American Farm Bureau Federation.

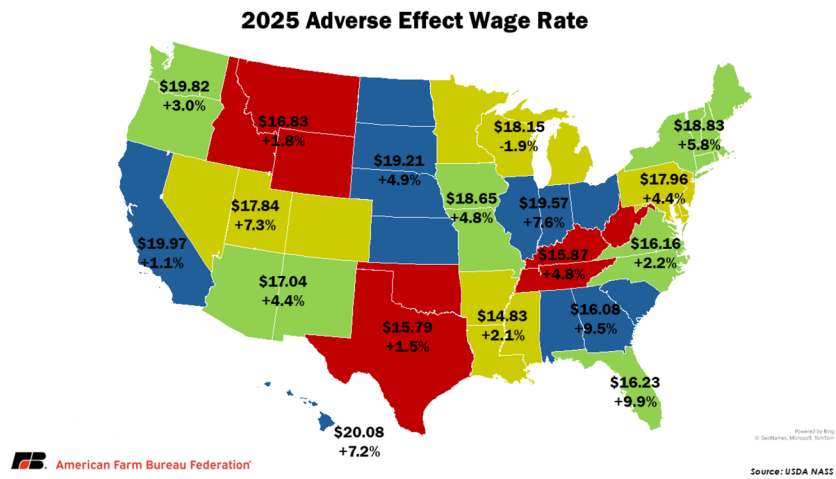


Figure 5: Graph courtesy of the American Farm Bureau Federation.

Figure 5, shows that although states within our region sustained a 2.1% increase for 2025, my fellow farmers in Alabama, South Carolina, Georgia, and Florida are now responding to yet another sharp increase in their AEWR in excess of a 9.5% over 2024.

Costs associated with the labor required to grow our product have now reached a point that is simply unsustainable for our farm.

Regulatory Burdens: Paired with the excessive costs of crop production, is a now an overreaching regulatory environment in the United States. Expectations of near-immediate compliance upon release coupled with ever-changing and ill-communicated benchmarks has us questioning whether or not it's even worth it. Our own government is watching our farmers drown in a sea of regulation.

U.S. Department of Labor: In February of 2023, the DOL finalized a rule that requires farmers to compensate H-2A workers equivalent to professional commercial truck driver rates if the worker drives one load of soybeans from the field to the grain bin on the farm at any point during their contract, doubling the wage costs for the entire period of the contract. The rule fails to acknowledge, however, that farmers' exemptions permit non-commercially-licensed drivers to haul off-farm products seasonally which allows farmers to hire at rates more commensurate with farm labor as opposed to full-time commercial driver wages. In April of 2024, the U.S. Department of Labor (DOL) released a rule called the "*Farmworker Protection Final Rule*" outlining a series of sweeping new regulations on agricultural employers that hire workers through the H-2A program. It took effect on June 28, giving farmers less than 63 days in the height of growing season to read, interpret and come into compliance with 600 pages of new rules. In the last 24 months, the DOL has issued over 3,000 pages of new rulings, setting itself apart as the agency most committed to burying H-2A employers under a mountain of regulatory action.

U.S. EPA: For the past several years, the U.S. Environmental Protection Agency (EPA) has found itself adding unprecedented new regulations on pesticide use for most every major herbicide or insecticide that farmers use. These new regulations are a temporary strategy to be able to defend these products from legal challenges in court by environmental activist groups until a more effective system is developed for pesticide approval. While I understand the need to develop measures that protect the availability of the products, many of these new mitigations are simply impractical and unachievable for any working farm to attain and still operate. We must continue to maintain a predictable regulatory framework based on science and the risk/benefit model here in the U.S., and not fold to environmental activism by restructuring a sound, regulatory framework based on a precautionary principle.

Considerations / Recommendations:

As the Committee reviews the comments and statements from these hearings, I would submit the following items for consideration:

1. **Review of the AEWR Wage Rate Methodology:** Every year, the Department of Labor (DOL) uses the "field and livestock workers' combined" wage rate reported in the November Farm Labor report (based on the Farm Labor Survey or FLS) to establish the

Adverse Effect Wage Rate (AEWR). DOL's methodology of directly using the average wage rates from the FLS to establish the AEWR has raised concerns among all users of the H-2A program. Not only because the base rate itself is prohibitive, but because it does not account for the substantial additional costs of transportation and housing and the proportionate increases to both indirect and direct administrative costs of using the program when AEWR rates are perpetually raised. I would urge the committee to direct USDA and DOL to work towards a methodology in establishing an AEWR that is more transparent and considers the excessive, added costs (housing, transportation, etc.) required to hire H-2A workers.

2. Address the Seasonality of the H-2A Program: I understand this Committee is not the Committee of jurisdiction that oversees reforms to the H-2A program. However, I am urging you to make your colleagues aware of the statistics shared today that validate domestic agricultural labor in the United States barely exists. Farmer constituents in each of your states are desperate to identify a willing, reliable, legal, year-round workforce. The bi-partisan Agricultural Labor Working Group within the House Committee on Agriculture issued a comprehensive report in March of 2024 on proposed policy recommendations to the H-2A program. One of the recommendations, which received bipartisan, unanimous support of the working group, calls for addressing the seasonality issue by allowing many year-round ag industries access to the H-2A program. I am encouraged at the thorough effort made to critically identify many areas of improvement where the H-2A program is not serving the needs of program participants.
3. Exercise Congressional Oversight: Due to the delicate nature of the farm economy right now, I would urge the Committee to exercise more of its oversight authority and duty as federal agencies promulgate and implement rules making sure that they are reasonable and don't do more damage than good to farmers like myself during this extremely difficult time.
4. Provide True, Meaningful Assistance from USDA: In December 2024, USDA announced \$2.65 billion of aid to the specialty crop industry in a program called the "*Marketing Assistance for Specialty Crops (MASC)*" program. The program was established to help specialty crop producers offset higher marketing costs. The sweet potato industry is very small compared to many other specialty crops and we are grateful for any support provided by Congress or the USDA. However, we recently were notified that the program will only provide support equal to 2% of our annual sales. For most producers in my industry, this level of support will provide very little relief to the excessive increase in marketing costs sustained over the last few years; to the point that many producers will not even fill out an application. I would urge the Committee to direct USDA to review this program to determine if more meaningful assistance can be provided.
5. Expand the U.S. Department of Agriculture Specialty Crop Block Grant Program: The USDA Specialty Crop Block Grant Program administered by the state departments of agriculture is a key tool used by many specialty crop industries across the country in growing their market. In our state alone, the program has provided over \$200,000 in research and market development needs to Mississippi State University specifically for the

Mississippi sweet potato industry. These types of programs foster an essential partnership between local land grant universities and many commodities which are traditionally underrepresented by the private sector. Because of the small size of our industry, these federal investments are key to the programs that help us grow and sell our product. I would encourage the Committee to consider expanding funding for this key program.

6. Review of Section 32 Food Purchasing Program: The Section 32 Food Purchasing Program at USDA has benefited the sweet potato industry greatly in the past. Due to prior complexities affecting utilization of the program, I would ask the Committee to encourage USDA to conduct a review of the purchasing procedures for "Perishable Crops." The current 90-to-120 day review and approval time frame does little to impact the immediate market assistance needed for our industry.

Conclusion:

I hope my testimony today has provoked a sense of urgency among you. My story is not unique. It is playing out all over the country. Farmers are, by nature, fiercely resilient and they spend most of their lives risking everything they own year after year to wield a harvest from the ground.

I ask that you assess the ramifications of the loss of food production within our borders. Food grown and raised domestically is of a higher quality, it is safer, and it is a matter of national security. If you believe that as well – it should alarm you how close we are to the demise of the American farm. Farmers honor their country by feeding it. You have an authority that we do not possess to pave a way forward, to remove some our obstacles and to lead our country into a renewed awareness that without food, nothing else matters.

In closing, thank you again for the opportunity to testify before you today. I stand ready to answer any questions that you may have for me.

Testimony of Mr. Benjamin Etcheverry, President of the New Mexico Chile Association
 Senate Committee on Agriculture, Nutrition and Forestry
 Perspectives From the Field: Farmer and Rancher Views on the Agricultural Economy
 February 26, 2025, 10:30 a.m.

Introduction

Thank you, Chairman Boozman, Ranking Member Klobuchar, and members of the Committee.

I am Ben Etcheverry from Deming New Mexico where I am the Ag Operations Crop Manager of the largest chile processing facilities in the United States. We produce over a 100 different dried and crushed chile products as well as dozens of canned goods and purees. I also am incredibly proud to represent the Chile Capital of the World as the President of New Mexico Chile Association.

Our members truly do grow the best chiles in the country and some of our family-owned companies have been doing so since before New Mexico was a state or even a US territory. Senator Lujan – who I want to acknowledge – has been out to many of our members’ farms and seen chiles grown and harvested, often in rotation with onions or melons or other produce crops. Our harvest festivals and chile roasting are world renowned and I invite all of you to come to New Mexico to enjoy what we love to grow.

Immigration and Employment

Currently, there is much focus on the immigration debate in America and in proximity to that, our US agriculture system. It’s nice to be noticed, but these circumstances are less than favorable. As all of you know, produce in this country is by and large hand harvested – especially produce intended for direct consumer consumption. As such we have a tremendous need for the human touch and the hard work that comes with it to plant, grow, and harvest our products. And when I say, “hard work”, Senators, I mean it, if any of you spend even one day with the men and women working in our industry you will be astonished at the skill and diligence it takes. As our economy has developed, new sectors of employment have opened up with many pursuing work off-farm where it is certainly less difficult. As a result, the produce sector has seen a net loss of employees over the years. With this challenge, we have become more reliant upon the Temporary Agriculture Employment of Foreign Workers or the H-2A program to shore up the gap in agriculture employment as we diligently search for automation and mechanization improvements in agriculture. As you may know Senators, unlike large acreage crops like corn or cotton, we do not have reliable automation and mechanization options for produce, most especially produce for consumer consumption. Consumers demand perfect peppers at the grocery store so any machine harvesting these peppers cannot leave peppers blemished. The New Mexico Chile Association working with New Mexico State has spent a lot of time trying to develop automation solutions for our industry with the help of USDA- de-stemming of chiles yet that remains elusive to mechanize. This work needs to continue and expand until we solve the riddle

for chiles as well as other produce crops. With the number of domestic workers declining, we need to supplement our workforce. We would prefer to develop higher paying jobs in our communities where young people stay in rural areas and are trained to program, repair, and maintain new machines. If we had automation solutions, we could also redeploy the domestic workers we have to other tasks and we wouldn't have to rely upon foreign workers via the H-2A program.

While this Committee does not have jurisdiction over immigration, I do want to share a few words on this topic. First, the H-2A program as we know it is broken and needs to be fixed. The program is expensive, loaded with numerous costs like housing and the paperwork involved is at times torturous. The program relies on three separate government agencies and accessing workers is not only expensive but time consuming. Frankly, if we had the domestic labor available we wouldn't use H2A, but with domestic workers in short supply we often have no choice. Second, I also wanted to talk about the need to have a functioning and fair immigration system, and the ability to bring the best and brightest that would make good Americans. One of the leaders in my farming community came to the United States as part of the Bracero Program in the late 1940s, where he quickly became an invaluable employee on the farm, and applied for citizenship with the help of the farmer who trusted him. After gaining citizenship he began his own farm in New Mexico, grew his family as well as the size of his enterprise to the point where it was passed down to a second and third generation. He was the best, and the brightest. My home county, the state, and nation benefitted from him becoming an American citizen. I'm from Southern New Mexico so I see the border crisis often as the poor and desperate are seeking a better opportunity for their families when there is none. There is a middle ground in which this can be managed and it's my hope this Committee can use its influence to elevate the need for ag labor reform.

Domestic Pricing and Trade

Trade and tariffs are burning issues that are driving conversation lately, and our growers have seen this issue up close for years. Currently the domestic red chile production in the southwest is down by 50% across the board since 2018. This is largely due to Chinese Paprika being shipped to Spain, blended as Spanish Paprika, and then shipped to the U.S. with a landed cost 10-15% below the cost of a domestic grower's on-farm price, let alone the costs of dehydration and packaging. Domestically, we have the quality and ability to produce required yields yet cannot play on a fair market due to circumvention of international policies and trade procedures. Mexico enjoys the luxury of importing produce into U.S. markets with little or no restrictions on entry, but Mexico in turn has a bureaucratic wall and protectionist attitude that discourage produce farmers entering the Mexican markets. Those in agribusiness understand that we are competitors in a global market. We just want to exist in a market where there is an even chance of success. This Committee has a role to play in helping the Administration understand that if we are giving fair market access, we expect fair market access in return.

It is also critical to ensure that imported foods are playing by the same rules that domestic production is. Americans have a set of standards that they demand of their food, as well they should. Organic, Sustainable, Pesticide Free, Fair Wages, and any of the numerous standards that

are asked for by the consumer. As a domestic specialty crop organization, we are willing to respond to such demands, yet the consumer has access to foreign-grown food that often lacks many of the safeguards and standards that we apply to our own agricultural sector. Unfortunately, price often dictates consumer decisions, and we are legislating higher domestic costs yet allowing lesser standards to be acceptable for imports. This Committee has a role to play in ensuring that imports are playing by the same rules that we domestic growers are.

Federal Grants and the Government's role in Agriculture.

I wanted to spend a little time talking about the “tie that binds” the consumer, the producer, and governmental policies. A short list of departments that I interact with everyday are the New Mexico Department of Agriculture (NMDA) marketing, international trade experts, Crop Science at all levels, biologists, Transportation Experts, Food Safety Experts, Geneticists and Engineers. These men and women and many more don't get the recognition they deserve. All of these positions are made possible by federal and state allocations that are critical to helping farmers deliver the food that end up on American plates. Some might view these types of programs as government waste. However, these policies and programs that have helped us shrug off wars, would be famines, economically trying times and set the standard on which the modern agricultural model in the world was created. Simply put, that interconnected system has over the last century fueled an economic boom in agriculture that will go down in history as one of the greatest leaps forward of mankind.

Senators, in the next Farm Bill you have the opportunity to build on this historic legacy to help American producers for the next century. I already talked about the need to have federal funding that helps fuel innovation in automation, but I want to highlight three additional areas of necessary improvement among many. First, the Specialty Crop Block Grant is incredibly valuable and has helped growers gain access to marketing materials for increased consumer education. As Senator Lujan knows we have a wonderful New Mexico Certified Chile Program that certifies our products so they aren't confused with imports often gaining on our growers a price premium. Second, as weather changes and fluctuates, the availability of water especially in the desert producing regions is becoming less consistent and reliable. This is already pitting the interests of municipal users and agricultural production against each other. As a result, it's critically important that conservation programs like EQIP be bolstered to help growers use federal matching money to switch to more efficient irrigation systems. Our growers are proud to be ecological stewards of the most critical of all resources including water, and with working lands program dollars we can do even more. Finally, I wanted to share some thoughts about crop insurance. Crop insurance programs that protect our specialty crops are needed as much as they are for row crops. Specialty crops have less support, higher risk, and unfortunately a weaker risk mitigation system to rely on. Right now, our industry relies upon an outdated crop insurance program that USDA helped set up in the 1980s called a ‘dollar plan ‘which focuses on the total dollar value of the crop lost in natural events, rather than the price of the crop yield.

That program needs to be modernized to account for current market conditions. Indeed, the New Mexico Chile Association worked with New Mexico State and USDA to try and do that some years ago, but the effort was incredibly difficult and frustrating.

Why? Because the data collection efforts needed to develop a new policy were so high. USDA doesn't really have publicly available data on our industry. As a result, we had to try and collect data one by one from all the growers in the state which was incredibly time consuming and ultimately not fruitful. As every Senator here knows when you call a farmer and say "I'm with the government and I'm here to help" you don't always get a warm welcome. This Committee needs to make crop insurance more user friendly for our industry.

Closing

The farm bill is an important piece of legislation that tackles some of the most complex problems in America, and they all land directly in front of us in the form of a salad on a plate—or green chiles on a cheeseburger (if you haven't tried it, you're missing out!). I implore this Congress to set aside partisan differences to make sure that farmers have the support to continue to provide enough food to eat, and enough food to make sure our next-door neighbor does not go without. Thank you, again for this opportunity and I look forward to your questions.



Testimony of

Ben Lehfelddt

On behalf of the

American Sheep Industry Association

On

**Perspectives From the Field: Farmer and Rancher Views on the
Agricultural Economy, Part 2**

Before the

**Committee on Agriculture
of the United States Senate**

February 26, 2025

Washington, D.C.

Introduction

Chairman Boozman, Ranking Member Klobuchar, and members of the committee, thank you for the opportunity to speak with you today. I am honored as the recently elected President of the American Sheep Industry Association (ASI), to represent the national trade association for the United States sheep industry and country's 100,000 lamb and wool producing farms and ranches. I compliment your timing of this hearing with the start of a new Administration, the 119th Congress and the small break at the Lefeldt sheep ranch in Lavina, Montana between winter feeding and spring work of our livestock. We look at 2025 as a key point in the direction of our industry given all the federal impacts of regulations, taxes, federal program resources and trade.

American Lamb and Wool Industries

This month's USDA inventory report revealed an increase in the nation's sheep herd. This is a notable report as sheep producers are dealing with record high input prices and non-existent, depressed, or flat markets for their sheep and wool. The lamb market at the wholesale level has been stagnant for the past year and any uptick is quickly dampened by the surge in imported lamb from Australia and New Zealand (portions of the trade have witnessed a one-third jump in volume of 2024 over 2023). Importers are taking full advantage of the US currency exchange that favors imports, hurting our domestic prices and exports. ASI has engaged a legal firm specializing in international trade twice in four years and is discussing a third investigation with our board of directors this winter.

We ask the committee's support for our efforts with trade officials of the Trump Administration to gain a measure to counter act the surge in foreign meat. Secondly, we ask for support in the new Farm Bill for directions to USDA to produce a risk management tool for sheep producers. The volatility of the markets and input costs are not met with any sheep-oriented risk management tool at USDA. We share the lamb insurance product ASI developed with USDA in 2007 did not survive company bankruptcies during the pandemic and the absence is sorely missed as demonstrated by a 2024 USDA Risk Management report on the sheep industry.

A large share of the mid-western and eastern wool clips did not receive a bid for purchase in 2024 and we are now in the shearing season for the 2025 clip. The trade war with China in 2018 blew up our single largest market for American wool. This loss was shortly followed by the pandemic that shuttered wool textile mills across the world and wiped-out demand for most wool garments. That demand has yet to return to full strength and buyers recognize the years of production that have been stockpiled since 2020.

We encourage this committee to support the increase ASI has requested in the wool marketing loan rate in the next Farm Bill. The current rates were set nearly 25 years ago, and I share for some producers, the loan is their only revenue for wool in today's market. Further, please consider wool in any market facilitation payment due to trade battles as this was not the case in 2018.

We encourage support of the USDA FAS programs as ASI is aggressively applying and implementing exploration of new markets and support of current exports to drive sales of American wool. To underscore the importance of securing markets, China has more wool textile processing equipment than the balance of the world combined.

Lastly, we encourage the committee to support the Berry Amendment and our military procurement source only American wool in the future. The US military is the single largest customer domestically of American wool and our producers are proud of clothing our American service men and women. Support for the wool growers and the wool processing textile chain in America is paramount to continue this effort.

Labor and Regulations

One-third of America's sheep herd is under the watch of an H-2A shepherd.

Salary, program fees and the cost of food and housing (all paid for by the sheep rancher) have skyrocketed in the past eight years. Salary alone in California (the second largest sheep producing state) is nearly \$58,000 annually. This combined with food expenses for a shepherd plus board, clothes and the application and visa fees have driven costs to an untenable level and the state has lost nearly 15 percent of sheep production in two years as proof. Research by the Wyoming Wool Growers Association shows a similar result of H-2A salary and fee increases as not sustainable for sheep production in the third largest sheep producing state.

ASI has re-formed an industry H-2A working group with plans to present our industry's recommended changes to regulation and statute of the program during our spring fly-in the last week of March 2025.

The 2024 decision of USDA to discontinue the use and supply of spring-loaded ejection devices (sled) for coyote control is another regulatory issue that we ask the committee to promptly support at USDA.

Predator management expense and the lost value of sheep killed by predators represents the second largest expense for many sheep farm and ranches in America. Removing any tool from our livestock protection options has major ramifications. The sled is critical to livestock protection in states including Texas, North Dakota, and West Virginia. As a fully approved device for rodenticide by the EPA, we support USDA promptly restoring the use and supply of this livestock protection tool.

ASI and our state sheep producer affiliate organizations appreciate the prompt reaction of the Administration with great support from members of the US Senate, to bring USDA APHIS Wildlife Services personnel back online this month. The sense of alarm in the ranching community to the loss of pilots, arial support staff and livestock protection specialists cannot be understated. Millions of head of livestock are protected via the industry, state and federal cooperative agreements of Wildlife Services.

Animal Health

ASI appreciates the committee's efforts to authorize and fund the foreign animal disease preparation of the 2018 Farm Bill and we fully support this in the next Farm Bill. ASI and partners continue to build out the plans for a disease event with support of the USDA personnel and funds on private and federal land livestock operations. We further appreciate the USDA APHIS staff and expertise regarding the New World Screwworm and Highly Pathogenic Avian Influenza and relay the federal officials are in regular contact with our association on these threats. To add to the disease and animal health front, we are nearing the scrapie free designation that ASI and USDA jointly sought fully two decades ago with the launch of the Scrapie Eradication Program. While the disease and pest threats are heightened today, the Senate Agriculture Committee leadership has dramatically improved the livestock industry preparedness to address via tracking animal movement, research, and vaccination.

Farm Bill

We have shared our priorities for the past two years of deliberations including Livestock Mandatory Price reporting, conservation, disaster/drought, crop insurance, disease and risk management and added urgency to several of those in today's statement. A final request of the committee we share is funding of the orphan programs of the 2018 Farm Bill. We greatly appreciate the one-year extension in 2023 of these programs, two of which are very important to sheep producers and encourage your support of funding in 2025 via a continuing resolution if possible but certainly in the authorization of the next Farm Bill. These programs excluded in the 2024 extension of the Farm Bill.

Summary

The American Sheep Industry Association pledges our full support to secure these requests and believes 2025 is pivotal to thousands of operations being able to finance their business this year.

A bright spot to share is the growth in the sheep inventory, which is widely thought to be the use of sheep for agrivoltaics such as vegetation management of solar farms and wildfire prevention.



Testimony of

Mr. Buck Wehrbein

On behalf of the

National Cattlemen's Beef Association

Submitted to the

**United States Senate
Committee on Agriculture, Nutrition, and Forestry**

Prepared for the Hearing Titled

**Perspectives From the Field: Farmer and Rancher
Views on the Agricultural Economy, Part 2**

Held on

Wednesday, February 26, 2025

Introduction

Chairman Boozman, Ranking Member Klobuchar, and Members of the Committee, thank you for inviting me here to testify before you today. My name is Buck Wehrbein, and I am a cattle feeder from Waterloo, Nebraska. I grew up on a farm and have managed custom feedlots in Nebraska and Texas since 1984. I have been active in the cattle and beef industry for most of my life and am honored to serve as the 2025 President of the National Cattlemen's Beef Association (NCBA).

NCBA is the oldest and largest trade association representing the U.S. cattle and beef industries. With roots extending as far back as 1898, today we represent over 25,000 direct members and 178,000 through our 44 state affiliate organizations, each of which play a role in crafting the policy positions our organization takes. It is important to note that well over 90 percent of those members are, like myself, family-owned business entities involved in the cow-calf, stocker/backgrounder, and feeding sectors of the supply chain. Each of those members has a voice in our organization's century-old policymaking process, and it is from the resolutions and directives resulting from this process that NCBA takes positions on legislation and proposed regulations.

State of the Cattle Industry

While we in the cattle business face mounting challenges, like everyone else involved in agriculture, I am pleased to report that the overall state of the cattle industry is strong. Cattle prices are setting new records, and consumers both here at home and around the world are still hungry for U.S. beef. Importantly, I should note that this surge in cattle prices and favorable demand pull has occurred without the passage of any legislation which altered the way cattle are marketed and sold.

While we are certainly better off than we have been in years past, there are still significant and persistent challenges facing our members. At several hearings, just like today's, over the past five years, you have heard my predecessors report that input costs were the greatest threat to solvency in the cattle business. While cattle prices today are vastly higher than at any time in that same period, and we have seen some inputs come at lower prices than recent years, I unfortunately have to report that this problem has overall not yet been resolved. For example, in the cattle feeding business which I am involved in, between interest rates, transportation, feed, labor, and even costs of regulatory compliance, the profit margins we are clearing today on roughly \$205/cwt. fat cattle are little different than the margins we were making when they were at about \$135/cwt. (See Figure 1). We are confident that President Trump's efforts to bring commonsense back to Washington will help to address many of these inflationary pressures, and we stand to ready to work with him to address these issues, but Congress has a role to play as well, as I will elaborate further later on in my testimony.

Fed Cattle Breakeven and Price

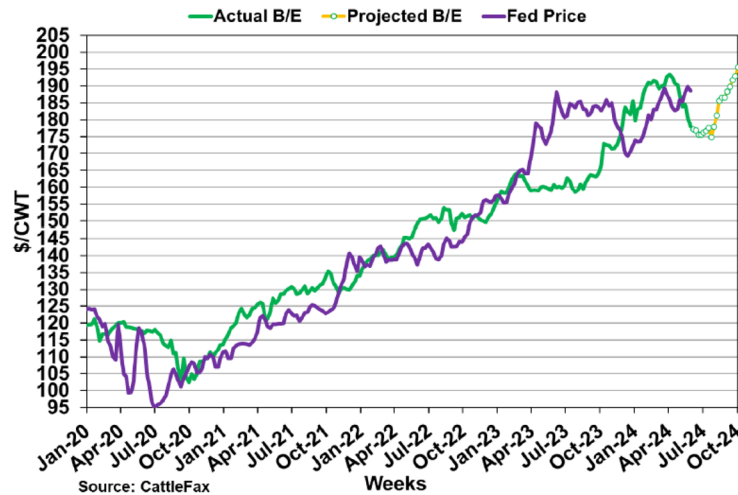


Figure 1

For over 125 years, NCBA has been committed to improving the domestic business climate, expanding export markets, and advocating for regulatory reform—all with one goal in mind: producer profitability. Ask any cattle producer why they carry on in this business, which can have long stretches of frustration and angst, and they will each give you a unique and personal answer. But whether it's the rural lifestyle, working so closely with animals, deep familial ties, or anything else, you have to turn a profit to maintain that motivating factor. There is no such thing as a silver bullet, and NCBA has long opposed, and continues to oppose, direct cash payments to the cattle sector. This does not mean, however, that Congress does not have a role to play in helping every producer, new and old, have a better shot at improving their outlook for profitability and even, perhaps, extending the same chance to the next generation of producers.

As we look for ways to combat inflationary pressures and make it easier for cattle producers to maintain, grow, and pass on their operations, NCBA wishes to draw your attention to the following issues. While this is by no means a complete list, this represents the most dominant issues on producers' minds today.

Unleash Producer Profitability by Rightsizing the Federal Government

The federal government is involved in many parts of the beef cattle supply chain, and at varying times over the past decades, federal agencies have tested the bounds of what is a reasonable role for the federal government in the private production of food and fiber. Beef cattle and production and land management are highly precise and heavily regulated; over time, we have seen layers of bureaucracy added through environmental and market regulations, encroachment into private property rights through requirements for Endangered Species Act and various water regulations, and an unacceptable level of uncertainty from repeated revisions and rescissions of federal expectations. Regulatory uncertainty and ever-shifting expectations result in added costs at every stage in the production cycle. This has a chilling effect on both individual producer profitability and opportunities for industry-wide innovation.

