

THE STATE OF THE LIVESTOCK INDUSTRY: PRODUCER PERSPECTIVES

HEARING BEFORE THE SUBCOMMITTEE ON LIVESTOCK, DAIRY, AND POULTRY OF THE COMMITTEE ON AGRICULTURE HOUSE OF REPRESENTATIVES ONE HUNDRED NINETEENTH CONGRESS

FIRST SESSION

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TUESDAY, MARCH 4, 2025

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON LIVESTOCK, DAIRY, AND POULTRY,
COMMITTEE ON AGRICULTURE,
Washington, D.C.

The Subcommittee met, pursuant to call, at 10:02 a.m., in Room 1300 of the Longworth House Office Building, Hon. Tracey Mann [Chairman of the Subcommittee] presiding.

Members present: Representatives Mann, Bacon, Baird, Feenstra, Miller, Finstad, Messmer, Harris, Thompson (*ex officio*), Nunn, Costa, Hayes, Davis, Gray, Riley, Craig (*ex officio*), and Vasquez.

Staff present: Justin Benavidez, Timothy Fitzgerald, Benjamin Goldey, Justina Graff, John Hendrix, Patricia Straughn, John Konya, Faye Thomas, Britton Burdick, Suzie Cavalier, Daniel Feingold, Kate Fink, Michael Stein, and Jackson Blodgett.

OPENING STATEMENT OF HON. TRACEY MANN, A REPRESENTATIVE IN CONGRESS FROM KANSAS

The CHAIRMAN. The hearing will come to order. Please rise and join me for a quick prayer and the Pledge of Allegiance. Please stand.

Lord, thank you that we all get to live in the greatest country in the history of the world. Thank you for all of our ag producers all over the country that are doing what they do best, which is to feed, fuel, and clothe not just this country, but the rest of the world as well. We pray for wisdom and discernment for this Committee, and we pray for this hearing we are about to have. In Jesus' name, Amen.

Please join me for the Pledge.

Welcome, and thank you for joining us for this morning's hearing entitled, *The State of the Livestock Industry: Producer Perspectives*. After brief opening remarks, Members will receive testimony from our witnesses today, and then the hearing will be open for questions. In consultation with the Ranking Member and pursuant to Rule XI(e), I want to make Members of the Subcommittee aware that other Members of the full Committee will also be able to join us today.

I recognize myself for an opening statement.

It is an honor to chair this hearing of the House Agriculture Committee's Subcommittee on Livestock, Dairy, and Poultry in the 119th Congress. As a fifth generation Kansan having grown up on

my family farm, I rode pens and doctored thousands of sick cattle at our preconditioning feedyard. I understand the grit, tenacity, and courage that it takes to make a living in agriculture, and the burden of responsibility for feeding the world that comes along with it.

As we get started this morning, I want to recognize Scott Foot with Foot Cattle Company, who is in the audience with us, along with his daughter, Molly Foot. His family feeds cattle throughout the State of Kansas. He is my guest at tonight's State of the Union, and I appreciate him joining us this morning.

Chairing this Subcommittee for the second Congress in a row is a unique honor for me as I represent the Big First, where producers sell \$10 billion worth of livestock, dairy, poultry, and products like beef, milk, and eggs every year.

That does not happen in a vacuum. It takes the entire animal agriculture chain to make that happen, and we see it all in the Big First District of Kansas. From the producer to the feedlot and from the harvest facility to the distributor, every role is important in delivering protein to the market and to the consumer.

During the 118th Congress, Members of this Committee traveled the country to visit with farmers, ranchers, and agricultural producers about the need for a 5 year farm bill that is long enough to provide certainty and short enough to respond to market changes. Chairman Thompson and I hosted more than 150 Kansans at a listening session in the middle of a wheat field near Gypsum, Kansas, and I suspect that many of the issues raised there will also be raised again today.

I was pleased to see those issues directly addressed in the Farm, Food, and National Security Act of 2024 (H.R. 8467), which passed on a bipartisan basis out of this Committee last year. That legislation would have maintained American food independence, invested tax dollars where we would see a return on those dollars, protected crop insurance, promoted trade programs that helped America remain competitive and secure, conducted rigorous oversight of the executive branch, promoted animal health, invested in agricultural research in America's land-grant universities, and much more. As the Chairman of this Subcommittee on Livestock, Dairy, and Poultry, I was proud of that legislation. And as a Kansan, I was proud, too. I am eager to hear from you all today about what is working, what should be considered, where additional investment may be required, and where the Federal Government needs to get out of your way. As time has taught us, even if well intended, more legislation and regulation is almost never the answer.

The past 4 years under the Biden Administration were a perfect example of what can happen when the government gets in the way. Whether it was its proposed *Salmonella* Framework that would have increased costs for producers and consumers with no real impact on public health; its botched response to the Highly-Pathogenic Avian Influenza; or its water regulations which would have put several processing facilities out of business, we must learn from these mistakes and not hamstring America's farmers, ranchers, and our ag producers.

As we work to craft the next farm bill, we look forward to today's conversation and to continuing our work together in the 119th Congress.

[The prepared statement of Mr. Mann follows:]

PREPARED STATEMENT OF HON. TRACEY MANN, A REPRESENTATIVE IN CONGRESS
FROM KANSAS

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As we work to craft the next farm bill, we look forward to today's conversation and to continuing our work together in the 119th Congress.

The CHAIRMAN. With that, I would now like to welcome the distinguished Ranking Member, the gentleman from California, Mr. Costa, for any opening remarks that he would like to give.

OPENING STATEMENT OF HON. JIM COSTA, A
REPRESENTATIVE IN CONGRESS FROM CALIFORNIA

Mr. COSTA. Thank you very much, Chairman Mann, and Members of our Subcommittee for this important, timely hearing. It is important that we have people who are where the rubber meets the road, so to speak, talk to us about the state of the livestock industry throughout the country, and the regional impacts that we are all feeling with the challenges that we have had in the last several years, especially with the high-path avian flu and the poultry in-

dustry and the dairy industry, and how we have tried to address that.

So, it is important that we have that conversation here today, but let me also say that this follows on the backdrop of the President's announcement of tariffs pending with regards to Canada, Mexico, and China being implemented today. And for those of you who I have served with, have the privilege to serve with over the years, what I say is not new. I have never been a fan of tariffs, regardless if it is a Democratic or Republican Administration. I just think that there are taxes on American consumers. They are taxes on producers, and everyone has leverage in that game. And by the way, I remember being a part of the effort to rebrand NAFTA, NAFTA 2, or the United States-Mexico-Canada Accord, which was at the time when I voted for it and supported it on a bipartisan fashion, heard that it was the greatest, best trade deal ever known to mankind. And my gosh, if that were the case, I am wondering why on that backdrop we are putting tariffs on two of our biggest trading partners, Canada and Mexico. By the way, it is subject for review next year.

They not only are our top trading partners, but I am looking forward to hearing witnesses comment about their view, because our fragile food supply chain, as I have always said as a third-generation farmer in California, started off in the dairy business, my family did. I know how to milk cows and a few other things. Our witnesses by the impact that we have seen that food, as I always say in every committee hearing, is a national security issue. It is. Majority of Americans don't necessarily think about it because they go to the grocery store and all the food in the world is there, and their favorite fast food or restaurants. But is a national security issue, and international security issue, as we have seen Russia weaponize grain in this Ukraine war after their attack.

So, today we are going to hear from producers on how fragile our food supply is. We cannot take it for granted. We had experiences—all of us did—during the COVID-19 pandemic that demonstrated how fragile our food supply system is, and how emergencies like the Highly-Pathogenic Avian Flu can impact industries across the nation, especially our poultry and dairy industries.

As I reflect today, I would be remiss not to mention the continued challenges faced by producers in my district, as they have concerns about terminations of critical civil service staff within the United States Department of Agriculture's Agricultural Research Service, Natural Resources Conservation Services, the Animal and Plant Health Inspection Service, APHIS, and much more. This includes firings of people who were working on avian flu response, trying to help producers recover while dealing with preventing the next pandemic. This Administration now is trying to figure out how to hire those workers back. I think that is evidence that even they know that it was misguided and poorly timed.

This continues to be a great concern in my district and constituents. Let me give you some other examples quickly, and I will allow our witnesses to tell us what they want us to know.

We had delays in payments from the Emergency Livestock Program, helping producers impacted by the high-path avian flu. In California, only one percent of our dairies have received their pay-

ments in California. That is not right. Delays in payments for conservation services, leaving farmers to question whether or not they want to move forward with key projects to help sustain themselves, and EQIP programs and the like. Delays in key research that requires 24/7, such as those at USDA Agricultural Research Services, these are things that I am hearing from my constituents here, and you couple that with the issue of the potential impact of tariffs, and mass deportation, and I can tell you in farm country in California, folks are concerned.

The testimonies today that we are looking forward to hearing will talk about investing in the next generation's workforce. It is critical that we retain the talented people in the United States Department of Agriculture to ensure resilience and security of our food supply chain.

I would like to submit for the record concerns that I have heard from my district, Mr. Chairman, about the delays in this funding, if that will be accepted.

The CHAIRMAN. Without objection.

Mr. COSTA. Without objection, thank you.

California continues to be, as you know, the largest ag producing state in the nation, \$58 billion last year at the farmgate with over 300 commodities. I have the honor and privilege, along with my other colleagues in the valley, to represent parts of Fresno, Tulare County, two of the top ag producing counties in the state, and in the nation. We are proud of that fact, like you are proud, Mr. Chairman, of your production in your home district as well.

And so, trade will continue to play a role in this Congress, and I look forward to working with my colleagues in a bipartisan, comprehensive effort on trade agreements and getting a bipartisan farm bill, as you stated on the outset, and we need to get that work done here this year.

I will look forward to hearing the testimony. Thank you very much.

The CHAIRMAN. Thank you, Ranking Member.

Next, I will recognize Chairman Thompson, my good friend from Pennsylvania, for any opening comments that he would like to make.

**OPENING STATEMENT OF HON. GLENN THOMPSON, A
REPRESENTATIVE IN CONGRESS FROM PENNSYLVANIA**

Mr. THOMPSON. Well, Mr. Chairman, thank you very much. Good morning, everybody, and thank you to Chairman Mann and Ranking Member Costa for convening the first hearing of the Subcommittee on Livestock, Dairy, and Poultry in the 119th Congress. And more importantly, thank you to our witnesses who have taken time out of your busy schedules to appear before us today. I look forward to hearing from each of you.

