2025 NFU Legislative Fly-in

BACKGROUND MATERIALS

FARM BILL 2.0

Local Food Procurement

Two recent local food purchasing cooperative agreement programs that operated between the spring of 2022 and fall of 2024 were very successful. These programs spurred roughly $400 million in new direct food purchases from farmers, generating $747 million in economic activity in rural communities, while helping schoolchildren and food insecure households access nutritious, locally sourced food.

This year, NFU led the charge to revive, fund, and permanently authorize these programs. NFU developed the ***Strengthening Local Food Security Act* (S. 2338)**, led by Senators Jim Justice (R-WV) and Jack Reed (D-RI); and the ***Local Farmers Feeding our Communities Act* (H.R. 4782)**, led by Representatives Rob Bresnahan Jr. (R-PA), Josh Riley (D-NY), David Valadao (R-CA), Chellie Pingree (D-ME), and several others.

These bills would reestablish the cooperative agreement programs to fund states and tribal governments to procure locally and regionally produced foods, and provide these foods to food banks, pantries, and schools. This approach will help farmers capture a larger share of the retail food dollar, currently averaging just 15.9 cents of every dollar spent on food.

Mandatory Country-of-Origin Labeling

Congress can boost U.S. competition and support our nation's family farmers, ranchers, and cattle producers by passing the ***American Beef Labeling Act* (S. 421)**, bipartisan legislation that would reinstate mandatory country-of-origin labeling (COOL) requirements for beef. The bill, reintroduced earlier this year by Senate Majority Leader John Thune (R-SD) and Senators Cory Booker (D-NJ), Mike Rounds (R-SD), Martin Heinrich (D-NM), Cynthia Lummis (R-WY), John Fetterman (D-PA), and John Hoeven (R-ND), would require the U.S. Trade Representative (USTR), in consultation with the U.S. Department of Agriculture

(USDA), to develop a World Trade Organization-compliant means of reinstating mandatory COOL for beef within one year of enactment.

Originally introduced in the 2002 Farm Bill and implemented in the 2008 Farm Bill, Congress repealed mandatory COOL in 2015, resulting in USDA allowing packers to use voluntary "Product of USA" labeling for foreign beef merely packaged in a U.S. processing facility. This practice is deceptive to consumers and harmful to U.S. cattle producers. That is why Congress should pass S. 421 to reinstate mandatory COOL for beef.

Packers & Stockyards Act Enforcement

Congress should pass the bipartisan ***Meat and Poultry Special Investigator Act*** (**S. 1312 & H.R. 1380**) to establish an office at USDA dedicated to prosecuting violations of the P&S Act. The bill would also increase coordination with the Department of Justice and the Federal Trade Commission to enforce our nation's antitrust laws.

Corporate consolidation in agriculture is at an all-time high, and the livestock sector is especially consolidated and uncompetitive. Just four firms control more than 80 percent of the market for beef and 65 percent of hog processing. While national-level concentration is a bit lower in poultry processing, local and regional concentration levels are very high where it matters the most. The small number of large, consolidated firms in the middle of livestock supply chain wield immense market power, increasing opportunities for abuse, as evidenced by several hundred millions of dollars in settlements from price fixing cases in the beef, pork, and poultry sectors in recent years. Creating a special investigator office at USDA would help deter abuse and take on problems in the marketplace when they arise.

The bill is led by Senators Ron Wyden (D-OR), Mike Rounds (R-SD), Peter Welch (D-VT), Chuck Grassley (R-IA), and six additional Senators; the House version is led by Josh Gottheimer (D-NJ).

Farm Stress

Farmers Union has long advocated for resources to help farmers manage stressful times on the farm. There are many persistent drivers of farm stress, including high financial risk, volatile markets, unpredictable weather, and heavy debt loads. These stressors are further exacerbated by the economic crisis in farm country.

Tackling corporate consolidation and strengthening the farm safety net will help address the root causes of farm stress, but there nevertheless is a strong need for resources dedicated to helping farmers manage the effects of current stressors.

