



**Testimony of
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**Submitted to the
U.S. House of Representatives
Committee on Agriculture**

**“Uncertainty, Inflation, Regulations:
Challenges for American Agriculture”**

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Good morning, Chairman Thompson, Ranking Member Scott, and members of the Committee. It is an honor to be invited as a witness before the House Committee on Agriculture and to provide testimony on behalf of the more than 220,000 members of National Farmers Union (NFU). Founded in 1902, NFU is a grassroots organization that advocates on behalf of family farmers, ranchers, and their communities, and represents members across the country whose operations range in size, type, and production method.

As this Committee considers the 2023 Farm Bill, hearings like this will serve the important purpose of identifying commonalities and points of agreement that can be brought forward in the legislative process. This hearing can also make clear the positions of family farmers and ranchers and other stakeholders in agriculture. The hearing title, “Uncertainty, Inflation, Regulations: Challenges for American Agriculture” sheds light on many concerns held by Farmers Union members. I commend Chairman Thompson for bringing these topics to the forefront at the first hearing of the House Agriculture Committee in the 118th Congress.

Family farmers and ranchers are particularly vulnerable to the effects of inflation, and we have felt this throughout history and especially in the last few years. Normal trade flows were interrupted in 2018 and 2019 because of policy disputes with our trading partners, and those trade flows were further disrupted due to the upheaval resulting from the COVID-19 pandemic. These seismic changes led to diminished supplies and rapid shifts in demand as stay-at-home directives changes our daily routines. These inflationary conditions were compounded by macroeconomic factors, but the inflation felt today is amplified because market power throughout the economy is increasingly concentrated among very few firms.¹

This hearing is also timely and topical because the House Agriculture Committee has a great opportunity in the year ahead to make meaningful and lasting reforms through the farm bill. Family farmers and ranchers should be allowed and empowered to do what we do best: produce a safe and nutritious food supply for our communities. Laws, rules, and regulations should help us do that, not hinder us. Farmers Union members also face many emerging challenges – like climate change, a food system that lacks resilience, and a volatile market – that need to be directly confronted by policymakers to provide greater certainty.

Inflation

Inflation is exacerbated by consolidation and lack of competition in the food system. Very few firms control the market for farm inputs (such as seeds, crop protection, fertilizer, and equipment manufacturing), processing (including livestock slaughter and processing), food manufacturing, wholesale distribution, food service, and grocery retail. Farmers and consumers are on either end of this consolidated supply chain and are comparatively numerous and

¹ Bräuning, Falk, José L. Fillat, and Gustavo Joaquim. 2022. “Cost-Price Relationships in a Concentrated Economy.” Federal Reserve Bank of Boston Current Policy Perspectives. May 23, 2022.

decentralized. The small set of large, consolidated firms in the middle of the supply chain wield immense market power over farmers and consumers.²

The trend toward greater consolidation of the farm and food system has been ongoing. The four-firm concentration ratio (CR4), which specifies the market share for the top four firms in an industry and is a commonly used metric for illustrating market concentration, has risen precipitously among meatpackers and poultry processors. From 1977 to 2019, the CR4 for beef packers that slaughter steers and heifers rose from 25 to 85 percent.³ For pork, the increase in CR4 from 1976 to 2019 was 33 to 67 percent.⁴ For broiler chickens, the CR4 increase from 34 percent in 1986 to 53 percent in 2019,⁵ and as the level of national-level industry consolidation may be lower for broilers, concentration is often higher in localized markets.⁷

Increasing consolidation and declining competition pervades other sectors as well. As of 2015, the top four firms for corn and soybean seeds controlled 85 percent and 76 percent of the market, respectively; this compares to 59 percent for corn seed in 1975, and 42 percent for soybean seed in 1988.⁸ Four firms account for approximately 84 percent of the global herbicide and pesticide market,¹⁰ and just two companies manufacture about half of the tractors and other essential farm machinery used by farmers.¹¹ Market share in retail grocery is also heavily consolidated, with the top four retailers controlling approximately 65 percent of sales in 2018.¹² As corporate consolidation in our food system has marched steadily forward, farmers have watched their choices decline and their market power continue to falter.

² Jonathan B. Baker, “Market power in the U.S. economy today,” *Washington Center for Equitable Growth*, March 2017. <https://equitablegrowth.org/market-power-in-the-u-s-economy-today/>.

