



**TESTIMONY OF ROB LAREW
PRESIDENT
NATIONAL FARMERS UNION**

SUBMITTED TO THE UNITED STATES HOUSE COMMITTEE ON APPROPRIATIONS

**PREPARED FOR THE SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG
ADMINISTRATION, AND RELATED AGENCIES**

**ADDRESSING FUNDING FOR PROGRAMS OF THE UNITED STATES DEPARTMENT OF AGRICULTURE
(USDA) and THE U.S. FOOD AND DRUG ADMINISTRATION (FDA)**

**Fiscal Year 2022 Appropriations
June 1, 2021**

Chairwoman DeLauro, Chairman Bishop, and Ranking Members Granger and Fortenberry,

I write on behalf of National Farmers Union's (NFU) roughly 200,000 family farmer, rancher, and rural members. This past year, the COVID-19 pandemic caused severe supply chain disruptions that led to lower prices for farmers and difficulty selling crops and livestock. The pandemic also resulted in unprecedented levels of stress in rural communities and on farms and ranches. The challenges of the past year compounded ongoing issues for farmers and rural communities, including chronic periods of sustained low crop prices and a changing climate.

As you draft and advance appropriations legislation, I urge you to provide funding for programs that alleviate the challenges facing rural and agricultural communities and that improve the resiliency of our food system.

Fair, Competitive, and Resilient Markets

Many sectors in American agriculture are dominated by a small handful of multinational corporations. Multiple waves of nearly unfettered mergers and acquisitions over several decades has resulted in agriculture and food supply chains that are uncompetitive and that underpay farmers while overcharging consumers. This extreme concentration has also left food and agriculture supply chains less resilient and flexible, and thus vulnerable to shocks. During the COVID-19 pandemic, this was most evident in the disruption in the livestock and poultry industries, where the closures or slowdowns at several massive meatpacking plants resulted in lost markets for farmers.

Concentration in the livestock and poultry industries has been on the rise for decades. Just four companies controlled approximately 83 percent of beef slaughter and processing in 2017, and concentration is high in pork and poultry as well. Concentrated market structures increase opportunities

for market manipulation and coordinated behavior. Yet, few significant enforcement actions have been taken in recent years by USDA under the Packers and Stockyards Act, a law meant to assure fair competition, safeguard farmers and ranchers, and protect consumers, from unfair, deceptive, and unjustly discriminatory and monopolistic practices of the livestock, meat, and poultry industries.

NFU requests the inclusion of the following report language to address these concerns:

The Packers and Stockyards Act is an important federal statute for protecting U.S. livestock and poultry farmers from abusive, discriminatory, deceptive, and anti-competitive practices by meatpackers, swine contractors and live poultry dealers. Yet the statute has been underutilized and underenforced for decades. The market disruptions in the meatpacking sector during and prior to the COVID-19 pandemic have highlighted the need to scrutinize how the practices of the dominant companies in the meat and poultry sectors affect farmers and consumers.

The Committee urges the Agricultural Marketing Service (AMS) to increase enforcement of the Packers and Stockyards Act, including by updating existing regulations to expand the tools necessary for the agency to fully achieve the farmer protection intent of the Packers and Stockyards Act.

We also request that the Committee provide USDA AMS with robust funding for Packers and Stockyards Act enforcement.

Farm and Ranch Stress Assistance Network (FRSAN)

The purpose of FRSAN is to establish and fund a service provider network that connects individuals and their families engaged in farming, ranching, and other agriculture-related occupations to stress assistance programs. Funding thus far has been used to create four regional centers to coordinate efforts to serve the needs of their populations. These centers have been developing and implementing training and services to address farm stress issues.

There are many causes of stress among farmers and their families, including volatility in the farm economy, the financial risk involved in agriculture, weather unpredictability, and a changing climate. Over the past year, COVID-19 has taken a significant toll, with a recent poll finding that two in three farmers or farmworkers say the pandemic has impacted their mental health. Moreover, 60 percent of rural residents live in areas with mental health professional shortages.

We urge you to continue funding FRSAN, administered by the National Institute of Food and Agriculture (NIFA), at the authorized level of \$10 million. This funding is critically important in meeting the needs of farmers, ranchers, and their families as they endure and seek to manage stress.

Agricultural Mediation Program

It is essential that family farmers and ranchers have access to mediation services to resolve disputes affecting their operation. The Agricultural Mediation Program, administered by the Farm Service Agency (FSA), provides grants to state-designated entities that provide mediation services to agricultural producers, lenders, and others to resolve a variety of disputes. These services provide a low-cost alternative to appeals, litigation, and bankruptcy.