The timing of this hearing is critical. Our producers are dealing with a historic high-pathogenic avian influenza outbreak; harmful state mandates like Proposition 12; and difficult market conditions, along with a slew of other issues. This hearing today is a great opportunity for us to learn from the experts in front of us about the best way to combat these problems. Over the last 3 years, I have had the privilege to travel with many of my colleagues, actually,

to more than 40 states and one Territory to learn about farmers and ranchers' top concerns. Given the size and diversity of the livestock industry, we need a full picture of on-the-ground conditions and an honest assessment of what is and isn't working to ensure we appropriately arm producers with the tools they need for success in the coming years.

I am proud of the Farm, Food, and National Security Act of 2024 that we passed out of Committee on a bipartisan basis last year. We increased funding for the three-legged stool, included language on negotiating animal disease regionalization agreements, improved investment opportunities for livestock auction owners, doubled funding for MAP and FMD programs, and provided a fix for Proposition 12, just to name a few. Unfortunately, for numerous reasons outside of my control, we weren't able to get that bill across the finish line, and America's producers are the ones paying the prices.

We cannot let this year be a repeat of the last. I look forward to hearing from you all today about the issues you are facing and the provisions you would like to see included in a new farm bill.

I appreciate the partnership of Chairman Mann and Ranking Member Costa, and of course Ranking Member Craig, as we continue to explore potential solutions to the issues that will surely be highlighted in today's discussion.

Once again, thank you all for being here to testify, and Mr. Chairman, I yield back.

[The prepared statement of Mr. Thompson follows:]

PREPARED STATEMENT OF HON. GLENN THOMPSON, A REPRESENTATIVE IN CONGRESS
FROM PENNSYLVANIA

Good morning, and thank you to Chairman Mann and Ranking Member Costa for convening the first hearing of the Subcommittee on Livestock, Dairy, and Poultry in the 119th Congress. And more importantly, thank you to our witnesses who have taken time out of your busy schedules to appear before us today—I look forward to hearing from each of you.

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I appreciate the partnership of Chairman Mann and Ranking Member Costa—and of course Ranking Member Craig—as we continue to explore potential solutions to the issues that will surely be highlighted in today's discussion.

Thank you, and I yield back.

The CHAIRMAN. Thank you, Chairman Thompson.

Next, I will recognize Ranking Member Craig for any opening comments she would like to make.

**OPENING STATEMENT OF HON. ANGIE CRAIG, A
REPRESENTATIVE IN CONGRESS FROM MINNESOTA**

Ms. CRAIG. Good morning, and thank you so much, Mr. Chairman. Thank you to Ranking Member Costa for convening this hearing, and most importantly, as Chairman Thompson said, thank you so much to the witnesses.

As spring approaches, I know this is a very busy season for all of you, and I appreciate you coming to Washington, particularly during such a critical time to give us an update.

I am concerned about the state of the industry. We have animal disease outbreaks, high input costs, a holdup of USDA cost-share payments, and a destabilized trade environment. None of these things provide certainty for producers, or make life more affordable for American families.

Some of this uncertainty could be reduced by a bipartisan farm bill, one that strengthens our animal disease preparedness by investing in the research and infrastructure needed to effectively combat animal disease outbreaks. We talked about the many reasons we need a bipartisan farm bill last month in our full Committee hearing, so I won't belabor the point. But I hope that we can navigate through partisan reconciliation bill to achieve a bipartisan farm bill this year. Producers need it.

The livestock and poultry industry faces some very serious issues with avian influenza. While I appreciate USDA has given some thought to a new plan to fight the spread in poultry, questions remain. How will it impact trade? Does USDA have the staff to implement this strategy? I am looking forward to hearing from our panelists today about how USDA's approach to high-path will impact their operations, as well as their suggestions for how Congress can work with the Trump Administration to better combat this disease.

Finally, farmers are worried that trade fights and continued consolidation will hurt their bottom line. The last time this Administration started a similar trade war, it cost U.S. farmers nearly \$30 billion, around \$1 billion of which was in part due to China launching retaliatory tariffs on U.S. pork, and we know that those producers were not made whole.

At a time where family farms across this country are disappearing, policy makers should be focused on facilitating access to reliable markets and making the food you produce more affordable for hardworking American families. The tariffs on our largest trading partners that went into effect today are going to be devastating to this industry and to family paychecks across our nation.

Thank you again for being here, and to the Livestock, Dairy, and Poultry Subcommittee for hosting this hearing. And with that, Mr. Chairman, I yield back.

[The prepared statement of Ms. Craig follows:]

PREPARED STATEMENT OF HON. ANGIE CRAIG, A REPRESENTATIVE IN CONGRESS FROM MINNESOTA

Good morning. I want to thank Chairman Mann and Ranking Member Costa for convening this hearing. I also want to thank the witnesses for being here. As spring approaches, I know this is a busy season for you, and I appreciate you coming to Washington during such a critical time to update us.

I am concerned about the state of the industry. We have animal disease outbreaks, high input costs, a hold up of USDA cost-share payments and a destabilized trade environment. None of these things provide certainty for producers or make life more affordable for American families.

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Thank you again for being here and to the Livestock, Dairy, and Poultry Subcommittee for hosting this hearing. I yield back.

The CHAIRMAN. The chair would request that other Members submit their opening statements for the record so the witnesses may begin their testimony to ensure that there is ample time for questions.

To introduce our first witness today, I am pleased to yield to the full Committee's Ranking Member, Ms. Craig.

Ms. CRAIG. Well, thank you so much, Mr. Chairman. It is indeed my honor to introduce my friend and my constituent, Mr. John Zimmerman, who comes from the top turkey producing state in the country—let me just repeat that for my friends from Wisconsin—the top turkey producing state in the country, my State of Minnesota. He just finished a term as the Chairman of the National Turkey Federation, and prior to that, he was the President of Minnesota Turkey Growers. Finally, he is a member of my Farmer Advisory Council back home in Minnesota. As a second-generation Minnesota turkey farmer, raising about 100,000 turkeys every year, John is a veteran of the industry. I look forward to hearing your testimony and continuing to work together.

And with that, Mr. Chairman, I yield back and welcome Mr. Zimmerman.

The CHAIRMAN. Thank you.

To introduce our second witness today, I am pleased to yield to our colleague, the gentleman from Minnesota, Mr. Finstad.

Mr. FINSTAD. Thank you, Mr. Chairman.

Minnesota's First Congressional District is a pork powerhouse district. We have some counties that have more pigs than people, and with that, it is an honor to introduce my friend, Lori Stevermer, who is the President of the National Pork Producers Council. Lori and her husband, Dale, raise pigs and crops near Easton, Minnesota, and have three adult children: Brett and his wife, Tressa, Adam, and Beth. Moreover, Lori is the customer success manager for All Tech's U.S. pork business, having spent her time in sales and marketing in the animal nutrition business for over 30 years. Her previous experience includes 9 years on the executive board of the Minnesota Pork Producers Association, including 2 years as President, and a member of various state and national committees. Lori represents the best of southern Minnesota, and is a tremendous advocate for the swine industry at the local, state, and national levels, and we thank her for being here today.

Thank you, Mr. Chairman. I yield back.

The CHAIRMAN. I will now yield to our Subcommittee's Ranking Member, Mr. Costa, to introduce two of our witnesses.

Mr. COSTA. Thank you again, Mr. Chairman, and it is my honor and privilege to introduce Mike West, who up until the reapportionment in 2020 was a constituent of mine, but still a neighbor and a friend from Elmar, California. He is Chairman of the United Egg Producers and President of J.S. West and Company, Inc. Their headquarters is in Modesto, but they have been a large part of California's agricultural incredible diversity and productivity. It is a family-owned business, over 100 years as Mike will proudly tell you that they have been a producer of eggs and other products, and they certainly know what they are doing. And he and I had a conversation a week or so ago about the challenges they have been facing with the avian flu, and he has got some very good information that he wants to share with us. So, I am looking forward to his testimony.

And following that, I also have the privilege to thank Walter Schweitzer for joining us as well. You are a third generation Montana farmer, as I understand it, who raises registered black Angus cattle, hay and grain, and consults on national agricultural trade, and currently serves as the Montana Farmers Union President, and we are very pleased that you are here to give us an idea of the challenges you are facing in Montana, and we look forward to your testimony.

The CHAIRMAN. Thank you.

I will now yield to the gentleman from Indiana, Mr. Baird, to introduce our next witness.

Mr. BAIRD. Thank you, Mr. Chairman, and I am pleased to introduce a fellow Hoosier in Mr. Larry Hopkins, who currently serves as the Region III Director on the Executive Board of the American Sheep Industry Association, and that covers Indiana, Illinois, Michigan, Minnesota, Ohio, and Wisconsin. But most importantly, he is a graduate of Purdue University.

In addition to his board seat, he is an ASI Chair of the Legislative Actions Council. Larry and his family own and operate a purebred sheep and wool operation called Little Eagle Valley Farm in Westfield, Indiana. He is also a partner in the family dairy farm, which is managed by his brother. Larry has held multiple positions

with the Indiana Sheep Association and the Indiana Farm Bureau, and he received the Shepherd of the Year award, and has served on the Indiana Sheep and Wool Council, which oversees the state check-off program.

So, Larry, thank you for your dedication to the sheep industry, and we are excited to have you here today to testify.

With that, Mr. Chairman, I yield back.

The CHAIRMAN. Thank you, and last, but certainly not least, Mr. Troy Sander. I get the pleasure of introducing the past Chairman of the Live Cattle Marketing Committee for the National Cattlemen's Beef Association. Troy also serves as the Chief Operating Officer for Heritage Beef, a cattle feeding operation based in southwest Kansas, and its affiliated feedyard, Neosha Valley Feeders, located in Parsons, Kansas, right in the heart of the Big First District.

Troy has decades of experience in all aspects of the cattle feeding industry, including procurement, marketing strategies, financial and risk management, and regulatory oversight. Growing up, he worked alongside his father in Kansas feedyards and helped operate their custom farming and harvesting business. He has held several roles with NCBA and served in positions for the Chicago Mercantile Exchange, CFTC, and Kansas Livestock Association.

Troy and his wife have been married for more than 30 years, and are proud parents of four sons and seven grandchildren.

Troy, thank you for being here today to share your expertise. We look forward to hearing from you.

Thank you to all of the witnesses for joining us today. We will now proceed with your testimony. You will each have 5 minutes. The timer in front of you will count down to 0, at which point your time has expired and I will make a subtle little tap with the gavel.