³ Cai, X., K. W. Stiegert, and S. R. Koontz, “Oligopsony Fed Cattle Pricing: Did Mandatory Price Reporting Increase Meatpacker Market Power?” Proceedings of the NCCC-134 Conference on Applied Commodity Price Analysis, Forecasting and Market Risk Management. St. Louis, MO. https://legacy.farmdoc.illinois.edu/nccc134/conf_2011/pdf/confp24-11.pdf.

⁴ USDA, Agricultural Marketing Service (AMS), Packers and Stockyards Division, “Annual Report 2020.” <https://www.ams.usda.gov/sites/default/files/media/PackersandStockyardsAnnualReport2020.pdf>.

⁵ Clement E. Ward, “Economics of Competition in the U.S. Livestock Industry,” January 2010. <https://www.justice.gov/sites/default/files/atr/legacy/2011/09/09/AGW-15639-a.pdf>.

⁶ Joel Greene, “USDA’s ‘GIPSA Rule’ on Livestock and Poultry Marketing Practices.” (Washington: Congressional Research Service, 2016), https://www.everycrsreport.com/files/20160107_R41673_e1d67b445c928f46a6b23a04c38d116fdb819c93.pdf.

⁷ James M. MacDonald, “Technology, Organization, and Financial Performance in U.S. Broiler Production” (USDA, Economic Research Service, 2014), https://www.ers.usda.gov/webdocs/publications/43869/48159_eib126.pdf?v=0.

⁸ Jorge Fernandez-Cornejo, “The Seed Industry in U.S. Agriculture: An exploration of data and information on crop seed markets, regulation, industry structure, and research and development,” *USDA Economic Research Service*, https://www.ers.usda.gov/webdocs/publications/42517/13616_aib786_1.pdf?v=3857.1.

⁹ James MacDonald, “Mergers and Competition in Seed and Agricultural Chemical Markets,” *USDA Economic Research Service*, 2017, <https://www.ers.usda.gov/amber-waves/2017/april/mergers-and-competition-in-seed-and-agricultural-chemical-markets/>.

¹⁰ Claire Kelloway and Sarah Miller, “Food and Power: Addressing Monopolization in America’s Food System,” *Open Markets Institute*, May 13, 2019. <https://www.openmarketsinstitute.org/publications/food-power-addressing-monopolization-americas-food-system>.

¹¹ *Ibid.*

¹² CBRE, “2019 U.S. Food In Demand Series: Grocery,” May 2019.

Grocery Retail

Concentration of market power among grocery retailers places pressure throughout the rest of the food supply chain, driving further consolidation among processors, wholesalers, and at the producer level. It is contributing to higher prices for consumers, results in less innovation, and fewer marketing options for family farmers and ranchers. A proposed merger of two of the largest grocery chains, Kroger and Albertson's, would greatly harm competition in the grocery retail sector. The rise of national supermarket chains over the last thirty years has decimated independent grocery stores, and between 1994 and 2019, the total number of grocery stores across the U.S. declined by 30 percent.¹³ In December 2022, NFU joined with a coalition of farm and consumer advocate groups to send a letter to the Federal Trade Commission (FTC) to block this proposed merger.¹⁴

Meatpacking

Increased concentration in many sectors of agriculture, with food processing as the most egregious example, has contributed to bottlenecks in America's food supply chain. Just a few meatpackers, with a few large processing facilities, process most of the livestock that farmers and ranchers raise into the meat that we buy. Workers in these facilities are impacted as well. In the last month, the Department of Labor penalized one of the nation's largest food processing contractor providers for having employed more than 100 children in highly dangerous jobs.¹⁵

There have been approximately 20 settlements for price fixing by meatpackers and poultry integrators since 2018, totaling nearly \$900 million in penalties.¹⁶ A pending lawsuit against the big four meatpackers, which alleges that the corporate giants have been working together since 2015 to suppress the volume of cattle slaughtered, continues to work its way through the courts, with settlements already totaling tens of millions of dollars.¹⁷ During 2020 and 2021 – when most pandemic-related supply chain issues occurred – the largest meat processing companies saw their net profit margins increase more than 300 percent.¹⁸

¹³ Food and Water Watch, "The Economic Cost of Food Monopolies: The Grocery Cartels," November 2021. https://www.foodandwaterwatch.org/wp-content/uploads/2021/11/IB_2111_FoodMonoSeries1-SUPERMARKETS.pdf.

