National Farmers Union

2024 FALL LEGISLATIVE FLY-IN

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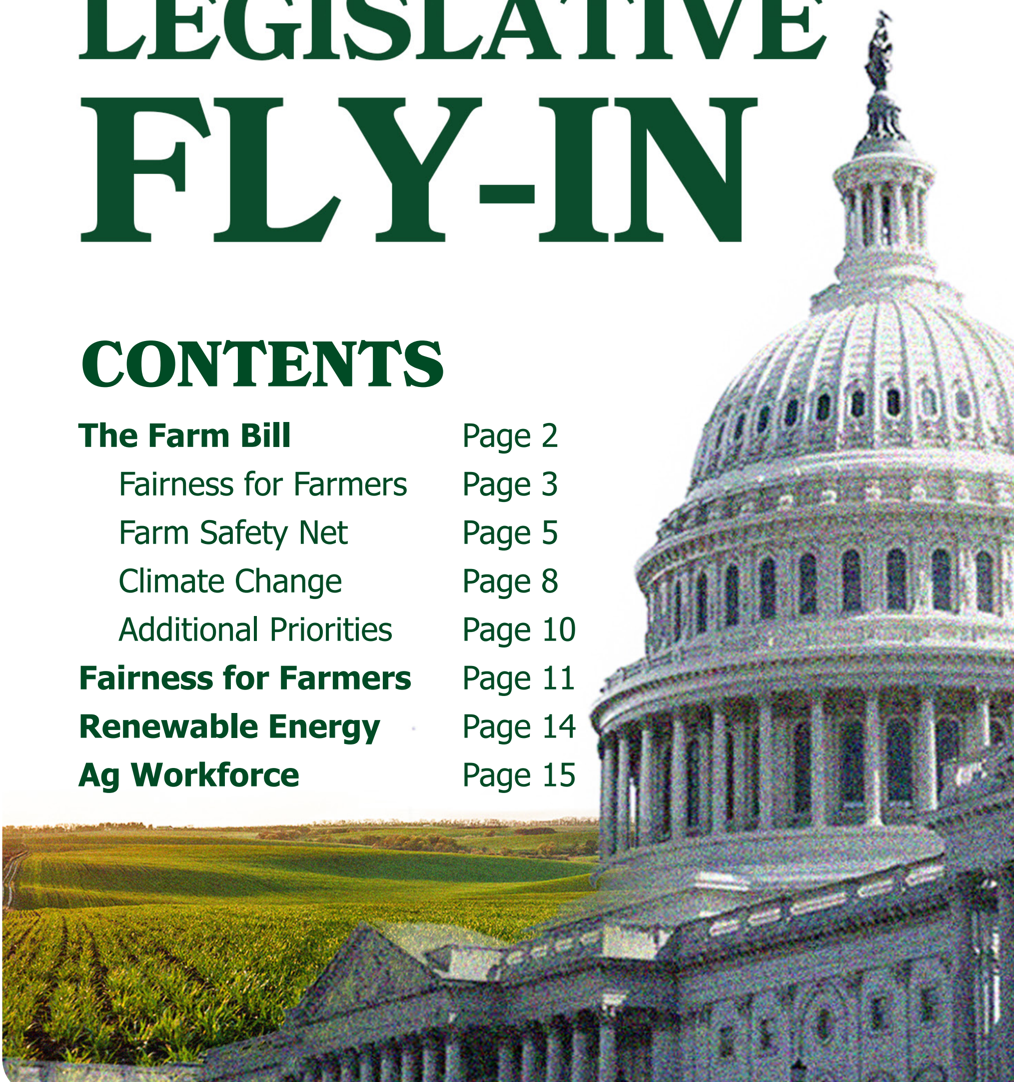

THE FARM BILL

The farm bill serves as the foundation of our federal farm policy, and it is due for important updates. The 2018 Farm Bill expired in September 2023 and is operating under a one-year extension. The 2025 crop year is just around the corner, and family farmers, ranchers, consumers, and our communities need the certainty of a five-year farm bill reauthorization in 2024.