NCBA has long supported reducing regulatory barriers and ensuring that there is the maximum amount of flexibility for on-the-ground decisions for producers and their federal partners alike. NCBA will continue to support right-sizing policies like the National Environmental Policy Act that mirror Congress' direction in the Fiscal Responsibility Act; seek improvements to the Endangered Species Act (ESA) that incentivize and protect investments in habitat rather than serve as a threat to self-directed land management; and pursue appropriate staffing levels to ensure producers' on-the-ground partners are present and equipped to support beef cattle production.

Pass a Modern Farm Bill Without Further Delay

NCBA supports Chairman Thompson's Farm Bill that passed out of the House Agriculture Committee with bipartisan support. We thank Chairman Boozman for his continued support for the NCBA priorities that were included in the House passed bill and all of his efforts as we continue to work towards the completion of this bill. NCBA supports a continued focus on animal health priorities through animal disease preparedness and the reauthorization of the animal health provisions in the 2018 Farm Bill to include expanded funding of the National Animal Vaccine and Veterinary Countermeasures Bank (NAVVCB) to protect against Foot and Mouth Disease (FMD). We also support expanded access to risk management tools and disaster relief programs within the Farm Bill, to support financial stability for cattle producers. Protecting and funding EQIP, CSP, and other voluntary conservation programs that incentivize science based, and active management of our natural resources is vital for cattle producers. The Farm Bill provides a level of certainty for cattle producers across the country, and NCBA supports finalizing this important legislation.

Defend the Beef Checkoff

Commodity research and promotion boards, more commonly referred to as "checkoff" programs, are paramount in promoting U.S. agricultural commodities both at home and abroad. Recently, however, these immensely successful programs have come under fire

from a vocal yet minuscule minority of dissatisfied farmers whose voices have been amplified by radical animal rights activist groups. Their allies in Congress have attempted to gut checkoff programs through frivolous appropriations amendments and misguided legislation, such as the deceptively titled “Opportunities for Fairness in Farming (OFF) Act,” (S.557, 118th Cong.). We are grateful that, when brought up for votes, these legislative attacks have been soundly defeated by a broadly bipartisan coalition of lawmakers who stand with real farmers and ranchers who understand the value of commodity checkoff programs.

As an example, the Beef Checkoff was established by statute in 1985 and ratified by 79% of cattle producers in a national referendum three years later. The Beef Checkoff collects \$1 per head from the receipts of cattle sold and uses these pooled resources to conduct research and market U.S. beef to both domestic consumers and foreign importers. According to USDA estimates, cattle producers realize \$13.41 in return for every \$1 invested in the Beef Checkoff. Producers largely recognize the value of this return. In fact, when a petition for another referendum on the Beef Checkoff circulated the country from 2020 to 2021, supporters failed to gather sufficient signatures to hold a referendum vote. Given that they needed a mere 10% of producers to sign the petition, and were given a 3-month extension from the codified timeline to acquire signatures, this speaks volumes to the support that checkoffs enjoy among the producers that fund them.

Checkoffs set the model for an ideal public-private partnership. Farmers and ranchers pool their own financial resources to conduct marketing and research activities for their shared commodity, reducing the need to ask the federal government to do so on their behalf with public funds. They set rules to ensure full transparency to those who pay assessments into the checkoff, and then they are overseen by USDA who conduct audits and ensure those rules are followed to the letter. All of this, including the personnel costs at USDA, is paid for by the checkoffs themselves, not the taxpayer.

The Beef Checkoff has measurably improved beef demand since its inception. Without checkoff programs, demand and education outreach efforts would be adversely impacted to an immense degree. NCBA urges Congress to vehemently oppose the OFF Act and defend the Beef Checkoff.

New World Screwworm

While many of the issues discussed today are perennial, the cattle industry is also facing an emergent issue that requires immediate action. The U.S. cattle herd has been free of

New World screwworm (NWS) for over 60 years, but the parasite has moved quickly back up through Central America and has now been detected in Mexico. The pest is very damaging to mammals of all kinds, including people, and can be fatal in cattle within 2 weeks if left untreated. Screwworm can be eradicated by repeatedly releasing sterile male flies that mate with wild females to eventually reduce the population. However, current sterile fly production is not up to the task. We need additional facilities to increase sterile fly production and keep this devastating, expensive pest out of the country. We ask for Congress's support, along with our Mexican and Central American partners, to address this urgent threat.

Dietary Guidelines for Americans

American cattle producers raise the best protein in the world, and we are proud to feed people every day. A single 3 ounce serving of lean beef provides 25 grams of protein and 10 essential vitamins and minerals in around 170 calories. To get the same protein, you would have to eat 382 calories of black beans or 666 calories of quinoa. Beef is a delicious, efficient way for people to get the nutrients they need, and it can play a role in a healthy diet for Americans from many different cultures, backgrounds, and age groups. Beef's place on the plate is now under attack thanks to unscientific recommendations made by the Dietary Guidelines Advisory Committee. We ask this Committee to exercise oversight and ensure that HHS and USDA are led by the science and not political opinion if they finalize the Dietary Guidelines this year.

Repeal the Death Tax and Preserve Critical Tax Provisions

Family-owned cattle operations are a major economic driver across rural America, but they need a tax code that rewards their entrepreneurial spirit and encourages the continuation of multi-generational small businesses. One of the greatest threats to multi-generational operations is the death tax, also known as the estate tax. NCBA strongly supports the full and permanent repeal of the death tax. In fact, a recent NCBA tax survey showed that 61 percent of respondents will be negatively impacted if the death tax relief included in 2017 Tax Cuts and Jobs Act (TCJA) resets to pre-2017 levels. For cattle producers, the greatest asset is not cash, it is land. Farmland real estate value increased tremendously in recent years, and that may force some producers to take out significant loans or sell off part of their business to pay the death tax. We must protect the stepped-up basis to manage tax liabilities and prevent a capital gains tax on inherited farmland and pastureland at the time of death. Taxes on succession are not pro-growth tax policies, and it will cause great harm to the next generation of cattle producers if the death tax is not repealed, and stepped-up basis is not protected.

Cattle producers also need access to important tools like the Section 199A Small Business Deduction, Section 179 deduction, and Bonus Depreciation. Section 199A allows small businesses with pass-through business income to deduct up to 20 percent of qualified business income. According to a recent Ernst and Young study, Section 199A supports approximately 2.6 million jobs and contributes \$325 billion to the national economy. Notably, 38,000 of these jobs are connected to the agriculture sector, emphasizing the critical role Section 199A plays in supporting small and family-owned businesses, including farms and ranches. This provision was established to ensure that pass-through businesses could compete on an equal footing with corporations following the reduction of the corporate tax rate from 35 percent to 21 percent under the TCJA. The 20 percent deduction provided by Section 199A serves this purpose. However, if Section 199A were to expire, some high-earning farmers and ranchers might face the difficult choice of converting to C corporations to benefit from more favorable tax treatment even though they might have less flexibility in other areas.

Section 179 has long been an important tool for farmers and ranchers because it helps them with difficult cash flow struggles, lowers their marginal effective tax rate, and eliminates burdensome recordkeeping requirements associated with depreciation. TCJA raised the Section 179 deduction limit to \$1 million with a total equipment purchase cap of \$2.5 million. According to the NCBA tax survey, 57 percent of respondents reported using Section 179 in the past 3 years, and 45 percent of respondents say they would have incurred an additional tax burden exceeding \$20,000 if they did not have access to this useful tool.

Bonus depreciation, also known as first-year expensing, allows a business to deduct the cost of an asset the year it is placed in service. Farmers and ranchers generally use bonus depreciation when expenditures exceed the Section 179 small business deduction limits. These improved tax incentives allow farmers to immediately write off capital investments, such as a new combine or tractor, and keep thousands of dollars in their bottom line. In addition to equipment purchases, other eligible items may include the purchase of “off-the-shelf” computer software, and breeding livestock. NCBA strongly supported the TCJA because it included modifications to Section 179 and Bonus Depreciation that allowed producers to maximize deductions for equipment purchases. These provisions can be used together to accelerate cost recovery, thereby reducing a farmer’s taxable income. According to the NCBA tax survey, 44 percent of respondents used Bonus Depreciation within the last three years, and 31 percent say they would have incurred an additional tax burden of over \$20,000 without it.

Ensure the Viability of the Domestic Farm Workforce

NCBA supports protecting our farmers and ranchers on the southern border from harm and degradation of livestock and the environment. At the same time, we must also have access

to adequate agricultural labor. There is a need for reforms to the H-2A program to include access to year-round workers, the ability for processors to utilize the program, and to move the administration of this program from DOL to USDA where producer needs are better understood. The production agriculture and agribusiness workforce are at a critical inflection point, and further reductions in labor availability will have catastrophic consequences for the rural economy, agricultural supply chains, and U.S. food security.

Reject Harmful and Sweeping Livestock Markets Policy

As I mentioned earlier, cattle prices have undergone a meteoric rise to record levels over the past four years. This cyclical uptick is entirely a function of the free market being permitted to operate without central planners in Washington meddling in the day-to-day affairs of cattle producers. Claims made during the difficult marketing environment of the COVID-19 pandemic that cattle market conditions would never again favor producers unless Congress intervened with massive government programs have been categorically proven false. However, this did not stop the Biden Administration from attempting to insert itself more directly into cattle producers' standard, private, and business-to-business negotiations.

Almost immediately upon taking office, President Biden and Secretary Vilsack announced their intent to unilaterally expand USDA's authorities under the Packers and Stockyards Act of 1921 (PSA). The centerpiece of this regulatory agenda was to roll back of the "Harm to Competition" standard, a foundational tenet of antitrust law which states that a violation of the Act only occurs if the action in question is harmful to overall competition in the marketplace. This is a vital legal precedent that allows cattle producers to capture additional premiums in the marketplace for different characteristics exhibited by their animals and the meat they produce. It has afforded innovative family farmers and ranchers the opportunity to level the playing field when negotiating deals with large meatpacking companies. Furthermore, the standard has been upheld as the intent of Congress every single one of the eight times it has been tried in Federal Circuit Court. USDA under Biden and Vilsack, however, did not care.

Over the past four years, USDA has promulgated five rulemakings under the PSA—each drawing from a flawed interpretation of their authorities and despite widespread opposition from farmers and ranchers across the country. While we were pleased to see the most harmful of these regulations, a rule titled, "Fair and Competitive Livestock and Poultry Markets," withdrawn in the closing days of the previous Administration, USDA has indicated they intend to try this failed playbook again in the future. Just like cash trade mandates, these PSA rules would decimate the cattle industry, jeopardizing the profitability of producers nationwide. We urge Congress to continue to oppose any similar attempts to expand the role of the federal government in cattle producers' private business dealings.

Unfortunately, the federal government is not the only source of market-altering policies for livestock producers. The State of California recently adopted a measure, commonly known

as Proposition 12, which restricts the sale of pork products which are produced in a very specific, non-standard manner. Normally this would not concern NCBA or its members, except that California is home to approximately 13% of domestic pork consumers and less than 1% of U.S. pork production, meaning that the State of California has de facto imposed a standard on producers who do not reside within their borders. This is an obvious obstruction of interstate commerce, and Congress should intervene to clarify that the voters in one state cannot dictate agricultural production terms to those who do not reside in the same state.

Prioritize U.S. Beef Exports and Hold Trade Partners Accountable

Roughly 15 percent of U.S. beef is sold outside the United States, and beef exports account for \$415 per head of fed cattle slaughtered. In 2024, U.S. beef exports totaled \$10.45 billion, with Korea, Japan, and China accounting for 58 percent of total sales. There is strong global consumer demand for high quality U.S. beef, and U.S. cattle producers have capitalized on that demand because of strong trade agreements that removed tariff and non-tariff trade barriers to U.S. beef. For the past four years, the U.S. government has done little to open new markets for U.S. beef, while our competitors in Australia, South America, Canada, and Mexico have opened new markets. We need the United States to re-engage in market access negotiations and secure preferential access for U.S. beef in fast-growing markets across Asia, Africa, and the Middle East.

Unfortunately, while the U.S. government has not expanded market access for U.S. beef exports, it approved beef access for multiple countries and did not hold trade partners accountable for questionable activity that could jeopardize the safety of U.S. consumers and the U.S. cattle herd. NCBA was the first to raise concerns about Brazil's failure to report multiple cases of atypical bovine spongiform encephalopathy in a timely manner. As described in multiple letters to USDA, Brazil's delay in timely reporting shows that Brazil was incapable of reporting in a timely manner, or they willfully withheld information until an optimal time. Either way, that is inconsistent with the high standards we require of all trade partners without exception. NCBA strongly encouraged USDA to suspend Brazilian beef imports and subject them to a thorough audit process, but USDA declined. Likewise, NCBA raised numerous concerns about the approval of Paraguayan beef imports due to the questionable risk assessment based off 9-year-old site visits. Like Brazil, NCBA called for a delay in Paraguay's access until new site visits are conducted to confirm Paraguay's claim. Again, USDA declined despite strong industry opposition and concerns over the history of FMD in Brazil and Paraguay. We cannot afford to jeopardize the health and safety of U.S. consumers and the U.S. cattle herd with trade partners who have questionable reputation and unverified safeguards. We must hold Brazil and Paraguay accountable, and that must start with a suspension of beef imports subject to a thorough audit and new site visits to confirm the effectiveness of their safeguards and practices.

The U.S. was a net importer of beef in 2024, and Brazil was a leading source of lean trimmings and processed beef products. Brazil imports under the annual "Other Country"

tariff rate quota, along with Paraguay, Japan, the United Kingdom, Ireland, and other European countries. Brazil filled the 65,000 metric ton annual quota on January 17, 2025. For the rest of 2025, Brazil will face a 26.4 percent tariff, and it is not enough to discourage Brazilian beef from the U.S. market. Suspending trade with Brazil and Paraguay and subjecting them to a thorough audit process may be the only way to get their attention and remind all trade partners that the U.S. will enforce our high standards without exception. Likewise, Colombia has applied for beef access to the United States. This is concerning because Colombia has active cases of FMD and shares a porous border with Venezuela, a hot bed for FMD. Colombia is a key ally to the United States, but that should not be a justification to look the other way on Colombia's animal health vulnerabilities and the risk that will pose to the U.S. cattle herd. Colombia's application should be delayed until thorough audits are conducted for food safety and animal health equivalence in full compliance with GAO recommendations.

Overseas consumers trust the safety and quality of U.S. beef, and we must ensure that we do not take any steps that may jeopardize the strong reputation of U.S. beef. The U.S. cattle and beef industry has worked diligently with USDA to improve production practices and implement safeguards that have strengthened our trustworthiness as we have recovered from the fall out of the "cow that stole Christmas" in 2003. While there is growing interest from the dairy sector to develop and use vaccines to combat High-Path Avian Influenza in U.S. dairy cattle, the U.S. government must carefully consider the potential restrictions that may be imposed on U.S. beef exports if vaccines are used. As we have seen in other countries that vaccinate for FMD and other diseases, trade restrictions on beef can have long-term effects and reduce profitability for cattle producers.

While imports account for roughly 12 percent of the beef consumed by Americans, it is important for U.S. cattle producers to differentiate our products in the marketplace. NCBA was pleased that USDA listened to our concerns and closed the loophole created by the generic origin labels previously allowed by USDA-FSIS. As of January 1, 2026, retailers and packers will no longer be able to use the old generic origin labeling claims that caused consumer confusion and could have allowed imported beef to carry a Product of USA claim. Under the new, voluntary, and trade-compliant labeling requirements, beef products can only carry a Made in USA or Product of USA claim if the product is from an animal that is born, raised, harvested, and processed in the USA. The new requirements also allow for other qualified claims. NCBA believes these voluntary, trade compliant origin labeling claims will help cattle producers differentiate our products in the domestic market and also capitalize on consumer demand for local, state, and regional marketing claims.

Overhaul Administration of Federal Lands Grazing Programs

One of the strengths of the U.S. beef cattle supply chain is the ability to raise cattle in ecosystems that vary widely across the country. Across the West, livestock producers work with the Bureau of Land Management (BLM) and U.S. Forest Service (USFS) to manage approximately 250 million acres of federal grazing land. In any given year, approximately 63

percent of cattle in the West spend time grazing on federal lands. This forage is crucial for the region's cow/calf sector, as the calves from those operations are often fed out in other parts of the country, resulting in a multi-regional contribution to the supply chain. In the early 1990s, there was a call from radical environmentalists to eliminate grazing on federal lands. Their rallying cry to make federal lands "cattle free by [19]93" resulted in significant changes to the regulations that govern grazing on BLM lands. These changes drove a reduction in livestock grazing on federal lands and increased regulatory burdens on cattle producers. Reduced numbers of cattle grazing on federal lands combined with mounting burdens under NEPA, ESA, and other natural resource regulations for the producers who remain has made it increasingly difficult and expensive to operate on these lands. USFS has faced similar calls to reduce grazing and has been less successful in mitigating those reductions over time because of the agency's inherent focus on timber and fire, rather than grasslands and shorter forage.

Federal lands ranchers pay a base grazing fee set by federal statute and they are responsible for maintenance of infrastructure on their grazing allotment in order to remain in compliance with their permit and in good standing with their federal government landlord. Maintenance of fences, water troughs, pipelines, invasive species treatments, and other range improvements often makes it more expensive for these grazing permittees to operate on federal land than it would be if they held private leases or owned the lands themselves.

Producers view this as a worthy investment because not only do they see a direct benefit from the forage their livestock converts into high quality protein, they also see economic and environmental benefits from grazing these landscapes. Often, federal lands surround or are interspersed in private and state land, so reducing wildfire risk, controlling invasive annual grasses, and supporting other multiple uses on the federal acres is also in producers' best interest. Across these lands, grazing reduces the risk of wildfire ignition between 45 and 50 percent, decreases the spread of invasive annual grasses to support biodiversity, and generates billions of dollars in ecosystem services like wildlife habitat, wildlife-based recreation, watershed protection, and more.

NCBA supports significant revisions in USFS and BLM grazing policy that recognizes the economic and environmental benefits generated by private producers' investments in acres. Further, NCBA supports this Committee's work to increase the use of targeted grazing – outside existing grazing allotments – to reduce federal land wildfire risk that threatens not only cattle production, but the whole of Western economies. The role that sound federal lands management policy plays in the domestic cattle industry cannot be overstated, and NCBA appreciates this Committee's attention to the wide range of production scenarios that support a strong national supply chain.

Conclusion

In closing, America's cattle producers are resilient. They are experts at making the most out of any situation, and will continue to do so going forward. While we have more reason to be optimistic than the last several times our organization has appeared before Congress in recent years, there are still very real and very large challenges that lie before us. To boil everything I have testified to this morning down to a single request it would be: please listen. Listen to cattle producers when they reach out to you. Hear them out when they tell you a program is working and needs to be bolstered. Give them your attention when they tell you a well-intended bill may actually have the opposite effect on their business. Trust that they, the boots on the ground, know best how to produce our nation's food, fiber, and fuel. It is said a lot in this Committee and around Capitol Hill: food security is national security. We could not agree more. We take that role incredibly seriously, we are honored to be entrusted with such a responsibility, and we welcome your partnership to continue that proud tradition for generations to come. Thank you, Mr. Chairman, and with that I am happy to stand for questions.



Testimony of Harold Howrigan
Member, Board of Directors
National Milk Producers Federation

Before the Senate Agriculture, Nutrition, and Forestry Committee
February 26, 2025

Introduction

Chairman Boozman, Ranking Member Klobuchar, members of the committee, thank you for the opportunity to testify before you today as the committee reviews the state of the dairy sector.

My name is Harold Howrigan. My wife, Bet, and I are the sixth generation on our family farm in Fairfield, Vermont. We are in business with my brothers, Lawrence and Michael, our three sons, three nephews and their families. We milk on four dairies, with approximately 350 cows on each. I am honored to serve on the Board of Directors of both Dairy Farmers of America (DFA), a dairy cooperative of which I am a member-owner, and of the National Milk Producers Federation (NMPF), of which DFA is a member cooperative.

I am proud to be a member-owner of DFA, the nation's leading diversified milk marketing cooperative, owned and governed by more than 10,000 dairy farmer members across the country. DFA's family farmers are invested in 80 processing facilities that produce a wide range of dairy products, including fluid milk, cheese, butter, ice cream, and dairy ingredients.

I am testifying before you today on behalf of NMPF, the organization that develops and carries out policies that advance the well-being of dairy producers like me and the cooperatives we own. NMPF's member cooperatives market the majority of the U.S. milk supply, making NMPF the voice of tens of thousands of dairy producers on national issues.

Dairy Economic Outlook

After several challenging years of high input costs and low milk prices, 2024 was a welcome reprieve for many as margins improved thanks to milk production tightening, dairy consumption rebounding and feed costs softening.

However, every dairy farmer knows how quickly markets can change. Dairy consumption remains in a precarious position as many consumers are still recovering from the rapid inflation of 2021 and 2022. And even as dairy consumption at retail improved last year, particularly for cheese, butter and yogurt, foodservice sales struggled as consumers looked to save money. In

fact, due to weaker foodservice sales, domestic cheese consumption has actually declined slightly through November, which would make 2024 the weakest year for U.S. domestic cheese consumption since COVID-19.

Yet, the dairy community, from farm to processor to consumer, remains incredibly dynamic with plenty of reasons for optimism. Even as domestic cheese sales struggled, record cheese exports, especially to Mexico, Central America and the Caribbean, have more than made up for the domestic slowdown. Additionally, consumer emphasis on health and wellness, both at home and abroad, has led to a surge in demand for whey and milk proteins. And finally, the dairy industry continues to invest in the future. Between 2023 and 2026, over \$8 billion of new dairy processing is being invested by individual farmers, cooperatives and proprietary companies.

Overall, the dairy market today is faced with plenty of conflicting forces – tight milk supplies, reticent consumer spending, and uncertain trade environment. Balancing optimism for the future with a clear-eyed view of the challenges of today is second nature to America's farmers. However, in order to manage the highly volatile dairy market, access to safety net and risk management tools, like Dairy Margin Coverage and Dairy Revenue Protection, will become even more critical for U.S. dairy producers in the years ahead.

2025 Farm Bill & Economic Policy

I am pleased to offer comments on dairy policy as you continue work on the next farm bill. We were grateful to you, Chairman Boozman, for the many important dairy provisions you included in your farm bill framework last year. We also appreciated the positive dairy provisions included in the farm bill proposal put forth by committee Democrats, and in the Farm, Food, and National Security Act (then-H.R. 8467) approved by the House Agriculture Committee.

When this committee began preparing for the 2018 Farm Bill, dairy policy was much different, and much less effective, than it is today. The previous Margin Protection Program (MPP), while well-intended, fell short of providing the protection required of a valuable farm safety net. MPP allowed farmers to insure against low margins – the gap between milk prices and feed costs – but did not offer affordable or meaningful coverage that accounted for the challenges producers endured. As a result, dairy farmers largely opted out of the program. Further, unlike our counterparts who grow crops, dairy farmers lacked access to the risk management options that can help meet their customized needs.

Dairy farmers are grateful for the work this committee did to reform the dairy safety net in both the 2018 Farm Bill and the Bipartisan Budget Act of 2018. The Dairy Margin Coverage (DMC) program is a major improvement over MPP and has performed as a strong safety net for dairy farmers during difficult times. It offers producers affordable coverage for margin levels that reflect the milk price and feed cost challenges they face. DMC has worked as intended in recent years, helping farmers weather a variety of challenges including the COVID-19 pandemic.

DMC has provided important security to my family's farm, given the volatility that persists in dairy markets. Since the program was implemented in 2019, my farm has consistently purchased the maximum available DMC coverage at a margin of \$9.50 per hundredweight, knowing that it

may not pay out every year, but is intended to serve as a safety net when needed. I am glad that more than 73 percent of those dairy farmers who have DMC production history, enrolled in the program in 2024.

However, as valuable as the program has been, through the years many farmers have actually lost protection through the program because DMC's underlying production history calculation is outdated – reflecting production on a farm that occurred over a decade ago. Dairy farmers need the opportunity to update their production history to reflect more current on-farm production levels. 2013 is far too long ago, and no other farm safety net programs use such an outdated production reference. Many farms have grown to meet market demands or to allow their children to join the farm. We are grateful to this committee for folding the Supplemental Dairy Margin Coverage payments into the underlying DMC. This compensates farmers for incremental production increases as of 2019, but it is critical that this adjustment be enhanced so that DMC remains a viable safety net. I thank you, Chairman Boozman, for including language in your framework last year to further update DMC's production history calculation. I also thank you, Ranking Member Klobuchar, for advocating for this fix.

Beyond DMC, we are grateful that, on par with producers of other commodities, dairy farmers of all sizes now have access to both a Farm Service Agency-run safety net as well as Risk Management Agency tools, such as Dairy Revenue Protection (Dairy-RP) and Livestock Gross Margin-Dairy (LGM-Dairy), which give all farmers the ability to adapt their risk management to their needs. I have participated in Dairy-RP for many years since it was created. We are pleased that USDA approved several improvements to LGM-Dairy, including simplifying the purchase process to align it more closely with Dairy-RP and making the program available in all counties in every state. We look forward to working with this committee on further potential adjustments to strengthen these risk management options for producers of all sizes.

Beyond the dairy safety net and risk management tools, the Federal Milk Marketing Order (FMMO) system provides significant value and safeguards to dairy farmers, cooperatives, and processors. Federal Orders are designed to assure consumers an adequate supply of fluid milk and to promote orderly marketing conditions for farmers. However, the industry has changed significantly since the last major order updates in 2000, and the COVID-19 pandemic drew acute attention to key shortfalls within the system. Dairy producers want the FMMO system to evolve with our industry and economy and be supportive of the needs of today's dairy participants.

To bring Federal Orders in line with modern dairy markets, NMPF spearheaded a multi-year, consensus-driven modernization process four years ago that culminated in USDA's final Federal Order decision just a few weeks ago. We started by conducting a comprehensive examination aimed at updating and modernizing the FMMO program. After more than 150 meetings of NMPF dairy farmer members and co-op technical experts, including from DFA, NMPF's Board of Directors gave unanimous approval in March 2023 to a comprehensive modernization proposal. In May 2023, we submitted our petition to USDA for a comprehensive national federal order hearing. USDA honored our petition and held a 49-day hearing in Carmel, Indiana from August 2023 through January 2024. The hearing included countless hours of testimony and cross examination. We are heartened by the strong support among dairy farmers from coast to coast who participated in this process.

NMPF's efforts resulted in USDA's final decision being approved by all eleven Federal Orders. No one got everything they wanted, but we got what we needed. The final decision reinstates the previous "higher of" Class I mover formula for most milk to restore orderly milk marketing and real-time market signals to producers. We are grateful to the many members of this committee in both parties, including my own senator, Senator Welch from Vermont, who advocated for this critical fix. USDA's decision also updates manufacturing allowances, Class I differentials, and skim milk component factors, while removing barrel cheese from the protein price formula. None of these issues were easy to address, and each one required careful, thoughtful compromise on all parts. In the end, USDA's final decision broadly embodies the direction NMPF laid out in its petition and puts the entire industry on a stronger, firmer footing for years to come.

However, we do need this committee's help in enacting one component of our proposal. USDA's final decision updated the manufacturing allowances to account for a dairy manufacturer's cost of processing milk into dairy products like butter and cheese. However, all stakeholders agree that the persistent lack of accurate, comprehensive data regarding dairy manufacturing costs has denied the industry an essential tool in assessing how pricing formulas should be structured. To solve the problem, we hope to work with this committee to enact legislation to require USDA to conduct regular, mandatory, and auditable processing plant cost studies every two years and to report the results. It would not automatically trigger a change in manufacturing allowances or a hearing to consider a change but would provide all dairy stakeholders with uniform data to consider this issue in the future. We are grateful that both Senate Republicans and Democrats included this language in their farm bill proposals last year.