So, first off we have Mr. Zimmerman. Please begin when you are ready.

STATEMENT OF JOHN ZIMMERMAN, IMMEDIATE PAST CHAIRMAN, NATIONAL TURKEY FEDERATION, NORTHFIELD, MN

Mr. ZIMMERMAN. Good morning, Chairman Mann, Ranking Member Costa, and Members of the Subcommittee. Thank you for the opportunity to share the turkey industry's perspective today.

This morning, I would like to highlight the animal disease portion of the written testimony I have submitted for the record.

For more than a year, the turkey industry has been dealing with the negative impacts of highly-pathogenic avian influenza, as well as another highly consequential respiratory virus, avian Metapneumovirus, which has impacted between 60 and 80 percent of turkey flocks nationwide. In Minnesota alone, 127 cases of HPAI in commercial turkeys have led to the loss of more than 6.6 million birds, and while HPAI is 100 percent lethal to birds exposed to the virus long enough, aMPV is more subtle but equally impactful, due to its ability to significantly reduce egg sets of breeder stocks that produce the next generation of turkeys, and cause severe, prolonged mortality in commercial flocks.

Together, these two respiratory viruses have exponentially increased volatility, supply shortages, and market uncertainty. This

one-two punch has caused many farmers to quit raising turkeys, with many on the brink of shutting down. Banks are very concerned about farms' financial health, and some farmers struggle to obtain credit after losing 30 to 50 percent of their flocks to aMPV.

HPAI is a terrible disease, but with aMPV, there is no indemnity or assistance. So, I would urge the Committee to make aMPV an eligible disease under USDA's Livestock Indemnity Program. This would assist growers in mitigating economic loss, and will go a long way to assist poultry producers who are being hit hard to stay on their farms, producing the most abundant food supply in the world.

On a more positive note, the first imported aMPV modified live vaccine doses reached Minnesota farms earlier this month, with more on the way to assist farmers nationwide. I want to personally thank Members of this Subcommittee for leading the charge in supporting the importation of this much-needed modified live vaccine for aMPV.

I would also like to thank USDA for their efforts in getting this across the finish line; however, I think it is important to acknowledge the industry's incredible frustrations with USDA's review process of an imported modified live vaccine. I appreciate the importance of ensuring the safety of a vaccine, and that the aMPV vaccine was the first of its kind to ever be approved. However, when an entire industry is at significant risk, it should take a matter of months, not more than a year, for a widely used and well-established global vaccine to be imported and available for use. I would encourage the Committee to use your experience in evaluating USDA's review process to ensure a faster, more efficient response to future animal disease outbreaks.

Unfortunately, aMPV is only half the battle. Time is of the essence on HPAI. A national strategy targeting all potential hosts of H5 influenza is lacking, allowing the virus to spread. The global poultry industry is in crisis, so pursuing a successful vaccination program that doesn't negatively impact trade as part of a stamp out strategy is the key to significantly reducing disease rates. NTF is appreciative and encouraged by the robust strategy announced last week by USDA to address HPAI for egg layers. These investments in biosecurity, farmer relief, vaccine research, and the considerations for trade outlined in the plan are important steps towards stabilizing the market. However, these methods must extend beyond egg laying operations to encompass the broader poultry sector, including the turkey industry. HPAI has devastated turkey producers, leading to significant flock losses, supply disruptions, and increased costs that directly impact consumers. A comprehensive response must recognize the unique needs of all poultry sectors, ensuring that all efforts include turkey growers.

NTF supports research in finding an effective vaccine for HPAI, improving vaccine and diagnostic technology, while creating a vaccination plan for commercial poultry. As vaccine technology advances, there is growing interest in using HPAI vaccine to prevent disease spread and reduce losses as part of a stamping out strategy. As a parallel approach, NTF strongly encourages USDA to renegotiate with key trading partners to minimize the implications of vaccine deployment. If the U.S. fails to lead globally on implementing animal health solutions capable of preventing disease and

death in commercial poultry, we will be at a significant business disadvantage. Empowering USDA to increase proactive engagement with trading partners and solidifying a new framework to reduce disease outbreaks impact on the global food supply is essential.

So, in closing, as Congress writes a new farm bill, NTF urges the renewal and robust funding of animal disease programs, such as the three-legged stool, and the establishment of an HPAI strategic initiative to ensure the turkey industry has the tools necessary to combat future animal disease problems.

Thank you again for the opportunity to testify today, and I look forward to answering any questions you may have.

[The prepared statement of Mr. Zimmerman follows:]

PREPARED STATEMENT OF JOHN ZIMMERMAN, IMMEDIATE PAST CHAIRMAN, NATIONAL TURKEY FEDERATION, NORTHFIELD, MN

Good morning, Chairman Mann, Vice Chair Van Orden, and Members of the Subcommittee. Thank you for the opportunity to share the turkey industry's perspective today. My name is John Zimmerman, and I'm a second-generation turkey grower from Northfield, Minnesota. On my farm, we raise about 100,000 turkeys annually, producing about 4 million pounds of turkey meat, along with corn and soybeans. Raising turkeys is a family business—I grew up in the industry and took over from my father. It's hard work, but I love it.

I also just finished serving as the Chairman of the National Turkey Federation (NTF), representing all segments of the U.S. turkey industry—from growers like me to processors, breeders and the allied companies that produce the goods and services we use to bring turkeys from the farm to tables in this country and around the world.

While the turkey industry faces many challenges, my testimony will focus on the impacts of Highly-Pathogenic Avian Influenza (HPAI) as well as another highly consequential respiratory virus—avian Metapneumovirus (aMPV)—which has impacted between 60–80% of turkey flocks nationwide. As of February 27, 2025, 465 commercial turkey operations nationwide have tested positive for HPAI, resulting in the loss of more than 18.7 million turkeys. In Minnesota alone, 127 cases of HPAI in commercial turkeys have led to the loss of more than 6.6 million birds. While HPAI is 100% lethal to birds exposed to the virus long enough, aMPV is more subtle but equally impactful due to its ability to significantly reduce egg sets of breeder stock that produce the next generation of turkeys and cause severe prolonged mortality in commercial flocks.

As the previous Chairman of NTF and a grower, I cannot overstate the impact of these two viral animal diseases that have killed millions of turkeys nationwide. While HPAI grabs headlines for its effect on egg and milk prices, aMPV has also killed millions of turkeys. Together, these two respiratory viruses have exponentially increased volatility, supply shortages and market uncertainty.

Back in Minnesota, this one-two punch has caused many farmers to quit raising turkeys, with several others on the brink of shutting down. Banks are very concerned about farms' financial health and some farmers struggle to obtain credit after losing 30–50 percent of their flocks to aMPV. I have personally had flocks of turkeys experience 30 percent mortality in just a matter of days. HPAI is a terrible disease, but with aMPV there is no indemnity or assistance. It has been incredibly frustrating to suffer such extreme losses knowing that a safe and effective vaccine was available, just not to U.S. farmers. I have received calls from many other farmers who are frustrated and disheartened by their continued losses due to aMPV.

On a more positive note, the first imported aMPV modified-live vaccine doses reached Minnesota farms this month, with more on the way to assist farmers nationwide. I want to personally thank Members of this Subcommittee for leading the charge in supporting the importation of the much needed modified-live vaccine for aMPV. As the industry continues to work through aMPV, we urge the Subcommittee to make aMPV an eligible disease under the USDA's Livestock Indemnity Program (LIP). This would assist growers in mitigating economic loss and it will go a long way to assist poultry producers, who are being hit hard, stay on their farms producing the most abundant food supply in the world.

I also want to thank USDA, specifically those at the Center for Veterinary Biologics (CVB), for their efforts getting this across the finish line. We are hopeful this new tool will ensure many more turkeys make it to market and puts us on the path to controlling the virus. However, I also think it's important to acknowledge the industry's frustrations with USDA's review process of an imported modified-live vaccine. I appreciate the importance of ensuring the safety of a vaccine and that the aMPV vaccine was the first of its kind to be approved. However, when an entire industry is at significant risk it should take a matter of months—not a year—for a widely used and well-established global vaccine to be imported and available for use. I would encourage the Committee to use your experience in evaluating USDA's review process to ensure a faster, more efficient response to future animal disease outbreaks. Unfortunately, we know that MPV will not be the last emerging animal disease U.S. producers will face, and preparedness is essential.

Unfortunately, aMPV is only half the battle—time is of the essence on HPAI. A national strategy targeting all potential hosts of H5 influenza is lacking, allowing the virus to spread. The global poultry industry is in crisis, so pursuing a successful vaccination program that does not negatively impact trade as part of a stamp-out strategy, is the key to significantly reducing disease rates.

NTF is appreciative and encouraged by the robust strategy announced last week by USDA to address HPAI for egg layers. The investments in biosecurity, farmer relief, vaccine research and the considerations for trade outlined in this plan are important steps toward stabilizing the market.

However, these measures must extend beyond egg-laying operations to encompass the broader poultry sector, including the turkey industry. HPAI has devastated turkey producers, leading to significant flock losses, supply disruptions and increased costs that directly impact consumers. A comprehensive response must recognize the unique needs of all poultry sectors, ensuring that all efforts include turkey growers.

NTF supports research on finding an effective vaccine for HPAI, improving vaccine and diagnostic technology while creating a vaccination plan for commercial poultry. As vaccine technology advances, there is growing interest in using a HPAI vaccine to prevent disease spread and reduce losses as part of a “stamping out” approach. As a parallel path, NTF strongly encourages USDA to renegotiate with key trading partners to minimize the implication of vaccine deployment.

Empowering USDA to increase proactive engagement with trading partners and solidify a new framework to reduce disease outbreaks' impact on the global food supply is essential. The U.S. can lead the fight against a disease that has devastated the global poultry industry, but proactive engagement with trade partners is needed now. Science, global politics and disease resilience demand a new approach—we cannot wait for this strain to fade. If the U.S. fails to lead globally on implementing animal health solutions capable of preventing disease and death in commercial poultry, we will be at a significant business disadvantage.

NTF urges USDA to quickly expand the programs and resources announced last week to safeguard the health of U.S. turkey flocks and secure the stability of the entire poultry industry.