Family farmers and ranchers are facing increasingly burdensome financial pressures, which underscores the urgency of passing a farm bill this year. While volatile commodity prices and input costs are a constant concern for family farmers and ranchers, the safety net established in the 2018 Farm Bill will not be sufficient to help farmers weather rapidly declining crop prices, high interest rates, and natural disasters. The U.S. Department of Agriculture (USDA) projects net farm income to decline by 25 percent in 2024 compared to 2023, reaching levels below the 20-year average. The right time to pass a farm bill is now, and the next farm bill should:

- **Tackle agriculture's monopoly crisis:** Congress should enact policies included in NFU's Fairness for Farmers campaign that will increase access to fair, open, and competitive markets.
- **Strengthen the farm safety net:** Family farmers and ranchers are currently facing increased financial pressures, increasing the urgency of updating the safety net established in the 2018 Farm Bill. Policymakers must draft the next farm bill with tough times in mind, while ensuring benefits are directed to family farmers and ranchers.
- **Address climate change and improve soil health**: Lawmakers should ensure the next farm bill protects the new, historic investments from the Inflation Reduction Act (IRA) to help farmers tackle climate change. The bill should also maintain support for USDA's voluntary, incentive-based approach to conservation and renewable energy programs, while finding new ways to incentivize farmers to increase the resilience of their operations.

The farm bill must also be **adequately funded**, include a **strong nutrition title** that provides food security for our communities, increase resources for farm stress and mental health, and ensure all USDA programs support beginning, veteran, and socially disadvantaged farmers.

ENSURE FAIRNESS FOR FARMERS

A strong farm bill should include a competition title so that family farmers, ranchers, and our communities have access to fair, open, and competitive markets. Through our Fairness for Farmers campaign, NFU is pushing back against monopolies in agriculture, and we have made great progress.

For too long, unchecked mergers in agriculture and throughout our nation's economy have come at the expense of family farmers. We need a food system that is competitive and resilient, not one that is brittle and dominated by just a few multinational corporations. USDA has taken many long-overdue measures over the past several years, but family farmers need more action. Congress should build upon this progress in the farm bill by including a competition title that would:

- **Increase price discovery and transparency in cattle markets** (S. 228/H.R. 1287, *Cattle Price Discovery and Transparency Act*)
- **Require mandatory country-of-origin labeling for beef** (S.52, *American Beef Labeling Act*; H.R. 5081, *Country of Origin Labeling Enforcement Act*)
- **Support local, regional, and value-added market opportunities and livestock processing** (S. 354/H.R. 945, *Strengthening Local Processing Act*; S. 1205/H.R. 2723, *Local Farms and Food Act*)
- **Strengthen Packers and Stockyards Act (P&S Act) enforcement** (S. 346, *Meat and Poultry Special Investigator Act*)

☑ Increase price discovery and transparency in cattle markets

Today's thinly traded cash market for cattle is susceptible to manipulation by packers, which leads to lower prices received by producers. Preserving a robust cash market is essential for price discovery.

The *Cattle Price Discovery and Transparency Act* (S. 228/H.R.1287) would establish regional minimums for cash trades to bolster and protect price discovery in cattle markets. The bill requires better reporting of 14-day slaughter counts, carcass weights, and cutout yield data, which will give producers better insight into the market and more leverage when negotiating. It makes permanent a cattle contract library to disclose more information about the marketing arrangements used in the cattle sector.

Senators Deb Fischer (R-NE), Jon Tester (D-MT), Chuck Grassley (R-IA), and Ron Wyden (D-OR), and Representatives Randy Feenstra (R-IA), Mike Levin (D-CA), and Mariannette Miller-Meeks (R-IA) cosponsored the bill.

☑ Require mandatory COOL for beef

In 2015, Congress repealed Country-of-Origin Labeling (COOL) for beef and USDA began allowing packers to voluntarily affix the "Product of USA" label on foreign beef that was merely packaged in a U.S. processing plant. This practice continues today and is highly deceptive to consumers and harmful to U.S. cattle producers.