Finally, I would like to provide brief comments on the farm bill's conservation title. First, dairy producers are environmental stewards who tend with great care to our land, water, and other natural resources. As a testament to dairy's endeavors, research shows that producing a gallon of milk in 2017 required 30% less water, 21% less land, had a 19% smaller carbon footprint, and produced 20% less manure than it did in 2007. However, we believe that more can be done, and, as a result, have set industry-wide goals of becoming greenhouse gas neutral or better, improving water quality, and optimizing water use by 2050.

Robust funding for conservation programs, like the Environmental Quality Incentives Program (EQIP), is key as we work to continue our ongoing environmental stewardship efforts, including innovative approaches to both feed and manure management which have potential to generate new income streams for farmers. However, EQIP's current payment limitation of \$450,000 poses a significant obstacle to many family dairy farmers who are seeking to undertake meaningful environmental projects and should be adjusted in the upcoming farm bill. Separately, we applaud the Senate's bipartisan support for the Innovative FEED Act, legislation that would modernize the Food and Drug Administration's approval process for animal feed ingredients that would yield stewardship and productivity gains and better position U.S. dairy farmers to compete with their global counterparts. We look forward to working toward this bill's enactment this congress.

Ag Labor Reform

An issue of critical importance to dairy producers is the acute shortage of workers we face while trying to provide sustainable nutrition for all Americans at a time of rising food costs. Despite continued efforts to recruit domestic workers, our nation's dairy farmers are often left with no alternative to foreign labor.

As our economy has become more services-oriented, our dairy farmers have found it harder to hire Americans to work on their farms. Even in times of high unemployment, our producers universally report an inability to find enough domestic workers to fill dairy jobs even if they pay more than other local jobs. Dairies all around this country consistently seek local domestic workers from their communities, at highly competitive wages, but not enough local workers are available or interested in working on dairy farms.

It is well known that most of the milk produced in the United States comes from farms that have to rely on foreign-born workers. Simply put, farmers in the United States must rely on immigrant workers to ensure that their herds are cared for and milked, that we ensure a strong milk supply system in the U.S., keeping the price of milk and dairy products affordable to U.S. consumers.

Compared to others in agriculture, the dairy industry is unique. Dairy production is a seven-day-a-week, year-round endeavor. Our cows require constant, daily care and handling. Unlike most other agricultural production, there is no "season" in dairy production. Unfortunately, this nation's single agricultural visa program, the H-2A program, focuses on a seasonal or temporary need for workers, and excludes dairy farms with year-round needs from participation. Although the Department of Labor has made exceptions to this seasonal requirement for others in agriculture, such as sheepherders, the Department has refused our many requests to provide a similar accommodation for dairy.

Without an available local workforce and without access to a viable visa program, dairy farmers have a labor shortage while having to navigate the deeply uncertain and volatile reality undergirding agricultural labor in the U.S. Further, the pain radiates out, with uncertainty on the farm harming individuals and communities that rely on farms for jobs and as cornerstones of the local economy; businesses, workers, and industry in the food system chain that depend on reliable production; and families and consumers, who endure higher food prices as uncertainty on the farm increases.

In the last month, the dairy industry has experienced disruptive legal action on farms that risks animal health and domestic milk production. The time for Congress to address this is now. We strongly urge Congress to enact long-needed legislation to allow dairy to meaningfully access H-2A, and to provide current agricultural workers and their families with permanent legal status. For years, we have supported Republican, Democratic, and bipartisan efforts to solve this problem. Without access to a steady and reliable workforce, our industry will not be able to survive, let alone thrive, in the future. Accordingly, NMPF has never let the perfect be the enemy of the good and has been at the table for every agriculture labor legislative negotiation that has occurred in recent decades. To that end, I thank Senator Bennet for putting forth legislation and urging action on this priority in the Senate.

It is imperative for Congress to act soon to address the needs of American agriculture, and particularly the dairy industry. It is critical that we maintain our current workforce, and create a sensible, workable means of filling farm jobs in the future. We recognize the need for secure borders and enforcement efforts to remove criminals, but such steps must be accompanied by the establishment of a system providing dairy and other agricultural enterprises with access to a stable, legal workforce. If Congress is going to enact a nationwide E-Verify requirement, then it also needs to provide agriculture with a workable guest worker program to meet our future needs and a means to provide those who are currently working in agriculture, as well as their families, with permanent legal certainty. Failure to do so risks severely damaging the economic vitality of the nation's entire agriculture sector.

Trade Policy

Nearly one-fifth of American dairy production—around 18%—is exported, and this share is expected to rise as global demand for dairy products continues to expand.

Unfortunately, the United States continues to slip behind our international competitors—namely the European Union and New Zealand—in pursuing new trade agreements. If that dynamic continues, disadvantages facing U.S. dairy farmers, manufacturers and exporters in key markets will continue to grow. NMPF is pleased that President Trump's Jan. 20 Executive Order on an America First trade policy includes a directive to USTR to make recommendations on countries with which the United States can pursue bilateral or sectoral agreements. We see this as a first step toward helping bridge the growing tariff gaps facing U.S. exporters.

Given these access disadvantages exporters face, as well as various non-tariff barriers around the world, trade promotion initiatives like the Market Access Program and the Foreign Market Development Program play a crucial role. These programs generate a substantial return on investment, yielding more than \$20 in export revenue for every dollar spent. To strengthen the global presence of American dairy, we support doubling funding for both essential programs to better promote U.S. dairy products worldwide. We also support a continuation of the supplementary USDA export promotion program presently called the Regional Agricultural Promotion Program which was previously initiated under President Trump's first administration in the form of the Agriculture Trade Promotion program.

We also want to thank this committee for its support in combatting the European Union's increasing misuse of its geographical indications (GIs) system to monopolize common food names like "parmesan" and "feta." This blatant trade barrier shuts out American exporters in key third-country markets, putting U.S. producers at a distinct disadvantage in reaching foreign customers. To address that, NMPF is urging the Trump Administration to bring this issue to the forefront to once and for all deliver a clear message to all countries negotiating with the European Union that markets cannot be taken away from the United States. In support of that goal, NMPF looks forward to continuing to work with this committee to advance language in a farm bill that protects our rights to market common name foods around the globe.

The issue of GIs is unfortunately just one of the drivers in the vastly imbalanced U.S.-European Union trade relationship. In dairy trade alone, the European Union enjoys a \$2.7 billion trade surplus with the United States despite the fact that the United States is the world's second largest single country exporter of dairy products. Considerably more restrictive EU tariffs and nontariff barriers drive this dramatic asymmetry in the transatlantic relationship. We urge this committee to work with the administration to drive a full-scale revamping of U.S.-EU agricultural trade.

Another deeply problematic trading partner is the one just to our north. Our farm is less than an hour drive from the Quebec border, yet it is more challenging to access the Canadian market than it is to export products halfway across the world. As the U.S.-Mexico-Canada Agreement (USMCA) review process commences, in keeping with the Executive Order on trade to begin elements of that assessment prior to April 1, we encourage members of this committee to work with the administration to ensure that Canada comply with what it negotiated during USMCA and stop using loopholes to persistently refuse to honor its dairy trade obligations. Since USMCA's implementation, Canada has administered its dairy tariff rate quotas in a manner that deliberately limits access to its market by awarding the vast majority of the TRQ access to Canadian dairy processors of the specific products in question. This frequently leaves the USMCA quotas unfilled at the end of the year. Even when the quota volumes are filled, the value is depressed by virtue of forcing U.S. exporters to effectively sell to their competitors in Canada. Separately, Canada continues to circumvent the USMCA dairy protein export caps to evade surcharges, resulting in an excess of Canadian skim solids exports undercutting U.S. producers here at home and in markets around the world. We urge Congress to ensure the outstanding dairy trade issues with Canada are resolved through the USMCA review process and that the opportunity is provided to dairy exporters to recoup the export opportunities they were unable to fully capitalize during USMCA's first several years.

These are only some of the various challenges U.S. dairy exporters contend with to keep trade flowing to global markets. The NMPF National Trade Estimate filing details the full scope of issues each year. It is our hope that the administration's robust focus on trade issues will provide strong opportunities to make progress on many of these other priority barriers as well.

Nutrition & Labeling

Dairy farmers appreciate the enduring connection between agriculture and nutrition. Dairy is a nutrition powerhouse, serving as an excellent source of 13 essential nutrients, but continues to be under consumed according to the most recent Dietary Guidelines for Americans. Nutrition programs like the Supplemental Nutrition Assistance Program (SNAP) and the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) are vital to linking the food we produce as farmers to families across the country facing difficult circumstances.

One aspect of being a dairy farmer I am most proud of is the nutritious and affordable products we produce for households here at home and abroad. Dairy products like milk, cheese and yogurt have long been integral to nutrition programs like SNAP, WIC, and the school meals program. We are thrilled that the Whole Milk for Healthy Kids Act (S. 222) has been reintroduced with strong bipartisan support. I thank you, Senator Welch, for co-authoring this bill with Senators Marshall, Fetterman, and McCormick and with support from several other members of this

committee. We are grateful to you, Chairman Boozman, for including this bill in your farm bill framework last year and to you, Ranking Member Klobuchar, for cosponsoring this bill last year.

S. 222 would allow for whole and reduced-fat milk to be served in schools. Milk at all fat levels provides 13 essential nutrients, while being the number one source of protein for kids 2-11 and the top source of calcium, potassium, phosphorus, and vitamin D for children ages 2-18, providing critical nutrients to our children at the most critical stages of development. And it has been found that when only fat-free and low-fat milk is offered, students take less and throw away more milk in schools. Further, the science on dairy fat is changing. A growing body of evidence specifically shows that dairy foods at all fat levels have a neutral or positive effect on health outcomes, ranging from obesity and diabetes to heart disease. With these facts in mind, NMPF urges this committee to advance the Whole Milk for Healthy Kids Act to provide schools with the option to serve children nutrient-dense milk they will more likely drink.

NMPF has long advocated for strengthening nutrition programs and has actively worked to develop ways for farmers to donate their products to help those facing food insecurity and hunger. We are dedicated to feeding Americans and we look forward to partnering with you to provide healthy, nutritious products and make a real difference in the lives of those affected by food insecurity.

Separately, while this committee does not oversee the Food and Drug Administration (FDA), an issue of great importance to dairy farmers as well as to consumers is the accurate and appropriate labeling of foods in accordance with established federal standards of identity. FDA has long neglected to enforce its own dairy standards of identity that clearly stipulate, in the Code of Federal Regulations, that a product labeled as “milk” comes from a cow, and that other similar products, including cheese, ice cream and yogurt, are likewise made from the milk from animals – not from beans, seeds, nuts and grains.

Standards of identity were written to promote honesty and fair dealing in the interest of consumers by promulgating regulations to establish reasonable definitions or standards for food products. These food product terms have come to carry distinct meaning in the minds of consumers, including their understanding of the nutrient values present in certain foods. However, due to FDA’s non-enforcement of its own rules, grocery store shelves today are filled with innumerable copycat products that flout these long-established standards of identity and mislead consumers about their nutritional equivalence to real milk and milk-based products.

The proliferation of these imitation products in the marketplace has created an abundance of consumer confusion. While consumers generally understand that plant-based alternatives do not contain dairy, evidence shows that consumers think that plant-based products are nutritionally equal to or better than cow’s milk. An IPSOS survey conducted in 2018 found that 73% of consumers surveyed believe that almond-based beverages have as much or more protein per serving than milk, when in reality milk has up to eight times as much protein. Even the Dietary Guidelines for Americans recognize that most plant-based imitation milk products are not nutritionally equivalent to milk and are therefore not included in the dairy group.

NMPF has repeatedly raised concerns with FDA regarding its failure to enforce the law when nondairy products co-opt terms like “milk” and “cheese.” FDA’s 2023 draft guidance entitled “Labeling of Plant-Based Milk Alternatives and Voluntary Nutrient Statements” misses the mark. It acknowledges that consumers “do not understand the nutritional differences between milk and plant-based milk alternatives.” However, it simply urges manufacturers to voluntarily disclose their nutritional inferiority relative to real milk, doing nothing to prevent the continued inappropriate use of dairy terminology in violation of FDA’s own standards of identity. Accordingly, NMPF supports the bipartisan DAIRY PRIDE Act, which would compel the FDA to finally enforce its existing standards of identity for dairy products to combat the proliferation of non-nutritionally equivalent imitators seeking to use dairy’s positive reputation in the marketplace. I thank the many members of this committee, again including Senator Welch, for their years of leadership and support on this bill.

H5N1 Outbreak

U.S. dairy farmers continue to collaborate closely with USDA, FDA, Centers for Disease Control and Prevention and state veterinary and public health officials to safeguard dairy herds and farm employees from Highly Pathogenic Avian Influenza A H5N1 (H5N1). H5N1 is a novel virus in dairy cattle, and it was unknown to infect dairy cows prior to March 25, 2024. The animal health impact on dairy cows is different than in poultry. In poultry, H5N1 causes high mortality but due to various complicating factors, in dairy the greatest impact is on productivity and in some cases does require animals to be removed from the herd. Roughly 950 dairy farms have been affected nationwide since the outbreak began last year.

While much has been learned about the disease in dairy cattle in the last 11 months, there are still many unknowns, especially since there had not been research prior to last year’s outbreak in dairy. The routes of transmission between farms, which may include people, animals, vehicles, and equipment, are still yet to be fully understood. Robust biosecurity protocols are critical to preventing and managing H5N1 on dairy farms, but more research on transmission and biosecurity, to name a few areas, is needed to fully understand this virus, especially in dairy.

The federal government’s response has evolved. Importantly, FDA, in collaboration with USDA’s Agricultural Research Service, proved that pasteurization kills harmful bacteria and the virus. This virus is an animal health issue and not a food safety issue. As this is new for dairy, USDA had very few options for providing indemnity for affected dairy farms. The USDA Emergency Assistance for Livestock (ELAP) program has provided important funding for affected dairy farms, but ELAP only covers some of a dairy farm’s overall financial losses due to H5N1 due to income limitations making them less effective. Finally, to protect our workers, we encourage best practices in the milking parlor to reduce our workers’ potential exposure by using protective gear, such as face shields.

The dairy industry first inquired about potential vaccine use in April 2024. We appreciate USDA’s work to accelerate vaccine development including the authorization of field trials. We are encouraging USDA to make a vaccine available and ensure that any trade disruptions are minimized.

Tax Policy

When Congress passed the 2017 Tax Cuts and Jobs Act, it rightly recognized the need to extend the tax relief beyond C corporations to businesses structured differently. As a solution, Section 199A was created to ensure that non-corporations would receive comparable tax benefits, preventing an unfair disadvantage by providing non C-corporations the ability to deduct approximately 20% of net taxable income, to partially mirror the benefit received by the reduction in the corporate tax rate from 35% to 21%.

Another critical part of Section 199A was the inclusion of Section 199A(g) which provides a deduction for Specified Cooperatives and their members similar to the deduction under former Section 199. Section 199A(g), specific to cooperatives, is calculated as 9% of a cooperative's qualified business income, capped at 50% of wages paid and not exceeding total taxable income for the year. Cooperatives can use this deduction to reinvest in processing facilities or they may pass it through to members to utilize on their tax returns to reinvest the tax benefits received in their operations. Dairy cooperatives pass 95% of the proceeds to member-owners like me, providing critical funds to reinvest in the farm.

However, with this deduction set to expire at the end of the year, cooperatives face significant uncertainty. Allowing Section 199A to lapse would impose a tax increase on cooperatives and the farmer-owners who own them, disrupting the competitive balance between cooperatives and corporate processors. While we recognize this committee does not have jurisdiction over tax policy, Congress must act to make Section 199A permanent, ensuring that dairy farmers and their cooperatives can continue to compete and thrive for generations to come.

Thank you again for the opportunity to testify before you. I am happy to answer any questions you may have.

**Written Testimony of
Lori Stevermer
President, National Pork
Producers Council**

**“Perspectives From the Field:
Farmer and Rancher Views on
the
Agricultural Economy, Part 2.”**

**United States Senate Committee
on Agriculture, Nutrition and
Forestry**

February 26, 2025

Introduction

The National Pork Producers Council (NPPC), representing 42 affiliated state associations, works to ensure the U.S. pork industry remains a consistent and responsible supplier of high-quality pork and pork products to domestic and international markets. Through public policy outreach, NPPC supports reasonable legislation and regulations, develops revenue and market opportunities, and protects the livelihoods of more than 60,000 pork producers across America.

The U.S. pork industry serves as a major contributor to both the agricultural and overall U.S. economy while providing a range of products that are both a staple of daily meals and the centerpiece of family celebrations. In 2023, U.S. pork producers marketed more than 149 million hogs valued at over \$27 billion, while supporting more than 573,000 U.S. jobs and supplying consumers with nutritional products that are raised safely and humanely. The U.S. is also a global supplier of pork, with exports accounting for nearly a quarter of annual pork production and supporting more than 140,000 U.S. jobs.

To produce those hogs, pork producers used roughly 1.7 billion bushels of corn and the soybean meal from 462 million bushels of soybeans in 2023. They also used roughly 40 billion pounds of other feed ingredients, including distillers dried grains with solubles (DDGS), a major by-product of corn ethanol production.

The successes in our industry are particularly impressive given the challenges our farmers face. Amid market access constraints, employment shortages, and looming threats of foreign animal diseases, pork producers are striving in difficult times to ensure safe and nutritious food reaches American tables.

While producers enter 2025 with optimism, it remains a very challenging time for the U.S. pork industry. From September 2022 to March 2024, pork producers lost an average of nearly \$30 on each hog sold, according to estimates from Iowa State University. These substantial economic impacts have been widely felt. Since that time, some production costs have declined, and hog prices have shown some improvement; but many farms have not yet recovered financially from the worst period of losses in the pork industry's history. This continues to affect the pork industry and will lead to greater consolidation if producers are forced to exit the industry due to economic realities.

On top of concerns about strained markets and profitability, pork producers are experiencing impacts from state regulation in California that has created nonsensical outcomes. NPPC sought relief in the federal courts. The U.S. Supreme Court, in declining to decide in our favor, pointed pork producers to seek redress in Congress, and producers are actively engaged to educate members on the critical nature of this issue. The implications of the California regulation go far beyond the farmgate of pork producers and open a Pandora's box of regulations, fracturing our national market. Meeting arbitrary requirements of the California regulation, known as Proposition 12, and similar – yet conflicting – regulations already in the works, means higher costs and fewer choices for consumers across the country, as well as immediate harm to farming and agriculture. We stand with farmers and consumers across the country, grateful to have the support of both President Trump and former President Biden in clearly and decisively opposing

Proposition 12. We want to ensure continued, broad, and sustained bipartisan support – from coast to coast, both from within and from outside of the agricultural sector – to provide a commonsense resolution. We look forward to working constructively to enact a reasonable solution in the reauthorization of the long-delayed 2018 Farm Bill.

NPPC also looks forward to working with Congress in the Farm Bill reauthorization to ensure there is appropriate and adequate funding that is vital to ensuring animal health across species. The growing threat of foreign animal disease is of particular concern, and farmers need tools to prevent and rapidly respond to an outbreak.

We provide more detailed information about these and other critical topics and issues below.

California Proposition 12: A Concern For Anyone Who Eats

California Proposition 12, opposed by both Presidents Trump and Biden, is harming family farmers and consumers across the country by forcing pork producers to comply with arbitrary production standards that limit market access, induce consolidation, and leave consumers with a higher price for pork.

Developed without input from pork producers, veterinarians, or experts in animal welfare or food safety, Proposition 12 prohibits the sale of uncooked whole pork meat not produced to the law's arbitrary housing dimensions. Compliance requires many producers to completely change how they raise their pigs. The regulation stands as a shining example of inexplicable rule-setting, understandable only in context of the ongoing efforts by the rule's proponents to limit availability and consumption of animal protein for Americans. One example of the regulation's folly is that a typical package of uncooked bacon – a beloved product purchased and enjoyed by millions of Americans every week – is, under the California rule, illegal to be sold in California if it comes from a pig raised on any farm across the nation that does not follow California's arbitrary, unscientific regulations. Violations risk criminal penalties. However, if that same bacon from that same farm and that same pig is, instead, first cooked and packaged prior to sale (such as is seen in a typical package of microwave bacon), the bacon is then deemed legal in California. To ensure compliance, pork producers across the country are subject to on-farm visits by California regulators.

This circumstance sets a concerning precedent that allows one large state to effectively regulate agriculture and farming in the other states, an outcome with broad implications for interstate commerce. As former Secretary of Agriculture Tom Vilsack stated, "If we don't take this issue [Proposition 12] seriously, we're going to have chaos in the marketplace."

Created through an arbitrary state referendum in 2018, this extreme overregulation does not equate to better health or welfare for pigs. Constructing compliant barns costs producers 40-43% more than widely accepted gestation stalls and 22-25% more than a conventional method of "group" housing with the same number of sows. While some large farms have access to capital to amortize and absorb the cost burden, small farmers with limited access to capital cannot. Moreover, the farms that undertake the efforts to comply experience losses in productivity, which exacerbate the challenges created by the costs associated with increasing square footage to meet the arbitrary California rule. The cost and production disadvantages of Proposition 12 are clear.

The burden extends to consumers and trading partners as well. A 2024 report by economists with USDA's Office of the Chief Economist found that after Proposition 12 was implemented, prices for covered products in California increased 20% on average, with pork loins increasing as much as 41%. This harms not only lower-income households, but also all families struggling with inflation and increasing food costs. The California standard applies to any farm with a desire to sell products in the state, including from neighboring countries. A state-based regulation with a clear international reach such as this, created outside of normal and customary international negotiation and agreement, puts all of American agriculture in a vulnerable position, as it provides the pathway for any nation to impose its own production standards. The implications are broad particularly as it relates to the Import-Export Clause of the United States Constitution.

We are grateful House Agriculture Committee Chairman Thompson addressed Proposition 12 through Sec. 12007 of the Farm, Food, and National Security Act of 2024 and for Secretary of Agriculture Brooke Rollins' commitment to working with this committee on the issue. The Supreme Court was clear: Congress must act to address this issue for agriculture. We cannot continue to have states set arbitrary production standards on production in other states and look forward to assisting in your efforts to address this issue.

Foreign Animal Disease (FAD) Prevention

Pork producers are facing an increasing threat from foreign animal diseases (FADs) such as African swine fever (ASF). To combat this, U.S. farmers collaborate with the U.S. Department of Agriculture's (USDA) Animal and Plant Health Inspection Service (APHIS), state animal health officials, and other stakeholders. Together, they work to ensure early detection, prevention, and rapid response tools are available to address any outbreak. This includes a strong laboratory network for surveillance and a stockpile of vaccines to quickly respond to high-consequence diseases. If an FAD, like foot-and-mouth disease (FMD), were to be detected in the U.S., it would devastate not only pork producers but also cattle, sheep, and feed grain producers. It would lead to significant job losses due to disruptions in domestic production and the loss of export markets.

The 2018 Farm Bill funded Animal Disease Prevention and Management actions to address FAD risks, and NPPC urges continued funding for these critically important programs, specifically:

- **National Animal Vaccine and Veterinary Countermeasures Bank (NAVVCB):** Established in the 2018 Farm Bill, this U.S.-only vaccine bank allows USDA to stockpile animal vaccines, diagnostic test kits, and related products for rapid response in the event of an outbreak of FMD or other high-impact FAD. It is imperative the NAVVCB is well funded in the event that vaccines for other high-consequence FADs, such as ASF, become viable.
- **National Animal Health Laboratory Network (NAHLN):** The NAHLN is a network of over 60 laboratories that collaborates with the National Veterinary Services Laboratories (NVSL) on disease monitoring. Should an FAD strike, determining the extent of the outbreak as rapidly as possible plays a key role in responding to a disease and limiting the

impact on producers. The laboratory capacity of the NAHLN is critical to ensuring the United States can rapidly and effectively respond to an outbreak. Enhancing animal health diagnostic testing for both endemic and high-consequence pathogens in the nation's livestock and poultry is vital to protecting animal health, public health, and the nation's food supply.

- **National Animal Disease Preparedness and Response Program (NADPRP):** This program allows APHIS to collaborate with animal health partners nationwide to implement high-value projects that enhance prevention, preparedness, detection, and response to the most damaging and emerging FADs that threaten U.S. agriculture. Cooperative or interagency agreements between APHIS and states, universities, livestock producer organizations, tribal organizations, land-grant universities, and other eligible entities are vital to addressing the risk of animal pests and diseases.
- **National Veterinary Stockpile (NVS):** The NVS provides veterinary countermeasures (animal vaccines, antivirals, or therapeutic products, supplies, equipment, personal protective equipment, and response support services) that states, tribes, and territories need to respond to animal disease outbreaks. Depopulation is a key component of any FAD control effort, and adequate euthanasia equipment is critical to its success. Also essential is sampling and vaccination equipment. The NVS should be well-supplied to step in if a large-scale outbreak requires resources beyond what states, tribes, or territories may have.

Several other measures to prevent foreign animal diseases from entering the United States have been enormously successful, and farmers would benefit from them being continued, if not expanded.

- **The Feral Swine Eradication and Control Pilot Program (FSCP)** is a joint effort between USDA's Natural Resources Conservation Service and APHIS. Originally included in the 2018 Farm Bill, FSCP addresses the threat feral swine pose on agriculture, ecosystems, and animal health. Given feral swine's role in the worldwide ASF pandemic, funding for this program should be increased to reduce the risk of the potential spread of FADs, including ASF, in the United States.
- **The Agricultural Quarantine and Inspection (AQI) Services User Fees Program**, jointly administered by USDA and U.S. Customs and Border Protection, is crucial to keeping invasive plant and animal pests and diseases out of the United States. This critical program is funded through user fees collected by APHIS from international travelers and commercial traffic.

Unfortunately, APHIS lost its 30-year authority to collect a surcharge through certain fees because of a District of Columbia Circuit Court ruling. The loss of this longstanding authority to collect reserve funds destabilizes AQI funding and threatens the effectiveness of its programs. NPPC urges Congress to restore this fundamental user fee authority to APHIS.

Reliance on China for Certain Vitamins and Nutrients

Vitamins are essential nutrients required by swine to optimize health, productivity, and well-being. The U.S. pork industry is dependent on vitamins manufactured in China because production is limited, and in some cases, there are no other country of origin options to meet industry volume demands. Vitamins represent a significant proportion of total feed ingredient imports, and some vitamins (biotin, folic acid, pyridoxine, thiamin, and B12) are almost exclusively manufactured in China. With the exception of vitamin A, E, and niacin, 80 to 100% of all other vitamins must be imported from China. For biotin, folic acid, and vitamin B12, there are no other sources beyond China to acquire these vitamins.

Livestock Marketing and Transparency

Livestock Mandatory Reporting (LMR) remains a critical issue for pork producers today, and we cannot allow this vital program to lapse. Market Reporting and meaningful price discovery are critical to pork producers' ability to accurately market their livestock. While we consider the declaration of mandatory price reporting an essential service, improving the transparency and usefulness of reported information for producers is crucial. Over the past ten years, changes in the marketing of hogs have prompted our industry to identify several priorities and necessary improvements to include in the next reauthorization of LMR. This includes adding information, such as the average daily non-carass merit premium paid for hogs, to the reporting requirements – which will improve the transparency and utility of existing reports while removing requirements that are no longer used by the pork industry.

While NPPC believes that we can make meaningful changes to price reporting that would give pork producers greater transparency in marketing their livestock, we are also concerned about any efforts that would stifle innovation, reduce competition, and introduce significant legal and regulatory uncertainty. In January 2020, USDA proposed a rule outlining criteria to determine if a preference or advantage given to a producer can be justified based on market conditions and reasonable business decisions. USDA also made clear in the rule that to prevail in legal challenges under the Packers and Stockyards Act (PSA), a plaintiff must show a preference or advantage that is likely to harm competition in the marketplace. The rule was finalized in December 2020 and took effect January 11, 2021.