Interim Final Rule Linking Biosecurity Audits to Indemnity

In late December, USDA's Animal and Plant Health Inspection Service (APHIS) announced an interim final rule that would update the conditions for poultry facilities to receive indemnity and compensation for HPAI. APHIS will now require farmers like me to undergo an additional biosecurity audit before restocking their poultry after an HPAI detection or if placed within a buffer zone, and before receiving future indemnity payments. Biosecurity is currently the only tool available for the turkey industry to prevent the introduction of HPAI in our flocks, but there are still many instances in which the means of HPAI introduction is unknown. Even premises with the most stringent biosecurity programs have had HPAI detections in this outbreak, which is something I have seen in Minnesota, as the viral load in the wild bird population and environment is overwhelming.

Many of the criteria included in the new biosecurity audit are duplicative of the National Poultry Improvement Plan (NPIP) Biosecurity Principles already executed on poultry farms, and some do not reduce the likelihood of virus introduction. USDA published the Interim Final Rule without adequate resources to immediately implement the audits. Farms across the United States have started using the new biosecurity audits before they restock their birds or if they are in the buffer zone. We have heard frustrations nationwide such as the audit being subjective and that auditors have not been formally trained to complete a fair audit. The limited number of auditors has not been able to keep up with the speed of commerce, presenting significant animal welfare concerns.

USDA must recognize that a quick response is crucial to reducing the spread of the virus, and unfair indemnity changes could impact reporting and stamping out of the virus. If policies disincentivize reporting of HPAI incidences, there will be additional disease spread, directly opposing USDA's overall goals of virus elimination.

I strongly urge that any indemnity policy linked to the new biosecurity audits be fair, advance animal health and not penalize turkey farmers in high-risk areas—especially when dairies testing positive for HPAI face minimal restrictions despite posing a significant risk to nearby poultry flocks.

Readiness

Dealing with a large nationwide outbreak has put tremendous strain on APHIS, which remains significantly understaffed. The agency needs at least 150 full-time employees (FTEs) to return to normal strength and provide maximum assistance with all aspects of this outbreak. Rapid response is critical when dealing with a positive flock to minimize virus spread. Addressing the staffing shortage will ensure faster depopulation and disposal, reducing unnecessary flock mortality. We encourage Congress to provide the funding and flexibility that will allow APHIS to compete with the private sector and hire and train these desperately needed 150+ FTEs. It not only will accelerate the end of this outbreak; but it will strengthen effective rapid response capabilities for future outbreaks. In addition to providing APHIS with the necessary financial resources, Congress should empower the agency to pursue other creative solutions such as developing cooperative agreements to train state, or even industry employees and vets so they can be called upon during animal health emergencies. In addition, efforts should be made to incentivize veterinarians to enter Federal service.

Salmonella Framework

Last year USDA's Food Safety and Inspection Service (FSIS) published its proposed *Salmonella* Framework for Raw Poultry Products. The turkey industry has a long-standing commitment to enhancing the safety of turkey products across the entire supply chain. I know how seriously I take my role in ensuring the turkeys I raise can be used for safe, wholesome and nutritious products for consumers, and can assure you others do as well. Not only is the USDA proposal not legally sound, but it also contradicts multiple Federal court decisions on *Salmonella* in raw meat and poultry products. The proposed rule lacks a scientific basis and introduces a policy that is logistically unfeasible, financially burdensome for the industry, and likely to increase food costs, waste and threaten food security.

NTF strongly agrees that new approaches to more effectively reduce foodborne illness should be explored. The Agency already has a mechanism proven to effectively reduce *Salmonella*. By setting clear targets developed using public health metrics, FSIS can more successfully positively impact public health by capitalizing on the achievements of current performance standards under the Agency's current authority and more rapidly elicit change. I am optimistic that USDA will recognize significant scientific and logistical challenges of the proposed rule, and that FSIS will instead move forward with a science-based policy aimed at improving public health.

2025 Farm Bill

The current HPAI outbreak is a prime example of how important the farm bill is to our industry and the animal agriculture community. Foreign animal diseases can devastate the agricultural sector, posing long-term threats to the economic viability of U.S. livestock and poultry production. The new farm bill must address these animal health risks while strengthening U.S. animal agriculture's long-term competitiveness in the global market, ensuring a safe, wholesome, and affordable food supply produced sustainably. The 2018 Farm Bill established a three-tiered animal disease program with mandatory funding to ensure sufficient development and timely deployment of all measures necessary to prevent, identify and mitigate the potential catastrophic impacts that an animal disease outbreak would have on our country's food security, export markets and overall economic stability.

As Congress writes a new farm bill, NTF urges the renewal and robust funding of these programs. In addition, we strongly believe, due to the magnitude of the current situation, that our Strategic Initiative for HPAI needs to be expressly defined and funded to give it the attention it needs. In conjunction with this Strategic Initiative, it is imperative that we do not backpedal on our obligations to animal agriculture, so the full funding of the National Animal Disease Preparedness and Response Program (NADPrep), and the National Animal Health Monitoring System (NAHMS) Laboratory Network, which is comprised of more than 60 Federal, state and university veterinary diagnostic labs go hand in hand. We are extremely grateful for the support Congress has shown to our industry through this challenging

HPAI outbreak. We look forward to continuing our work together on the upcoming farm bill.

In conclusion, the turkey industry faces numerous challenges, with the most urgent threat directly at our doorstep. Without a new approach to these critical diseases, we risk facing the same crisis next year—more dead birds, more trade restrictions and continued frustration over the lack of progress.

Thank you again for the opportunity to testify and share the perspective of the U.S. turkey industry.

The CHAIRMAN. Thank you very much for that testimony.

Up next, Ms. Stevermer, please begin when you are ready.

STATEMENT OF LORI STEVERMER, PRESIDENT, NATIONAL PORK PRODUCERS COUNCIL, EASTON, MN

Ms. STEVERMER. Well, good morning Chairman Mann, Ranking Member Costa, and Members of the Subcommittee. I am Lori Stevermer, a third-generation pork producer from Easton, Minnesota, and President of the National Pork Producers Council.

In thinking about the state of the livestock industry, let me start by saying that for several years, America's 60,000+ pork producers have faced difficult times. While farmers are ever optimistic about the future, we are emerging from the worst period of losses in our industry's history, averaging \$30 per head from late 2022 through early 2024. Since then, some production costs have declined and hog prices have improved, but many farmers have not recovered financially.

To provide certainty, we need to continue farming. American agriculture needs a 5 year farm bill in which pork producers have three priorities. First, we must fix the problems caused by California's Proposition 12, which has increased farmers' operating costs, caused business uncertainty, and raised pork prices at the grocery store. As you know, this law reaches far beyond California, to include farmers in other states and even other countries. The outcomes of Prop 12 defy common sense, and create a patchwork of differing state regulations if Congress doesn't act. Prop 12, opposed by both President Trump and President Biden, is harming small and medium family farmers the most. We have followed the processes in place to address this issue, and we are before you because the Supreme Court has said it is a matter for Congress to take up.

Second, we need to ensure that we protect livestock from foreign animal diseases, such as African swine fever, by funding USDA programs for detection, prevention, and rapid response to outbreaks, which we have come to call the three-legged stool of animal health. This must include a strong laboratory network for surveillance and a stockpile of vaccines to quickly respond to diseases.

Third, we must promote our exports by funding the Foreign Market Development Program and the Market Access Program. This is critical to our ability to produce wholesome, nutritious pork and serve our communities and employees.

Moreover, we need to think hard about how policies and regulations on market reporting, labor, and competition impact family farms across America, not just now, but for future generations.

I hope this Committee will consider a 5 year reauthorization of the Livestock Mandatory Reporting Program. It ensures that reliable and accurate information influencing critical business decisions is available to farmers like myself, and others at this table.

Employment remains a top issue I hear from our producers. Farms across the country desperately need employees. The H-2A Visa Program must be expanded to include year-round foreign-born workers. Given our ongoing challenges, farmers need assurances we won't be subjected to regulations that restrict our ability to buy and sell our animals. For that reason, we urge Congress and the Administration to defund and withdraw the Packers and Stockyards Rules.

Finally, let me say a few words about international trade. Without trade to our customers beyond our borders, we see and feel deep substantial losses. International trade provides us with \$66 per pig marketed. Without those markets for the wide range of products we produce, many of us simply would not be able to continue to farm.

U.S. pork producers face tariff and non-tariff barriers to our products in many countries, including China and the EU. Opening new and expanding existing markets is paramount and allows many farms to stay afloat. The best way to do this is through comprehensive trade agreements, eliminating those tariff and non-tariff barriers. Just how important are those agreements? U.S. pork exports, for example, have increased over 2,000 percent in value since 1989, the year the U.S. implemented its agreement with Canada. In fact, last year the U.S. exported over 3 million metric tons, valued at nearly \$8.63 billion, which set a new record. We now export more pork to the 20 countries where we have a comprehensive trade agreement than to the 80 other plus nations which we ship pork.

It is also important to realize there are a variety of inputs we must bring in from China, including amino acids and trace minerals. We need to keep this in mind as Congress and the Administration continue conversations on the future of our relationship with China.

We are proud of the work we do and appreciate the opportunity to help feed American families, and to present our perspective on the livestock industry. Thank you for the opportunity to testify before you today.

[The prepared statement of Ms. Stevermer follows:]

PREPARED STATEMENT OF LORI STEVERMER, PRESIDENT, NATIONAL PORK PRODUCERS COUNCIL, EASTON, MN

Introduction

The National Pork Producers Council (NPPC), representing 42 affiliated state associations, works to ensure the U.S. pork industry remains a consistent and responsible supplier of high-quality pork and pork products to domestic and international markets. Through public policy outreach, NPPC supports reasonable legislation and regulations, develops revenue and market opportunities, and protects the livelihoods of more than 60,000 pork producers across America.

The U.S. pork industry serves as a major contributor to both the agricultural and overall U.S. economy while providing a range of products that are both a staple of daily meals and the centerpiece of family celebrations. In 2023, U.S. pork producers marketed more than 149 million hogs valued at over \$27 billion, while supporting more than 573,000 U.S. jobs and supplying consumers with nutritional products that are raised safely and humanely. The U.S. is also a global supplier of pork, with exports accounting for nearly ¼ of annual pork production and supporting more than 140,000 U.S. jobs.

To produce those hogs, pork producers used roughly 1.7 billion bushels of corn and the soybean meal from 462 million bushels of soybeans in 2023. They also used

roughly 40 billion pounds of other feed ingredients, including distillers dried grains with solubles (DDGS), a major byproduct of corn ethanol production.

The successes in our industry are particularly impressive given the challenges our farmers face. Pork producers are striving, throughout ongoing difficult times, to ensure safe and nutritious food reaches American tables, and we do so amid market access constraints, employment shortages, and looming threats of foreign animal diseases.