To reinstate mandatory COOL for beef, Senators John Thune (R-SD), Jon Tester (D-MT), Mike Rounds (R-SD), and Cory Booker (D-NJ) introduced the *American Beef Labeling Act* (S. 52) and Representative Harriet Hageman (R-WY) introduced the *Country of Origin Labeling Enforcement Act* (H.R. 5081). S. 52 would automatically reinstate mandatory COOL for beef if the U.S. Trade Representative, in consultation with USDA, fails to develop a World Trade Organization-compliant means of reinstatement after one year. H.R. 5081, in addition to reinstating COOL for beef, would raise penalties for violations.

☑ Promote local, regional, and value-added market opportunities and livestock processing

While traditional markets remain valuable for many producers, local, regional, and value-added markets can help farmers capture a larger share of the retail food dollar. We should foster the development of alternative and diverse market opportunities at various scales.

The *Strengthening Local Processing Act* (S. 354/H.R. 945) increases processing options for livestock and poultry producers by creating a competitive grant program for small and very small establishments, state inspected facilities, custom exempt facilities, or new small-scale slaughter facilities. The bill also addresses workforce and cost issues by establishing new meat processing training programs and increasing federal cost share for state facility inspections and Cooperative Interstate Shipment (CIS) facilities. Senators John Thune (R-SD), Sherrod Brown (D-OH), Kevin Cramer (R-ND), Angus King (I-ME), Jeff Merkley (D-OR), Mike Rounds (R-SD), and Tina Smith (D-MN) cosponsored S. 354. Representatives Chellie Pingree (D-ME) and Jim Baird (R-IN) introduced the House version.

The *Local Farms and Food Act* (S. 1205/H.R. 2723) reauthorizes, expands, and simplifies farm bill local food programs, including the Local Agriculture Market Program (LAMP), the Senior Farmers Market Nutrition Program, and the Gus Schumacher Nutrition Incentive Program (GusNIP). Senators Sherrod Brown (D-OH), Tina Smith (D-MN), Peter Welch (D-VT), and John Fetterman (D-PA), and Representatives Chellie Pingree (D-ME) and Dan Newhouse (R-WA) introduced the bill.

☑ Strengthen enforcement of the Packers & Stockyards Act

Livestock markets are highly consolidated, with the four largest companies in each sector controlling more than 80 percent of the market for beef packing, 65 percent of pork processing, and 55 percent of broiler processing. These companies overcharge consumers and rake in massive profits while preventing farmers and ranchers from getting a fair price for their livestock.

The *Meat and Poultry Special Investigator Act* (S. 346) will create the "Office of the Special Investigator for Competition Matters" at USDA, which would investigate and prosecute violations of the P&S Act by meatpackers and poultry integrators. Building upon the progress made by USDA in establishing the position of chief competition officer at the Agricultural Marketing Service, the proposed special investigator would work with other federal agencies to address market fairness issues. Senators Jon Tester (D-MT) and Chuck Grassley (R-IA) are leading this bill.

STRENGTHEN THE FARM SAFETY NET

The farm bill should serve as a safety net for family farm agriculture. Farmers and ranchers are facing increased financial pressures through declining crop prices, high interest rates, and natural disasters. These pressures come on the heels of an extended period of price volatility, a diminished export market due to the trade war with China, and major supply chain disruptions caused by COVID-19.

Farm bills should not only consider current conditions, but also anticipate future needs. While volatile commodity prices and input costs are a constant pressure on family farmers and ranchers, financial conditions are currently worsening. USDA projects net farm income to decline by 25 percent in 2024 compared to 2023, and to reach a level below the 20-year average. Economic projections beyond fall 2024 are also not favorable for family farmers.

Congress must pass a farm bill that is fiscally responsible, mitigates the bill's cost by directing the benefits of safety net improvements to family farms and ranches, and ensures support is more predictable and equitable. Congress can achieve this in the next farm bill by boosting permanent disaster assistance, expanding crop insurance options, allowing for dual enrollment in the Agricultural Risk Coverage (ARC) and Price Loss Coverage (PLC) programs, and stemming the loss of family dairy farms.