Despite the previous rule satisfying USDA's congressional mandate from the 2008 Farm Bill, USDA announced in the summer of 2021 that it would again be proposing a series of new rules under the PSA. The rules promulgated under the Biden Administration were extremely vague and overbroad, creating uncertainty, confusion, and the potential for needless litigation in the pork industry without addressing any specific existing issue. NPPC supports congressional action to ensure producers have stability in the marketplace by preserving hard-fought and long-standing business arrangements as soon as possible.

Expanding Market Access

Trade is vital to America's pork producers, who annually export about a quarter of total production to more than 100 countries. Those exports create more than \$66 in value from each

hog marketed, supporting more than 140,000 American jobs, and contributing more than \$15.7 billion to the U.S. economy, according to economists with Iowa State University and NPPC.

Despite numerous challenges, a strong U.S. dollar, ongoing supply chain issues, and trade retaliation from some of its top foreign markets, the U.S. pork industry continues to export a significant amount of pork. In fact, last year exports of pork and variety meats totaled over 3 million metric tons valued at nearly \$8.63 billion, representing a 4% increase in volume and a 6% increase in value compared to 2023 and setting a new record in both categories. Additionally, the United States has regained its position as the top exporter of pork in the world, accounting for more than 31% of global exports.

The primary cause for U.S. pork export growth over the past two decades has been trade initiatives – whether free trade agreements (FTAs), less-formal trade and investment framework agreements, or one-off market access deals. Through such initiatives, the United States moved from a net importer to a net exporter of pork in 1995.

As a result of trade agreements, U.S. pork exports have increased more than 2,090% in value and more than 1,782% in volume since 1989, the year the United States implemented its FTA with Canada and started opening international markets for value-added agriculture products.

Since 2000, pork exports to FTA countries have increased 1,178%, and in countries where the United States has negotiated preferential market access and where tariffs were slashed, pork exports increased tremendously as a result of more outlets for the broad range of pork products for sale.

In addition to comprehensive trade agreements granting better market access for U.S. pork, the pacts are usually the best avenue for U.S. agricultural science-based standards to be accepted and for broader non-tariff market access issues to be resolved.

Policies that foster the free flow of goods and expand export markets – primarily through trade agreements – are critical to the continued success of America's pork producers, U.S. agriculture, and the overall American economy. **The bottom line: The United States needs more comprehensive trade agreements that eliminate or significantly reduce tariffs and non-tariff barriers to U.S. exports.**

Employment Challenges

U.S. pork producers face challenges at home too. Chief among them is an ongoing employment shortage impacting much of the agriculture sector with varied effects on the nation's food supply. Despite significant wage increases and competitive benefits, pig farm employment has declined since 2021. Historically low unemployment rates, changing demographics, and declining populations in rural communities indicate that the domestic workforce will not be able to offset the pork industry's employment shortage. As a result, pork producers are increasingly dependent on non-domestic workers, and current visa programs fail to meet our workforce needs. Improving and updating the antiquated H-2A visa program by granting access to year-round agriculture industries would solve this problem and address the needs of non-seasonal farming.

Conclusion

While the industry is facing many challenges, pork producers, like me, and our industry allies are committed to working together to maintain the strength of the U.S. pork industry. We are proud of the work we do and appreciate the opportunity to help feed America's families.

NPPC and our members are thankful to Chairman Boozman, Ranking Member Klobuchar, and Members of the Committee for their leadership and consideration of these important issues.

**Testimony of John Zimmerman
Immediate Past Chairman of the National Turkey Federation**

**Before the U.S. Senate Committee on Agriculture, Nutrition and Forestry
“Perspectives from the field: Farmers and Ranchers Views on the Agricultural Economy,
Part II.”**

February 26, 2025

Good morning, Chairman Boozman and Ranking Member Klobuchar, and members of the committee. Thank you for the opportunity to share the turkey industry’s perspective today. My name is John Zimmerman, and I’m a second-generation turkey grower from Northfield, Minnesota. On my farm, we raise about 100,000 turkeys annually, producing about four million pounds of turkey meat, along with corn and soybeans. Raising turkeys is a family business – I grew up in the industry and took over from my father. It’s hard work, but I love it.

I also just finished serving as the Chairman of the National Turkey Federation (NTF), representing all segments of the U.S. turkey industry – from growers like me to processors, breeders and the allied companies that produce the goods and services we use to bring turkeys from the farm to tables in this country and around the world.

While the turkey industry faces many challenges, my testimony will focus on the impacts of Highly Pathogenic Avian Influenza (HPAI) as well as another highly consequential respiratory virus - Avian Metapneumovirus (aMPV) - which has impacted between 60-80% of turkey flocks nationwide. As of February 19, 2025, 459 commercial turkey operations nationwide have tested positive for HPAI, resulting in the loss of more than 18.6 million turkeys. In Minnesota alone, 127 cases of HPAI in commercial turkeys have led to the loss of more than 6.6 million birds. While HPAI is 100% lethal to birds exposed to the virus long enough, aMPV is more subtle but equally impactful due to its ability to significantly reduce egg sets of breeder stock that produce the next generation of turkeys and cause severe prolonged mortality in commercial flocks.

As chairman of NTF and a grower, I cannot overstate the impact of these two viral animal diseases that have killed millions of turkeys nationwide. While HPAI grabs headlines for its effect on egg and milk prices, aMPV has also killed millions of turkeys. Together, these two respiratory viruses have exponentially increased volatility, supply shortages, and market uncertainty.

Back in Minnesota, this one-two punch has caused many farmers to quit raising turkeys, with several others on the brink of shutting down. Banks are very concerned about farms’ financial health and some farmers struggle to obtain credit after losing 30-50 percent of their flocks to aMPV. I have personally had flocks of turkeys experience 30 percent mortality in just a matter of days. HPAI is a terrible disease, but with aMPV there is no indemnity or assistance. It has been incredibly frustrating to suffer such extreme losses knowing that a safe and effective vaccine was available, just not to U.S. farmers. I have received calls from many other farmers who are frustrated and disheartened by their continued losses due to aMPV.

On a more positive note, the first imported aMPV modified-live vaccine doses reached Minnesota farms this month, with more on the way to assist farmers nationwide. I want to personally thank the Chairman and my home state senator Ranking Member Klobuchar for leading the charge in supporting the importation of the much needed modified-live vaccine for aMPV. As the industry recovers from aMPV, we urge the Committee to make aMPV an eligible disease under the USDA's Livestock Indemnity Program (LIP). This would assist growers in mitigating economic loss and it will go a long way to assist poultry producers, who are being hit hard, stay on their farms producing the most abundant food supply in the world.

I also want to thank USDA, specifically those at the Center for Veterinary Biologics (CVB), for their efforts getting this across the finish line. We are hopeful this new tool will ensure many more turkeys make it to market and puts us on the path to controlling the virus. However, I also think it's important to acknowledge the industry's frustrations with USDA's review process of an imported modified-live vaccine. I appreciate the importance of ensuring the safety of a vaccine and that the aMPV vaccine was the first of its kind to be approved. However, when an entire industry is at significant risk it should take a matter of months – not a year – for a widely used and well-established global vaccine to be imported and available for use. I would encourage the committee to use your experience in evaluating USDA's review process to ensure a faster, more efficient response to future animal disease outbreaks. Unfortunately, we know that MPV will not be the last emerging animal disease U.S. producers will face, and preparedness is essential.

Unfortunately, aMPV is only half the battle – time is of the essence on HPAI. A national strategy targeting all potential hosts of H5 influenza is lacking, allowing the virus to spread. The global poultry industry is in crisis, so pursuing a successful vaccination program that does not negatively impact trade as part of a stamp-out strategy, is the key to significantly reducing disease rates.

NTF supports research on finding an effective vaccine for HPAI, improving vaccine and diagnostic technology while creating a vaccination plan for commercial poultry. As vaccine technology advances, there is growing interest in using a HPAI vaccine to prevent disease spread and reduce losses as part of a "stamping out" approach. As a parallel path, NTF strongly encourages USDA to renegotiate with key trading partners to minimize the implication of vaccine deployment.

Empowering USDA to increase proactive engagement with trading partners and solidify a new framework to reduce disease outbreaks' impact on the global food supply is essential. The U.S. can lead the fight against a disease that has devastated the global poultry industry, but proactive engagement with trade partners is needed now. Science, global politics and disease resilience demand a new approach—we cannot wait for this strain to fade. If the U.S. fails to lead globally on implementing animal health solutions capable of preventing disease and death in commercial poultry, we will be at a significant business disadvantage.

Interim Final Rule Linking Biosecurity Audits to Indemnity

In late December, USDA's Animal and Plant Health Inspection Service (APHIS) announced an interim final rule that would update the conditions for poultry facilities to receive indemnity and compensation for HPAI. APHIS will now require farmers like me to undergo an additional biosecurity audit before restocking their poultry after an HPAI detection or if placed within a

buffer zone, and before receiving future indemnity payments. Biosecurity is currently the only tool available for the turkey industry to prevent the introduction of HPAI in our flocks, but there are still many instances in which the means of HPAI introduction is unknown. Even premises with the most stringent biosecurity programs have had HPAI detections in this outbreak, which is something I have seen in Minnesota, as the viral load in the wild bird population and environment is overwhelming.

Many of the criteria included in the new biosecurity audit are duplicative of the National Poultry Improvement Plan (NPIP) Biosecurity Principles already executed on poultry farms, and some do not reduce the likelihood of virus introduction. USDA published the Interim Final Rule without adequate resources to immediately implement the audits. Farms across the United States have started using the new biosecurity audits before they restock their birds or if they are in the buffer zone. We have heard frustrations nationwide such as the audit being subjective and that auditors have not been formally trained to complete a fair audit. The limited number of auditors has not been able to keep up with the speed of commerce, presenting significant animal welfare concerns.

USDA must recognize that a quick response is crucial to reducing the spread of the virus, and unfair indemnity changes could impact reporting and stamping out of the virus. If policies disincentivize reporting of HPAI incidences, there will be additional disease spread, directly opposing USDA's overall goals of virus elimination.

I strongly urge that any indemnity policy linked to the new biosecurity audits be fair, advance animal health and not penalize turkey farmers in high-risk areas – especially when dairies testing positive for HPAI face minimal restrictions despite posing a significant risk to nearby poultry flocks.

Readiness

Dealing with a large nationwide outbreak has put tremendous strain on APHIS, which remains significantly understaffed. The agency needs at least 150 full-time employees (FTEs) to return to normal strength and provide maximum assistance with all aspects of this outbreak. Rapid response is critical when dealing with a positive flock to minimize virus spread. Addressing the staffing shortage will ensure faster depopulation and disposal, reducing unnecessary flock mortality. We encourage Congress to provide the funding and flexibility that will allow APHIS to compete with the private sector and hire and train these desperately needed 150-plus FTEs. It not only will accelerate the end of this outbreak; but it will strengthen effective rapid response capabilities for future outbreaks. In addition to providing APHIS with the necessary financial resources, Congress should empower the agency to pursue other creative solutions such as developing cooperative agreements to train state, or even industry employees and vets so they can be called upon during animal health emergencies. In addition, efforts should be made to incentivize veterinarians to enter federal service.

Salmonella Framework

Last year USDA's Food Safety and Inspection Service (FSIS) published its proposed Salmonella Framework for Raw Poultry Products. The turkey industry has a long-standing commitment to enhancing the safety of turkey products across the entire supply chain. I

know how seriously I take my role in ensuring the turkeys I raise can be used for safe, wholesome and nutritious products for consumers, and can assure you others do as well. Not only is the USDA proposal not legally sound, but it also contradicts multiple federal court decisions on Salmonella in raw meat and poultry products. The proposed rule lacks a scientific basis and introduces a policy that is logistically unfeasible, financially burdensome for the industry, and likely to increase food costs, waste and threaten food security.

NTF strongly agrees that new approaches to more effectively reduce foodborne illness should be explored. The Agency already has a mechanism proven to effectively reduce Salmonella. By setting clear targets developed using public health metrics, FSIS can more successfully positively impact public health by capitalizing on the achievements of current performance standards under the Agency's current authority and more rapidly elicit change. I am optimistic that USDA will recognize significant scientific and logistical challenges of the proposed rule, and that FSIS will instead move forward with a science-based policy aimed at improving public health.

2025 Farm Bill

The current HPAI outbreak is a prime example of how important the Farm Bill is to our industry and the animal agriculture community. Foreign animal diseases can devastate the agricultural sector, posing long-term threats to the economic viability of U.S. livestock and poultry production. The new Farm Bill must address these animal health risks while strengthening U.S. animal agriculture's long-term competitiveness in the global market, ensuring a safe, wholesome, and affordable food supply produced sustainably. The 2018 Farm Bill established a three-tiered animal disease program with mandatory funding to ensure sufficient development and timely deployment of all measures necessary to prevent, identify and mitigate the potential catastrophic impacts that an animal disease outbreak would have on our country's food security, export markets and overall economic stability.

As Congress writes a new Farm Bill, NTF urges the renewal and robust funding of these programs. In addition, we strongly believe, due to the magnitude of the current situation, that our Strategic Initiative for HPAI needs to be expressly defined and funded to give it the attention it needs. In conjunction with this Strategic Initiative, it is imperative that we do not backpedal on our obligations to animal agriculture, so the full funding of the National Animal Disease Preparedness and Response Program (NADPrep), and the National Animal Health Monitoring System (NAHMS) Laboratory Network, which is comprised of more than 60 federal, state and university veterinary diagnostic labs go hand in hand. We are extremely grateful for the support Congress has shown to our industry through this challenging HPAI outbreak. We look forward to continuing our work together on the upcoming Farm Bill.

In conclusion, the turkey industry faces numerous challenges, with the most urgent threat directly at our doorstep. Without a new approach to these critical diseases, we risk facing the same crisis next year—more dead birds, more trade restrictions and continued frustration over the lack of progress.

Thank you again for the opportunity to testify and share the perspective of the U.S. turkey industry.

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Testimony of

**Tony Wesner, Chairman of the Board and Chief Executive
Officer Rose Acre Farms**

On behalf of the

United Egg Producers

On

**Perspectives From the Field: Farmer and Rancher Views on
the
Agricultural Economy, Part 2**

Before the

**Committee on Agriculture
of the United States Senate**

February 26, 2025

Washington, D.C.

Introduction

Mr. Chairman, Ranking Member Klobuchar, and members of the Committee: Thank you for the opportunity to testify today on behalf of United Egg Producers. UEP is a farmer cooperative whose members independently market about 90% of all eggs produced in the United States.

My name is Tony Wesner, and I have the privilege of serving as chief executive officer and chairman of the board of Rose Acre Farms. Headquartered in Seymour, Indiana, Rose Acre Farms is the second-largest egg producer in the United States with a flock of 25.5 million hens. We have locations in seven states, and we provide our customers with shell eggs (including commodity and cage-free), liquid eggs, dried eggs and more.

As this hearing is a focus on the state of the livestock economy in the United States, I'd say that in general the farmers who supply eggs, the feed that makes U.S. egg production possible, and retail, restaurant and foodservice customers that buy our products have all largely lived in harmony and balance -- *until* the arrival of Highly Pathogenic Avian Influenza, also called HPAI or "bird flu," in 2015. It's been challenging ever since and significantly worsened in 2022. The United States is now entering the fourth year of an outbreak of HPAI that has devastated farms, required the depopulation of more than 162 million birds on poultry operations, infected a small but growing number of farm workers, and -- tragically -- earlier this year led to the first human death in the United States from the disease.

HPAI has led to an egg supply crisis that has caused pain at every level for our customers and consumers. This unprecedented disruption in the egg market is systemic -- the volatility is being felt nationwide, as are the ongoing ripple effects of continuing new cases.

A new urgency is required from the U.S. government to address this crisis, and we have every confidence that USDA and even the White House are working every day to provide solutions to egg farmers.

My testimony will focus on the appropriate role of the U.S. Department of Agriculture, and I will identify specific steps that can be taken now to improve our response to HPAI and control the disease. For the egg industry, it is imperative that USDA move swiftly and decisively -- and we believe they plan to. They have been in constant communication with the industry and have asked all the right questions. HPAI is the single-biggest problem the egg industry faces. It is the reason for shortages of eggs and high egg prices.

But more important than any of these is the need to control the mutating HPAI virus before it can become more virulent or attain the ability to spread easily from human to human. HPAI is about much more than eggs -- it is about other poultry, livestock, and yes, our human population.

Let me say a word about numbers. The statistics on numbers of farms and birds lost to HPAI were current as of February 20. All these numbers are larger today. They are getting bigger -- and more alarming -- by the day. We are happy to provide up-to-the-minute numbers for any Senator who may be interested, but because of the need to submit testimony in advance, we want the

Committee to understand that the HPAI crisis is even more severe than the statistics cited in my testimony will indicate.

Background

Since the current outbreak began in 2022, 162.77 million birds have been depopulated from farms where HPAI was detected. In the egg industry, there have been detections on 126 farms, and 126.54 million birds have been lost. (When a flock is positive with HPAI, virtually all birds will die of the disease. Emergency depopulation of the flock is required under the Animal Health Protection Act and is more humane than allowing the birds to suffer and then die - and it is critically important to reduce spread and prevent the disease from moving to neighboring farms.)

It is important to understand the devastating impact HPAI has on egg farms. In broiler chicken operations, birds are in barns for a matter of a few weeks before being harvested. By contrast, laying hens may be actively producing eggs for two years or more. If they must be depopulated because of HPAI, the time and expense required to get the farm to full production are much greater than is the case for broilers. During that time, revenue on farms falls to zero.

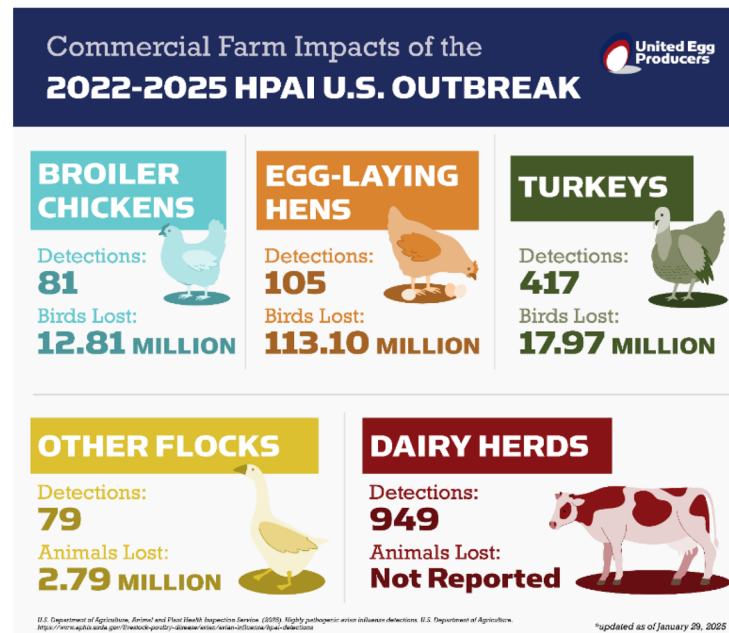
The spread of HPAI to the dairy industry beginning in early 2024 has also brought renewed problems for nearby egg flocks, many of which have been infected with the strain found in dairy cattle. Since many experts believe the virus is airborne¹, even the best biosecurity systems on egg farms may not be sufficient to prevent infection. During 2024, 28 million laying hens were infected with the HPAI strain found in dairies, and 14 million with the strain carried by wild birds – a 2-to-1 ratio. Understandably, egg farmers feel a sense of urgency in controlling HPAI in the dairy sector – our operations have become collateral damage.

As with broilers, the impact of HPAI on egg farms and dairies is quite different. The cattle do not die and eventually return to milk production. By contrast, HPAI is always fatal to layers and a depopulated farm has no revenue from egg production until the disease is confirmed absent and new flocks can be placed.

In response to outbreaks and lateral transmission in the dairy sector, USDA required lactating (but not non-lactating) dairy cattle to be tested prior to interstate movement. Some months later, USDA announced a [National Milk Testing Strategy](#), whereby states can progress through five stages of response, with the final stage being a demonstration of the absence of H5 virus in U.S. dairy cattle.

As of early January 2025, [28 states](#) had enrolled in the program. Of these states, three – California, Nevada and Texas – are classified as “affected,” meaning the disease has been shown to be present. Ten states are conducting national milk plant silo monitoring, i.e., testing the milk supply at processing plants, while 18 are conducting state-specific surveillance, which involves testing milk on individual dairy farms. All of these USDA actions have shown results, and the data indicate the HPAI positives from the dairy strain have fallen dramatically even as the HPAI strain from wild birds is increasing.

The graphic below shows HPAI detections in commercial poultry flocks and dairy herds. In addition to these detections in commercial operations, there have been 792 detections in small backyard poultry flocks and flocks below the commercial threshold.



Egg Prices

Eggs are an agricultural commodity with inelastic demand. A drop in supply can produce a more-than-proportional increase in price. That has indeed happened, since HPAI-infected flocks must be depopulated, and it takes months to replace them. Just since October 2024, over 49 million layers and pullets have been depopulated because of HPAI infections. The supply of eggs has fallen significantly as a result.

Egg farmers, like other farmers, do not set the price of eggs. They do not set the retail price in the grocery store, and they do not set the wholesale price that is paid to them. Like the prices of corn, cattle, soybeans and other commodities, egg prices are established by the interplay of supply and demand in the marketplace.

If the government moves aggressively to better control and prevent HPAI, there will be a number of benefits, not least of which that eggs will be more plentiful, and there should be corresponding price

relief. Egg demand has increased year-over-year for 23 consecutive months, and it is critical that farms be able to supply that demand for nutritious, high-protein eggs. To begin that recovery, we must have a period with no new detections of HPAI. The chart over my shoulder shows a snapshot of egg prices over time. You can see that after virus subsided post the 2015, 2022, and 2024 outbreaks, farmers repopulated, and price fell back to more historical levels.

Indemnities and Other Federal Costs

Under the Animal Health Protection Act, USDA's Animal and Plant Health Inspection Service (APHIS) pays indemnities to farms affected by HPAI, reflecting the mandatory depopulation of all animals on these farms. USDA also provides compensation for related expenses such as disposal costs.

In a previous outbreak in 2014-15, taxpayer costs for indemnities, compensation and other related expenses were almost \$1 billion. Through November 2024, in the current (2022-2025) outbreak, federal expenses totaled \$1.4 billion, of which \$1.25 billion was spent on indemnities and compensation to producers.

Indemnities and compensation are similar to disaster assistance that is often made available to other agricultural sectors: a response to an unavoidable and catastrophic situation for affected producers, which helps but never makes up for the entire loss. Both the emotional and financial tolls of HPAI are devastating for egg farmers. Moreover, once a farm is infected with HPAI, depopulation is not voluntary, it is mandatory under the Animal Health Protection Act. Indemnities partly compensate for a loss of value that is imposed on producers by the government. Without indemnities and compensation, many farms would likely exit production. UEP has shown that the current formulas used by APHIS to calculate indemnities are inadequate and has recommended an alternative. We believe USDA is considering positive updates to the indemnity formulas.

Vaccination and Trade Strategy Essential

Since the 2014-15 HPAI outbreak, egg farms have invested heavily in biosecurity – measures to prevent disease from entering a farm. During that outbreak, the primary means of disease spread was lateral, i.e., from one farm to another, likely through vectors like shared contractors, shared equipment and visitors. By contrast, in the current outbreak, lateral spread among poultry farms was minimal due in large part to these new biosecurity practices; most infections were the result of point-source introduction, chiefly by wild birds. This also seems to be the case when poultry farms are infected by nearby dairies, as has increasingly occurred.

Rigorous biosecurity is normally the poultry industry's best defense against HPAI. Unfortunately, current conditions are not normal due to the heavy viral load in wild birds as well as the fact that the HPAI virus continues to circulate on dairy farms that are often near poultry farms. We can no longer rely on biosecurity alone. HPAI is persistent and aggressive – and our strict practices are not foolproof.

It is essential to develop a vaccine strategy that includes not only dairy but also layers and turkeys – and is accompanied by a trade strategy to avoid impact on broiler exports. In August 2024, UEP joined the National Milk Producers Federation, International Dairy Foods Association and National Turkey Federation in calling on USDA to “support development of safe and effective H5Nx vaccinations for dairy

cows, turkeys and egg-laying hens to help mitigate the circulation of H5Nx in dairy herds and reduce the risk of spill-over of Highly Pathogenic Avian Influenza (HPAI) into commercial turkey flocks and egg layer operations.”

There is authoritative international support for this view. The World Organization for Animal Health (WOAH)’s director general was quoted in [Reuters](#) as calling for wider use of vaccination, saying that “if used correctly, it will reduce viral circulation and therefore exposure to humans.” In addition, the World Egg Organization has also endorsed vaccination. UEP has assembled a group of world class expert veterinarians to develop a comprehensive vaccination strategy which we will be sharing with APHIS soon.

USDA announced January 8 that the department will soon “begin to establish a stockpile” of “currently licensed vaccine.” However, USDA also stated that “current HPAI vaccines, licensed or unlicensed, do not meet the criteria for an ideal vaccine candidate” in poultry. By contrast, USDA judged that “in dairy cattle, deployment of a successful vaccine candidate that is matched to the current strain is more feasible and more likely to be successful in stopping or slowing the virus’ spread.”

The limits USDA identified for vaccinating poultry do not mean a vaccination strategy is not needed for layers and turkeys. In fact, it is needed urgently and must involve measures (such as those identified below) that will make such vaccination feasible.

Recommendations

Egg farmers are not satisfied to identify the problems, although that is important. We feel a responsibility to identify solutions. The remainder of this testimony will identify, in some detail, the actions our industry believes are appropriate to address the HPAI crisis. These have all been communicated to USDA multiple times through multiple channels.

Vaccination

- Adopt an aggressive, forward-looking **strategy for vaccination** in laying hens and turkeys accompanied by a trade strategy to avoid harming exports.
 - Proceed to **stockpile** vaccines, as announced January 8.
 - Take advantage of the single laying flock in Hawaii to **begin HPAI vaccine field trials** in an area geographically isolated from the continental U.S., thus mitigating trade concerns.
 - Work intensively on layer and turkey vaccine **delivery methods other than injection** (e.g., addition to water supply) since injecting all birds on a farm multiple times is not feasible, particularly in cage-free operations
 - Explore the use of “**ring vaccination**” in control zones to reduce spread potential.
 - Establish science-based policies, including the ability to differentiate infected from vaccinated animals, that will determine how **vaccinated flocks that subsequently test positive** are treated.
 - Because HPAI is a public health issue, all direct and indirect **costs** related to vaccination should be borne by the federal government.

-
- Determine which **trading partners** would react adversely to the use of vaccination and commence intensive negotiations with these countries, which are likely to be small in number, to establish protocols for the use of vaccines without trade interruption.
 - Ensure adequate operational funding for the U.S. National Poultry Research Center and mandate that the Center begin research on layer vaccines.
 - This requires operations funding of at least \$10 million per year, either through inclusion in the President's budget and subsequent appropriation, or through transfer of funds from other sources.
 - Currently the Center is conducting research only on dairy and turkey vaccines, but layer vaccine research must be a priority. The Center has the only Biosafety Level 3 facility that can carry out this vaccine work.
 - The federal hiring freeze has left 26 new hires at the Center in limbo. The administration should immediately exempt these positions from the freeze. It makes no sense to consciously deny resources that are needed to deal with HPAI. (is this comment still true?)