NFU supports the Farm and Ranch Stress Assistance Network (FRSAN), which connects farmers, ranchers, and their families to stress assistance programs. As more than 60% of rural residents live in areas with mental health professional shortages, FRSAN is an essential program in communities where the need is great, and resources are limited.

The ***Farmers First Act* (S. 2282 & H.R. 4400)** reauthorizes and increases funding for FRSAN to expand access to mental health services in our farming and rural communities. The bill is led by Senators Tammy Baldwin (D-WI) and Joni Ernst (R-IA) and Representatives Randy Feenstra (R-IA) and Angie Craig (D-MN).

Dual Enrollment in ARC/PLC

Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) are vital programs for commodity producers, but they provide different types of protection. Farmers have typically only been permitted to enroll in one of these two programs each year, forcing farmers to guess what kind of support they will need before the season starts – a choice they should not have to make.

In an important first step, the recently passed reconciliation bill aids eligible farmers based on whichever program – ARC or PLC – provides the most assistance. For the first time, eligible producers will automatically receive payment if either program triggers or receive the higher of the two if both programs trigger. However, this change is only for the 2025 crop year, and payments for ARC and PLC typically take more than a year to be sent to farmers. Congress should make this change permanent.

Improving Soil Health and Crop Prices

As farmers, we often face wild swings in the prices we can receive for the major row crops we grow; we face the same challenges in the costs of inputs. We need more tools to help us manage these price swings, while being rewarded for making choices that improve the health of our soils, and, in turn, the environment.

Congress should institute a voluntary soil health and markets program at USDA that rewards farmers when we remove relatively marginal crop acres from production and into soil conserving practices on an annual basis. This tool would allow us to make our planting choices based on market signals, while helping our nation achieve two very important goals: ensuring an adequate supply of commodity crops, while maximizing opportunities to build the health of our soils.

Faster and More Reliable Disaster Assistance

Family farmers and ranchers need a safety net that provides fast, reliable support when farmers face losses from natural disasters, without waiting for Congress or USDA to act. Congress and USDA have created a series of disaster programs in recent years. These efforts provided important and necessary assistance, but they are not permanently authorized in the farm bill. Congress should expand permanent disaster assistance programs to quickly respond to losses and reduce the need for ad hoc support.

In recent weeks, lawmakers and commodity organization leaders have spoken up about the need for “bridge payments,” or another round of economic assistance to help farmers through the rest of 2025. Given the worsening farm economy, this aid would help the financial viability of many farms. Family farmers would be best served, however, by having a robust permanent disaster program that is ready and able to roll out quickly. This should be a priority in a Farm Bill 2.0.

Guaranteeing the Right to Repair

Modern farm equipment requires software tools to complete certain repairs. Manufacturers have withheld full access to those tools, giving farmers no choice but to take equipment to a dealership. Equipment manufacturers already wield immense market power; just three equipment manufacturers account for 95 percent of large tractor sales in the United States. These same manufacturers have created a repair monopoly for themselves and their dealers, reducing competition, inflating service prices, and creating service delays during tight planting and harvest windows. Congress should fix this by enacting agricultural Right to Repair legislation.

Research based on a survey conducted by NFU estimates that tractor downtime and increased costs from labor due to repair restrictions may be costing U.S. farmers $4.2 billion per year. A trend of dealership consolidation is also exacerbating the problems farmers face accessing repair. It is time to give farmers back the right to repair their farm equipment by enacting a federal agricultural Right to Repair guarantee.

AGRICULTURAL WORKFORCE

The "Adverse Effect Wage Rate," (AEWR), the required wage rate used for the H-2A Temporary Guestworker Visa Program, has become increasingly unaffordable for farmers and agricultural employers who use the program. Since 2005, the AEWR has more than doubled, reaching $18.12 an hour in 2025, a more than 3% increase year over year. Many states have also seen drastic AEWR increases, often far beyond 10%.