☑ Boost permanent disaster assistance

Since 2018, acts of Congress and USDA action created a series of ad hoc production-, price-, and tariff-based disaster programs. These efforts provided tens of billions of dollars in support to farmers and ranchers but are not permanently authorized nor are they included in baseline funding levels for the farm bill.

USDA took steps to combine and streamline the application process and administration for disaster programs, particularly through the Emergency Relief Program (ERP). Implementation of ERP emphasized making payments to as many producers as possible, especially historically underserved farmers and ranchers, but legal challenges impacted the program's effectiveness. A modified ERP framework, however, could serve as a starting point for an expanded suite of permanent disaster programs.

The farm bill should include broader permanent disaster programs to quickly respond to losses due to bad weather or market collapse and mitigate the need for ad hoc disaster assistance at taxpayer expense. These efforts must include eligibility and payment caps to maintain fairness and program integrity, and provisions that incentivize the use of sustainable and climate-smart farming practices and do not undermine crop insurance.

☑ Expand crop insurance options

Crop insurance is a popular and effective method of managing risk in production agriculture. Making the federal crop insurance program more affordable and accessible, especially at higher coverage levels and with greater support for premium costs, can be a way of better protecting family farmers and ranchers against revenue losses. The House Agriculture Committee's farm bill, marked up in May 2024, and the two farm bill frameworks released by Senators Debbie Stabenow (D-MI) and John Boozman (R-AR) all include language to improve crop insurance options.

Whole Farm Revenue Protection (WFRP) is a crop-neutral revenue insurance product designed to protect a farmer's entire operation, including livestock. WFRP intends to provide diversified and diversifying farms an option to insure all their crops and livestock under one policy. These farms may not have access to separate policies for each crop they grow, and a well-functioning WFRP could help. Right now, the program is accessible and available to too few producers. Senators Sherrod Brown (D-OH), Peter Welch (D-VT), John Fetterman (D-PA), Tina Smith (D-MN), Cory Booker (D-NJ), and Raphael Warnock (D-GA) introduced the *Whole Farm Revenue Protection Program Improvement Act* (S. 2598) to ensure that more farms can access crop insurance products that work for their operation. The bill will direct the Federal Crop Insurance Corporation (FCIC) to streamline access to WFRP and close the coverage gap for our country's small to mid-sized, beginning, specialty crop, and diversified producers.

For beginning farmers, legislation like the *Crop Insurance for Future Farmers Act* (S. 2458/H.R. 3904), led by Senators Any Klobuchar (D-MN) and John Thune (R-SD) and Representatives Randy Feenstra (R-IA) and Angie Craig (D-MN), makes crop insurance more affordable for those producers in their first several years of farming.

☑ Allow dual enrollment for ARC and PLC

Commodity crops have access to two vital economic safety nets: ARC and PLC. PLC provides assistance when prices drop below a level set in statute, and ARC triggers if revenues fall below the average level of previous years. Farmers may enroll cropland in only one of these two programs.

Farm program participants should have the option to enroll in both ARC and PLC so that they are protected against losses due to declines in price as well as in revenue. A dual enrollment option would remove much of the uncertainty from the annual program sign-up decision and would provide farmers with the higher-of assistance level for either ARC or PLC.

☑ The Dairy Revitalization Plan and Federal Milk Marketing Order reforms

Dairy farmers have experienced boom and bust price cycles for decades. These volatile cycles are triggered by an imbalance between supply and demand. When milk prices are high, farmers respond by increasing production to meet the demand, and when prices are low, dairy farmers also respond by increasing production to help their bottom line, unintentionally flooding the market and driving prices down further. The wild price swings that result make it difficult to manage a business, and over the last decade, the U.S. has lost an average of five dairy farms a day.

NFU supports passing a farm bill that includes the Dairy Revitalization Plan, a growth management strategy that coordinates milk production growth to stabilize and improve prices for everyone. It would offer a series of incentives and disincentives to better align milk production growth with demand growth. The plan promotes growth in the dairy industry but in a coordinated way among all dairy producers so that all have the potential to reach their desired levels of production and profitability. A recent study found that had the Dairy Revitalization Plan been in place, milk prices would have been higher by an average of $1.41/cwt from 2014 to 2021.