Indemnities

- **Correct indemnity calculations** for laying hens and pullets, adopting reforms recommended by UEP in July 2024.
 - These reforms would stabilize indemnity rates from year to year, use only data from either USDA or land-grant institutions, and cover modestly more of producers' devastating losses.
 - Even with UEP's recommendations, indemnities would not come close to making producers whole.
- **Recognize the higher costs of alternate production methods**, such as cage-free, organic, pasture-raised and other methods demanded by some consumers and (in the case of cage-free production) required by law in some states.
 - Higher indemnity rates for organic production are already available for some other species, such as turkeys, and gathering the necessary data to set such rates for layers should be a priority.
- **Delay implementation** of a recent [interim final rule](#) requiring biosecurity audits until an adequate number of auditors have been hired and trained, and until public comments have been received.
 - The rule was announced when **only a handful of trained auditors are available** nationwide, and if implemented as published, would greatly delay repopulation of flocks, thus exacerbating supply problems.

Addressing Inter-Species Transfer

-
- Adopt **principles for vaccination** and related topics that were laid out on August 16, 2024, letter from UEP, National Milk Producers Federation, International Dairy Foods Association and National Turkey Federation.
 - **Accelerate testing** of all farms in control zones and adjacent counties where any affected species are present.
 - Provide for all states to **move quickly through the first four stages** of the National Milk Testing Strategy. Gather information on the **characteristics of dairies in control zones that test negative** in order to inform best practices for the industry.
 - Expedite **field trials of vaccines in dairy cattle**, consistent with USDA's January 8, 2025, statement that such vaccination "is more feasible and more likely to be successful ..."
 - Move proactively toward **biosecurity measures** in the dairy industry that will reduce spread, in the same way that biosecurity on poultry farms has greatly reduced the amount of lateral spread compared to 2014-15 (most infections have been point-source introductions, e.g., from wild birds).
 - Expand **testing of dairy cattle** moved interstate to include both lactating and non-lactating animals, as well as animals headed for slaughter.

Research to Mitigate Harm from HPAI

- Establish an **HPAI Strategic Initiative** to engage experts within industry, universities and government to expand knowledge and develop novel methods of prevention, detection and response.
 - Details of the initiative were provided in a July 2024 letter from UEP, National Chicken Council, National Turkey Federation, USA Poultry & Egg Export Council and U.S. Poultry & Egg Association.

Conclusion

Egg farmers across the United States appreciate the Committee holding this hearing. It is more than timely. And we genuinely appreciate all the help and support from members of this Committee and the staff in finding solutions. Prompt action by our government is needed to address a crisis that implicates animal disease and welfare; the viability of family farms; and most important, public health. The costs of inaction are too great to bear.

We must begin to develop and implement a vaccination strategy that will reduce the incidence of HPAI, keep chickens healthy and stabilize the U.S. egg supply for American consumers.

We must change the way farmers are indemnified for HPAI outbreaks so that multi-generational family farms stay in business and keep their workers employed.

We must get a handle on this virus and stop it from circulating so that it does not mutate into a form that would threaten human health.

Several other actions have been recommended. One is to expand imports of eggs. It is important to understand that eggs are already being imported from several countries as “breaking stock” – eggs to be broken, pasteurized and converted into products such as liquid whole egg, dried egg whites and numerous others. These imports can potentially free up some eggs for the retail market.

We certainly do not oppose the import of eggs and egg products – as long as they are safe. Under longstanding regulations, shell eggs imported into the United States should be from farms that comply with the Food and Drug Administration’s Egg Safety Rule. Egg products imported should be from countries with food safety systems that are equivalent to ours – as is the case for meat and poultry imports. We must assume that those advocating increased imports want those products to be safe. As long as existing regulations are complied with, we support allowing imports to augment the egg and egg product supply.

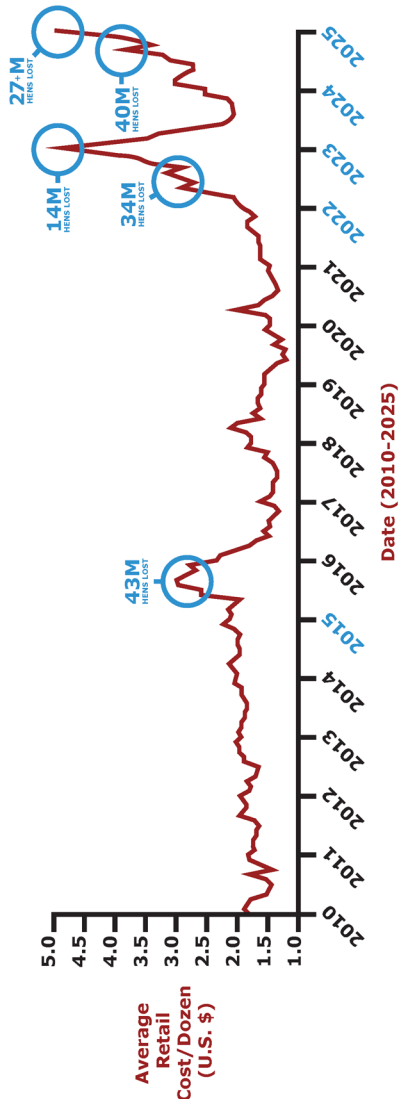
Today, our food supply is safe. The risk of human-to-human transmission is low.

But viruses mutate. The more they circulate, the more opportunity they have to mutate. We cannot take the kinds of risks that rapid mutation entails. We must move decisively and with urgency to control this disease. The time for waiting has passed.

Thank you for asking us to testify and for considering our views.

EGG PRICES ARE A DIRECT
RESULT OF HPAI (BIRD FLU)

— Average Price: Eggs, Grade A, Large (Cost/Dozen) in U.S. City Average



126 MILLION HENS LOST SINCE FEBRUARY 2022

**DOCUMENTS SUBMITTED FOR THE
RECORD**

FEBRUARY 26, 2025



February 14, 2025

The Honorable Brooke L. Rollins
Secretary
United States Department of Agriculture
1400 Independence Avenue, S.W.
Washington, D.C. 20250

Re: Urgent development of H5Nx vaccines for dairy cows, turkeys, and egg-laying hens

Dear Madam Secretary:

Congratulations on being confirmed as our nation's 33rd U.S. Secretary of Agriculture. The undersigned groups representing the U.S. dairy, turkey, and egg industries are writing today with an urgent request for the U.S. Department of Agriculture (USDA) and its federal partners to support development of safe and effective H5Nx vaccinations for dairy cows, turkeys, and egg-laying hens to help mitigate the circulation of H5Nx in dairy, turkey, and egg layer operations. We, the respective leaders from the four leading dairy, turkey, and egg laying associations, respectfully request a meeting with you and your staff at your earliest convenience to brief you on this matter and discuss a path forward.

1

Together, our industries produce healthy, nutritious, and safe turkey, egg, and dairy food products. These products contribute to our nation's domestic food security, drive economic growth for thousands of communities across the country, and support good-paying jobs for millions of people. That is why the ongoing outbreak of H5Nx in poultry and dairy operations is so concerning—not only does it threaten the livelihoods of farmers and producers, but also the stability of our local economies and the security of our broader food supply.

Therefore, we are writing today to request that USDA and its federal partners bring a new sense of urgency and preparedness to the ongoing response by supporting the development of effective H5Nx vaccinations for dairy cows, turkeys, and egg-laying hens that can be deployed to ensure this virus does not continue to negatively impact U.S. public and animal health. We urge USDA to complete the ongoing safety and efficacy field trials work led by the Agricultural Research Service (ARS) to evaluate vaccines that are effective in addressing H5Nx in commercial poultry and dairy cattle, and to conduct concurrent



comprehensive risk assessments for each. Any approved vaccine must be effective against current and future strains of H5Nx and economically feasible for farmers and operators.

It is imperative that a science-based surveillance strategy be developed in which infected animals can be distinguished from vaccinated animals, and that any validated, risk-based surveillance strategy must be agreed upon by our international trading partners. USDA must remain dedicated to engaging with our international trading partners to ensure our trade policies reflect the new realities of a world that is constantly combating H5Nx. We have confidence that USDA and its federal partners—in consultation with leaders from our industries—can create a policy environment that is conducive to the continued free flow of U.S. dairy, turkey, and egg product exports once H5Nx vaccines are available for deployment, but these international conversations must be accelerated.

Together, our industries strongly support efforts by federal and state agencies to protect public health. We are working in partnership with the public and private sectors to bring information and resources to our members to better secure the health of our workers, animals, and operations across our supply chains. Yet if this virus continues to circulate among dairy herds, turkey and egg layer operations, wild mammals, wild birds, and people working closely with birds and dairy cows, it will remain a significant and imposing threat to our nation's food security and, therefore, our national security.

2

We welcome the opportunity to brief you and members of your staff at your earliest convenience. Please ask your team to reach out to suggest a time to meet. Thank you for your consideration and please know that we appreciate the ongoing dialogue between our sectors and USDA.



Sincerely,

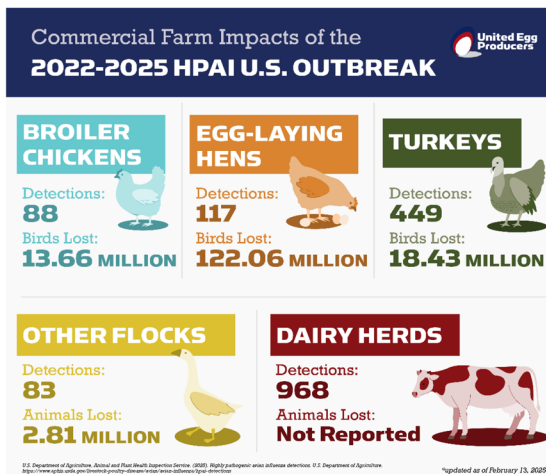
Michael Dykes, D.V.M.
President and CEO
International Dairy Foods Association
www.idfa.org

Gregg Doud
President and CEO
National Milk Producers Federation
www.nmpf.org

Chad Gregory
President and CEO
United Egg Producers
www.unitedegg.com

Leslee Oden
President and CEO
National Turkey Federation
www.eatturkey.org

3



The Honorable Brooke Rollins
 Secretary
 U.S. Department of Agriculture
 1400 Independence Ave., S.W.
 Washington, D.C. 20250

February 13, 2025

Dear Secretary Rollins:

As co-chairs of the Congressional Chicken Caucus, we ask that you work to protect the vital economic interests in our poultry producing states and districts.

With the recent attention around increased egg prices due to highly pathogenic avian influenza (HPAI), there have been renewed conversations about whether the U.S. should vaccinate our commercial poultry flocks against the virus. However, there should be a very clear distinction between all “poultry” to protect America’s family farmers and global trading relationships. To be clear, vaccination in any poultry sector – egg layers, turkeys, broilers, or ducks – will jeopardize the entire export market for all U.S. poultry products.

“Broilers,” or chickens raised for meat, are an entirely separate industry from the egg-laying sector, with distinct supply chains, geographic footprints, housing structure, bird lifespans, biosecurity practices, and trade portfolios.

Since the start of the current outbreak in 2022, of the more than 150 million birds affected, more than 77 percent have been commercial egg-laying hens, 12 percent commercial turkeys, and eight percent commercial broilers, according to USDA. The other impacted species have been ducks, backyard poultry, and game birds.

The problem is that most U.S. trading partners do not recognize countries that vaccinate as “free of HPAI” due to concerns that vaccines can mask the presence of the virus. Therefore, U.S. trading partners do not accept exports from countries that vaccinate, either for specific product categories, regions that vaccinate, or for all poultry from the country. In other words, if an egg-laying hen in Michigan is vaccinated for HPAI, it’s unclear to the rest of the U.S. poultry industry whether our trading partners would accept an unvaccinated broiler chicken from Mississippi.


America’s broiler producers export more than 15 percent of production valued at nearly \$5 billion annually, helping to meet the world’s protein needs. On average, every \$1 of U.S. agricultural products exported generates \$2.09 of domestic economic activity.¹


This is what is at stake in the HPAI vaccine discussion: a potential \$10+ billion annual loss to the U.S. economy and American broiler farmers feeling a huge brunt when they have been the least affected by HPAI. While some trading partners may levy temporary restrictions, others could be indefinite. A widescale HPAI vaccination program in the U.S., without first strengthening our animal health trade agreements, could cause our trading partners to take action that would significantly harm our domestic poultry sector.

¹ <http://www.ers.usda.gov/data-products/agricultural-trade-multipliers>

As the administration contemplates a HPAI strategy, we stand ready to be helpful partners to fully ensure America's chicken producers are protected.

Sincerely,


Roger F. Wicker
United States Senator


Christopher Coons
United States Senator


Steve Womack
Member of Congress


Jini Costa
Member of Congress

CC: Dr. Michael Watson, Administrator, Animal and Plant Health Inspection Service
Dr. Rosemary Sifford, Deputy Administrator, Veterinary Services and Chief Veterinary Officer

Senate Agriculture Committee: Perspectives From the Field: Farmer and Rancher Views on the Agricultural Economy, Part 2

Introduction of Senator Mitch McConnell

MCCONNELL: Mr. Chairman, Ranking Member Klobuchar, Fellow Senators:

It's my privilege to introduce my fellow Kentuckian and proud farmer, Mr. Jeremy Hinton of Larue County. The child of lifelong Kentucky farmers, Jeremy has deep agricultural roots in my home state. He's the eighth generation of his family to farm not only in the Commonwealth, but Larue County specifically.

Along with his wife, Joanna, Jeremy cultivates fresh fruits, flowers, and vegetables on their farm in Hodgenville, Kentucky. Over two decades, his family business has grown from a modest operation into a cornerstone of Central Kentucky's agricultural community. In addition to his work running Hinton's Orchard and Farm Market, Jeremy is deeply involved in Kentucky's crop insurance industry, developing deep expertise on crop insurance and its importance in protecting farmers' investments and managing risk. When he's not tending to his family or his produce, Jeremy uses his talents to care for specialty crop producers across the Commonwealth. He put his extensive knowledge of specialty crops to good use, serving as Chair of the Kentucky Horticulture Council, on the Kentucky Farm Bureau Horticulture Advisory Committee, and as the Larue County Farm Bureau President.

Like the home states of many members on this Committee, Kentucky is blessed with a vibrant farming community that deserves our support. Our state produces a diverse array of agricultural commodities that include horses, cattle, corn, soybeans, and tobacco – just to name a few. We're home to over 69,000 family farms that rely on many programs under the Farm Bill to keep plates full across the country, making today's conversation all the more important to the strength and longevity of American agriculture.

Jeremy and the entire Hinton family embody Kentucky's enduring agricultural tradition, and I'm proud he is here today to share his experience and insight with the Committee. His testimony will shed valuable light on the challenges facing American farm families like his, particularly the struggles of managing risk in today's volatile market and the importance of robust support from Congress.

Thank you for allowing me to introduce Jeremy, and to Chairman Boozman and Ranking Member Klobuchar for hosting this hearing today. I look forward to working with all of my colleagues as we continue to debate ways to strengthen and support America's farm economy.

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305 Roselawn Ave E | Suite 200 | St. Paul, MN 55117
 Phone: (651) 639-1223 | www.mfu.org

February 24, 2025

RE: MFU opposition to staffing cuts at local and regional USDA offices

Dear members of the Minnesota congressional delegation:

On behalf of Minnesota Farmers Union (MFU), I am writing to express our strong concern about reports of staffing cuts at United States Department of Agriculture (USDA) local and regional offices across our state. MFU has long championed better staffing at the county-level to ensure that farmers have access to critical farm safety-net, disaster aid, farm loan, and conservation programs. This letter comes in response to a resolution passed by our county leaders at our Full Board meeting on Saturday, February 22. As many farmers face tough balance sheets and an uncertain agricultural economy, we are concerned that what is being reported as widespread, across-the-board layoffs or buyouts will add to the stress facing family farmers as they prepare for spring.

Particularly in the face of market uncertainty, high input costs, and continued challenges with animal disease, inadequate staffing at the local level could result in farmers having difficulty accessing critical programs. For example, if farmers who qualify for a farm loan are not able to access that funding in a timely manner, they could lose out on an opportunity to access farmland, delay locking in the cost of inputs, or even lose their farm. Broadly, this is a particular concern for new farmers and others who are not experienced with USDA programs.

We're also motivated to share our opposition to these layoffs because USDA employees are people who have chosen to dedicate their professional career to helping farmers. Some have newly moved to our communities and others have families who are relying on what historically have been stable federal jobs. All of them deserve our respect.

First, we respectfully ask that you seek clarity from USDA about the extent and impact of these layoffs. What Minnesota offices are affected? Why were workers let go? Are positions being eliminated? And what FSA, NRCS, Rural Development or other programs will be affected? Beyond that and on behalf of our members, we urge you to oppose these layoffs and seek to ensure that local and regional offices are fully staffed and that USDA programs are fully funded.

We want a USDA that is effective, responsive, and accountable to the farmers and communities they serve. This requires adequate staffing and stable funding. If you have any questions, please reach out to our Government Relations Director, Stu Lourey, at stu@mfu.org or (320) 232-3047. We appreciate your work to ensure that USDA works well for our state's family farmers.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary Wertish". The signature is fluid and cursive, with the first name "Gary" being more prominent than the last name "Wertish".

Gary Wertish
President, Minnesota Farmers Union

Sent to offices of:

- Senator Amy Klobuchar
- Senator Tina Smith
- Representative Brad Finstad
- Representative Angie Craig
- Representative Kelly Morrison
- Representative Betty McCollum
- Representative Ilhan Omar
- Representative Tom Emmer
- Representative Michelle Fischbach
- Representative Pete Stauber

**In the
Supreme Court of the United States**

NATIONAL PORK PRODUCERS COUNCIL, ET AL.,
Petitioners,

v.

KAREN ROSS, IN HER OFFICIAL CAPACITY AS SECRETARY OF THE
CALIFORNIA DEPARTMENT OF FOOD & AGRICULTURE, ET AL.,
Respondents.

**On Writ of Certiorari to the
United States Court of Appeals for the Ninth Circuit**

**BRIEF OF AMICI CURIAE
SMALL AND INDEPENDENT FARMING BUSINESSES,
STATE FARMERS UNIONS, AND FARM ADVOCACY
ORGANIZATIONS IN SUPPORT OF RESPONDENTS**

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INTEREST OF AMICI CURIAE¹

Amici curiae are small and independent farming businesses, state farmers unions, and farm advocacy organizations. *Amici* respectfully submit this brief in support of Respondents. *Amici* each has extensive experience with the farming practices at issue in this litigation, and each believes that Proposition 12 is a farmer-friendly statute that protects animal welfare while providing important new production and marketing opportunities to family farmers. Moreover, as discussed in more detail herein, *amici* strongly disagree with many of Petitioners' characterizations about Proposition 12's likely effects on the pork industry and the farmers who supply it. As organizations and businesses who have operated in the pork industry for decades, or that advocate on behalf of American pork farmers, *amici's* perspective will aid the Court's understanding of how Proposition 12 will impact the Nation's farmers.

Amicus Socially Responsible Agriculture Project (SRAP) has, for more than 20 years, served as a mobilizing force to help communities protect themselves from the damages caused by industrial livestock operations and to advocate for a food system built on regenerative practices, justice, democracy, and resilience. SRAP's team includes technical experts, independent family farmers, and rural residents who have faced the threats of factory farms in their communities. When asked for

¹ Counsel for *amici* state that no counsel for a party authored this brief in whole or in part, and no person other than *amici* or their counsel made any monetary contribution intended to fund the preparation or submission of this brief.

help, SRAP offers free support, providing communities with the knowledge and skills to protect their right to clean water, air, and soil and to a healthy, just, and vibrant future.

Amicus Farm Aid is a nonprofit organization whose mission is to keep family farmers on the land. Since the first Farm Aid concert in 1985, Farm Aid has raised \$64 million to support its work to help farmers thrive, expand the reach of the Good Food Movement, take action to change the dominant system of industrial agriculture, and promote food from family farms. Farm Aid believes fair and competitive markets are necessary for thriving family farms, healthy rural communities, and clean water and air.

Amicus Indiana Farmers Union works to protect and enhance the economic well-being and quality of life of family farmers. Indiana Farmers Union is a home for producers who are committed to conserving Indiana's natural bounty.

Amicus Iowa Farmers Union's members have worked together since 1915 to strengthen the independent family farm through education, legislation and cooperation and to provide Iowans with sustainable production, safe food, a clean environment, and healthy communities. Iowa Farmers Union is a grassroots member organization of family farmers and ranchers, advocates, and consumers committed to promoting family agriculture in Iowa.

Amicus Northwest Farmers Union represents farmers in Idaho, Oregon, and Washington. It focuses on advocating for local, state, and federal policies that help socially and environmentally responsible farms do what they do best: provide their local communities

with delicious, nutritious food while benefiting the local ecosystem.

Amicus Pennsylvania Farmers Union (PFU) has been the voice of family farmers, rural residents and consumers across the state since its founding. PFU believes the needs of Pennsylvania's farm economy are every bit as important as the policy priorities of Wall Street and Corporate America.

Amicus American Grassfed Association supports, advocates, and promotes American grass-fed and pasture-based farms and ranches from the farm to the marketplace and in government policy, by maintaining a credible, transparent national standard for animals humanely raised on pasture and partnering to support rural economies.

Amicus Family Farm Defenders' (FFD) mission is to create a farmer-controlled and consumer-oriented food and fiber system, based upon democratically controlled institutions that empower farmers to speak for and respect themselves in their quest for social and economic justice. To this end, FFD supports agroecology, farm & food worker rights, racial justice, animal welfare, consumer safety & right to know, fair trade—both globally and domestically—as well as food sovereignty.

Amicus Farm Action leads the fight against monopolistic corporate control over our food and farming system. Farm Action represents farmers, ranchers, rural communities, workers, policymakers, advocates, and anyone who eats.

Amicus Institute for Agriculture and Trade Policy (IATP) is a nonprofit that works locally and globally at the intersection of policy and practice to ensure fair and sustainable food, farm, and trade systems. IATP

aims to reduce the harmful impacts of industrialized animal agriculture and promote regenerative systems based on agroecology principles.

Amicus the National Sustainable Agriculture Coalition (NSAC), founded in 2009, is an alliance of 130-plus member organizations and their combined 2+ million members. NSAC advocates for federal policy reform to advance the sustainability of agriculture, food systems, natural resources, and rural communities. NSAC works to advance farming opportunities for independent family farmers by advocating for federal policies that remove barriers they face, including the inability to compete with large farms and corporate interests for coveted farmland or lucrative markets.

Amicus the Organic Farmers Association (OFA) is a nonprofit membership organization that represents U.S. certified organic farmers. OFA's mission is to provide a strong and unified national voice for domestic certified organic producers, by supporting a farmer-led national organic farmer movement and national policy platform, and facilitating collaboration and leadership among state, regional, and national organic farmer organizations.

Amicus Callicrate Pork is a pork production company that is part of Callicrate Cattle Company. Callicrate Pork's meat is regeneratively and ethically raised and processed on-farm.

Amicus Gunthorp Farms specializes in quality meat that is a favorite among some of the best chefs in the Midwest. All of Gunthorp Farms' animals are raised on pasture without the use of antibiotics. Gunthorp Farms has an on-farm USDA-inspected processing plant where it harvests, processes, and packages

all of its animals before delivering to upscale restaurants and retailers.

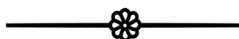
Amicus North Country Smokehouse is a third generation, family-owned smokehouse located in Claremont, New Hampshire. Its mission is to make better-for-you pork accessible to everyone through its conscious and concerted agri-food system. North Country Smokehouse has been handcrafting artisanal smoked meats for more than a century. Its vertically integrated operation includes more than 400 family-farms, grain mills, husbandry, harvesting, and further processing facilities. Every farm is audited on a seasonal, annual rotation, and certified by Global Animal Partnership, Certified Raised & Handled, and USDA Organic.

Amicus Ranch Foods Direct was established in Colorado Springs in 2000 to sell high-quality, naturally raised beef directly to customers. Since then, it has grown into a prominent, well-respected marketing outlet in the community for small farmers and food producers selling a wide range of meat and other goods from throughout the region.

Amicus Walnut Hill was established in Sharpsville, Pennsylvania in 2008 by Michael, Karen, and Amelia Kovach to help reconnect people to the food they eat. The high-quality meat it produces come from humanely raised animals.

Amicus White Oak Pastures is a six-generation, 152-year-old family farm in Bluffton, Georgia. Its farming practices focus on regenerative land management, humane animal husbandry, and revitalizing its rural community. White Oak Pastures uses a zero-waste production system that utilizes each part of the

animals, which it pasture-raises and hand-butchers on its farm.



SUMMARY OF THE ARGUMENT

This case represents an effort by the largest pork processing companies in the U.S. to maintain their steadfast grip on an industry they worked systematically to consolidate and control. Proposition 12 does not discriminate against out-of-state commerce, nor does it enact the kind of “economic protectionism” this Court’s Dormant Commerce Clause cases typically involve. *See, e.g., Dep’t of Revenue of Ky. v. Davis*, 553 U.S. 328, 337-38 (2008). Yet Petitioners challenge California’s popularly enacted measure—voted in by a two-thirds majority—because they view it as a threat to the long-standing dominance of a small group of multinational agribusinesses. Unwilling to compete on the merits in the new and growing market for crate-free pork with smaller farmers who comply with Proposition 12, Petitioners instead ask this Court to nullify Californians’ decision to regulate how pork is sold within their own borders. The Court should reject Petitioners’ efforts to eliminate competition through constitutional litigation.

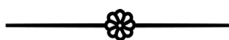
Proposition 12 was enacted against the backdrop of a growing demand for humanely raised meat, including crate-free products. Small farmers who have capitalized on the burgeoning consumer preference for crate-free pork are well-situated to meet the additional demand that Proposition 12 creates. Indeed, in the four years since Proposition 12 passed, independent family

farmers and food businesses have invested in substantial and profitable adjustments to their business model in reliance on the law. Some have modified production methods, others have expanded their supply chain to reach California, and still others have spent resources informing consumers that their products comply with Proposition 12. Independent farmers have been able to position themselves as healthy competitors in the market for pork sold in California.

The Court should be troubled by the implication of Petitioners' position—because of the sprawling, highly integrated supply chain networks they have created, no State may regulate the products sold within its borders without running afoul of the Dormant Commerce Clause. If the Court accepts Petitioners' invitation and constitutionally insulates vast, vertically integrated supply chains from state regulation impacting their production and distribution, Petitioners—and soon, one assumes, dominant players in other industries—will be beyond the effective reach of the States. The Court should reject Petitioners' position that they are too big to govern, particularly since it is long settled that the nationwide nature of an industry does not prevent a State from regulating it in a non-discriminatory way. *E.g., Exxon Corp. v. Governor of Maryland*, 437 U.S. 117, 128 (1978) (“[W]e cannot adopt appellants’ novel suggestion that because the economic market for petroleum products is nationwide, no State has the power to regulate the retail marketing of gas.”).

A ruling in Petitioners' favor would grant a constitutional privilege to multinational meatpacking giants in a heavily consolidated industry, and stifle healthy competition and enterprise among America's small businesses and farmers. It would also deprive California's

citizens of their right to enact laws to protect the health and welfare of humans and animals within the State’s borders. For these reasons, described more fully herein, the Court should affirm the ruling below.