NFU has long supported the ***Farm Workforce Modernization Act*** (**H.R. 3227**) to secure a reformed and updated U.S. agricultural workforce that benefits both farmers and H-2A workers. Modernizing the H-2A program requires reforming the AEWR methodology to ensure it is affordable and predictable for farmers. The Farm Labor Survey (FLS), the mechanism used by USDA's National Agricultural Statistics Survey (NASS) to set the AEWR each year, is currently outdated and misused. Originally intended to protect domestic employment wage rates, today's yearly FLS results in higher H-2A wages compared to domestic wage rates. Unpredictable midseason wage adjustments and distorted yearly wage rate increases also make H-2A unaffordable and unreliable.

USDA's recent August 2025 notice on their intent to discontinue the use of the FLS is a step in the right direction. We look forward to working with the administration to update the AEWR methodology and with Congress to pass agricultural workforce reform legislation.

TRADE

Family farmers and ranchers depend on export markets and strong relationships with our trading partners to drive demand for products. Entering harvest season, farmers must confront difficult decisions for next year based on the potential impact of losing the biggest export market for many of their crops. We need congressional oversight of tariffs and trade policy to ensure measures are thoughtful and positively impact the agriculture economy. If enacted, legislation like the ***Trade Review Act of 2025*** (**S. 1272** & **H.R. 2665**) would reassert Congress' authority to review and approve any new tariffs imposed by the president.

Family farmers and ranchers always bear the brunt of a trade war. Tariffs force our long-time trading partners, developed after years of market expansion efforts funded by both taxpayers and farmers themselves, to retaliate with tariffs on American agricultural goods and thus turn to other countries for cheaper agricultural products. As we saw during the trade war with China in 2018 and 2019, once lost, these markets do not return.

China alone spent $24.65 billion on U.S. agricultural products just last year and since the 2018-19 trade war other countries like Brazil have increased their sales to China—a permanent loss for American farmers. Now with China raising its retaliatory tariffs on all American products to a staggering 125%, all American agricultural goods will be significantly more expensive in China.

BIOFUELS

NFU is a longtime supporter of higher-level blends of ethanol and increased usage of advanced biofuels like biodiesel and renewable diesel. Increased usage of biofuels benefits consumers through lower prices at the pump, environmental and health benefits and benefits to farmers and rural America.

NFU continues to urge EPA to increase volumes of renewable fuels through increased volumes in the renewable fuel standard. EPA is going through a rulemaking process for years 2026 and 2027.

Additionally, we support a move to higher level blends of ethanol like E-30. The administration supports efforts to make permanent the year-round availability of lower-cost, lower-carbon E-15 fuel nationwide and has issued a series of waivers so retailers can sell E-15 year-round. The next step is ensuring Congress passes legislation to allow for the year-round usage of E-15 as a bridge on our way to E-30.

USDA: THE PEOPLE'S DEPARTMENT

USDA must be well-funded and fully staffed to serve the needs of family farmers, ranchers, and our communities. NFU policy acknowledges that "some federal programs and policies are in need of review and reform," while also stating that "efficiency and program performance should be improved through a thoughtful and measured approach."

In 2025, USDA has already lost nearly 20 percent of its staff capacity. More than 18,000 USDA employees have left this year, of which a few more than 15,000 departed through the "Deferred Resignation Program" (DRP) created by the Department of Government Efficiency (DOGE). USDA is also pursuing a major departmental reorganization, which is likely to lead to additional staff attrition because of required staff relocations in the plan. When USDA relocated its Economic Research Service (ERS) and National Institute for Food and Agriculture (NIFA) to Kansas City, MO, in 2019, approximately 75 percent of staff for those agencies did not accept relocation and left their jobs.

Funding adequacy is also a concern. In addition to several USDA funding delays, freezes, or cancellations for fiscal year 2025, the administration is proposing to cut nearly $7 billion from USDA's budget in fiscal year 2026.