Over the last two years, USDA has pursued a comprehensive process of amending Federal Milk Marketing Orders (FMMO). This administrative initiative is moving slowly, and family dairy producers need quicker results through legislative action. The next farm bill should include language to restore the previous "higher of" formula in the pricing of fluid milk under the FMMOs. The current formula has not performed as intended and cost dairy farmers more than $1 billion in Class I skim milk revenue over the last five years compared to the previous formula.

ADDRESS CLIMATE CHANGE AND SUPPORT SOIL HEALTH

As the wide-ranging effects of climate change mount, voluntary, incentive-based conservation and renewable energy programs in the farm bill are more important than ever. The farm bill's conservation and energy titles provide farmers and ranchers with critical technical and financial assistance to confront the climate crisis and increase stewardship of natural resources, while increasing the productivity and sustainability of farm operations. The IRA provided significant new investments to support climate action through these programs and the next farm bill should protect this vital funding.

☑ Protect the landmark investments in the IRA for conservation and renewable energy

The IRA is the single largest investment in climate action and clean energy development in history. It gave USDA significant new resources to help farmers and rural communities address climate change through voluntary, incentive-based conservation and renewable energy programs.

The IRA made available nearly $20 billion in additional funding for USDA's Natural Resource Conservation Service (NRCS) to address conservation program demand. NRCS invested nearly $3 billion in fiscal year 2023 through more than 45,000 contracts with farmers – a record number in the agency's history. The IRA also provided funding for the existing Renewable Energy for America Program (REAP), while creating two new major renewable energy programs at USDA, including the PACE loan program for rural areas, and the New ERA grant program for rural electric cooperatives.

If the next farm bill incorporates the IRA's remaining resources, Congress should protect and preserve them for their original intended purpose.

☑ Support USDA's voluntary conservation and renewable energy programs

The next farm bill should continue to support financial and technical assistance for farmers and ranchers through USDA's voluntary, incentive-based conservation programs, including the Environment Quality Incentives Program (EQIP), the Conservation Stewardship Program (CSP), the Regional Conservation Partnership Program (RCPP), and the Agricultural Conservation Easement Program (ACEP). These popular programs help farmers steward our natural resources, improve soil health, take on climate change, and enhance production.

Dairy and livestock producers play a unique and important role in voluntarily reducing climate-altering emissions. The *Converting Our Waste Sustainably* (COWS) Act (S. 2479/H.R. 4327) would reduce emissions, improve air and water quality, and improve soil health through a new voluntary Alternative Manure Management Program. Senators Alex Padilla (D-CA) and Sherrod Brown (D-OH) and Representatives Jim Costa (D-CA), Chellie Pingree (D-ME), and David Valadao (R-CA) cosponsored the bill.

The Rural Energy for America Program (REAP) provides grants and guaranteed loans to agricultural producers and rural small businesses purchasing and installing renewable energy systems and making energy efficiency improvements. The *REAP Modernization Act* (S. 2594/H.R. 5051), sponsored by Senators Tina Smith (D-MN) and Ben Ray Lujan (D-NM) and Representatives David Valadao (R-CA) and Abigail Spanberger (D-VA), would increase cost share for REAP grants, streamline the application process, improve outreach, technical assistance, and education, and make greenhouse gas emission reductions a more integral part of the program.

☑ Incentivize farmers to implement practices that increase resilience and decrease risk

Other policies that create incentives to implement practices that increase on-farm resilience and decrease risk of crop loss should complement the existing suite of voluntary, incentive-based conservation programs that rely on a cost-share structure.