ARGUMENT

I. PROPOSITION 12 IS CONSISTENT WITH MARKET GROWTH AND ROBUST COMPETITION.

A. The Largest Pork Integrators Have Highly Consolidated the Pork Industry, Inhibiting Competition and Innovation.

The U.S. meatpacking industry has steadily and substantially consolidated over the last 50 years. Between 1948 and 2015, four million U.S. farms disappeared even though total farm output doubled during the same period. Consolidation has been particularly stark in the pork industry: In just 19 years, between 1993 and 2012, *the United States lost about 70% of its hog operations.*² The result is that, today, four multinational corporations—Smithfield Foods, Inc., Tyson Foods, Inc., JBS USA Holdings, Inc., and Cargill Inc.—control a whopping 66% of the hog-processing market. These four entities, which Petitioner National Pork Producers Council represents as their trade association, have vertically integrated nearly

² Food & Water Watch et al., *The Anticompetitive Effects of the Proposed JBS-Cargill Pork Packing Acquisition 14* (2015) (hereinafter “JBS-Cargill White Paper”), <https://perma.cc/67LV-5JUH>.

every aspect of the pork production process; they are thus commonly referred to as “integrators.”³

Through an aggressive campaign of mergers, acquisitions, joint ventures, and captive supply contracts that favor ever-larger farming operations, these multinational integrators generally control every aspect of the supply chain—from owning and breeding live hogs, processing and selling live pork, and supplying retailers with the vast majority of pork sold on grocery shelves. In doing so, the integrators have essentially eliminated any ability of independent farmers to compete on quality or through innovation, which has had the effect of “shrinking the number of farms doing business in the region’s rural communities.”⁴

A policy brief by the Organization for Competitive Markets aptly summarized the effect the integrators’ domination has had on American farmers and farm workers:

Corporate consolidation has had a devastating impact on small businesses. Between 1990 and 2016, federally inspected slaughterhouses decreased by 36 percent. * * * Jobs and wages have disappeared along with the slaughterhouses. According to the Bureau of Labor Statistics, the animal slaughtering and processing industry employed a total of 506,000 people in 2005. By May 2016, the industry

³ Notably, the same four integrators also dominate several other agricultural sectors.

⁴ Allen Barkema & Mark Drabenstott, *Consolidation and Change in Heartland Agriculture, Economic Forces Shaping the Rural Heartland* 74-75, Fed. Reserve Bank of Kansas City (1996), <https://perma.cc/3SYV-RBHM>.

employed only 80,780 people and their average wage was down to half of that of all manufacturing jobs in the U.S. * * * Farmers and ranchers have seen farm income decline along with the rise of corporate consolidation. *Since 2013, U.S. farm income has dropped by \$43.6 billion.*⁵

The integrators' aggressive consolidation campaign has thus effected a massive transfer of wealth from rural, independent farmers to a few multinational corporations.

Given the integrators' continually increasing purchasing power, many smaller pork producers who used to operate independently have been forced to enter into captive production contracts with particular integrators. Such contracts "essentially convert independent farmers that own their livestock into contract employees that perform services for the pork-packing industry."⁶ In the typical contract scenario, the integrator retains ownership over hogs and feed, but outsources to the farmer the tasks of growing them and managing the waste, requiring the farmer to provide the intensive labor and infrastructure necessary to do so. The farmer thus cedes control of his own land and livestock to the integrators, which dictate every aspect of how he does his work—what (and how much) he feeds the hogs, as well as how he houses them, cleans them, and medicates them. The result is that the integrator owns all the elements of the supply chain

⁵ Angela Huffman et al., *Consolidation, Globalization, and the American Family Farm* 6 (Aug. 2017) (emphasis added), <https://perma.cc/3HR8-3ELD>.

⁶ JBS-Cargill White Paper, *supra* note 2, at 14.

that appreciate in value (live hogs, processed pork), and the farmer is responsible for the elements that depreciate in value (housing, manure, equipment).

This integrator-manufactured system is terrible for farmers. Contract farmers are often left poorly compensated and saddled with debt, while the integrators have the power and incentive to “extract lower prices and distort and conceal prices.”⁷ Exacerbating the situation is the geographic segmentation of the market; integrators often have a regional monopoly, so in many rural communities, a hog farmer only has one integrator he can contract with, thus further depressing his ability to negotiate on price or other contractual terms.⁸ A Purdue University study estimated that the more concentrated (and less competitive) a market is, the less farmers receive for live animals.⁹ Between 1988 and 2012, when contract farming

⁷ *Id.*, at 14; Caius Z. Willingham and Andy Green, *A Fair Deal for Farmers*, The Center for American Progress (May 7, 2019), (“With only a handful of processors with which they can do business, hog farmers have little choice but to enter into contracts that compensate them through opaque and often manipulatable pricing formulas that saddle farmers with burdensome terms and quite often large levels of debt.”), <https://perma.cc/J5RV-MUH3>.

⁸ JBS-Cargill White Paper, *supra* note 2, at 5 (“In some cases, there is only one buyer at hog auctions as a result of market consolidation.”).

⁹ *Id.*, at 6 (noting that Purdue study “estimated that a marketplace with 20 equally sized pork packers (akin to the national market in the late 1980s) would pay about 5 percent less than a perfectly competitive marketplace; a marketplace with eight firms would pay 18 percent less; and if there were only four firms, they would pay 28 percent less than a perfectly competitive market.”).

proliferated, the market share of the top pork integrators increased from 34 percent to 64 percent, while prices farmers were paid for their hogs fell 18%.¹⁰

The rise in production contracts also perpetuates the homogeneity of the production model: The only way contract farmers can compete with others using the same contract production methodology is “to pack more animals into [their] sheds, pump them fuller of antibiotics so they don’t die from infections that flourish amid overcrowding, raise breeds that live lives of pain but grow with astonishing speed, create massive manure lagoons that poison streams and turn air acrid.”¹¹ The market power integrators wield has thus nearly eliminated the opportunity for alternative, non-integrator controlled supply chains to develop.

The integrators’ near-total control over every aspect of the production process has also harmed consumers, who are left with no meaningful choice of brands and pork products. Since demand for food is inelastic, “concentrated market power in the food sector can distort competition, raise prices and erode equity more significantly than sectors where consumers are more responsive to prices.”¹² Even small price increases significantly affect consumers, and when aggregated, lead to considerable transfers of wealth to pork integrators. As of May 2022, small farmers were earning \$2 less per pound of pork than in 1982; consumers, however,

¹⁰ *Id.*, at 7.

¹¹ Ezra Klein, *Farmers and Animal Rights Activists Are Coming Together to Fight Big Factory Farms*, VOX (Jul. 8, 2020), <https://perma.cc/9ADZ-LNVR>.

¹² JBS-Cargill White Paper, *supra* note 2, at 20.

are only paying \$1 less per pound at checkout. Pork processors capture this other dollar in reduced earnings to farmers.¹³ And though farmers are earning less, grocery prices have increased because of a highly concentrated industry that leaves few options.¹⁴

Thus, over the past five decades—and especially during the past two—the pork industry has transformed from one in which truly independent farmers competed in the market on price, quality, and product variation into a highly consolidated, vertically integrated system that pays farmers less and reduces consumer choice. The dominant integrators have reaped the benefits of the homogenization they initiated and perpetuate, which is why they now seek to stifle the new competition Proposition 12 will engender.

When one understands the structure of today's pork production market, it is easy to understand why the industry's dominant players abhor Proposition 12—it threatens to disrupt the dominance of a few, massive corporations that have enjoyed unprecedented profits due to their vertical and horizontal integration.

B. There is a Growing Demand for Crate-Free Pork, but the Integrators Currently Control Access to the Market.

In recent years, demand for crate-free pork has significantly increased in the U.S. According to a 2021 Harris Poll Survey, 66% of Americans consider gestation

¹³ Food & Water Watch, *The Economic Cost of Food Monopolies: The Hog Bosses* (May 2020), <https://perma.cc/F56Q-S85V>.

¹⁴ Scott Horsley, *A Handful Of Big Meat Packing Companies May Be Pushing Up The Price Of Groceries*, NPR (Sept. 13, 2021, 6:45 PM), <https://perma.cc/E9L2-KYUU>.

crates unacceptable, while 73% are more likely to buy pork products from companies committing to end confinement of pregnant pigs.¹⁵ A 2018 industry survey and report found that more than “70% of supermarkets stocking products with claims about improved animal welfare report that sales from these products have increased” in the studied three-year period; the report also projected a demand curve similar to that for organic products, “with increasing awareness creating a strong burst of consumer demand, pushing these products to the forefront of retailer and supplier plans.”¹⁶

Small producers have taken stock of this growing demand. For instance, *amicus* North Country Smokehouse, an independent meat processor that distributes nationally and sources exclusively from farms that are certified as humanely raised, noted in a September 2021 press release:

Consumers’ growing demand for the ethical treatment of animals has led to a massive shift in the supply chain, with an increasing amount of humanely raised meats claiming their rightful space on retail shelves.¹⁷

Proposition 12 reflects this increasing demand, as two thirds of California voters voiced their preference

¹⁵ *Majority of Pork-Buyers Prefer Retailers That Don’t Use Gestation Crates*, Crate Free USA (Jan. 12, 2021), <https://perma.cc/39Q3-93DW>.

¹⁶ Wade Hanson, Technomic & ASPCA, *Understanding Retailers’ Animal Welfare Priorities* 2 (2018), <https://perma.cc/ZRL5-P587>.

¹⁷ *Making Prop 12 Compliant Pork Accessible*, PR NEWswire (Sept. 20, 2021, 12:42 PM), <https://perma.cc/FR5P-AT7E>.

for crate-free product.¹⁸ And Californians are not alone. About ten states so far have passed laws to end or limit confinement of sows.¹⁹ For example, in 2021, Massachusetts passed a similar bill, An Act to Prevent Cruelty to Farm Animals, that, like Proposition 12, was supported by family farmers.²⁰ Notably, after spending millions of dollars unsuccessfully opposing this measure, the integrators ultimately complied with Massachusetts' modest new requirements.²¹

Big retailers and fast-food companies have also taken notice of the growing demand for humanely raised pork. Consumers' "growing desire for cruelty-free animal handling has influenced food retailers, who in turn are forcing the U.S. industry to change its livestock husbandry practices."²² In recognizing their customers' evolving preferences, large companies like Burger King, Safeway, and Kmart, among others, have

¹⁸ Lynne Curry, *Could Crate-Free Pork Become the New Industry Standard?*, CIVIL EATS (Oct. 26, 2020), <https://perma.cc/YZH6-LQBS>.

¹⁹ Wayne Pacelle, *National Legislation Introduced to End Gestation Crates in Pig Industry*, Center for a Humane Economy (Mar. 10, 2022), <https://perma.cc/WW49-TCHN>.

²⁰ Chris Lisinski, *Mass. Legislature Passes Animal Welfare Law Changes, Set to Ease Egg Supply Fears*, GBH NEWS (Dec. 20, 2021), <https://perma.cc/Y2J8-9ENB>.

²¹ Ashley Chang, *What Does Question 3 Mean for Animals in Massachusetts?*, The Humane League (Feb. 3, 2022), <https://perma.cc/9TAT-7BLE>.

²² David Jackson and Gary Marx, *Pork Producers Defend Gestation Crates, but Consumers Demand Change*, CHICAGO TRIBUNE (Aug. 3, 2016, 4:15 AM), <https://perma.cc/D8Q3-YX3V>.

committed to eliminating use of gestation crates.²³ These major players primarily buy their pork products from the largest integrators, who have made no public indication that they are unwilling or unable to comply with these new demands from some of their largest customers.

Independent farmers are willing to meet this demand, and in doing so, can access some of the wealth and power that has accumulated only for pork integrators, and redistribute it back to local communities, businesses, and families.

However, their eagerness and ability to meet this demand is insufficient, because integrators currently wield their market power to determine which products get shelf space. Heavy consolidation in the entire food supply chain—“from seeds and fertilizers to slaughterhouses and supermarkets to cereals and beers”²⁴—allows a few multinational companies to limit independent farmers’ access to the market; corporate integrators determine which products are distributed through wholesalers.²⁵ Corporate integrators exert influence over which products are distributed through the wholesale system and ultimately to grocery stores in part

²³ See BIO at 4-5.

²⁴ Nina Lakhani et al., *Investigation Shows Scale of Big Food Corporations’ Market Dominance and Political Power*, THE GUARDIAN (Jul. 14, 2021, 6:00 AM), <https://perma.cc/FP32-JCCT>.

²⁵ Carrie Stadheim, *Grocers File Lawsuit Against Meatpackers for Violating the Sherman Act*, THE FENCE POST (Jun. 15, 2020), (noting allegation by grocery stores in a price-fixing lawsuit that the meatpackers’ “gatekeeping role has enabled them to collusively control both upstream and downstream beef pricing”), <https://perma.cc/629F-83M4>.

through slotting fees, payments the integrators make to a retailer in exchange for shelf space.²⁶

Given the hefty profits retailers make through slotting fees, “the supplier is the [grocery] store’s real customer,”²⁷ generating far more revenue for grocers than independent competitors seeking to access shelf space. Contributing to the lack of market access is the increasing consolidation in the wholesale food and retail industry, which further amplifies the integrators’ influence through slotting fees. Large food companies “can lord over entire categories,” and given the “opacity” of negotiations with retailers, corporate integrators exert downstream influence over distribution and display of food items.²⁸ Despite the seemingly diverse array of brands at grocery stores, “most of our favorite brands are actually owned by a handful of food giants, including Kraft Heinz, General Mills, Conagra, Unilever, and Delmonte.”²⁹ Thus, even if an independent farmer, who produces crate-free pork, saw the growing demand of humane pork, it would be difficult to actually sell to customers, given the layers of obstacles the farmer faces.³⁰

²⁶ Sophie D’Anieri & Charlie Mitchell, *Exclusionary Slotting Fees in Grocery Retail* 63, REFORMING AMERICA’S FOOD RETAIL MARKETS (Yale Univ. June 2022), <https://perma.cc/49B3-ACMP>.

²⁷ *Id.*

²⁸ *Id.*, at 65.

²⁹ Lakhani, *supra* note 22.

³⁰ Lakhani, *supra* note 22 (“And then there’s the slotting fees—payments by big-brand manufacturers for eye-catching product placement. This makes it very hard for new independent brands

Another way in which multinational integrators and other consolidated food companies influence retailer offerings is through category management, a marketing practice in which products are divided into categories and managed as free-standing businesses.³¹ Dominant manufacturers in a category (referred to as “category captains”) often influence retail decisions related to planning and management of a single category—even with respect to competitor brands.³² Powerful category captains can “affect[] what products are available in the store, where products are located on shelves, when they will be advertised, and at what prices they will be offered to consumers.”³³ This type of “exclusionary conduct”—which “can impede competition, limit new entry, lessen consumer choice, reduce product quality, and stifle product innovation”—has increased in recent years, as category captains have infiltrated meat, poultry, and seafood products, among others.³⁴

A Special Report to the Family Farm Action Alliance found that this concentrated ownership grants a few companies “the power to make decisions in food and agriculture. Who decides where and what

to get a break. And when they do get a tiny foothold, it often doesn’t last.”).

³¹ Gregory T. Gundlach & Riley T. Krotz, *Exclusionary Slotting Fees in Grocery Retail* 71, REFORMING AMERICA’S FOOD RETAIL MARKETS (Yale Univ. June 2022), <https://perma.cc/49B3-ACMP>.

³² *Id.*

³³ *Id.*

³⁴ *Id.*

food will be produced, who produces it and how, and who will get to eat it?”³⁵

Against this backdrop—where integrators control not only the supply lines but also access to grocery store shelves independent farmers would otherwise fill—Proposition 12 has effectively opened up access to the market by mandating that those who sell pork within the state establish a traceable supply of pork. “Compliance can be shown through written certification that pork meat originates from breeding sows housed according to Proposition 12 confinement standards.”³⁶ This provides a regulatory incentive to pork sellers to choose easily traceable supply chains, like those many independent producers have developed. Thus, where independent farmers struggled to meet demand because of barriers to entry in the consolidated pork and wholesale food industries, they now have a better chance to compete.

C. Far from Causing Greater Market Concentration, Proposition 12 is Likely to Facilitate Competition in an Otherwise Concentrated Market.

While enacted to protect the health of Californian consumers and rid the State’s markets of inhumane products, Proposition 12 came with a major ancillary benefit: It enhances opportunities for independent farmers to successfully compete in the growing market

³⁵ Mary K. Hendrickson, et al., *The Food System: Concentration and Its Impacts* 1 (Nov. 19, 2020), <https://perma.cc/JAZ7-KNCB>.

³⁶ California Dep’t Food & Agric., *Prop 12 FAQ* (Mar. 5, 2021), <https://perma.cc/2NVE-X4FT>.

for crate-free pork.³⁷ By solidifying California’s demand for this product and facilitating the means for independent producers to bring crate-free pork to consumers, Proposition 12 promotes much needed diversity in the production model.

Independent farmers, who, until recently, had been relegated to production contracts as their only means of guaranteed income, have emerged as possible contenders in this burgeoning market. Family farmers may not have the same technology required for large-scale industrialized production, but they are better equipped to supply the specialty product market, particularly where, as with Proposition 12, regulators provide the means of inspecting to ensure and document compliance with animal welfare standards.³⁸

Rather than “drive further consolidation in the industry,” as Petitioners (ironically) suggest, Br. of Petitioners at 15, Proposition 12 is far more likely to loosen the stranglehold the dominant integrators have long held over pork production. For example, in June of this year, Smithfield Foods closed its only California pork processing plant, citing rising costs of business in California. (Petitioners do not contend that such a closure implicates the Dormant Commerce Clause, because they do not challenge Proposition 12’s in-state effects.) This exit from the California market of one of the largest integrators inevitably introduces opportunities for smaller, more nimble farming operations

³⁷ See *also* BIO at 4-5 (noting “industry practice is rapidly changing in response to market demands” and citing Burger King’s recent announcement that it is “committed to eliminating the use of gestation crates for housing pregnant sows”).

³⁸ Barkema, *supra* note 4, at 65.

to fill the void and produce the product Californians have made clear they desire.

The enhanced competition Proposition 12 engenders is already manifesting. Many farmers are investing in new confinement systems to comply with Proposition 12.³⁹ And many small farmers who were already compliant—or who exceeded compliance—now have a robust, well-defined market in which to sell their product. For example, *amicus* Gunthorp Farms, an Indiana operation that sells hogs across the country, raises all of its hogs outdoors, meaning its sows are housed outside of extreme forms of confinement. With the passage of Proposition 12, there is now space in the Californian market for Gunthorp Farms to sell its hogs. As another example, many small farmers that produce humanely raised pork—like *amicus* North Country Smokehouse, based in New Hampshire—actively market themselves as Proposition 12 compliant.⁴⁰ North Country Smokehouse, and producers like it, are already benefitting from Proposition 12.

Crate-free consumer preference can thus be an essential component to the survival of America's small pork farmers. Proposition 12's loudest critics are companies running concentrated animal feeding operations; independent farmers who have long since

³⁹ See generally Elizabeth Cox, Cal. Dep't of Food and Agriculture, *Lessons About Proposition 12 From Recent Pork Producer Visits* (2022), <https://perma.cc/Q9BA-9VAQ>.

⁴⁰ *Our Ranges: Pork Worthy of Your Convictions*, duBreton, <https://perma.cc/K8NX-H9BU> (last visited Aug. 4, 2022).

adopted group housing have had no complaints.⁴¹ While it may be more expensive for multinational agribusinesses to comply with Proposition 12, independent farmers—who by definition have fewer gestation crates—are stepping up to the challenge, and are positioning themselves as new, vibrant competitors in the expanding market for crate-free pork.

II. THE DORMANT COMMERCE CLAUSE DOES NOT PROTECT THE INTEGRATORS’ PREFERRED WAY OF DOING BUSINESS.

Petitioners argue that Proposition 12 violates the Dormant Commerce Clause because it would “disrupt[] a national market,” Br. of Petitioner at 32, *i.e.*, the fully integrated and captive supply chain the largest pork producers have erected. But Proposition 12 does not target the integrators; it does not discriminate against out-of-state commerce, nor does it enact the kind of “economic protectionism” this Court’s Dormant Commerce Clause cases typically involve. *See, e.g., Dep’t of Revenue of Ky. v. Davis*, 553 U.S. 328, 337-38. Instead, it applies equally to all producers who wish to access the California market. Petitioners’ primary complaint, therefore, is that it will affect their preferred mode of supplying pork more than it will affect their putative competitors.

Yet the Court has recognized that a law creating such an impact does not run afoul of the Dormant Commerce Clause, and it has refused to substitute its judgment for state lawmakers even where statutes have an outsized effect on large, interstate companies.

⁴¹ Natasha Daly, *California Voted to Improve Pig Welfare. the Pork Industry Is Facing a Reckoning.*, NATIONAL GEOGRAPHIC (Aug. 13, 2021), <https://perma.cc/TJ8N-GQ5R>.

In *Exxon Corp. v. Governor of Md.*, 437 U.S. 117, for example, the Court refused to strike down a Maryland statute that prohibited producers and refiners of petroleum products from operating retail service stations within the State. A group of large, interstate petroleum companies claimed that the statute impermissibly burdened interstate commerce because “the burden of [the] state regulation [only fell] on some interstate companies.” *Id.*, at 126. The Court disagreed, holding that a statute that affects some interstate producers more than others does not unduly interfere with interstate commerce. *Id.* The Court explained that even the withdrawal from the Maryland market by some major refiners did not demonstrate that the statute impermissibly burdened interstate commerce. *Id.*, at 127. The Court also recognized that independent producers could enter the market to replace the supply lost by withdrawing producers, just as producers here have and will continue to enter the California market for pork to replace any lost supply from any withdrawing integrators and producers. The Court explained:

Some refiners may choose to withdraw entirely from the Maryland market, but there is no reason to assume that their share of the entire supply will not be promptly replaced by other interstate refiners. The source of the consumers’ supply may switch from company-operated stations to independent dealers, but interstate commerce is not subjected to an impermissible burden simply because an otherwise valid regulation causes some business to shift from one interstate supplier to another.

Id. The Court further recognized that it was not within its purview to evaluate a statute's merits, only its constitutionality:

[T]he Clause protects the interstate *market*, not particular interstate *firms*, from prohibitive or burdensome regulations. It may be true that the consuming public will be injured by the loss of the high-volume, low-priced stations operated by the independent refiners, but again that argument relates to the wisdom of the statute, not to its burden on commerce.

Id. at 127-28 (emphases added).

As in *Exxon*, the issue here is not whether Proposition 12 adequately protects the public health or appropriately remedies the inhumane conditions in which livestock are raised. This is particularly true given that Proposition 12 applies to the largest integrators and the smallest independent farmer alike. *See id.* at 126 n.16 ("The sales by independent retailers are just as much a part of the flow of interstate commerce as the sales made by the refiner-operated stations."). Thus, Petitioners' complaint that the statute will inordinately affect a small group of integrators should not factor into the constitutional analysis. *Id.*, at 127 ("The fact that the burden of state regulation falls on some interstate companies does not, by itself, establish a claim of discrimination against interstate commerce.").

III. PETITIONERS' WARNINGS ABOUT PROPOSITION 12'S POTENTIAL EFFECTS ARE INAPPOSITE AND UNFOUNDED.

A. Petitioners' Arguments About Supply Shocks and Price Increases Are Not Fit for Constitutional Consideration.

Petitioners attempt to scare the Court with hypotheticals about supply shocks and cost increases that will affect, among other groups, low-income communities and schools. *See, e.g.*, Br. of Petitioners at 15. But such pleas are properly directed to Congress or state lawmakers, both of which can better make the relevant economic judgments. And the Court should be especially wary of constitutionalizing such policy considerations, because predictions about supply, demand, and prices, like those Petitioners assert, often turn out to be wrong. They should not serve as the basis for rigid constitutional rules.

To take just one example, at the height of the COVID-19 pandemic, the integrators successfully lobbied the federal government to exempt the industry from following normal COVID-19 worker safety protocols, citing the possibility of emergency meat shortages.⁴² But a May 2022 report from the House Select Subcommittee on the Coronavirus Crisis determined that the industry's warnings of "an impending protein shortage were flimsy if not outright false."⁴³ While the largest integrators and industry associations

⁴² See generally House Select S. Comm. on the Coronavirus Crisis, *Staff Report* (Comm. Print 2022), <https://perma.cc/WZ62-MEDL>.

⁴³ *Id.* at 1 (cleaned up).

issued these dire warnings to justify special treatment, the reality was pork producers easily could have met demand—in March 2020, the industry had approximately 622 million pounds of frozen pork on hand, “an amount well above levels predating the pandemic.”⁴⁴ In fact, during the first three quarters of 2020, foreign-owned integrators Smithfield and JBS exported to China 90 percent and 370 percent more, respectively, than they had during the same period in 2017.⁴⁵ And despite citing increased labor costs as the justification for the industry’s drastic price increases, the major pork integrators have enjoyed record profits in each year of the pandemic.⁴⁶

At the end of the day, then, the integrators had no problem meeting the surge in global demand COVID-19 created—and profiting handsomely while doing so. The Court should thus look skeptically on Petitioners’ grim assertion that the adjustments Proposition 12 will require could threaten “the Nation’s food security.” See Br. of Petitioners at 20.

So too should the Court refuse to credit Petitioners’ warnings that Proposition 12 will lead to higher prices, for two reasons. *First*, like Petitioners’ concerns about Proposition 12’s effect on supply, arguments about whether a statute will or will not raise prices is inapposite to any constitutional analysis. “[A]n evaluation of the economic wisdom of the statute * * * cannot

⁴⁴ *Id.* at 10.

⁴⁵ *Id.*

⁴⁶ Andrea Shalal, *Meat Packers’ Profit Margins Jumped 300% During Pandemic – White House Economics Team*, REUTERS (Dec. 10, 2021, 4:20 PM), <https://perma.cc/F6C7-JXJH>.

override the State's authority to legislate against what are found to be injurious practices in their internal commercial and business affairs." *Exxon*, 437 U.S. at 124. Such arguments are best directed not to unelected judges but to those considering whether to enact a statute.

Second, and in any event, Petitioners *did* make this very argument to California voters, who considered and rejected it. The opposition to Proposition 12 campaigned on purported increases in price, and the ballot measure explained the possible fiscal side effects of the law.⁴⁷ Californians thus understood that Proposition 12 could cause them to spend more at the grocery store. Still, two thirds of them chose to enact the law.

The Court has held that when "the most palpable harm" of a regulation (higher prices) is "likely to fall upon the very people who voted for the laws," the Dormant Commerce Clause is not offended. *United Haulers Ass'n v. Oneida-Herkimer Solid Waste Mgmt. Auth.*, 550 U.S. 330, 345 (2007) ("Here, the citizens and businesses of the Counties bear the costs of the ordinances. There is no reason to step in and hand local businesses a victory *they could not obtain through the political process.*") (emphasis added). In *United Haulers Association*, the Court held this to be true of ordinances enacted by municipalities' elected officials, *id.*, at 337—it stands to reason that the principle is even stronger where, as here, the very citizens who would purportedly pay higher prices voted directly (rather

⁴⁷ *Proposition 12*, Legislative Analyst's Office, The California Legislature's Nonpartisan Fiscal and Policy Advisor (Nov. 6, 2018), <https://perma.cc/9S77-FFTV>.

than through their representatives) for the measure at issue.

Notably, rather than the growing demand for humanely raised pork products, the biggest driver of price increases in recent years has been the integrators themselves, both by the consolidation described above, *supra* Section I.A, and by withholding supply and through purported collusion. The integrators currently face myriad antitrust lawsuits for price-fixing, which have already resulted in substantial settlements. These suits allege that Smithfield, JBS, Tyson, and other large pork integrators conspired to inflate prices by restricting output through coordinated supply cuts, and through illicit information-sharing between competitors.⁴⁸ Whatever the end result of these lawsuits, there is no dispute that, as the May 2022 House report concluded, in the meatpacking industry there is “a high degree of coordination among competitors.”⁴⁹

These fundamental realities—most of which the major integrators constructed and profit handsomely from—are more directly related to how much farmers earn and how much consumers pay for pork than one State’s transitioning to a new, more humane production method.

⁴⁸ Matthew Perlman, *Pork Buyers Say ‘Essential’ Tag Bolsters Their Antitrust Case*, LAW360 (May 12, 2020, 6:28 PM), <https://perma.cc/GM6E-JBUB>.

⁴⁹ House Report, *supra* note 42, at 5.

B. Experience Teaches That Integrators Can Supply Demand for Varied Pork Products Without the Dire Consequences Petitioners Warn of.