¹⁴ Open Markets Institute, "Farm, Consumer, and Antimonopoly Groups All Urge the FTC to Oppose Kroger-Albertsons Merger," December 1, 2022. <https://www.openmarketsinstitute.org/publications/farm-consumer-antimonopoly-groups-all-urge-the-ftc-to-oppose-kroger-albertsons-merger>.

¹⁵ U.S. Department of Labor, "More than 100 Children Illegally Employed in Hazardous Jobs, Federal Investigation Finds; Food Sanitation Contractor Pays \$1.5M in Penalties," February 17, 2023. <https://www.dol.gov/newsroom/releases/whd/whd20230217-1>.

¹⁶ Data compiled by NFU – various news reports and sources.

¹⁷ "Beef giant JBS to pay \$52.5 million to settle price-fixing lawsuit," *Des Moines Register*, February 4, 2022. <https://www.desmoinesregister.com/story/news/2022/02/04/jbs-settles-lawsuit-millions-price-fixing-beef-processors-meatpacking/6664089001/>.

¹⁸ Andrea Shalal, "Meat packers' profit margins jumped 300% during pandemic – White House economics team," *Reuters*, December 10, 2021. <https://www.reuters.com/business/meat-packers-profit-margins-jumped-300-during-pandemic-white-house-economics-2021-12-10/#:~:text=Meat%20packers%20profit%20margins%20jumped,White%20House%20economics%20team%20%7C%20Reuters>.

Inputs

Another troubling aspect of the farm economy recently has been input costs, particularly for fertilizers such as nitrogen, potash, and phosphorus. Price spikes, notably in late 2021 and early 2022, were severe and prolonged, and the threat of similar input price volatility adds uncertainty to the farm economy.¹⁹ Supply chain disruptions, due to the Russian invasion of Ukraine and lingering supply interruptions from the pandemic, have contributed greatly to this problem.²⁰

There are structural challenges to building a diverse and competitive market in the fertilizer industry, as natural resources are constrained to just a few locations. However, actions by monopolies further reduce competition in the fertilizer market and leads to additional price pressures and volatility. The global market for fertilizer is dominated by just a few major players, and those producers have abused their market power to raise prices over the decades, which harms farmers as well as consumers.²¹ USDA has undertaken an initiative to bring more domestic and diversified production to the fertilizer industry, which NFU welcomes. Further efforts should be pursued in the regulatory area to allow for greater production of fertilizer in the U.S. to help build a stronger food system and a more equitable marketplace.

The market for crop protection products has also been susceptible to inflationary pressures due to a lack of competition among the major providers. In 2022, the FTC and 10 state attorneys general filed a complaint in federal court against two major agricultural crop protection manufacturers for using a “pay-to-block” scheme that raised input prices for farmers and unfairly shut out competitors, which stifles innovation and harms the marketplace.²² Furthermore, the case holds that these companies sought to maintain their near-monopolies over certain fungicides, herbicides, and insecticides by paying distributors to carry fewer competing generic products. Markets ought to be competitive and fair, so that new companies can enter the input marketplace and drive innovation, improve service, and decrease input prices for family farmers and ranchers.

Product Labeling

NFU supports mandatory, uniform labeling for food products throughout the processing chain and supports the reauthorization and full implementation of mandatory country-of origin labeling (COOL) for meat, poultry, and aquaculture products. Clear and accurate food labels

¹⁹ Kent Thiesse, “2022 farm input costs rapidly rising,” *Farm Progress*, November 30, 2021. <https://www.farmprogress.com/crop-protection/2022-farm-input-costs-rapidly-rising>.

²⁰ Suzanne Jenkins, “How the Russia-Ukraine War Helped Fuel Record Fertilizer Prices.” Federal Reserve Bank of St. Louis, October 4, 2022. <https://www.stlouisfed.org/publications/regional-economist/2022/oct/russia-ukraine-war-record-fertilizer-prices>.

²¹ C. Robert Taylor and Diana L. Moss, “The Fertilizer Oligopoly: The Case for Global Antitrust Enforcement,” *The American Antitrust Institute*, October 4, 2013. <https://www.antitrustinstitute.org/work-product/the-fertilizer-oligopoly-the-case-for-global-antitrust/>.