Cover crops are critical tools that some farmers employ to slow erosion, promote soil health, improve water availability, suppress weeds and pests, increase biodiversity, and tackle climate change. In some cropping systems, cover crops can increase crop yields and reduce the need for crop insurance claims. The *Conservation Opportunity and Voluntary Environment Resilience Program* (COVER) Act (S. 1690/H.R. 3478) would provide farmers who plant cover crops a crop insurance discount of $5/acre to increase cover crop adoption and reward farmers for implementing this practice, an approach piloted successfully at the state and federal levels. Senator Sherrod Brown (D-OH) and Representatives Sean Casten (D-IL), Elissa Slotkin (D-MI), and Mike Bost (R-IL) introduced the bill.

The next farm bill should also incentivize farmers to voluntarily remove marginal or environmentally sensitive agricultural land from production on an annual basis in exchange for crop insurance protections. The 2018 Farm Bill created the Soil Health and Income Protection Program (SHIPP) pilot program under the Conservation Reserve Program (CRP). The SHIPP pilot could serve as a template for a permanent program in the next farm bill to help farmers implement practices that fight climate change, build soil health, and decrease risk.

ADDITIONAL PRIORITIES

The farm bill is the foundational and preeminent federal farm, food, and rural policy in the United States, so it must be **adequately funded**. The bill covers a vast array of policies and programs, including commodity programs, conservation, trade, nutrition, credit, rural development, research, forestry, energy, horticulture, crop insurance, and more.

The farm bill is also a food bill. Food and farm programs go hand-in-hand and the farm bill must include both. A **strong nutrition title** is key to reducing hunger and poverty and improving food and nutrition security for our communities. A major portion of the nutrition title funds the Supplemental Nutrition Assistance Program (SNAP), once known as food stamps. For decades, SNAP has ensured that families can meet their most basic needs when they face difficult economic circumstances. The farm bill should avoid cuts to critical food and nutrition security programs that help feed hungry Americans.

Farmers Union has long advocated for more resources to help **address farm stress and mental health** in our communities. The Farm and Ranch Stress Assistance Network (FRSAN) is a critical program that connects farmers, ranchers, farmworkers, and their families to stress assistance programs. The *Farmers First Act* (S. 1736/H.R. 6379) reauthorizes and increases funding for FRSAN. Senators Tammy Baldwin (D-WI) and Joni Ernst (R-IA) and Representatives Randy Feenstra (R-IA), Angie Craig (D-MN), Zach Nunn (R-IA), Jim Costa (D-CA), and Mike Bost (R-IL) cosponsored the bill.

Beginning, veteran, and socially disadvantaged farmers and ranchers sometimes face unique barriers to accessing farm bill programs and resources. All farm bill programs should prioritize these producers.

ENSURE FAIRNESS FOR FARMERS

Agriculture faces a monopoly crisis that limits access to fair, open, and competitive markets for family farmers, ranchers, and our communities. NFU's Fairness for Farmers campaign is pushing back against monopolies in agriculture and working to build a food system that is competitive and resilient. In addition to passing a farm bill policymakers should take further action to ensure a fair marketplace for everyone.

☑ Finalize strong P&S Act rules to protect family livestock producers from abuse in the marketplace and increase funding for P&S Act enforcement at USDA

The P&S Act is a pro-competition law meant to protect family livestock producers and consumers from unfair, deceptive, and monopolistic practices in the marketplace. But enforcement of the law has not kept up with changes in the livestock industry, which has seen rampant consolidation, reduced market transparency, and the rise of unfair contract terms for farmers and ranchers.

USDA is writing rules to update the P&S Act to strengthen protections for livestock producers and promote more competition in the livestock industry. USDA recently finalized two rules, proposed two additional rules, and is writing a fifth rule.

Unfortunately, opponents of competitive agricultural markets are attempting to roll back and halt USDA's P&S Act rulemaking effort by inserting a policy "rider" in the annual appropriations bill. NFU has helped defeat these efforts in the past and we need to do it again. The U.S. House of Representatives fiscal year 2025 (FY25) agriculture funding bill contains provisions that would prevent USDA from completing and enforcing the new P&S Act rules. In contrast, the Senate agriculture funding bill allows these rulemakings to proceed and increases funding for USDA to enforce the P&S Act by $1 million. Lawmakers should support the Senate version of this spending bill.