Petitioners also decry that Proposition 12 will cause a nationwide conversion to crate free pork. See Br. of Petitioners at 2 (“Proposition 12 will transform the pork industry nationwide.”). As with their assertions about supply shortages and price increases, this concern is inapposite to the Dormant Commerce Clause analysis, particularly since there is nothing burdensome or discriminatory about producers or even other States coming into conformance with Proposition 12. *E.g.*, *Exxon*, 437 U.S. at 128 (“The evil that appellants perceive in this litigation is not that the several States will enact differing regulations, but rather that they will all conclude that [provisions like Maryland’s challenged statute] provisions are warranted. The problem thus is not one of national uniformity.”).

But even if Petitioners’ concerns were cognizable, they suffer another flaw: Their factual assertions are simply unsupportable, as Petitioners conveniently forget that there already exists a diversity of *demand*—distinct from homogeneity of the production model—in the pork industry. Before Proposition 12’s passage, consumers were demanding organic pork, antibiotic-free pork, or hormone-free pork (to name just a few examples), and the large integrators have had no problem serving this demand.

Independent of Proposition 12, pork processors must meet various customer specifications for this varying demand; organic, antibiotic free, hormone free and crate-free pork (a demand that existed prior to Proposition 12) are all already segregated and traced

through the supply chain because customers, and the U.S. Department of Agriculture (USDA) requires that these types of pork not be commingled (and actually remain as advertised). Pork producers are thus well acquainted with the concepts of segregation and tracing, and regularly adjust their operations to account for enhanced requirements of certain production streams.

For example, the USDA regulates use of “organic” labels.⁵⁰ In order to claim a product as organic, producers must permit on-site inspections for every component of the operation, including seed sourcing, soil conditions, crop health, weed and pest management, water systems, inputs, contamination and commingling risks and prevention, and record-keeping. Despite these requirements, nearly all major pork integrators have organic pork lines, and yet this has not eliminated the much larger market for nonorganic pork.

As another example, the USDA has Animal Raising Claims Labeling Guidelines, which regulate, among other things, how producers can use a “Raised Without Antibiotics” claim on their meat products. For a producer to claim that its products are antibiotic free (Raised Without Antibiotics or No Antibiotics Administered), the animal cannot have been given antibiotics within the last 150 days. This requires extensive documentation, including: (i) a detailed written description explaining controls for ensuring that the animals are not given antibiotics from birth to harvest or the period of raising being referenced by the claim; (ii) a signed and dated document describing how the animals are raised to support that the claims

⁵⁰ Miles McEvoy, *Organic 101: What the USDA Organic Label Means*, U.S.D.A. (Mar. 13, 2019), <https://perma.cc/Z6ML-V8BB>.

are not false or misleading; (iii) a written description of the product tracing and segregation mechanism from time of slaughter or further processing through packaging and wholesale or retail distribution; and (iv) a written description for the identification, control, and segregation of nonconforming animals/product (e.g., if beef raised without the use of antibiotics need to be treated with antibiotics due to illness).⁵¹ To cater to the demand for antibiotic free pork, producers have followed these strict regulations. Smithfield Foods, for example, created a product line, Pure Farms, that meets “the highest level of USDA standards with minimal processing and no antibiotics, steroids, hormones or artificial ingredients.”⁵² Cargill, as another example, segregates its hogs to cater to the demand for antibiotic free pork, and has said:

Today, Cargill houses approximately 27,000 sows that produce antibiotic-free pork, and production has reached 12,000 hogs per week. As Cargill’s antibiotic-free pork line continues to grow, products can be found in retail meat cases, at national restaurant chains like Panera® and on many grocery stores’ private-label menus. * * * The growth of antibiotic-free herds demonstrates Cargill’s dedication to broadening its pork

⁵¹ Food Safety & Inspection Service, USDA, *Animal Raising Claims Labeling Guidelines Update* 22-26 (Sept. 1, 2021), https://www.fsis.usda.gov/sites/default/files/media_file/2021-09/Animal-Raising-Claims-labeling-and-Non-GMO-slides-2021-09-01.pdf.

⁵² *Smithfield Foods Introduces Pure Farms Antibiotic-Free Product Line*, NATIONAL HOG FARMER (Feb. 21, 2017), <https://perma.cc/8EXV-YUGM>.

portfolio and fulfilling customers' desires for greater transparency in the foods they eat.⁵³

The priorities of Smithfield, Cargill, and other processors are (understandably) to chase customer demand; supplying demand ensures profits. Despite the industry's investments to segregate antibiotic free pork for major customers like Panera, and other grocery stores and restaurants all over the country, the Nation has not experienced a mass conversion to antibiotic free pork.

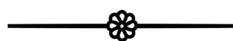
And what is true of domestic demand is true abroad: Processors who seek to take advantage of export markets must similarly create pork products that meet the particular requirements of those consumers. For the European Union, for example, the USDA has a program—Pork for the European Union—in which the U.S. has instituted certain control mechanisms surrounding its export of pork. In particular, producers are required to implement stringent identification requirements, in order to maintain segregation and tracing, in the event of a violation.

Moreover, there are several control and segregation procedures to follow, to ensure animals in this program are not commingled with other animals; all operating procedures related to control and segregation of non-hormone treated animals must be documented. Though this was thought to require changes to the production model, the integrators all complied, allowing them to enter a new market and capitalize on a growing foreign demand for U.S. pork. For example, Tyson responded by prohibiting the use of ractopamine in

⁵³ Press Release, Cargill, Incorporated, *Raising Antibiotic-Free Pigs* (Jan. 1, 2015), <https://perma.cc/ETT6-WHY2>.

market hogs it purchases. As of February 2020, Tyson began “offering a limited amount of ractopamine-free pork to export to customers by working with farmers who raise hogs without it, and by segregating the animals and products at processing plants.”⁵⁴

While corporate integrators seek to block small farmers from entering new markets by preventing any variation to their production model, the integrators themselves readily make changes to their production model, and institute expensive mechanisms to ensure segregation and traceability, to enter new markets themselves. Proposition 12 will therefore not disrupt supply or demand, nor “transform the pork industry nationwide,” Br. of Petitioners at 2, any more than did these other recent developments.



CONCLUSION

The most fundamental principle of business is to create supply to meet demand. The industrial evolution of the agriculture industry in the mid-twentieth century is due in part to the changing nature of consumer demand; supplying consumers who were interested in prepared food products and prioritized convenience required a technological revolution that transformed agriculture production.⁵⁵ Corporate packers know this; they have invested in the capital to supply these

⁵⁴ Press Release, Tyson Foods, Inc., *Tyson to Help Meet Growing Demand for U.S. Pork by Prohibiting Ractopamine Use* (Oct. 17, 2019), <https://perma.cc/WYN9-D9GT>.

⁵⁵ Barkema, *supra* note 4, at 64.

customers. However, demand has evolved again, now to encompass crate-free pork. Just as large processors have adjusted their production and distribution model to gain entry into export markets with differing demand and customer specifications, they can now adjust their model to cater to growing demand for humanely raised pork—or, if they think that will be too costly, let that demand be met by independent farmers who eagerly seek to enter this market and take advantage of new opportunities springing up in California.

Petitioners frame Proposition 12 as nothing but a costly, regulatory hindrance, but one major benefit of the statute is that it promotes diversity in production. If the Court sides with Petitioners, it would be helping multinational agribusiness use their enormous market power to slow the flow of products available to meet the market demand. California's Proposition 12 fully opens the valve of supply to match consumers' preferences. Independent farmers in and out of California who have always produced crate free pork have expected new opportunities in California and made business plans in reliance on this law coming into effect; and farmers who were not previously in compliance with the law, made investments in infrastructure to ensure compliance, with the similar expectation that this law would remain in effect. Petitioners seek to manipulate the state authority and consumer preference to ensure no disruption to their production methodology and market dominance. Petitioners pursue the Court's heavy hand in distorting the market in their favor; the Court should allow consumer choice and free enterprise to prevail.

For the foregoing reasons and those stated in the Petition, the Court should grant the petition for writ of certiorari.

Respectfully submitted,

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AUGUST 15, 2022

TESTIMONY FOR THE RECORD

**Gene Baca
Bueno Foods**

February 26, 2025

U.S. Senate Committee on Agriculture, Nutrition & Forestry

Full Committee Hearing

**Perspectives from the Field: Farmer and Rancher Views on the Agricultural Economy,
Part 2**

Thank you, Chairman Boozman, Ranking Member Klobuchar, Senator Lujan and members of the Committee.

I am Gene Baca from Albuquerque, New Mexico. My company is Bueno Foods, a 73-year-old company that provides New Mexican food throughout the country. I am a fourteenth generation New Mexican and a member of the third generation operating the company. I am a founder, former president, and current board member of the New Mexico Chile Association.

Bueno Foods primarily provides frozen food, including frozen green chile, red chile, prepared products and tortillas to retailers, restaurants, and manufacturers throughout the country. We pioneered the processing and selling of roasted and frozen green chile commercially. We contract with New Mexico farmers for our green and red chile; many of which we have worked with for generations. Green and red chile are some of our major products; both of which are staples of New Mexican cuisine. Our food is spicy and rich in flavor and known internationally for its unique and outstanding flavor.

Our focus is frozen products because with this method of preservation, optimal food flavor, texture, food safety, and nutritional value are achieved over other methods of preservation. We catch and preserve farm products at their peak, minimally process them, then freeze them for distribution. Our methods reflect the way New Mexicans have preserved their food for generations.

In the mid-1990s, post NAFTA, there has been a precipitous decline in the acreage devoted to growing and harvesting chile in New Mexico. Bueno Foods was one of three companies that started the New Mexico Chile Association (NMCA) in response to reverse this trend and ensure that New Mexico retains chile as a major crop, critical to the economy and culture of New Mexico. The NMCA was instrumental in obtaining state funds for chile related research, for starting and operating the New Mexico Certified Chile program, and for bringing awareness of the importance and needs to the New Mexico chile industry. Bueno Foods was the first company to offer both New Mexico Certified Chile and Hatch Certified Chile, assuring consumers that their chile was actually grown in the region claimed.

Produce Consumption Crisis and the Intersection of Food and Health

Food security and nutrition security are serious problems in the U.S., with 34 million children and adults who are food insecure, and we are in a produce consumption crisis. Only [one in 10](#) Americans report eating the recommended number of servings of fruits and vegetables, and the problem is worse among low-income households. With the increased volume of conversation on how food impacts our health, we should be increasing nutritious options and supporting the farmers producing them.

When consumers have various forms of fruits and vegetables available in their home, their produce intake is higher. [Research finds](#) that consumers who eat frozen fruits and vegetables eat more total fruits and vegetables than others, indicating how frozen makes produce consumption easier. Frozen produce comes peeled and chopped, making it even easier for families to add in fruits and vegetables at mealtime.

Frozen Foods Provide Year-Round Nutrition

Frozen fruits and vegetables have the same nutrition as fresh produce. Fruits and vegetables are frozen within hours of harvest and the quick-freezing process locks in nutrients. In fact, [studies](#) conducted by the Universities of Georgia and UC-Davis, in partnership with the Frozen Food Foundation, reveal that the nutritional value of some frozen fruits and vegetables is actually greater than fresh-stored produce.

The added benefit of frozen produce is that you can buy it anytime throughout the year, and it extends food dollar further with increased shelf-life. At a time when everyone is looking closely at ways to reduce cost and increase efficiency, frozen is an obvious solution. Another key benefit of frozen foods is that they all start fresh on the farm. New Mexico chile is harvested for only a few months of the year, and for New Mexico farmers, frozen processed chile is the key method for providing chile to consumers throughout the year.

Solution: SHOPP Act in the Farm Bill and a Call to Action

Food security is national security. At a time when everyone is trying to feed their families healthy foods on a budget, we should take a close look at program functionality and how we can improve. A piece of legislation that Bueno is proud to support is the Supporting All Healthy Options When Purchasing Produce Act (SHOPP Act). This bill would increase access to frozen produce in the GusNip nutrition incentive program for SNAP recipients at **no-cost** to the taxpayer. We are grateful that New Mexico Senator Ben Ray Lujan has been instrumental in crafting this legislation with his co-leader Sen. Cornyn from Texas and advancing it to be in Chairman Boozman's proposed bill. We urge the Senate to quickly pass the Farm Bill with the SHOPP Act language included.

Additionally, we are at a critical point in food policy where consumers are extremely curious about where their food comes from and how it is made, and I would say, somewhat skeptical of our American supply chain. With this platform of the United States Senate Committee on Agriculture, Nutrition and Forestry, you have a key role in amplifying the message that the U.S. farm and food supply chain is strong, safe, and world-class. We work hard every day to produce

safe, sustainable, and accessible food for everyone, and consumers need to have their trust restored. Will you help us by elevating the incredible story that is the American food supply chain beyond this committee? We need your support, so that we can continue to do what we do best--feed the world.

Marketing and R&D:

Beyond our support of the SHOPP Act, we support other aspects of the Farm Bill including critical marketing and R&D support for U.S. grown specialty crops including and especially New Mexico chile. Specialty Crop Block Grants have been very helpful to supporting New Mexico chile farmers.

Chile is the heart and soul of New Mexico, enriching the American culinary scene with its bold, delicious flavors. We encourage you to try New Mexico green chile mac and cheese, green chile cheese burgers, and green chile as a pizza topping. We ask that you continue to support this crop so we can continue to bring these exciting flavors to the world.



Senate Committee on Agriculture, Nutrition and Forestry

Perspectives From the Field: Farmer and Rancher Views on the Agricultural Economy, Part 2

February 26th, 2025

Chairman Boozman, Ranking Member Klobuchar, and honored members of the committee,

Thank you for the opportunity to submit testimony on behalf of independent cattle producers across the United States.

My name is Justin Tupper, and I serve as president of the United States Cattlemen's Association (USCA). With decades of experience in the cattle industry, I have dedicated my career to advocating for the rights and sustainability of independent ranchers.

Founded in 2007, USCA is committed to representing the interests of U.S. cattle producers. Our mission is to ensure a fair and competitive marketplace, advocate for policies that support the profitability of cattle production, and promote the well-being of rural communities.

Today's hearing is particularly relevant as it addresses critical issues affecting our industry, including the timely passage of a comprehensive Farm Bill, the management of disease outbreaks, and the enforcement of fair market practices. As a grassroots organization representing independent cattle farmers and ranchers, we know firsthand the challenges faced by those on the ground and how another Farm Bill extension will do more harm than good compared to a five-year bill. Cattle producers are responsible stewards of the land and methodical and careful handlers of herd health and management programs.

Passing a Five-Year Farm Bill

Farming and ranching are not just career paths; they are ways of life. These livelihoods cannot be determined on a yearly basis with promises of wait-and-see for certainty. The recent extension of the 2018 Farm Bill into 2025, as part of the American Relief Act, has provided temporary relief but falls short of offering the long-term stability our industry requires. The extension includes \$31 billion in disaster aid for farmers and ranchers, highlighting the pressing need for a comprehensive five-year Farm Bill that addresses the root challenges faced by producers (Congressional Research Service, 2024).¹

USCA looks forward to Congress' renewed urgency in passing a five-year Farm Bill that puts farmers and ranchers first. Such legislation is essential to provide the certainty needed for long-term planning and investment in our operations.

Disease Obstacles

When disease outbreaks occur, herd health goes from national security to national disaster. The resurgence of New World Screwworm (NWS) in Mexico poses a severe risk to US cattle producers, as this parasitic infestation can lead to extensive tissue damage, reduced weight gain, and, in severe cases, death in untreated cattle. Historically, outbreaks of NWS in the United States have caused significant economic losses, with the last major eradication effort costing nearly \$1 billion in today's dollars (United States Department of Agriculture, 2024).² Given the potential for reintroduction through trade, proactive disease surveillance and border control measures are crucial. We urge Congress to allocate resources for research on NWS eradication strategies, enhanced diagnostic testing, and rapid response protocols to mitigate its impact on US cattle herds.

Disaster assistance for producers facing unexpected outbreaks is necessary, and we encourage Congress to continue their proactive stance by maintaining robust support systems. Secretary Rollins has testified that animal disease threats are a top priority and will be addressed in her first one hundred days. We look forward to the collaboration between Congress and the administration in prioritizing efficiency on this concern.

The sentiment that "food security is national security" is one USCA wholeheartedly supports. The current Animal Disease Traceability (ADT) Framework, established in 2013, has been instrumental in controlling diseases such as Bovine Tuberculosis (bTB) and Bovine Spongiform Encephalopathy (BSE). However, the recent HPAI A(H5N1) outbreak in dairy cattle highlights the need for continuous evaluation and enhancement of our traceability systems. Under mandatory Electronic Identification (EID), herd data is managed by third parties without sufficient penalties for data mishandling. We support voluntary animal identification and have requested that the USDA roll back mandatory EID requirements until proper trials and testing have occurred. We also ask the Committee to designate funding for an industry working group to test ear tags and ensure producer data security.

Livestock Risk Protection (LRP)

The Livestock Risk Protection program is a vital tool for producers to manage price risks associated with market volatility. Enhancing the accessibility and effectiveness of LRP will empower cattle producers to safeguard their operations against unforeseen economic events, particularly as we navigate a new global trade landscape. We advocate to maintain subsidy levels and build more flexible coverage options to make LRP a tool for a broader range of cattle producers.

Trade

Recent revelations of harmful labor practices at a JBS-USA plant in Colorado highlight the need for stringent labor standards in our trade agreements. We urge the committee to work towards protecting free labor in the upcoming Farm Bill by fostering stronger partnerships between the USDA and the Department of Labor (DOL).

Trade is key for the American beef industry to be successful. However, trade is fair only when it aims to keep foreign animal diseases out of the United States and protect herd health as diligently as domestic producers do. The reopening of trade with Mexico amidst recent outbreaks of New World Screwworm poses a significant threat to national security. We ask that the Committee urge the USDA to exercise caution in beef trade with Mexico until this disease has been fully eradicated (United States Department of Agriculture, 2024).³

Consumers deserve to know where their meat comes from, and producers are committed to transparency in this regard. We commend Senator Thune for his work on the American Beef Labeling Act (S.B.421), which seeks to reinstate Mandatory Country of Origin Labeling (MCOOL). MCOOL is essential for both producers and consumers, ensuring informed choices and fair competition.

Markets

The Packers and Stockyards Act was designed to protect farmers and ranchers from unfair, deceptive, and anti-competitive practices. Recent rulings have undermined the intent of this act, and we urge the Committee to restore its original purpose in the next Farm Bill. USCA supports legislation that requires all contractual and marketing agreements with producers to be offered openly to all qualified producers and subject to negotiation, as well as rigorous enforcement of livestock competition laws.

In the slaughter and processing sector, competitive access remains limited. We encourage appropriated funding in the Farm Bill to support independent meat processors, allowing equitable opportunities for market access and sustainability. USCA supported the Strengthening Local Meat Economies Act (S.B.2792) introduced last Congress by Senator John Fetterman and the Strengthening Local Processing Act of 2023 introduced by Senators John Thune, Tina Smith, and others.

Respectfully submitted,



Justin Tupper
President
U.S. Cattlemen's Association

Footnotes

1. Congressional Research Service. (2024). *Expiration of the 2018 Farm Bill and Extension for 2025*. Retrieved from <https://crsreports.congress.gov/product/pdf/R/R47659>
2. United States Department of Agriculture. (2024). *New World Screwworm Eradication and Economic Impact*. Retrieved from <https://www.usda.gov/animal-health/nws>
3. United States Department of Agriculture. (2024). *New World Screwworm Outbreaks in Mexico and Trade Implications*. Retrieved from <https://www.usda.gov/newsroom/releases>

QUESTIONS AND ANSWERS

FEBRUARY 26, 2025

Senate Committee on Agriculture, Nutrition, & Forestry
Perspectives From the Field: Farmer and Rancher Views on the Agricultural Economy, Part 2
 February 26, 2025
 Questions for the Record
Mr. Bret Erickson

Senator Reverend Raphael Warnock

1. From our state's famous peaches to our high-quality pecans and our sweet Vidalia onions, Georgia's specialty crop farmers produce a wide variety of fruits, vegetables, and nuts. In your written testimony, you highlighted the concerning and growing trade imbalance America's produce farmers are experiencing.¹ Specialty crop farmers in Georgia know how unchecked, seasonal imports of cheap, foreign-grown fruits and vegetables can flood markets and drive down prices for domestic growers.
 - a. Can you share how these seasonal imports hurt American specialty crop farmers?
 - b. How much revenue have American farmers lost as a result of these seasonal imports?

Growing seasons and conditions can significantly impact where, how, and when many of the hundreds of specialty crops are grown and traded in the US and across North America. As noted, some growers in the Southeast have been outspoken in their concerns about imports of certain specialty crops. In contrast, growers in another part of the nation are heavily dependent on foreign markets and believe that seasonal trade in some products helps their bottom line. IFPA supports fairer and freer trade that acknowledges the variability and seasonality of our perishable products. We continue to push the federal government to ensure they are doing everything possible to create a favorable business environment for growing and selling fresh produce and florals.

2. As you shared in your written testimony, access to labor is one of the many pressing challenges facing specialty crop producers.² The H-2A Temporary Agricultural Workers program helps fruit and vegetable growers across the country meet their labor needs as domestic farm labor continues to become scarcer.³ Farmers in Georgia continue to be top employers of H-2A workers to meet their seasonal needs.⁴ However, some specialty

¹ *Perspectives From the Field: Farmer and Rancher Views on the Agricultural Economy, Part 2 Before the U.S. Senate Committee on Agriculture Nutrition and Forestry*, 119th Cong. (Feb. 5, 2025) (Statement of Bret Erickson, Senior Vice President of Business Affairs at J&D Produce Inc., on Behalf of the International Fresh Produce Association), https://www.agriculture.senate.gov/imo/media/doc/6855a5d1-fbda-1496-4d0d-3526a953ebd9/Testimony_Erickson_02.26.20251.pdf at 8 (Figure 6: U.S. Fresh Produce Trade Balance*, 1980-2022).

² *Id.* at 2 ("Labor is by far the most consequential concern and cost for fresh produce growers, affecting nearly every aspect of our operations—from planting to harvest to processing.").

³ See *Farm Labor*, Economic Research Service (Jan. 8, 2025), <https://www.ers.usda.gov/topics/farm-economy/farm-labor/#h2a>.

⁴ *Id.* (Chart entitled "U.S. H-2A (temporary agricultural employment of foreign workers) positions certified by State, fiscal years 2005–23").

producers, including controlled environmental agricultural operators, are unable to use this essential program to meet their year-round labor needs.

- a. How many specialty crop producers use the H-2A program to help meet their labor needs?
- b. How do the labor needs of specialty crop farmers differ from those of row crop growers?

Thank you for your questions and your attention to the importance of the H-2A visa program. As noted, many specialty crop producers and others in agriculture are blocked from utilizing H-2A workers for many jobs. The Department of Labor has established a very narrow interpretation of the Immigration and Nationality Act, which says that an employer's need for workers must be "Temporary OR Seasonal", thus limiting the ability of many producers, including members of IFPA in the Controlled Environmental Agriculture space, to participate in the program. IFPA believes that the Department's interpretation of the statute to apply only to seasonal work is flawed and have shared that view with the Department for many years. Secondly, we believe that Congress must address this issue by ensuring that all producers, regardless of the seasonal or non-seasonal nature of their production, should be eligible for the H-2A program.

The data available does not paint a clear picture of the H-2A program's use in our industry due to the increasing use of farm labor contractors. However, as the data available does show, participation in the program has skyrocketed, increasing from under 100,000 jobs certified a decade ago to 385,000 jobs in FY24. Again, while specific data is not available, Specialty Crops represent approximately 80% of all H-2A visas.

The needs of specialty crop farmers, particularly fruit and vegetable farmers, are unique in that they are very labor-intensive. The delicate and perishable nature of the commodity often requires human hands to do the work because the technology is either not available, affordable, or both. While many commodities have made great strides in mechanization and automation, many of the crops picked by the H-2A workers, such as apples and berries, lack such options. An additional challenge for specialty crop growers is that many of them are diversified operations, and the technology does not transfer over. It is also worth noting that our harvest seasons are often short, providing limited opportunities for stable long-term opportunities for American workers.

Senator Adam B. Schiff

1. One program specifically tailored to the success and competitiveness of the specialty crop industry is USDA's Specialty Crop Block Grant Program. In 2024 alone, the program funded a number of projects in California, including efforts to educate consumers about specialty crops and increase access to fruits and vegetables in schools and hospitals. In light of specialty crop growers' disparate access to risk management tools, can you provide information on the importance of the Specialty Crop Block Grant Program for specialty crop growers? And can you address the benefits that increasing funding for the program would have for growers and consumers

The Specialty Crop Block Grant Program (SCBGP) plays a crucial role in supporting specialty crop growers like me by providing funding for projects that address a range of challenges and opportunities specific to our sector. As you noted, in 2024 alone, the program helped fund several key initiatives in California and in Texas, where I farm. These efforts are essential to growing demand for specialty crops and ensuring these nutritious products are accessible to all communities.

For example, the Texas International Produce Association (TIPA), an organization I am a member of and previously served as CEO and President, was awarded SCBGP funds in 2024 to help promote the “Texas Fruit & Vegetable Day” initiative. This program will increase awareness of and demand for Texas-grown fresh fruits and vegetables. TIPA is creating a curriculum to promote this day and will be attending educational conferences while producing materials for children to engage them in the benefits of healthy, locally grown produce. This initiative helps build lasting awareness of Texas-grown specialty crops and connects consumers, especially young people, with the importance of fresh, nutritious food.

SCBGP also plays a key role in a national effort to advance food safety research through the Center for Produce Safety (CPS), where I serve as secretary of the board. CPS, which is headquartered in California, unites the produce industry to fund research that drives risk management strategies. The Texas Department of Agriculture’s SCBGP, in collaboration with TIPA and CPS, leverages SPBGP funds to support this critical work. Similar programs in California, Washington, and Florida contribute to this effort. By sharing funding and research findings, we strengthen produce safety, ensuring consumer confidence in the food that nourishes our families and communities.

Growers like me face unique challenges, particularly in terms of risk management. Unlike traditional commodity crops, specialty crops often lack access to comprehensive risk management tools, such as crop insurance options that fully reflect their distinct growing cycles and market conditions. This disparity underscores the importance of the SCBGP in helping to mitigate risks and increase the resilience of the specialty crop industry. By funding a wide variety of projects, including those focused on pest management, market development, and improving crop quality, the SCBGP provides growers with the resources needed to innovate, adapt, and thrive.

Increasing funding for the SCBGP would benefit both growers and consumers. For growers, enhanced funding would mean expanded opportunities for research and development, improved access to agricultural technologies, and greater capacity to address pressing challenges such as newly introduced invasive pests, water scarcity, and labor shortages. These investments would help the industry maintain or increase its productivity while ensuring it can continue competing in an ever-evolving marketplace.

The benefits of increased funding would be far-reaching for consumers. A stronger specialty crop industry means greater availability of high-quality, affordable fruits and vegetables, as well as a more diverse range of products in the marketplace. Additionally,

increased access to these crops in schools and other public institutions would improve public health outcomes by promoting healthier eating habits. The Specialty Crop Block Grant Program thus serves as a cornerstone of our food system, benefiting both producers and consumers alike.

As part of the International Fresh Produce Association, which serves as co-chair of the Specialty Crop Farm Bill Alliance (SCFBA), we strongly support increasing funding for the SCBGP. Increased investment in this program will contribute to the long-term sustainability and growth of the specialty crop sector, which is essential for the agricultural economy and public health.