²² Federal Trade Commission, “FTC and State Partners Sue Pesticide Giants Syngenta and Corteva for Using Illegal Pay-to-Block Scheme to Inflate Prices for Farmers,” September 29, 2022. <https://www.ftc.gov/news-events/news/press-releases/2022/09/ftc-state-partners-sue-pesticide-giants-syngenta-corteva-using-illegal-pay-block-scheme-inflate>.

enable consumers to make informed purchasing decisions and allow farmers and ranchers to differentiate their products. Importing cheaper products from other countries and passing off premiums to local products is depressing prices for local ranchers and undermining consumer confidence in labels. A consolidated and uncompetitive beef packing industry is exploiting consumers, workers, and ranchers alike. American consumers deserve the right to choose, American cattle farmers and ranchers deserve the right to compete for the consumers' favor in their domestic market, and meat processing workers deserve quality jobs.

President Biden's July 2021 executive order on competition included a directive to the U.S. Department of Agriculture (USDA) to clarify that meat may be labeled "Product of USA" only if the animal spent its entire life within the U.S. Under current voluntary labeling rules, meat can be designated a "Product of USA" if it is processed domestically, but born, raised, and/or slaughtered in another country. This misleading claim puts domestic producers at a competitive disadvantage and prevents consumers from making fully informed decisions about the products they buy. Truthful and accurate voluntary labels are important to producers and helpful for consumers, but they are not a replacement or substitute for mandatory COOL.

Right to Repair

Right to Repair is a major issue across many industries but has a profound impact on farmers and ranchers. With only three companies dominating the market for large farm machinery, farmers have few choices in the marketplace. The major equipment manufacturers have long refused to make critical repair tools fully available to farmers and independent mechanics, leaving them no choice but to take broken equipment to a licensed dealership. These restrictions, paired with dramatic consolidation among dealerships across the country, lead to inflated service prices and lengthy delays during planting and harvest windows.

There are few alternatives for farmers who want to buy equipment they can fix themselves. Some farmers have resorted to buying older tractors that can be repaired without software tools.²³ This leads to inflated prices for older equipment and is not a long-term solution. Family farmers are put at a great disadvantage if they are forced to choose between the ability to independently fix their own tractor or to reap the benefits of the technological advancements of modern equipment.

Federal legislation, like the Agricultural Right to Repair Act introduced by Sen. Jon Tester (D-MT), would ensure that farm equipment owners and independent mechanics have access to all the documentation, parts, and software tools required to diagnose, repair, and maintain modern equipment. On the state level, Right to Repair bills have been introduced in 20 states already in 2023. On February 21, 2023, the Colorado House of Representatives approved the Consumer Right to Repair Agricultural Equipment Act (HB23-1011) which would require manufactures to provide parts, software, documentation, and other tools to independent

²³ Adam Belz, "For tech-weary Midwest farmers, 40-year-old tractors now a hot commodity," *Star Tribune*, January 5, 2020. <https://www.startribune.com/for-tech-weary-midwest-farmers-40-year-old-tractors-now-a-hot-commodity/566737082/>.

repair providers or equipment owners and would deem failure by manufacturers to provide such resources to be a deceptive trade practice.²⁴

Among federal agencies, the FTC unanimously adopted a policy in 2021 to ramp up law enforcement against illegal repair restrictions. In 2022, NFU and allies filed a complaint with the FTC against John Deere for restricting repair options. On February 13, 2023, the Department of Justice (DOJ) filed a statement of interest in a Right to Repair lawsuit filed against John Deere in the U.S. District Court for Northern Illinois. The filing by DOJ urges to the court to find in favor of the farmer-plaintiffs who allege that John Deere has monopolized the repair service market by withholding access to the software tools necessary to repair equipment. Also in February, NFU supported a petition to the Environmental Protection Agency (EPA) to enforce provisions in the Clean Air Act (CAA) that allow farmers and ranchers to repair their own equipment.²⁵ The petition, filed by Right to Repair advocate Willie Cade, asks the court to issue a writ of mandamus compelling the EPA to require John Deere to comply with the CAA.²⁶

Regulations

Family farmers and ranchers are poorly served by overly burdensome regulations and regulatory uncertainty that can make it difficult for them to do what they do best: to sustainably produce ample food, feed, fiber, and fuel. Regulation, when needed, should be science-based, size- and risk-appropriate, and should be instituted after thorough and ample feedback from the regulated community.

Waters of the United States (WOTUS)

Clean, safe water is an essential resource that family farmers, ranchers, and their communities depend on. Farmers and ranchers strive to be good stewards of our nation's natural resources, including by protecting water quality through sound land management practices. Ambiguous or confusing regulations regarding the definition of Waters of the United States (WOTUS) under the Clean Water Act (CWA) have made compliance difficult and unduly burdensome.