This remains a very challenging time for the U.S. pork industry. From September 2022 to March 2024, pork producers lost an average of nearly \$30 on each hog sold, according to estimates from Iowa State University. These substantial economic impacts have been widely felt. Since then, some production costs have declined, and hog prices have shown some improvement, but many farms have not yet recovered financially from the worst period of losses in the pork industry's history. This continues to affect the pork industry and would lead to greater consolidation if economic realities force producers to exit the industry.

On top of concerns about strained markets and profitability, pork producers are experiencing impacts from state regulation in California that has created nonsensical outcomes. NPPC led a broad and deep coalition across agriculture that challenged the California regulation, known as Proposition 12, in the Federal courts. The U.S. Supreme Court, in declining to decide in our favor, pointed pork producers to seek redress in Congress, and producers are actively engaged to educate Members on the critical nature of this issue. The implications of the California regulation go far beyond the farmgate of pork producers and open a Pandora's box of regulations, fracturing our national market. Meeting arbitrary requirements of the California regulation and similar—yet conflicting—regulations already in the works in other states, means higher costs and fewer choices for consumers across the country, as well as immediate harm to agriculture and farm families. We stand with farmers and consumers across the country, grateful to have the support of both President Trump's and former President Biden's Administrations in clearly and decisively opposing the patchwork of arbitrary farming over-regulation, like Proposition 12. We will continue to work to sustain the broad and bipartisan support—from coast to coast, both from within and from outside of the agricultural sector—to provide a commonsense resolution. We look forward to working constructively to enact a reasonable solution in the reauthorization of the long-delayed 2018 Farm Bill.

NPPC also looks forward to continuing work with this Committee in the farm bill reauthorization to ensure there is appropriate, adequate, and vital funding to ensure animal health across species. The growing threat of foreign animal disease is of particular concern, and farmers need tools to prevent and rapidly respond to an outbreak.

We provide more detailed information about these and other critical topics and issues below.

California Proposition 12: A Concern For Anyone Who Eats

California Proposition 12, opposed by both Presidents Trump and Biden, is harming family farmers and consumers across the country by forcing pork producers to comply with one state's arbitrary production standards that limit market access, induce consolidation, and leave consumers with a higher price for pork.

Developed without input from pork producers, veterinarians, or experts in animal welfare or food safety, Proposition 12 prohibits the sale of uncooked whole pork meat not produced to the law's arbitrary housing dimensions. Compliance requires many producers to completely change how they raise their pigs. The regulation stands as a shining example of inexplicable rule-setting, understandable only in context of the ongoing efforts by the rule's proponents to limit availability and consumption of animal protein for Americans.

One example of the regulation's folly is that a typical package of uncooked bacon—a beloved product purchased and enjoyed by millions of Americans every week—is, under the California rule, illegal to be sold in California if it comes from a pig raised on any farm across the nation that does not follow California's arbitrary, unscientific regulations. Violations risk criminal penalties. However, if that same bacon from that same farm and that same pig is, first cooked and packaged prior to sale (such as is seen in a typical package of microwave bacon), the bacon is then deemed legal in California.

Again—and to underscore—farmers across America are impacted by this arbitrary approach that regulates the *same cuts of pork* that come from the *same farm* and from the *same pig*. It defies all common sense. Then, to ensure compliance, those pork producers across the country are subject to on-farm visits by California regulators—and must pay for those visits, no matter the size, scope, or setting of the farm.

This sets a concerning precedent that allows one large state to effectively regulate agriculture and farming in the other states thousands of miles away, an outcome with broad implications for interstate commerce. Secretary of Agriculture, Brooke Rollins, has voiced an immediate understanding of the negative impacts—not just on farming, but also on the cost of food, a top concern of many Americans. During her confirmation hearing, Rollins committed to working with Congress to address the problems caused by Prop. 12, saying it “. . . is not just affecting California. It’s affecting multitudes of other states, multitudes of other parts of the ag community, including our hog family farms.” Her predecessor, former Secretary of Agriculture Tom Vilsack had reached the same conclusions in urging Congress to act, stating, “If we don’t take this issue [Proposition 12] seriously, we’re going to have chaos in the marketplace.”

Created through an arbitrary state referendum in 2018, this extreme over-regulation does not equate to better health or welfare for pigs. In fact, the American Veterinary Medical Association wrote to this Committee, “The arbitrary housing requirements in Prop 12 do not objectively improve animal welfare and may unintentionally cause harm.”

Constructing compliant barns costs producers 40–43% more than widely accepted gestation stalls and 22–25% more than a conventional method of “group” housing with the same number of sows. While some large farms have access to capital to amortize and absorb the cost burden, small farmers with limited access to capital cannot. Moreover, the farms that undertake the efforts to comply experience losses in productivity, which exacerbate the challenges created by the costs associated with increasing square footage to meet the arbitrary California rule. The cost and production disadvantages of Proposition 12 are clear—and dangerous.

The burden extends to consumers and trading partners as well. A 2024 report by economists with USDA’s Office of the Chief Economist found that after Proposition 12 was implemented, prices for covered pork products in California increased 20% on average, with pork loins increasing as much as 41%. This harms not only lower-income households but also all families struggling with inflation and increasing food costs. The California standard applies to any farm with a desire to sell products in the state, including from neighboring countries. A state-based regulation with a clear international reach such as this, created outside of normal and customary international negotiation and agreement, puts all of American agriculture in a vulnerable position, as it provides the pathway for any nation to impose its own production standards. The implications are broad particularly as it relates to the Import-Export Clause of the United States Constitution.

We are grateful House Agriculture Committee Chairman Thompson addressed Proposition 12 through Sec. 12007 of the Farm, Food, and National Security Act of 2024 and for Secretary Rollins’ commitment to working with this Committee on the issue. The Supreme Court was clear: Congress must act to address this issue for agriculture. We cannot continue to have states set arbitrary standards on production in other states, and we look forward to assisting in your efforts to address this issue.

Foreign Animal Disease (FAD) Prevention

Pork producers are facing an increasing threat from foreign animal diseases (FADs) such as African swine fever (ASF). To combat this, U.S. farmers collaborate with the U.S. Department of Agriculture’s (USDA) Animal and Plant Health Inspection Service (APHIS), state animal health officials, and other stakeholders. Together, they work to ensure early detection, prevention, and rapid response tools are available to address any outbreak. This includes a strong laboratory network for surveillance and a stockpile of vaccines to quickly respond to high-consequence diseases. If an FAD, like foot-and-mouth disease (FMD), were to be detected in the U.S., it would devastate not only pork producers but also cattle, sheep, and feed grain producers. It would lead to significant job losses due to disruptions in domestic production and the loss of export markets.

The 2018 Farm Bill funded Animal Disease Prevention and Management actions to address FAD risks, and NPPC urges continued funding for these critically important programs, specifically:

- **National Animal Vaccine and Veterinary Countermeasures Bank (NAVVCB):** Established in the 2018 Farm Bill, this U.S.-only vaccine bank allows USDA to stockpile animal vaccines, diagnostic test kits, and related products for rapid response in the event of an outbreak of FMD or other high-impact FAD. It is imperative the NAVVCB is well funded in the event that vaccines for other high-consequence FADs, such as ASF, become viable.

- **National Animal Health Laboratory Network (NAHLN):** The NAHLN is a network of over 60 laboratories that collaborates with the National Veterinary Services Laboratories (NVSL) on disease monitoring. Should an FAD strike, determining the extent of the outbreak as rapidly as possible plays a key role in responding to a disease and limiting the impact on producers. The laboratory capacity of the NAHLN is critical to ensuring the United States can rapidly and effectively respond to an outbreak. Enhancing animal health diagnostic testing for both endemic and high-consequence pathogens in the nation's livestock and poultry is vital to protecting animal health, public health, and the nation's food supply.
- **National Animal Disease Preparedness and Response Program (NADPRP):** This program allows APHIS to collaborate with animal health partners nationwide to implement high-value projects that enhance prevention, preparedness, detection, and response to the most damaging and emerging FADs that threaten U.S. agriculture. Cooperative or interagency agreements between APHIS and states, universities, livestock producer organizations, tribal organizations, land-grant universities, and other eligible entities are vital to addressing the risk of animal pests and diseases.
- **National Veterinary Stockpile (NVS):** The NVS provides veterinary countermeasures (animal vaccines, antivirals, or therapeutic products, supplies, equipment, personal protective equipment, and response support services) that states, tribes, and territories need to respond to animal disease outbreaks. Depopulation is a key component of any FAD control effort, and adequate euthanasia equipment is critical to its success. Also essential is sampling and vaccination equipment. The NVS should be well-supplied to step in if a large-scale outbreak requires resources beyond what states, tribes, or territories may have.

Several other measures to prevent foreign animal diseases from entering the United States have been enormously successful, and farmers would benefit from them being continued, if not expanded.

- **The Feral Swine Eradication and Control Pilot Program (FSCP)** is a joint effort between USDA's Natural Resources Conservation Service and APHIS. Originally included in the 2018 Farm Bill, FSCP addresses the threat feral swine pose on agriculture, ecosystems, and animal health. Given feral swine's role in the worldwide ASF pandemic, funding for this program should be increased to reduce the risk of the potential spread of FADs, including ASF, in the United States.
- **The Agricultural Quarantine and Inspection (AQI) Services User Fees Program,** jointly administered by USDA and U.S. Customs and Border Protection, is crucial to keeping invasive plant and animal pests and diseases out of the United States. This critical program is funded through user fees collected by APHIS from international travelers and commercial traffic.

Unfortunately, APHIS lost its 30 year authority to collect a surcharge through certain fees because of a District of Columbia Circuit Court ruling. The loss of this longstanding authority to collect reserve funds destabilizes AQI funding and threatens the effectiveness of its programs. NPPC urges Congress to restore this fundamental user fee authority to APHIS.

The Foundation for Food & Agriculture Research (FFAR) was established in the 2014 Farm Bill to create public-private partnerships for agriculture research. The model supports animal and crop systems by increasing productivity, combating pests and diseases, supporting animal welfare, and safeguarding farmers and ranchers' livelihoods. FFAR has partnered with the swine industry on three programs over the last few years, focusing on wean-to-harvest biosecurity research, Japanese encephalitis virus research, and H5N1 risk to swine research.

