



FAMILY FARMING AND ISSUES FACING THE LIVESTOCK AND DAIRY INDUSTRIES 2021 SPECIAL ORDER OF BUSINESS

While National Farmers Union (NFU) has long advocated increased scrutiny of consolidation in the livestock and dairy industry, the events of the continuing COVID-19 crisis brought the issue into even sharper relief.

NFU continues to call for establishment of provisions that ensure fairness, transparency, and protection for producers to restore and enhance competition in agricultural markets.

The COVID-19 crisis has elevated and combined multiple longstanding issues to a national crisis and has shown the fragility of our highly consolidated food processing system. In the last year, family farmers and ranchers have endured historic price spreads between live animal and meat prices as well as between farmer pay and the consumer price of dairy and other commodities. There have been severe bottlenecks in livestock and dairy supply chains, which are due in part to closures of processing and distribution facilities where mistreatment and endangerment of workers resulted in the spread of COVID-19.

NFU believes that these issues are ultimately rooted in concerning levels of consolidation by the concentrated market power of a few multi-national corporations.

NFU supports:

- The reinstatement and adequate funding of the Grain Inspection, Packers, and Stockyards Administration to promote competitive trading practices;
- Full enforcement of the Packers and Stockyards Act with special focus on the monopolistic control and manipulation of prices within the livestock industry;
- Increased federal share of funding for states participating in the Cooperative Interstate Shipment and Meat and Poultry Inspection programs to incentivize participation;
- Increased focus on aiding in expansion of smaller local and regional processors, including but not limited to: use of federal cost-share programs to assist local and regional meat processing facilities, particularly cooperative enterprises, to attain federal inspection or increase capacity; additional resources to supply training to increase numbers of skilled meat cutters; and increased numbers of U.S. Department of Agriculture (USDA) inspectors;
- Interstate shipment of state-inspected meat in compliance with federal standards;

- Minimum weekly cash/spot market cattle purchases by larger packers;
- Federal legislation that would mandate a minimum of 50 percent of cattle procurement by large packers or processors to come via the spot market, and that delivery of said procurement shall be within 14 days of the agreement;
- Improved transparency in the reporting of livestock prices and markets by USDA and marketing channels;
- Reauthorization and full implementation of mandatory Country-of-Origin Labelling by Congress and the USDA;
- The USDA, in cooperation with the Department of Justice, breaking up monopolies in the beef, pork, poultry, sheep, and dairy sectors;
- The use of trade policy to limit the importation of animal products;
- Improved workplace safety standards to protect the people we depend upon to process our agricultural products;
- A review and possible reform of livestock and dairy checkoff programs at federal and state level;
- A mandatory dairy program for managed growth based on market demand and price stability, which would increase farmer profitability by elevating milk prices, preventing overproduction, and reducing milk price volatility;
- Congress developing a comprehensive program to allow dairy producers across the nation to receive a profitable return on their investment, including an adjustable base make allowance that reflects the difference between milk prices and the producer's cost of production. A Federal Milk Marketing Order system that includes all areas within the continental United States should emphasize maximum return to producers;
- Legislation to correct the Class I pricing formula so that it more accurately reflects the retail value of Class I dairy products;
- Strengthened risk management and livestock indemnity programs to help farmers and ranchers affected by extreme weather; and
- The finalization of the Origin of Livestock Rule to ensure a level playing field for U.S. organic dairy farmers regarding how cows are transitioned to certified organic production.