The regulatory uncertainty created by frequently changing definitions of WOTUS have troubled farmers for many years. NFU has repeatedly provided input to the EPA and the Army Corps of Engineers on their rulemakings, and we have asked the agencies to promulgate rules that will provide a clear definition of WOTUS. NFU has also urged the agencies to consult farmers and

²⁴ Todd Neeley, "Colorado House Advances Repair Bill," *DTN/Progressive Farmer*, February 21, 2023. <https://www.dtnpf.com/agriculture/web/ag/equipment/article/2023/02/21/colorados-house-passes-bill-giving>.

²⁵ National Farmers Union, "NFU Supports Writ of Mandamus, Implores EPA to Enforce Right to Repair Provisions in Clean Air Act," February 16, 2023. <https://nfu.org/2023/02/16/nfu-supports-writ-of-mandamus-implores-epa-to-enforce-right-to-repair-provisions-in-clean-air-act/>.

²⁶ Todd Neeley, "Deere Seeks End to Right-to-Repair Case," *DTN/Progressive Farmer*, January 24, 2023. <https://www.dtnpf.com/agriculture/web/ag/equipment/article/2023/01/24/john-deere-asks-court-issue-ruling>.

ranchers regularly, extensively, and equitably and consider the legitimate concerns of family farmers and ranchers and others who will be regulated under updated and new CWA rules.²⁷

NFU appreciates the agencies' stated efforts to establish durable rules that define the scope of waters protected under the CWA. Despite a recent final rule from the agencies, an ongoing Supreme Court case on WOTUS continues to add uncertainty to the WOTUS statutory and regulatory regime. Ultimately, Farmers Union members wish for the courts and agencies to balance the important goal of protecting water quality with rules that are clear, simple, and not unduly burdensome for farmers and ranchers.

Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA)

The Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) – the primary federal statute governing pesticides – is key to our science-based regulatory approach to crop protection products and helps ensure farmers can continue using these products prudently on their farms. Thus, NFU was concerned by a recent change in long-standing policy regarding the regulation and labeling of crop protection products based on a position taken by the U.S. Solicitor General in a brief to the U.S. Supreme Court.

The brief, submitted in May 2022 by Solicitor General Elizabeth Prelogar, argues that federal pesticide registration and labeling requirements do not preclude states from imposing additional labeling requirements, even if those requirements run counter to federal findings. The Solicitor General's brief, while focused on glyphosate, adopts a position that could apply to any crop protection product. Thus, the decision taken in the brief may undermine the FIFRA – and open the door to an impractical patchwork of state pesticide labeling requirements. We are concerned that the decision taken in the brief could threaten producers' access to crop protection products through state regulations that are not science-based.

Growing Climate Solutions Act

Sometimes, an unregulated marketplace without any guardrails can hinder the growth and development of market opportunities – including for farmers and ranchers. Insufficient access to reliable, vetted information about carbon and other environmental credit markets for agriculture has limited farmer participation in these markets. Consequently, farmers may be missing out on an opportunity to generate revenue while implementing practices that can make their farms more resilient and mitigate climate change.

The recently enacted bipartisan, bicameral Growing Climate Solutions Act is meant to address this problem by creating a registration program at USDA for these environmental credit markets. By improving transparency of these markets through USDA oversight and reducing technical barriers to entry, farmers have a better chance of being able to participate, and for these markets to develop to benefit all.

²⁷ National Farmers Union, "Re: Docket ID No. EPA-HQ-OW-2021-0602; "Revised Definition of 'Waters of the United States'," February 7, 2022. https://nfu.org/wp-content/uploads/2022/02/02-07-22-NFU-Comments_WOTUS_EPA-HQ-OW-2021-0602.pdf.

Packers and Stockyards

The Packers and Stockyards Act (PSA) protects livestock and poultry producers from unfair, deceptive, and monopolistic practices in the marketplace. These important protections for family farmers and ranchers have not been adequately enforced for the last few decades, which has led to rampant consolidation in the livestock industry, reduced transparency in the marketplace, the rise of unfair contract terms, and depressed prices paid to farmers.