Reliance on China for Certain Vitamins and Nutrients

Vitamins are essential nutrients required by swine to optimize health, productivity, and well-being. The U.S. pork industry is dependent on vitamins manufactured in China because production is limited, and in some cases, there are no other country of origin options to meet industry volume demands. Vitamins represent a significant proportion of total feed ingredient imports, and some vitamins (biotin, folic acid, pyridoxine, thiamin, and B₁₂) are almost exclusively manufactured in China. With the exception of vitamin A, E, and niacin, 80 to 100% of all other vitamins must be imported from China. For biotin, folic acid, and vitamin B₁₂, there are no other sources beyond China to acquire these vitamins.

Livestock Marketing and Transparency

Livestock Mandatory Reporting (LMR) remains a critical issue for pork producers today, and we cannot allow this vital program to lapse. Market Reporting and meaningful price discovery are critical to pork producers' ability to accurately market their livestock. While we consider the declaration of mandatory price reporting an essential service, improving the transparency and usefulness of reported information for producers is crucial. Over the past 10 years, changes in the marketing of hogs have prompted our industry to identify several priorities and necessary improvements to include in the next reauthorization of LMR. This includes adding information, such as the average daily non-carass merit premium paid for hogs, to the reporting requirements—which will improve the transparency and utility of existing reports while removing requirements that are no longer used by the pork industry.

While NPPC believes meaningful changes to price reporting would give pork producers greater transparency in marketing their livestock, we are also concerned about any efforts that would stifle innovation, reduce competition, and introduce significant legal and regulatory uncertainty. In January 2020, USDA proposed a rule outlining criteria to determine if a preference or advantage given to a producer can be justified based on market conditions and reasonable business decisions. USDA also made clear in the rule that to prevail in legal challenges under the Packers and Stockyards Act (PSA), a plaintiff must show a preference or advantage that is likely to harm competition in the marketplace. The rule was finalized in December 2020 and took effect January 11, 2021.

Despite the previous rule satisfying USDA's Congressional mandate from the 2008 Farm Bill, USDA announced in the summer of 2021 that it would again be proposing a series of new rules under the PSA. The rules promulgated under the Biden Administration were extremely vague and overly broad, creating uncertainty, confusion, and the potential for needless litigation in the pork industry—without addressing any specific existing issue. NPPC supports Congressional action to ensure producers have stability in the marketplace by preserving hard-fought and long-standing business arrangements as soon as possible.

Expanding Market Access

Trade is vital to America's pork producers, who annually export about $\frac{1}{4}$ of total production to more than 100 countries. Those exports create more than \$66 in value from each hog marketed, supporting more than 140,000 American jobs, and contributing more than \$15.7 billion to the U.S. economy, according to economists with Iowa State University and NPPC.

Despite numerous challenges, a strong U.S. dollar, ongoing supply chain issues, and trade retaliation from some of its top foreign markets, the U.S. pork industry continues to export a significant amount of pork. In fact, last year exports of pork and variety meats totaled over 3 million metric tons valued at nearly \$8.63 billion, representing a 4% increase in volume and a 6% increase in value compared to 2023 and setting a new record in both categories. Additionally, the United States has regained its position as the top exporter of pork in the world, accounting for more than 31% of global exports.

The primary cause for U.S. pork export growth over the past 2 decades has been trade initiatives—whether free trade agreements (FTAs), less-formal trade and investment framework agreements, or one-off market access deals. Through such initiatives, the United States moved from a net importer to a net exporter of pork in 1995.

As a result of trade agreements, U.S. pork exports have increased more than 2,090% in value and more than 1,782% in volume since 1989, the year the United States implemented its FTA with Canada and started opening international markets for value-added agriculture products.

Since 2000, pork exports to FTA countries have increased 1,178%, and in countries where the United States has negotiated preferential market access and where tariffs were slashed, pork exports increased tremendously as a result of more outlets for the broad range of pork products for sale.

In addition to comprehensive trade agreements granting better market access for U.S. pork, the pacts are usually the best avenue for U.S. agricultural science-based standards to be accepted and for broader non-tariff market access issues to be resolved.

Policies that foster the free flow of goods and expand export markets—primarily through trade agreements—are critical to the continued success of America's pork producers, U.S. agriculture, and the overall American economy. **The bottom line: The United States needs more comprehensive trade agreements that eliminate or significantly reduce tariffs and non-tariff barriers to U.S. exports.**

Employment Challenges

U.S. pork producers face challenges at home too. Chief among them is an ongoing employment shortage impacting much of the agriculture sector with varied effects on the nation's food supply. Despite significant wage increases and competitive benefits, pig farm employment has declined since 2021. Historically low unemployment rates, changing demographics, and declining populations in rural communities indicate that the domestic workforce will not be able to offset the pork industry's employment shortage. As a result, pork producers are increasingly dependent on non-domestic workers, and current visa programs fail to meet our workforce needs. Improving and updating the antiquated H-2A visa program by granting access to year-round agriculture industries would solve this problem and address the needs of non-seasonal farming.

Dietary Guidelines for Americans

The Dietary Guideline's Advisory Committee's scientific report recommendations to reduce red meat, such as pork, and replace it with plant-based proteins, is concerning. The repercussions of this decision would drastically affect the nutrition of Americans. Protein is critical to all diets, and the quality of that protein is important. Pork is a nutrient-dense protein that contains ten essential nutrients such as iron, zinc, B vitamins, and amino acids. Replacing animal-based proteins with plant-based proteins would create nutrient profile gaps. Animal-based proteins are also more digestible and bioavailable than plant proteins, and it would take more consumption of nuts and beans to equal the protein of pork. Research shows that specific groups of consumers such as toddlers, adolescent girls, pregnant and lactating woman, and the elderly, are deficient in protein intake. Replacing animal-based proteins with plant-based proteins is dangerous to these groups of consumers.

Pork is also an affordable option for consumers. The cost of groceries continues to be a top-of-mind issue for Americans. It is important for Americans who rely on Federal feeding programs (such as school meals, the Supplemental Nutrition Assistance Program, or the Special Supplemental Nutrition Program for Women, Infants, and Children) to have affordable options that deliver the required nutrition. Pork is also a versatile protein that is relevant across a variety of cultures. Reducing and replacing pork will ignore the cultural preferences that Americans make and lead to *Dietary Guidelines* recommendations being ignored. Our nation's pork producers are committed to producing a safe, lean, and high-quality protein for all to enjoy. By reducing pork in the diet, rural communities will be disproportionately impacted, as these communities rely on their local economy as well as the food that it produces.

There has been no scientific justification for reducing red meat and replacing this needed protein with plant-based products. The *Dietary Guidelines for Americans* must reflect nutrition science and continue to recommend animal-based protein, such as pork, as a critical part of the American diet.

Conclusion

While the industry is facing many challenges, pork producers, like me, and our industry allies are committed to working together to maintain the strength of the U.S. pork industry. We are proud of the work we do and appreciate the opportunity to help feed America's families.

NPPC and our Members are thankful to Chairman Mann, Ranking Member Costa and Members of the Subcommittee for their leadership and consideration of these important issues.

The CHAIRMAN. Thank you.

Mr. West, please begin when you are ready.

STATEMENT OF MIKE WEST, PRESIDENT, J.S. WEST & COMPANIES, INC.; CHAIRMAN, UNITED EGG PRODUCERS, MODESTO, CA

Mr. WEST. Good morning Chairman Mann, Ranking Member Costa, and Members of the Subcommittee. Thank you for allowing me the opportunity to testify today on behalf of the United Egg Producers.

UEP is a farmer cooperative whose members independently market about 90 percent of the eggs sold in the United States. I am

proud to serve on its Board of Directors, and I am even prouder to serve as its Chairman up until October of this year.

My name is Mike West, and I am the proud President of J.S. West Milling Company in Modesto, California. J.S. West is a family-owned business. We produce eggs and we sell propane, and we have been in business for 116 years. My great-grandfather founded this company in 1909. Today, we have capacity for two million laying hens and we are also the largest privately-held propane company in California, and we are looking to widen that gap.

I am the fourth-generation leader of J.S. West Milling Company. My father came before me. His father came before that, and my great-grandfather started the business back in 1909. Our son, Noah, joined the business just 2 months ago. He represents the fifth generation of our family. His brother, Nicholas, will be next into the business within a couple of years. We take the family business seriously in our family.

However, Noah on his first day of work 2 months ago, his brand-new office is on a chicken ranch. He pulled up to that ranch on his first day and was met with an eerie silence. That is because the month previous to that, we depopulated 550,000 chickens that were sick with highly-pathogenic avian influenza. It was the second such depopulation in the calendar year 2024 for J.S. West. We depopulated 1.2 million chickens off of our Hilmar ranch. Those numbers pale in comparison to what is happening across our country. We lost 1.2 million birds. Many, many more people are losing many more birds than that on a weekly basis.

HPAI is in every state. It has been found on every continent on this planet. This country has depopulated 167 million chickens since this outbreak started in 2022. In 2025 alone, we have killed 30 million chickens—laying hen chickens, excuse me. If we do some quick math, that is $\frac{1}{2}$ million birds almost per day this year.

Prior to 2022, we had been able to hold this virus at bay through biosecurity. The current outbreak is different, ladies and gentlemen. The virus is different, and is affecting other members of the barnyard. We call those folks neighbors back home, and we are all very, very worried about it. It has been obvious for some time that we needed to take a different path, and the egg industry is very happy to have heard the announcement by President Trump and his Administration, Secretary Rollins from USDA. We were very heartened to hear this announcement on Thursday of last week to hear about a five-prong plan to eradicate HPAI, and I would like to talk about a few of those points that were announced last week.

We are pleased to see a very strong focus on vaccination. It is our position that between industry collaborating with the Federal Government and rolling our sleeves up and really talking and solving this problem, we can solve this problem and stamp out HPAI. Mandatory funding for research must be done at every level. Our lab system in this country is understaffed, and this can slow down testing and it can speed up spread. We would like to see fully-staffed APHIS members and ARS teams to assist producers on the ground during outbreaks. Our industry has created a working group. We have put together veterinarians, disease prevention experts, and retired government officials to come up with an industry

plan, and we would love to share that plan not just with this Committee, but with every Member and with USDA.

I know Proposition 2 and Proposition 12 have come up in this room this morning. I am a California egg producer, and I am a very proud California egg producer, and we operate under different production standards in our state, and there is a handful of other states that do as well.

The CHAIRMAN. Mr. West, your time is expiring. If you can make a few final comments, and we can ask you some further questions.

Mr. WEST. Okay. I would like to thank this Committee for your time today. It has been the experience of a lifetime, and I will never forget it.