FAIRNESS FOR FARMERS

Status of Packers and Stockyards Act rulemaking (as of September 1, 2024)

1. The ***Inclusive Competition and Market Integrity*** final rule establishes clearer standards for the P&S Act prohibited practices of discrimination, retaliation, and deception by meatpackers and poultry integrators. The rule went into effect on May 6, 2024.

2. The ***Transparency in Poultry Grower Contracting and Tournaments*** final rule establishes additional disclosure requirements for poultry integrators to furnish to contract broiler producers to ensure producers have reasonable access to the information needed to make sound financial and business decisions. The rule went into effect on February 12, 2024.

3. The ***Poultry Grower Payment Systems and Capital Improvement Systems*** proposed rule would reform the deceptive and unfair poultry tournament system for broiler growers by prohibiting practices that reduce or discount payments to growers. The rule requires more transparency from integrators when asking growers to invest in new facilities and equipment. The comment period closed on August 9, 2024.

4. The ***Fair and Competitive Livestock and Poultry Markets*** proposed rule proposes a framework to guide USDA and courts when evaluating "unfair practices" claims under Section 202(a) of the P&S Act. This framework would clarify that farmers do not necessarily need to prove "competitive injury" to the entire market when alleging an unfair practice that causes or is likely to cause injury to one or more market participants. The comment period closes on September 11, 2024.

5. The ***Price Discovery and Transparency in Markets for Fed Cattle*** draft proposed rule was included in USDA's latest regulatory plan. This rule is currently being written and has not yet been released for public comment. This rule would propose amendments to the P&S Act to address problems in fed cattle markets arising from how base prices for live cattle are determined under most long-term contracts.

☑ Fully restore the Merger Filing Fee Modernization Act to provide the DOJ Antitrust Division with the funding needed to enforce antitrust laws

In 2022, Congress passed the *Merger Filing Fee Modernization Act* (MFFMA) with a strong bipartisan majority. The bill was written to correct decades of stagnant funding for federal antitrust enforcement agencies, including the Department of Justice (DOJ) Antitrust Division, by increasing premerger notification filing fees for the largest mergers. This would allow DOJ to retain and use those fees to increase their staffing when merger activity increases. The DOJ Antitrust Division employed approximately 230 fewer staff as of February 2023 compared to 1979, all while corporate consolidation and concentration has grown.

The DOJ Antitrust Division has played a central role in fighting corporate monopolies in agriculture over the past few years. Unfortunately, FY24 appropriations legislation removed the authority included in the MFFMA that allowed the Antitrust Division to retain filing fees. The House, in its FY25 Commerce, Justice, Science (CJS) appropriations bill has also proposed drastic cuts to DOJ Antitrust Division funding. Thankfully, the Senate CJS bill provides an increase in DOJ Antitrust Division funding and reinstates the MFFMA provision to allow DOJ to retain premerger filing fees. Congress should support the Senate version of the CJS appropriations bill.

☑ Guarantee farmers the Right to Repair our own farm equipment and the option to bring our equipment to the mechanic of our choosing

Farmers and ranchers deserve the Right to Repair their own farm equipment, or to do business with the mechanic of their choosing. But farm equipment manufacturers are standing in the way. Modern farm equipment requires software tools to complete certain repairs and manufacturers have withheld full access to those tools, giving farmers no choice but to take equipment to a dealership. This has created a repair monopoly for manufacturers and dealers, reducing competition, inflating service prices, and creating service delays during tight planting and harvest windows.

The solution is Right to Repair legislation that gives farmers and ranchers access, on fair terms, to the tools and information required to make timely farm equipment repairs. Some states have already made progress in the absence of a federal solution. Colorado became the first state to enact a Right to Repair law for agriculture, effective January 2024. But the fight is not over, because farmers across the country deserve the Right to Repair.