President Biden's July 2021 executive order on competition directed USDA to write new rules under the PSA. Thus far, rulemakings would require poultry companies to be more transparent with the growers with whom they contract, and would prohibit certain prejudices, disadvantages, discrimination, retaliation, and deceptive practices, in livestock markets. USDA has taken further steps to bring more transparency to the livestock market with a cattle contract library and reporting more details about market activity. Additional rulemakings are expected regarding the barriers farmers face to file legal challenges under the PSA and the unfairness of poultry grower tournament systems.

The proposed rules from USDA are sorely needed. Without strong enforcement of the PSA, farmers and ranchers will continue to face an unfair marketplace. NFU supports expanded and emphasized enforcement of these and related rules, with the establishment of an independent office focused on preventing abuses of power by corporate monopolies. Such an office would be made possible through the enactment of the Meat and Poultry Special Investigator Act.

The executive branch has taken steps to ensure that farmers who have been harmed by abuses of market power have a voice. One example of how this is the USDA Agricultural Marketing Service partnership with DOJ to create the Farmer Fairness portal.²⁸ This online tool makes it easier for farmers, ranchers, and others to report potential violations of competition laws including, but not limited to, the PSA.

Renewable Fuel Standard

Reasoned legislative and regulatory actions can create economic development opportunities for rural communities and family farmers and ranchers. A prime example of this is the Renewable Fuel Standard (RFS) program, authorized in 2005 and expanded in 2007, which is intended to reduce greenhouse gas emissions and expand the biofuels sector.²⁹ It has been the most successful clean fuels policy in the U.S. and makes fuel more affordable for millions of Americans, helps to generate jobs, revives rural economies and communities, reduces oil imports, and protects the environment by reducing air pollution. Future regulatory actions related to the RFS should be geared towards its continued growth and success. Higher blends of ethanol, such as E30, should be brought into the RFS also with the use of farm-based crops for sustainable aviation fuel. Additionally, USDA is providing \$100 million in biofuels infrastructure grants through the Higher Blends Infrastructure Incentive Program. NFU urges Committee members to support the RFS and the continued growth of renewable energy in rural America.

²⁸ Farmer Fairness. <https://www.usda.gov/farmerfairness>.

²⁹ Renewable Fuel Standard Program. <https://www.epa.gov/renewable-fuel-standard-program>.

Uncertainty

Climate change

Climate change is one of the greatest challenges – and sources of uncertainty – facing family farmers, ranchers, our communities, and global food security. Farmers and ranchers have been feeling the effects of climate change for many years through shifting precipitation patterns, historic droughts, and extreme weather events. While farming is by nature unpredictable, climate change is increasing uncertainty and making a difficult job even harder. Farmers Union members have long recognized that the climate is changing; that those changes are affecting all aspects of their operations; and that if they are provided the right tools and adequate resources, they can be a key part of the solution by sequestering carbon in the soil, reducing greenhouse gas emissions, and by building a more resilient and sustainable agriculture. For decades, NFU has been a leader on the issue of climate change and agriculture. Farmers Union has focused on raising awareness about the effects of climate change on farmers and ranchers, while advocating for opportunities for farmers and ranchers to be part of the solution. We have also made sure we are regularly listening to our members on the topic through NFU’s Climate Change Policy Advisory Panel (CCPAP).³⁰

Now more than ever, leadership on climate change and agriculture is essential, which is why NFU is a proud founding member and co-chair – along with Farm Bureau, the National Council of Farmer Cooperatives, and the Environmental Defense Fund – of the Food and Agriculture Climate Alliance (FACA).³¹ FACA members represent farmers, ranchers, forest owners, manufacturers, the food industry, state governments, higher education associations, sportsmen and sportswomen, and environmental organizations. These organizations are dedicated to advancing climate solutions across food and agriculture supply chains. Since formally launching in 2020 as a group of eight organizations, FACA has grown to a coalition of over 80 members. To address the uncertainty associated with climate change, FACA released its initial policy recommendations in late 2020.³² Several of these recommendations have become law and others have been implemented by the administration. Looking ahead, FACA recently extended its consensus-based coalition work by releasing its 2023 Farm Bill recommendations.³³

NFU is heartened by the dedicated action taken by Congress and the Administration in recent years. This includes the recent enactment of significant additional funding for farm bill conservation programs, the creation of USDA’s Partnerships for Climate-Smart Commodities, and passage of the Growing Climate Solutions Act and the SUSTAINS Act. All these resources

³⁰ National Farmers Union, “Farmers Union Announces Climate Change Policy Advisory Panel,” December 9, 2020. <https://nfu.org/2020/12/09/farmers-union-announces-new-climate-change-policy-advisory-panel/>.