[The prepared statement of Mr. West follows:]

PREPARED STATEMENT OF MIKE WEST, PRESIDENT, J.S. WEST & COMPANIES, INC.;
CHAIRMAN, UNITED EGG PRODUCERS, MODESTO, CA

Introduction

Mr. Chairman, Ranking Member Jim Costa, and Members of the Subcommittee: Thank you for the opportunity to testify today on behalf of United Egg Producers. UEP is a farmer cooperative whose members independently market about 90% of all eggs produced in the United States.

My name is Mike West, and I am President of J.S. West & Companies, Inc.. With headquarters in Modesto, California, J.S. West is a family-owned producer of eggs and other products and has been in business for more than 100 years. I also have the privilege to serve as Chairman of UEP.

With the focal point of today's hearing being the state of the animal agriculture economy in the United States, I would observe that, in general, the farmers who supply eggs, the feed that makes U.S. egg production possible, and retail outlets, restaurant and food-service customers that buy our products, have all largely lived in harmony for many years—*until* the arrival of Highly-Pathogenic Avian Influenza, also known as HPAI or “bird flu,” that hit us in 2015. We have been faced with major challenges ever since, with worsening impacts beginning in 2022 that continue to trouble our egg producers today. The United States has entered the fourth year of an outbreak of HPAI that has devastated farms, required the depopulation of more than 162 million birds on poultry operations, infected a small but growing number of farm workers, and—tragically—earlier this year led to the first human death in the United States from the disease.

HPAI has led to an egg supply crisis that has caused pain at every level for our customers and consumers. This unprecedented disruption in the egg market is systemic—the volatility is being felt nationwide, as are the ongoing ripple effects of continuing new cases.

A new urgency is required from the U.S. Government to address this crisis, and we have every confidence that USDA and the White House are working every day to provide solutions to egg farmers. Just last week, Secretary Rollins and her colleagues at the Animal and Plant Health Inspection Service and other agencies demonstrated a new sense of urgency, announcing a new strategy plan that UEP fully endorses. I will speak to aspects of USDA's new plan throughout my testimony.

Today, I will focus on the appropriate role of the U.S. Department of Agriculture, and I will identify specific steps that can be taken now to improve our response to HPAI and control the disease—many of which the Secretary has embraced. For the egg industry, it is imperative that USDA move swiftly and decisively—and we now are confident that they will. HPAI is the single biggest problem the egg industry faces. It is the reason for shortages of eggs and high egg prices.

But more important than any of these is the need to control the mutating HPAI virus before it can become more virulent or attain the ability to spread easily from human to human. HPAI is about much more than eggs—it is about other poultry, livestock, and yes, our human population.

Let me say a word about numbers. The statistics on the numbers of farms and birds lost to HPAI were current as of February 27. All these numbers are larger today. They are getting bigger—and more alarming—by the day. We are happy to provide up-to-the-minute numbers for any Member who may be interested, but because of the need to submit testimony in advance, we want the Subcommittee to

understand that the HPAI crisis is even more severe than the statistics cited in my testimony will indicate.

Background

Since the current outbreak began in 2022, 165.17 million birds have been depopulated from farms where HPAI was detected. In the egg industry, there have been detections on 128 farms, and 129.72 million birds have been lost. (When a flock is positive with HPAI, virtually all birds will die of the disease. Emergency depopulation of the flock is required under the Animal Health Protection Act and is more humane than allowing the birds to suffer and then die—and it is critically important to reduce spread and prevent the disease from moving to neighboring farms.)

It is important to understand the devastating impact HPAI has on egg farms. In broiler chicken operations, birds are in barns for a matter of a few weeks before being harvested. By contrast, laying hens may be actively producing eggs for 2 years or more. If they must be depopulated because of HPAI, the time and expense required to get the farm to full production are much greater than is the case for broilers. During that time, revenue on farms falls to zero.

The spread of HPAI to the dairy industry beginning in early 2024 has also brought renewed problems for nearby egg flocks, many of which have been infected with the strain found in dairy cattle. Since many experts believe the virus is airborne,¹ even the best biosecurity systems on egg farms may not be sufficient to prevent infection. During 2024, 28 million laying hens were infected with the HPAI strain found in dairies, and 14 million with the strain carried by wild birds—a 2-to-1 ratio. Understandably, egg farmers feel a sense of urgency in controlling HPAI in the dairy sector—our operations have become collateral damage.

As with broilers, the impact of HPAI on egg farms and dairies is quite different. The cattle do not die and eventually return to milk production. By contrast, HPAI is always fatal to layers and a depopulated farm has no revenue from egg production until the disease is confirmed absent and new flocks can be placed.

In response to outbreaks and lateral transmission in the dairy sector, USDA required lactating (but not non-lactating) dairy cattle to be tested prior to interstate movement. Some months later, USDA announced a *National Milk Testing Strategy*,¹ whereby states can progress through five stages of response, with the final stage being a demonstration of the absence of H5 virus in U.S. dairy cattle.

As of early January 2025, 28 states² had enrolled in the program. Of these states, three—California, Nevada, and Texas—are classified as “affected,” meaning the disease has been shown to be present. Ten states are conducting national milk plant silo monitoring, *i.e.*, testing the milk supply at processing plants, while 18 are conducting state-specific surveillance, which involves testing milk on individual dairy farms. All of these USDA actions have shown results, and the data indicate the HPAI positives from the dairy strain have fallen dramatically even as the HPAI strain from wild birds is increasing.

The graphic below shows HPAI detections in commercial poultry flocks and dairy herds. In addition to these detections in commercial operations, there have been 792 detections in small backyard poultry flocks and flocks below the commercial threshold.

* **Editor’s note:** there is no corresponding footnote, or endnote, for these references; the statement has been reproduced herein as submitted.

¹ <https://www.aphis.usda.gov/livestock-poultry-disease/avian/avian-influenza/hpai-detections/livestock/nmts>.

² <https://www.usda.gov/about-usda/news/press-releases/2025/01/08/us-department-agriculture-announces-15-additional-states-onboard-national-milk-testing-strategy-h5n1>.

Commercial Farm Impacts of the 2022–2025 HPAI U.S. Outbreak



** Updated as of February 25, 2025.*

U.S. Department of Agriculture, Animal and Plant Health Inspection Service. (2025). Highly-pathogenic avian influenza detections. U.S. Department of Agriculture. <https://www.aphis.usda.gov/livestock-poultry-disease/avian/avian-influenza/hpai-detections>.

Egg Prices

Eggs are an agricultural commodity with inelastic demand. A drop in supply can produce a more-than-proportional increase in price. That has indeed happened, since HPAI-infected flocks must be depopulated, and it takes months to replace them. From October 2024 through mid-February, over 49 million layers and pullets were depopulated because of HPAI infections. The supply of eggs has fallen significantly as a result.

Egg farmers, like other farmers, do not set the price of eggs. They do not set the retail price in the grocery store, and they do not set the wholesale price that is paid to them. Like the prices of corn, cattle, soybeans and other commodities, egg prices are established by the interplay of supply and demand in the marketplace.

If the government moves aggressively to better control and prevent HPAI, there will be a number of benefits, not least of which that eggs will be more plentiful, and there should be corresponding price relief. Egg demand has increased year-over-year for 23 consecutive months, and it is critical that farms be able to supply that demand for nutritious, high-protein eggs. To begin that recovery, we must have a period with no new detections of HPAI. The chart over my shoulder shows a snapshot of egg prices over time. You can see that after virus subsided post the 2015, 2022, and 2024 outbreaks, farmers repopulated, and price fell back to more historical levels.

Indemnities and Other Federal Costs

Under the Animal Health Protection Act, USDA's Animal and Plant Health Inspection Service (APHIS) pays indemnities to farms affected by HPAI, reflecting the mandatory depopulation of all animals on these farms. USDA also provides compensation for related expenses such as disposal costs.

In a previous outbreak in 2014–15, taxpayer costs for indemnities, compensation and other related expenses were almost \$1 billion. Through November 2024, in the current (2022–2025) outbreak, Federal expenses totaled \$1.4 billion, of which \$1.25 billion was spent on indemnities and compensation to producers.

Indemnities and compensation are similar to disaster assistance that is often made available to other agricultural sectors: a response to an unavoidable and catastrophic situation for affected producers, which helps but never makes up for the entire loss. Both the emotional and financial tolls of HPAI are devastating for egg farmers. Moreover, once a farm is infected with HPAI, depopulation is not voluntary, it is mandatory under the Animal Health Protection Act. Indemnities partly compensate for a loss of value that is imposed on producers by the government. Without indemnities and compensation, many farms would likely exit production. UEP has shown that the current formulas used by APHIS to calculate indemnities are inadequate and has recommended an alternative. Thankfully, APHIS agrees, and is updating indemnity calculations to more fully reflect the value that is lost when birds are depopulated. We look forward to reviewing these updated indemnity rates when they are available in the near future.

Vaccination and Trade Strategy Essential

Since the 2014–15 HPAI outbreak, egg farms have invested heavily in biosecurity—measures to prevent disease from entering a farm. During that outbreak, the primary means of disease spread was lateral, *i.e.*, from one farm to another, likely through vectors like shared contractors, shared equipment and visitors. By contrast, in the current outbreak, lateral spread among poultry farms was minimal due in large part to these new biosecurity practices; most infections were the result of point-source introduction, chiefly by wild birds. This also seems to be the case when poultry farms are infected by nearby dairies, as has increasingly occurred.

Rigorous biosecurity is normally the poultry industry's best defense against HPAI. Unfortunately, current conditions are not normal due to the heavy viral load in wild birds as well as the fact that the HPAI virus continues to circulate on dairy farms that are often near poultry farms. We can no longer rely on biosecurity alone. HPAI is persistent and aggressive—and our strict practices are not foolproof.

It is essential to develop a vaccine strategy that includes not only dairy but also layers and turkeys—and is accompanied by a trade strategy to avoid impact on broiler exports. In August 2024, UEP joined the National Milk Producers Federation, International Dairy Foods Association and National Turkey Federation in calling on USDA to “support development of safe and effective H5Nx vaccinations for dairy cows, turkeys and egg-laying hens to help mitigate the circulation of H5Nx in dairy herds and reduce the risk of spill-over of Highly-Pathogenic Avian Influenza (HPAI) into commercial turkey flocks and egg layer operations.”