We ask members of Congress to cosponsor the *Agricultural Right to Repair Act* (H.R. 5604), introduced by Representatives Marie Gluesenkamp Perez (D-WA), Joe Neguse (D-CO), Elissa Slotkin (D-MI), and Abigail Spanberger (D-VA). NFU also supports the *Fair Repair Act* (S. 4422/H.R. 8544), led by Senators Ben Ray Lujan (D-NM) and Ron Wyden (D-OR) and Reps. Joseph Morelle (D-NY) and Marie Gluesenkamp Perez (D-WA).

SUPPORT AMERICAN-GROWN RENEWABLE ENERGY

The U.S. should continue to promote the growth of clean, value-added, renewable transportation fuels by removing barriers to higher blends of ethanol beyond E10 and supporting advanced biofuels.

Higher blends of ethanol

One pathway to higher-level blends of ethanol is through the *Next Generation Fuels Act* (S. 944/H.R. 2434), which can help boost our nation's liquid fuel supply and require new vehicles to use advanced engines that take advantage of higher-octane fuels. This bill would establish a minimum research octane number (RON) standard of 98 for gasoline, which is higher than the typical octane of 91. This change would decrease greenhouse gas (GHG) emissions through increased fuel efficiency, lower prices at the pump for farmers and consumers, and move us toward using higher-level blends of ethanol like E30.

Another opportunity to move toward higher-level blends is through the *Year-Round E15 Act* (H.R. 8052). The bill would expedite implementation of the Environmental Protection Agency's (EPA) rule to allow year-round E15 sales. Earlier this year, EPA issued a rule to approve the permanent, year-round sale of E15 in eight states, but the approval will not take effect until April 2025. The rule and bill are both a step in the right direction, but policymakers must continue to push forward with even higher-level blends than E15 in the future.

Senators Chuck Grassley (R-IA), Amy Klobuchar (D-MN), Joni Ernst (R-IA), and Tammy Duckworth (D-IL) and Representatives Mariannette Miller-Meeks (R-IA), Nikki Budzinski (D-IL), Darin LaHood (R-IL), and Angie Craig (D-MN) introduced the *Next Generation Fuels Act*. Reps. Zach Nunn (R-IA) and Nikki Budzinski (D-IL) cosponsored the *Year-Round E15 Act*.

Sustainable aviation fuel

Sustainable aviation fuel (SAF) and clean fuel production tax credits have the potential to benefit farmers while lowering carbon emissions, but shortcomings in tax credit design could put the benefits out of reach for many family farmers. The Clean Fuel Production Credit (Section 45Z) has the potential to incentivize the production and use of biofuels that will lower carbon emissions. However, the tax credit does not currently require that feedstocks be grown domestically, which could hurt family farmers and rural communities.

Additionally, the SAF guidance's bundling of climate-smart agriculture practices and cumbersome reporting requirements will exclude many farmers from benefitting from the tax credit. The administration must implement the Section 45Z tax credit with a domestic feedstock requirement, a broader suite of eligible production practices for emissions reductions, and reasonable reporting requirements.

ADDRESS AGRICULTURE WORKFORCE ISSUES

The H-2A temporary agricultural visa program helps farmers secure their workforce, but rising program wage rates are making hiring unaffordable. We support temporarily freezing the program's Adverse Effect Wage Rate (AEWR) while pursuing broader H-2A and agricultural workforce reforms. First established in 1987, the H-2A visa program allows employers to hire temporary or seasonal agricultural workers should they not be able to find and hire U.S. workers. The AEWR is the required minimum hourly wage rate that employers must offer and pay to H-2A workers.

Over the past several years, Congress has made several attempts to reform the H-2A program. Most recently, in March 2021, the House passed the Farm Workforce Modernization Act (FWMA). A variety of H-2A reforms were part of the act, including an adjustment to the AEWR calculation. The bipartisan bill, supported by farmers and farmworker advocates, unfortunately failed to pass the Senate. Over the past two decades, the average AEWR has more than doubled. Although farmers understand the need to increase wages to meet the cost of living, unpredictability and uncertainty in the AEWR calculation has put further strain on farmers who depend on the program. NFU supports congressional action to freeze the AEWR, keeping farmers in business and farmworkers employed until Congress can authorize a more permanent solution.

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