2. SNAP is our nation's most effective and important tool to fight hunger, reaching over 40 million children and adults each month. One in five children in the U.S. benefit from SNAP. Meanwhile, nearly 4.5 million people in California benefit from SNAP. In 2021, USDA revised the formula used to calculate how much individuals on SNAP get, otherwise known as the Thrifty Food Plan. This formula revision was conducted to more accurately reflect the cost of nutritious groceries and happened because of a directive from Congress in the bipartisan 2018 Farm Bill. I am concerned about recent talks of harmful changes to the Thrifty Food Plan, and ultimately, harmful changes that threaten American families' ability to put food on the table. While we combat hunger and food insecurity, we can also address diet-related disease, a clearly stated priority of this administration. One way we can do this is by protecting the Thrifty Food Plan. Can you describe how the 2021 update to the Thrifty Food Plan as well as nutrition incentives increase access to fruits and vegetables for individuals and families, and how these benefit specialty crop growers in the long-term?

A [USDA study](#) released in June 2021 found that nearly nine out of ten SNAP participants face barriers in providing their households with a healthy diet. The most common barrier reported by SNAP participants was the cost of healthy foods (61%). The revised Thrifty Food Plan (TFP) update included the cost of a wider variety of fruits and vegetables, aligning more closely with the Dietary Guidelines for Americans. [Research](#) published in 2022 that examined fruit and vegetable affordability related to the TFP found that the increase in SNAP benefits would increase fruit and vegetable affordability for participating households; however, households facing food prices higher than the national average may still face barriers in purchasing foods to support a healthy diet. Important to note that TFP calculates the cost of supplementing a healthy diet but does not require the participant to purchase those foods.

Tools to directly incentivize fruit and vegetable purchases in SNAP include the Gus Schumacher Nutrition Incentive Program (GusNIP). Nutrition incentives, like fruit and vegetable vouchers and produce prescriptions, improve access to healthy, nutritious foods. They remove financial barriers and encourage participants to buy fruits and vegetables, benefiting the individual and specialty crop growers. An evaluation of the GusNIP program found that participants in the program consume, on average, a quarter cup more daily produce than the average American. Still, too few SNAP participants have access to this program. A systematic review of nutrition incentive programs [published](#) in

March 2025 led the Community Preventive Services Task Force to recommend Fruit and Vegetable Incentive programs for populations with lower incomes to reduce household food insecurity, increase household fruit and vegetable consumption, and improve blood glucose levels in participants at risk for or with diet-related health conditions. In the long term, if programs like GusNIP and Produce Prescriptions (embedded into the standard practice of clinical care) can scale to meet a meaningful threshold of the eligible population, we can help address nutrition security, diet-related diseases, and improve prosperity for fruit and vegetable growers.

3. WIC is another important feeding program for American families, specifically women and children. Since 2021, USDA has increased the WIC fruit and vegetable benefit. And since 2021, data from 29 states showed that fruit and vegetable purchases through the WIC program tripled, resulting in an estimated more than \$75 million in additional fruit and vegetable purchases each month. The expanded fruit and vegetable benefit not only supports the health and well-being of pregnant women, babies, and toddlers – but it also supports our local growers. Can you describe the impact that the WIC Benefit Bump has had on American families as well as specialty crop growers?

The increased Cash Value Benefit (CVB), also referred to as the “WIC Benefit Bump” has had significant positive impact for both WIC participants and specialty crop growers. Research published in [March 2022](#) found that the benefit bump led to increased consumption of fruits and vegetables by 1/3 cup per day for children, a statistically significant increase – especially considering that these are children under age six. In addition, the benefit bump also [reduced household food insecurity](#). Not only did the CVB redemption amount, and consumption increase, but the benefit bump led to a greater variety of fruits and vegetables being consumed. The higher CVB amount was [associated](#) with higher “any redemption” prevalence and amount redeemed for 53 of 54 commodity groups that were examined in a September 2023 publication. [At the prior \\$9 CVB levels](#), WIC families would purchase 2 fruit types and 2 vegetable types, at the \$24 CVB level, WIC families would purchase 4 fruit types and 3 vegetable types and at the \$35 CVB level, WIC families would purchase 5 fruit types and 4 vegetable types. WIC caregivers [reported](#) higher satisfaction and utilization of the CVB at the higher levels. Retailers and communities also experienced economic benefits through increased purchasing of fruits and vegetables. Nationally, the CVB increase created an additional [\\$1.4 billion](#) annually in potential review for farmers and retailers. In [California](#) in 2022, the WIC benefit bump provided an estimated \$184.1 million in additional benefits, and the increased WIC CVB had a [statewide economic impact](#) of \$322 million. The CVB remains the most redeemed food category for children offered in WIC, proving the strong demand for fruits and vegetables by young families and the opportunity to establish a generation of healthier eaters that can better support their own health and the vitality of America’s fruit and vegetable growers.

For several reasons, it is essential for Americans to incorporate more fruits and vegetables into their diets for optimal physical and mental well-being, and these products must be accessible and affordable to all. It is critical that American fruit and vegetable producers have a well-balanced marketplace to fulfill the nutritional requirements of the

US population. With the well-documented decline of domestic fruit and vegetable production beginning in the early 90s and which continues today, as well as the rapid rise of cheaper imported fruits and veggies, we are at risk of leaving the nutritional security of our nation in the hands of other countries, while US growers struggle to remain competitive.



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF AGRICULTURE
AND RURAL DEVELOPMENT

DR. TIM BORING
DIRECTOR

March 18, 2025

Senate Committee on Agriculture, Nutrition and Forestry
Perspectives from the Field: Farmer and Rancher Views on the Agricultural Economy, Part 2
February 26, 2025
Questions for the Record
Mr. Tim Boring

Senator Michael Bennet

1. Colorado is one of the top potato-producing states in the country, with the San Luis Valley alone accounting for over 90% of our state's potato crop. Potatoes are not only a vital specialty crop for Colorado but also a significant contributor to our rural economy, supporting thousands of jobs and generating more than \$300 million in annual economic activity. However, like many specialty crops, potatoes face unique challenges, from market volatility and disease pressures to water shortages and labor constraints. As we look to the next Farm Bill, we must provide targeted support to ensure the continued success and sustainability of this vital industry.
 - Dr. Boring, there is a notable presence of potato growers in Michigan's agriculture industry. What specific enhancements to existing Farm Bill programs would most effectively support potato producers in managing risk, improving market access, and adopting innovative practices to address water and labor challenges?
 - Grant USDA explicit authority to establish a domestic generic promotion program exclusively for specialty crop producers and direct USDA Agricultural Marketing Service (AMS) to develop the activity as a competitive grant program purposed to create U.S. consumer demand for domestically produced specialty crops.
 - Congress should direct USDA-AMS to establish a reimbursement-based cost-share market promotion and development program for specialty crops modeled conceptually on the Market Access Program operated by the Foreign Agricultural Service.
 - Said program is intended to provide participants opportunity to conduct certain marketing and promotion activities aimed at developing, maintaining, or expanding commercial markets for U.S. specialty crops within the United States.
 - The program should provide broad authority for participants to develop multi-faceted generic promotion campaigns that are designed to motivate the trade (e.g., retailers, wholesalers,

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foodservice operators) to stock and promote, and consumers to buy specialty crop products. Providing specialty crop producers with a year-over-year opportunity to build demand-enhancing marketing campaigns, while building expertise and capacity at AMS, will help create a more positive environment into which specialty crop producers can sell their products, thereby enhancing their viability, supporting U.S. jobs, and bolstering the economies of rural communities across the country.

- Eligible participants would include U.S. nonprofit agricultural trade organizations, U.S. agricultural cooperatives, organizations operating under federal marketing orders, state agencies or state commodity boards, state regional trade groups. An entity receiving a grant under this program shall provide non-Federal matching funds, including in-kind contributions, equal to not less than 25% the amount of the grant. The amount of participant contribution should be determined by participants and considered as part of the grant evaluation process.
- Congress should fund the new program at \$75 million annually, with a percentage of authorized funding can be used by AMS for building and maintaining capacity.
- Congress should establish a reimbursement-based cost share program within the Agricultural Marketing Service (AMS) exclusively for specialty crop producers who are seeking to increase efficiency by investing in mechanized and automated agri-tools.
 - Payments to producer operations under the program should be formulated to provide a significant offset to their investment.
 - Examples of Automated or Mechanized Technologies include:
 - a) Remote, mobile, or drone sensing sensors for field level monitoring of environmental variables for use in farm production and/or processing management decision making
 - b) Enhanced precision irrigation, pest and disease detection, nutrient analysis, and crop load assessment
 - c) Crop monitoring and analytics
 - d) Potential and predictive near-infrared crop damaged assessments
 - e) Robotic/semi-autonomous/autonomous or mechanized systems or other tools
 - f) Seeding
 - g) Weeding
 - h) Harvesting

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- i) Packing (field and inhouse)
- j) Pruning
- k) Spraying
- l) Transporting
- m) Climate Protection (e.g. shade cloth, light manipulation)
- n) Cultural Practices
- o) Other automated or mechanized systems or tools that increase efficiency as determined by the Secretary
- Producers should be permitted to use a percentage of funding received under this program for team member training or technical assistance for learning new machinery, infrastructure maintenance, etc.

Senator Adam Schiff

2. One program specifically tailored to the success and competitiveness of the specialty crop industry is USDA's Specialty Crop Block Grant Program. In 2024 alone, the program funded a number of projects in California, including efforts to educate consumers about specialty crops and increase access to fruits and vegetables in schools and hospitals. In light of specialty crop growers' disparate access to risk management tools, can you provide information on the importance of the Specialty Crop Block Grant Program for specialty crop growers? And can you address the benefits that increasing funding for the program would have for growers and consumers?
 - Michigan growers have benefited from over \$3 million invested in promoting their crops by receiving support from Specialty Crop Block Grant funding over the last two years, whether receiving support to attend tradeshow and connect with new buyers or by investing in technologies and marketing campaigns to promote a range of Michigan-origin specialty crops. Funds have complemented buyers' missions, trade missions, and booth spaces at domestic and international tradeshow. The continued and expanded need is great. Michigan lost approximately 4,000 farms between 2017 and 2022. Crops like cherries and asparagus are under extreme pressure from imports and severe, unpredictable weather patterns, while crops like blueberries and so many others are finding competitiveness more difficult to come by due to market structure and labor constraints. Promoting these industries and crops through marketing dollars is critical during the current period of uncertainty for so many specialty crop production and marketing operations.
3. SNAP is our nation's most effective and important tool to fight hunger, reaching over 40 million children and adults each month. One in five children in the U.S. benefit from SNAP.

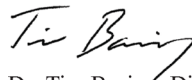
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Mr. Tim Boring
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Meanwhile, nearly 4.5 million people in California benefit from SNAP. In 2021, USDA revised the formula used to calculate how much individuals on SNAP get, otherwise known as the Thrifty Food Plan. This formula revision was conducted to more accurately reflect the cost of nutritious groceries and happened because of a directive from Congress in the bipartisan 2018 Farm Bill. I am concerned about recent talks of harmful changes to the Thrifty Food Plan, and ultimately, harmful changes that threaten American families' ability to put food on the table. While we combat hunger and food insecurity, we can also address diet-related disease, a clearly stated priority of this administration. One way we can do this is by protecting the Thrifty Food Plan. Can you describe how the 2021 update to the Thrifty Food Plan as well as nutrition incentives increase access to fruits and vegetables for individuals and families, and how these benefit specialty crop growers in the long-term?

- The SNAP change as a result of the Thrifty Food Plan, 2021 was the first time in over 40 years where SNAP benefits were adjusted for more than just cost of living. Thrifty Food Plan, 2021 allowed for adjustment based on how much it costs to eat a healthy diet that aligns with food-group and nutrient recommendations. Due to these changes, SNAP households are now receiving a higher allotment of SNAP benefits. This allows them to better access healthy, nutritious foods, including fruits and vegetables that support a healthy diet, and so many of those more nutritious foods are coming from states like Michigan. This program matters for farmers, here, and in so many communities across the US.
4. WIC is another important feeding program for American families, specifically women and children. Since 2021, USDA has increased the WIC fruit and vegetable benefit. And since 2021, data from 29 states showed that fruit and vegetable purchases through the WIC program tripled, resulting in an estimated more than \$75 million in additional fruit and vegetable purchases each month. The expanded fruit and vegetable benefit not only supports the health and wellbeing of pregnant women, babies, and toddlers – but it also supports our local growers. Can you describe the impact that the WIC Benefit Bump has had on American families as well as specialty crop growers?
- WIC is an important feeding program for American families, specifically women, infants, and children. Since 2021, USDA has increased the WIC fruit and vegetable benefit and since 2021, data from 29 states showed that fruit and vegetable purchases through the WIC program tripled, resulting in an estimated more than \$75 million in additional fruit and vegetable purchases each month. The expanded fruit and vegetable benefit not only supports the health and well-being of women, infants and children, but it also supports our authorized local growers.
 - In FY 2024, 25.58% of the food budget was spent on Fruits and vegetables amounting to over \$41.8 Million was redeemed in cash value benefits to purchase fruits and vegetables. In 2024, Michigan also implemented the issuance of Farmer's Market

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Nutrition Program (FMNP) benefits known as Produce Connection electronically by eliminating paper coupons. This allows eligible WIC clients to redeem their Cash Value Benefits (CVB) for fruits and vegetables at an Authorized Grower. A total of \$58,088.70 was redeemed in Fruits and Vegetables at Authorized Growers last Produce Connection season.

A handwritten signature in black ink, appearing to read "Tim Boring".

Dr. Tim Boring, Director
Michigan Department of Agriculture and Rural Development

Senate Committee on Agriculture, Nutrition and Forestry
Perspectives from the Field: Farmer and Rancher Views on the Agricultural Economy, Part 2
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 Questions for the Record
Mr. Ben Etcheverry

Senator Ben Ray Luján

1. Mr. Etcheverry in your testimony you mention the frustrations New Mexico growers have with crop insurance and your desire to see it expanded. What actions should Congress take to expand access to risk management programs for specialty crop growers?
 - The biggest step for USDA to improve crop insurance in specialty crops is to create a new model of insurance for specialty crops. Trying to squeeze specialty crops into the model created for row crops is fundamentally flawed due to the economic and cultural differences between the two. As row crops are measured in millions of acres with fields sized in 100s of acres. A whole farm approach makes sense due to the large size of fields and continuous acres. Specialty crops are measured in thousands of acres that have higher costs and smaller field sizes that are spread out amongst different geographic locations. An example for me is chile. One grower may have 500 acres that are parceled out in 25 acre increments and geographically diverse places to reduce environmental impact. Each location is its own location. One farm site of 25 acres could be destroyed by hail. And the 475 acres are untouched. With the current approach the one field is lumped in with the other 475 and the adjustment is made off the whole 500 acres instead of the 25 acres that were damaged.
 - Data collection – Part of the model rebuild needs to be based on “average data” instead of individual data based off of farm size and pricing.

2. Mr. Etcheverry in your testimony you mention how vital water conservation is to your operation and others in your area. I understand all too well how important this issue is – not only for farmers but for all New Mexicans. Can you give us more examples of the type of water work that growers in the Western U.S. use conservation investments for?
 - Water conservation is absolutely critical to continue agribusiness in a region that lives in drought conditions more than non drought conditions. The water conservation methods that is utilized is drip irrigation infrastructure subsidized through the NRCS “Equip Program”. The water conserved is around 30% of historical uses of furrow irrigation. With chile being a water reliant crop we rotate with crops that are less water dependent such as cotton and wheat. We also are sensitive to water consumption by a practice known “single cropping” where we only plant one crop a season even though we have the ability to double crop with short season crops.

3. Mr. Etcheverry, how impactful has the Specialty Crop Block Grant Program been for the chile pepper industry?
 - Education on chile and how to prepare chile and ways to consume it has been critical for the expansion of chile consumption for those who want to use or have no idea how. This allows the industry a chance to grow instead of staying stagnant or declining.
4. How would increased funding for the Specialty Crop Block Grant Program strengthen your industry?
 - An increase in the Specialty Crop Block Program would help deflect the costs of inflation and allow us to continue to do the same amount of work if not more.
 -
5. Mr. Etcheverry, in your testimony you provided insights on the agricultural labor needs and ongoing challenges with the H-2A system. You also mentioned that USDA research dollars can and should be part of the solution. Can you talk more about the progress that the chile pepper industry has accomplished with USDA assistance, and what more is needed?
 - USDA funding has allowed entities like NMSU to push research dollars to engineers looking for mechanical harvesting solutions, as well as agricultural research that has allowed the advancement of pepper varieties that are better suited to being machine harvested as well as continued work on cultural techniques of farming that allow for the harvesting as well.

Senator Adam B. Schiff

1. The latest Census of Agriculture found that, in 2022, the total sales of fruits, vegetables, and nuts totaled \$62.4 billion or about 11.5 percent of total U.S. agricultural sales. However, specialty crop growers – in California and across the nation – are allotted significantly less USDA funding and resources compared to other commodities, whether that's through direct payments, loans, or risk management tools. One of the ways to improve the competitiveness of specialty crops, domestically and abroad, is to improve specialty crop growers' access to risk management tools. Crop insurance is one of these important tools. How can Congress improve USDA crop insurance programs such that specialty crop growers in California, New Mexico, and across the country have what they need to thrive?

- a. The biggest step for USDA to improve crop insurance in specialty crops is to create a new model of insurance for specialty crops. Trying to squeeze specialty crops into the model created for row crops is fundamentally flawed due to the economic differences between the two. As row crops are measured in millions of acres with fields measured in 100s of acres. A whole farm approach makes sense due to the large size of fields and continuous acres. Specialty crops are measured in thousands of acres that have higher costs and smaller field sized that are spread out amongst different geographic locations. An example for me is chile. One grower may have 500 acres that are parceled out in 25 acre increments and geographically diverse places to reduce impact. Each location is its own location. One farm site of 25 acres could be destroyed by hail. And the 475 acres are untouched. With the current approach the one field is lumped in with the other 475 and the adjustment is made off the whole 500 acres instead of the 25 acres that were damaged.
- b. Data collection – Part of the model rebuild needs to be based on “average data” instead of individual data based off of farm size and pricing.

Senate Committee on Agriculture, Nutrition and Forestry
Perspectives from the Field: Farmer and Rancher Views on the Agricultural Economy, Part 2
February 26, 2025
Questions for the Record
Mr. Ben Lehfeldt

Senator Micheal Bennet

1. Colorado has a longstanding tradition of sheep ranching, contributing significantly to our state's agricultural economy. Colorado is one of the top sheep-producing states in the nation. Despite this, our sheep producers face substantial challenges, particularly in the realm of international trade. Global competition, trade barriers, and fluctuating tariffs on wool and lamb products have made it increasingly difficult for our ranchers to compete on a level playing field. Furthermore, competition from synthetic fibers and shifting international demand have impacted market stability and profitability for U.S. wool and lamb producers. As we look to the next Farm Bill, we must consider solutions to these trade challenges to ensure the long-term viability of the Colorado sheep industry. Mr. Lehfeldt, given the international trade pressures faced by American sheep producers, what specific measures should the next Farm Bill include to enhance market access and competitiveness for U.S. wool and sheep products?

Answer:

First and foremost, American sheep producers are in desperate need of a strong 5-year farm bill that supports the industry's success. The American sheep industry has continually been beaten down by increased input costs, decreased profit margins and a nonexistent export market. This is particularly due to a surge of cheap lamb imports from Australian and New Zealand that has flooded the U.S. sheep market, increasing almost one-third in volume in 2024 over 2023 and expanding to a historic level of nearly 70% of the US lamb market.

The 2018 Farm Bill reauthorized nonrecourse marketing assistance loans (MALs) and loan deficiency payments (LDPs) for eligible sheep producers. Given the extreme financial deficits that the industry is currently facing, ASI supports a re-examination of the current wool loan rate which has not been updated since 2002 and requests an effective risk management tool to be made available to sheep industry. This potential insurance tool must be unique to the sheep industry, as it faces extreme barriers to labor, imports and market challenges that no other livestock commodities face.

Additionally, it is critical for the next farm bill to include funding for the "orphan" programs that uniquely benefit the sheep industry. These programs provide foundational support within the industry, particularly for the wool textile sector. Without funding for our orphan programs, the

industry is not able to readily supply the homegrown wool clothing for our country. Unfortunately, funding for these programs were not included in the recent extension of the 2018 Farm Bill (due to their lack of permanent baseline) that was attached to December 2024 CR, so it is especially paramount that they are included and funded in the next farm bill, whether that be a 5-year farm bill or another extension.

2. How can we work with our trade partners to reduce barriers and expand export opportunities for our sheep industry, ensuring that producers in Colorado and across the nation can thrive in a competitive global market?

Answer:

The U.S. sheep industry is currently at a disadvantage to its foreign competitors, specifically New Zealand and Australia. These importers are taking full advantage of the US's currency exchange that favors importers while decreasing profitability for US producers. Not to mention, the top sheep exporting countries do not face the same regulatory burdens and cost of compliance that U.S. sheep producers do. U.S. sheep producers have continually been hit hard with increasing input costs, particularly in labor.

American sheep producers experience significant market access issues with many of the U.S.'s other trading partners, due to trade and regulatory related restrictions. Despite consistent efforts by American sheep producers, we have not been approved to export American lamb into the UK and EU. The EU also holds quota limitations and tariffs on imported lamb. The U.S. must work to achieve sustainable and attainable market access for sheep producers to ensure the longevity and success of the industry.

Additionally, American sheep producers experience significant barriers back home that limit their ability to be competitive in the global market. U.S. producers are restricted by labor laws, environmental regulations, predator depredations and more. All of these factors add additional economic and environmental barriers that suffocate the industry, on top of the limitations already faced by U.S. agriculture producers in general. Our foreign competitor is not held to the standards or limits that these U.S. producers are. To support the U.S. sheep industry in an international market, lawmakers must support the success and profitability of sheep producers back home in the U.S in addition to supporting them in the foreign marketplace.

Senate Committee on Agriculture, Nutrition and Forestry
Perspectives from the Field: Farmer and Rancher Views on the Agricultural Economy, Part 2
February 26, 2025
Questions for the Record
Mr. Harold Howrigan

Senator Adam B. Schiff

1. I am concerned about the impact of bird flu on producers' livelihoods, egg prices, and biosecurity. Since California's first detection of H5N1 in dairy cattle, there have been a total of 747 infected dairies. I understand that there are a myriad of actions USDA can take to mitigate the spread of bird flu. Can you describe the critical role of USDA staff – specifically (1) staff at the Animal Health and Inspection Service and (2) staff at the Food Safety and Inspection Service – in everyday prevention and mitigation of bird flu? Can you also share how terminations, hiring freezes, and funding cuts – direct orders of this Administration – at these USDA agencies impact our ability to suppress bird flu and protect consumers?

USDA's Animal and Plant Health Inspection Service (APHIS) has been an important partner as the dairy industry has worked to safeguard dairy herds and farm employees from Highly Pathogenic Avian Influenza A H5N1 (H5N1). Early on, the agency worked with producers to better understand the routes of transmission of the virus between farms as well as the biosecurity protocols needed to prevent and manage H5N1. We continue to work with the agency on vaccine development, including the authorization of field trials. Staffing or funding reductions done in an across-the-board manner may hinder key elements of the H5N1 response, including efforts to make a vaccine available as swiftly as possible.

Senate Committee on Agriculture, Nutrition, & Forestry
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 Questions for the Record
Mr. John Zimmerman

Senator Adam B. Schiff

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Staff at APHIS and FSIS play a critical role in the U.S. response to Highly Pathogenic Avian Influenza (HPAI). APHIS staff conduct the audits and sequencing research that occurs after a premise is positive for HPAI. They also provide resources in the surveillance of commercial operations, backyard flocks and wildlife. FSIS provides inspection at processing facilities to ensure the safety of the U.S. food supply. In conjunction with APHIS, FSIS provides updates to the export library indicating products eligible to ship. These tasks are essential to ensuring that healthy, safe turkey products are delivered to consumers both in the United States and around the world.

In late December, USDA-APHIS announced an interim final rule that would update the conditions for poultry facilities to receive indemnity and compensation for HPAI. This will require farmers like me to undergo an additional biosecurity audit before restocking flocks after an HPAI detection or if birds are placed within a buffer zone, before receiving future indemnity payments. There have been over 145 commercial cases in 2025, and these additional APHIS activities could overwhelm a staff that is already stretched thin.

Dealing with a nationwide multi-species animal disease outbreak has put tremendous strain on APHIS, which remains significantly understaffed. The agency needs at least 150 full-time employees (FTEs) to return to normal strength and provide maximum assistance with all aspects of this outbreak. The turkey industry wants to ensure that USDA has the resources necessary to continue their work on not only combating HPAI but ensuring that research continues on future mitigation options for the turkey industry. Rapid response is critical to minimizing virus spread when dealing with a positive flock.

Senate Committee on Agriculture, Nutrition and Forestry
 Perspectives from the Field: Farmer and Rancher Views on the Agricultural Economy, Part 2
 February 26, 2025
 Questions for the Record
Mr. Tony Wesner

Senator Reverend Raphael Warnock

1. As you know, egg and poultry producers across the country are deeply concerned about the nationwide outbreak of Highly Pathogenic Avian Influenza (HPAI).¹ Without urgent action to swiftly and efficiently address this outbreak, I am concerned that the livelihoods of Georgia's poultry farmers and the 88,000 hardworking Georgians who support our state's thriving poultry industry,² will be at risk. I am also deeply concerned that consumers in Georgia will continue to feel the effects of this outbreak at the grocery store as egg prices soar and shelves are emptied.
 - a. What steps can Congress take to work with the U.S. Department of Agriculture to mitigate the spread and effects of the HPAI outbreak?

Members of Congress can speak directly with the Secretary of Agriculture and other Cabinet-level officials to urge the development of a vaccine strategy for layers, turkeys and dairy cattle. Direction to the administration in the 2025 farm bill, appropriations or other legislation would be helpful. Members can urge their colleagues who serve on the Committee on Appropriations to fully fund all resources necessary for HPAI-related research, including a minimum of \$10 million for operations at the U.S. National Poultry Research Center in Athens, GA.

Senator Adam B. Schiff

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Egg producers rely on APHIS personnel for critical response leadership when outbreaks occur. If APHIS staffing were inadequate, the speed and efficiency of disease response would be put in

¹ *Perspectives From the Field: Farmer and Rancher Views on the Agricultural Economy, Part 2 Before the U.S. Senate Committee on Agriculture Nutrition and Forestry*, 119th Cong. (Feb. 5, 2025) (Statement of Tony Wesner, Chairman of the Board and Chief Executive Officer of Rose Acre Farms, on Behalf of United Egg Producers) https://www.agriculture.senate.gov/imo/media/doc/6855a5d1-fbda-1496-4d0d-3526a953ebd9/Testimony_Wesner_02.26.2025.pdf.

² Margaret Lawrence, *Georgia Extension Supporting County Governments and Poultry Industry*, National Institute of Food and Agriculture (Sep. 15, 2022), <https://www.nifa.usda.gov/about-nifa/blogs/georgia-extension-supporting-county-governments-poultry-industry>.

jeopardy. APHIS also has critical roles in trade regulation, research and other top priorities. FSIS personnel have led crucial research to demonstrate the safety of the nation's protein supplies, and work in tandem with APHIS colleagues when FSIS-regulated operations are affected.

2. As noted in your testimony, bird flu is the primary reason for egg shortages and high egg prices. Depopulating millions of laying hens has serious negative consequences. At the same time, I am concerned about anticompetitive behavior in the market and bad actors taking advantage of this opportunity for profit. How can Congress and the industry ensure this doesn't occur?

It is important to understand that egg farmers do not set egg prices. We do not set the wholesale prices we receive, nor do we set prices at retail. Egg prices are established in the marketplace through supply and demand, like the prices of other agricultural commodities.

It is clear that shortages and high prices are the consequence of highly pathogenic avian influenza outbreaks. No one regrets depopulating flocks more than the farmers who own those flocks, but once HPAI is introduced to a flock, virtually all the birds will die as a result of the disease. Depopulation is more humane and helps to stop the spread of the virus. Depopulation is not voluntary for farmers, but is required by law and regulation.