Mediation programs have seen significant increases in caseload over the last several years, and the 2018 Farm Bill further expanded the breadth of cases the program covers. In FY21, the program received \$6.9M through appropriations. **To keep pace with growing demand, we urge you to increase funding to the fully authorized level of \$7.5 million in FY22.**

Rural Cooperative Development Grant (RCDG) Program

The objective of the RCDG program is to improve the economic condition of rural areas by assisting individuals or entities in the startup, expansion, or operational improvement of rural cooperatives. Over the past decade, RCDG grants have been instrumental in developing over 650 businesses and creating more than 10,000 jobs. Yet, the RCDG program has received stagnant funding at \$5.8 million since FY12. Congress should fund this program at its authorized level to sustain and accelerate recovery from the pandemic.

NFU requests full funding for the Rural Cooperative Development Grant (RCDG) program, administered by USDA's Rural Business-Cooperative Service, at \$40 million, including at least \$15 million for technical assistance development grants.

Conservation Programs and Climate Change

As Congress and USDA continue to increase their focus on climate change, funding must be provided for America's family farmers and ranchers to sequester carbon, reduce greenhouse gas emissions, and adapt working lands. The Environmental Quality Incentives Program (EQIP) and the Conservation Stewardship Program (CSP) are key programs in this effort, but demand for participation exceeds available funding by at least two to one. **We urge you to reject any cuts to mandatory spending for farm bill conservation programs.**

On-the-ground capacity at the Natural Resources Conservation Service (NRCS) continues to be a limitation for farmers seeking to implement conservation practices on their land. While many farmers have implemented conservation practices as part of their operation, in some cases with the assistance of NRCS, many more stand ready to conserve soil, protect waterways, improve air quality, and both adapt to and mitigate the effects of a changing climate. However, NRCS often lacks the staff needed to help these farmers make such changes. **We ask that you ensure there are sufficient resources to hire NRCS field staff to provide technical assistance to farmers and ranchers by providing at least \$1.2 billion in funding for Conservation Operations, including \$1.1 billion for Conservation Technical Assistance.**

Additionally, improved pasture and grazing management has the potential to play a substantial role in terrestrial carbon sequestration. **Thus, we request funding at the authorized level of \$60 million per year for the Grazing Lands Conservation Initiative (GLCI).** The initiative is made up of local, state, and national organizations that provide technical assistance to help maintain and improve the management, productivity, and health of our nation's privately-owned grazing land.

Food Safety Education, Outreach and Technical Assistance

As producers struggle to learn the rules and come into compliance with the Food Safety Modernization Act (FSMA), it is critical that adequate resources are directed to the Food Safety Outreach Program (FSOP). FSOP provides targeted outreach, education, and technical assistance to small- and mid-sized, beginning, and socially disadvantaged farmers and processors to help them comply with complex FSMA regulations.

To help ensure a safe food supply for American families, and to help small- and mid-sized, beginning, and socially disadvantaged farmers comply with food safety regulations, **we urge you to provide \$10 million for FSOP, administered by the National Institute of Food and Agriculture (NIFA), in FY22.**

We also request robust funding for Food and Drug Administration (FDA) FSMA implementation that will allow FDA to continue their current outreach, education, and technical assistance efforts.

USDA Farm Loan Programs

It can be difficult, especially in today's farm economy, for some farmers to obtain credit from private lenders. Creditors may be hesitant to lend to farmers for a variety of reasons and can raise their collateral requirements to mitigate risk. When private lending is unavailable, farmers turn to Farm Service Agency (FSA) loans and loan guarantees.

The 2018 Farm Bill increased limits for direct and guaranteed loans to reflect the current costs of owning and operating a farm. As the average size of FSA's loans increases, FSA must have the funding needed to maintain the number of loans it provides. Furthermore, many socially disadvantaged farmers have been historically underserved by USDA programs and lending. With recent legislation and commitments by USDA, important steps are underway to right these wrongs. FSA Farm Loan programs are well-positioned to help family farmers build a more equitable and resilient food system.

NFU urges the committee to provide robust funding that will ensure farmers have access to FSA loans that help keep their farms in business.

Conclusion

Thank you for your attention to these matters. If you have any questions or would like to further discuss NFU's requests, please contact Aaron Shier, NFU Senior Government Relations Representative at ashier@nfudc.org.

Sincerely,

Rob Larew
President