³¹ Food and Agriculture Climate Alliance. <https://agclimatealliance.com/>.

³² Food and Agriculture Climate Alliance, “Food and Agriculture Climate Alliance Joint Policy Recommendations,” November 2020. https://agclimatealliance.com/files/2020/11/faca_recommendations.pdf.

³³ National Farmers Union, “FACA Releases Farm Bill Policy Recommendations to Support Economic Opportunities and Address Climate Change,” February 22, 2023. <https://nfu.org/2023/02/22/faca-releases-farm-bill-policy-recommendations-to-support-economic-opportunities-and-address-climate-change/>.

and actions, along with the ingenuity and commitment of farmers and ranchers, are helping us face the uncertainty presented by climate change.

Supply Chains

The COVID-19 pandemic exposed vulnerabilities in the agricultural food supply chain, including bottlenecks from an outdated and aging transportation system, ongoing labor shortages, cybersecurity threats, and lack of competition. These vulnerabilities affect all Americans by threatening the food system. Resolute action on climate change is also needed to secure our supply chains.

The Biden Administration, through Executive Order 14017: America’s Supply Chains, has softened the impact of supply chain disruptions. By lifting transportation regulatory burdens and facilitating trade of essential agricultural food products, the uncertainty of the last few tumultuous years has been reduced. Recent undertakings at USDA to increase capacity at the Port of Oakland, California, eased port congestion, increased capacity, and is improving services for shippers of U.S. grown agricultural commodities. The supply chain executive order also directed USDA to conduct a one-year assessment of risks and resilience of food supply chains and to identify potential solutions to address supply chain vulnerabilities. Within that assessment, USDA’s recommendations included an objective to “support a level playing field to enable competition” and “to assure transparency and fair competition in commodity markets and product safety in meat products.”³⁴ These regulatory actions reduce uncertainty in the supply chain while bolstering a more competitive and resilient marketplace.

Similarly, the implementation of the bipartisan *Infrastructure Investment and Jobs Act (IIJA)* helps to address the pinch points in the supply chain. Through IIJA, agriculture and livestock haulers were given the flexibility to safely get their products to market by easing some of the regulatory burdens of hours-of-service requirements.

Agricultural workforce

An ongoing shortage of skilled farmworkers creates uncertainty for family farmers, contributes to food price inflation, and makes the entire food supply chain less secure and resilient. We must address this workforce crisis threatening farms across the United States so our producers can continue to feed, clothe, and fuel our nation. We need sensible, compassionate immigration reform, including reform of the H-2A visa program, to provide farmers and farmworkers with certainty, lower food prices for American families, and secure our nation’s food supply.

³⁴ USDA, Agricultural Marketing Service (AMS), “Agricultural Competition: A Plan in Support of Fair and Competitive Markets,” May 26, 2022. <https://www.ams.usda.gov/reports/agricultural-competition-plan-support-fair-and-competitive-markets>.

Conclusion

Farmers Union members are committed to addressing the challenges that this hearing is exploring. In 2021, NFU launched the *Fairness for Farmers* campaign, an effort to shed light upon the devastating impact that monopolies and near-monopolies have on family farmers and ranchers. The campaign calls for legislative action including diversifying marketing opportunities, improving price discovery and transparency, antitrust enforcement, and reforming the PSA. Many of these priorities could be addressed through the inclusion of a competition title in the 2023 Farm Bill.

Later this week, NFU members will meet at our national convention to set the organization's policy priorities for the coming year through a grassroots, democratic process. The spirit by which we do our work at Farmers Union meetings is similar to the way this Committee can work on the farm bill. As NFU policy states, "our spirit of cooperation must continue to grow and not have limits. Our challenge is to take this knowledge and spirit and incorporate it into meaningful policy through legislation on local, state, and national levels."³⁵ By working together, we can ensure that family farmers and ranchers can overcome the challenges presented by faulty regulations, mounting uncertainty, and inflationary pressures.

Thank you for the opportunity to provide this testimony. NFU stands ready to continue to work with the Committee to address these issues and would be happy to answer any questions.

³⁵ National Farmers Union, *Policy of the National Farmers Union*, March 2022. https://nfu.org/wp-content/uploads/2022/03/2022-NFU-Policy-Book_FINAL.pdf.