There is authoritative international support for this view. The World Organization for Animal Health (WOAH)'s director general was quoted in *Reuters*³ as calling for wider use of vaccination, saying that “if used correctly, it will reduce viral circulation and therefore exposure to humans.” In addition, the World Egg Organization has also endorsed vaccination. UEP has assembled a group of world class expert veterinarians to develop a comprehensive vaccination strategy which we will be sharing with APHIS soon.

Secretary Rollins has announced that USDA is developing a vaccine strategy and taking a number of related steps. We commend the Secretary for her leadership in this vital area. We also realize that developing vaccines that are both effective and practical to administer will take time. There is much work to be done. We also believe the vaccine strategy should include turkey flocks and dairy herds.

Recommendations

Egg farmers are not satisfied to identify the problems, although that is important. We feel a responsibility to identify solutions. The remainder of this testimony will identify, in some detail, the actions our industry believes are appropriate to address the HPAI crisis. We believe these recommendations are all consistent with Secretary Rollins's February 26 announcement, which contemplates up to \$1 billion of near-term spending on vaccines, indemnities and biosecurity.

Vaccination

- Adopt an aggressive, forward-looking **strategy for vaccination** in laying hens and turkeys accompanied by a trade strategy to avoid harming exports.
 - Proceed to **stockpile** vaccines, as announced January 8.
 - Take advantage of the single laying flock in Hawaii to **begin HPAI vaccine field trials** in an area geographically isolated from the continental U.S., thus mitigating trade concerns.

³ <https://www.reuters.com/business/healthcare-pharmaceuticals/world-animal-health-body-urges-tighter-bird-flu-controls-after-us-death-2025-01-08/>.

- Work intensively on layer and turkey vaccine **delivery methods other than injection** (e.g., addition to water supply) since injecting all birds on a farm multiple times is not feasible, particularly in cage-free operations
- Explore the use of “**ring vaccination**” in control zones to reduce spread potential.
- Establish science-based policies, including the ability to differentiate infected from vaccinated animals, that will determine how **vaccinated flocks that subsequently test positive** are treated.
- Because HPAI is a public health issue, all direct and indirect **costs** related to vaccination should be borne by the Federal Government.
- Determine which **trading partners** would react adversely to the use of vaccination and commence intensive negotiations with these countries, which are likely to be small in number, to establish protocols for the use of vaccines without trade interruption.
- Ensure adequate operational funding for the U.S. National Poultry Research Center and mandate that the Center begin research on layer vaccines.
 - This requires operations funding of at least \$10 million per year, either through inclusion in the President’s budget and subsequent appropriation, or through transfer of funds from other sources.
 - Currently the Center is conducting research only on dairy and turkey vaccines, but layer vaccine research must be a priority. The Center has the only Biosafety Level 3 facility that can carry out this vaccine work.
 - The Federal hiring freeze has left 26 new hires at the Center in limbo. The Administration should immediately exempt these positions from the freeze. It makes no sense to consciously deny resources that are needed to deal with HPAI. (is this comment still true?)**

Indemnities

- **Correct indemnity calculations** for laying hens and pullets, adopting reforms recommended by UEP in July 2024.
 - These reforms would stabilize indemnity rates from year to year, use only data from either USDA or land-grant institutions, and cover modestly more of producers’ devastating losses.
 - Even with UEP’s recommendations, indemnities would not come close to making producers whole.
- **Recognize the higher costs of alternate production methods**, such as cage-free, organic, pasture-raised and other methods demanded by some consumers and (in the case of cage-free production) required by law in some states.
 - Higher indemnity rates for organic production are already available for some other species, such as turkeys, and gathering the necessary data to set such rates for layers should be a priority.
- **Delay implementation** of a recent *interim final rule*⁴ requiring biosecurity audits until an adequate number of auditors have been hired and trained, and until public comments have been received.
 - The rule was announced when only a **handful of trained auditors are available** nationwide, and if implemented as published, would greatly delay repopulation of flocks, thus exacerbating supply problems.

Addressing Inter-Species Transfer

- Adopt **principles for vaccination** and related topics that were laid out on August 16, 2024, letter from UEP, National Milk Producers Federation, International Dairy Foods Association and National Turkey Federation.
- **Accelerate testing** of all farms in control zones and adjacent counties where any affected species are present.
- Provide for all states to **move quickly through the first four stages** of the National Milk Testing Strategy. Gather information on the **characteristics of dairies in control zones that test negative** in order to inform best practices for the industry.

** **Editor’s note:** This appears to be an in-text question by one of the authors of the statement; the statement has been reproduced herein as submitted.

⁴<https://www.regulations.gov/document/APHIS-2023-0088-0001>.

- Expedite **field trials of vaccines in dairy cattle**, and move toward a program of vaccinating the dairy herd.
- Move proactively toward **biosecurity measures** in the dairy industry that will reduce spread, in the same way that biosecurity on poultry farms has greatly reduced the amount of lateral spread compared to 2014–15 (most infections have been point-source introductions, *e.g.*, from wild birds).
- Expand **testing of dairy cattle** moved interstate to include both lactating and non-lactating animals, as well as animals headed for slaughter.

Research to Mitigate Harm from HPAI

- Establish an **HPAI Strategic Initiative** to engage experts within industry, universities and government to expand knowledge and develop novel methods of prevention, detection and response.
 - Details of the initiative were provided in a July 2024 letter from UEP, National Chicken Council, National Turkey Federation, USA Poultry & Egg Export Council and U.S. Poultry & Egg Association.

Conclusion

Egg farmers across the United States appreciate the Subcommittee holding this hearing. It is more than timely. And we genuinely appreciate all the help and support from Members of this Subcommittee and the staff in finding solutions. Prompt action by our government is needed to address a crisis that implicates animal disease and welfare; the viability of family farms; and most important, public health. The costs of inaction are too great to bear.

We must begin to develop and implement a vaccination strategy that will reduce the incidence of HPAI, keep chickens healthy and stabilize the U.S. egg supply for American consumers.

We must change the way farmers are indemnified for HPAI outbreaks so that multi-generational family farms stay in business and keep their workers employed.

We must get a handle on this virus and stop it from circulating so that it does not mutate into a form that would threaten human health.

Several other actions have been recommended. One is to expand imports of eggs. It is important to understand that eggs are already being imported from several countries as “breaking stock”—eggs to be broken, pasteurized and converted into products such as liquid whole egg, dried egg whites and numerous others. These imports can potentially free up some eggs for the retail market.

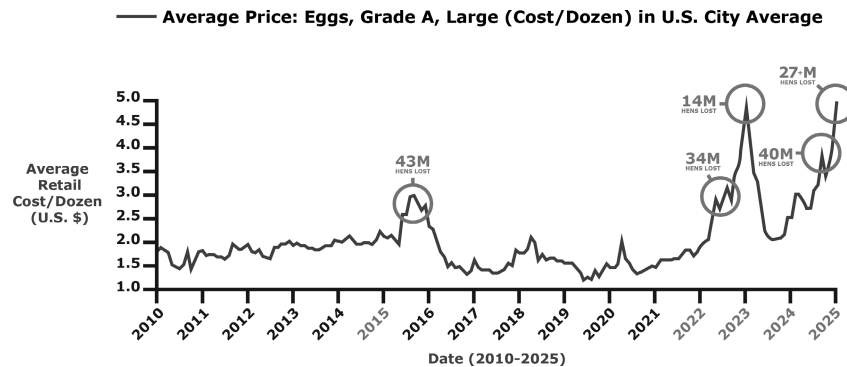
We certainly do not oppose the import of eggs and egg products—as long as they are safe. Under longstanding regulations, shell eggs imported into the United States should be from farms that comply with the Food and Drug Administration’s Egg Safety Rule. Egg products imported should be from countries with food safety systems that are equivalent to ours—as is the case for meat and poultry imports. Secretary Rollins has stated clearly that eggs will only be imported if they meet our food safety standards, and we commend her for this stance.

Today, our food supply is safe. The risk of human-to-human transmission is low.

But viruses mutate. The more they circulate, the more opportunity they have to mutate. We cannot take the kinds of risks that rapid mutation entails. We must move decisively and with urgency to control this disease. The time for waiting has passed.

Thank you for asking us to testify and for considering our views.

ATTACHMENT

Egg Prices Are a Direct Result of HPAI (Bird Flu)*126 Million Hens Lost Since February 2022*

The CHAIRMAN. Thank you very much for being here.
Mr. Hopkins, please begin when you are ready.

**STATEMENT OF LARRY HOPKINS, REGION III DIRECTOR,
EXECUTIVE BOARD, AMERICAN SHEEP INDUSTRY
ASSOCIATION, ZIONSVILLE, IN**

Mr. HOPKINS. Chairman Mann, Ranking Member Costa, and Members of the Subcommittee, thank you for the opportunity to speak with you today. I serve on the Executive Board of the American Sheep Industry Association, and am here to represent the country's 100,000 lamb and wool producing farms and ranches. We view the bipartisan version of the farm bill passed by this Committee last May very favorably. In fact, from our membership's perspective, it may be the best farm bill we have ever seen. ASI appreciates the last two extensions of the 2018 Farm Bill; however, in spite of the Committee's best efforts, we are greatly concerned that the orphan programs were not included in the most recent extension. We ask that you include them in the next moving vehicle. The importance of those programs cannot be overstated.

Ultimately, the reauthorization of the farm bill and the infrastructure it provides is paramount for the survival of our industry, and our continued ability to provide the wool that clothes American servicemen and women, and the American lamb that feeds your constituents. A large share of the U.S. wool clip did not receive a bid for purchase in 2024, and we are now in the shearing season for this year's clip. The trade war with China in 2018 blew up our single largest market for American wool. That loss was shortly followed by the pandemic that shuttered wool textile mills across the world, and wiped out demand for most wool garments. That demand has yet to return to full strength, and buyers continue taking advantage of the prices of our stockpile.

Current marketing loan rates have not been updated in nearly 25 years; therefore, your efforts to update the loan rate in last year's bill were greatly appreciated, and we strongly support that change being included in the current effort. For some producers, the program is their only wool marketing tool.

Further, please consider us in any future support resulting from unfair trade practices of our competitors. We encourage continued support of USDA's FAS programs, which support the opening of new markets of our products. Reliance on China alone is risky, as they have more wool textile processing equipment than the balance of the world combined.

This month's USDA inventory report revealed an increase in the nation's sheep herd, due largely to the rapid expansion of solar and fire prevention grazing. Yet producers are dealing with record-high input prices and depressed markets. The lamb market at the wholesale level has been stagnant for the past year, and any uptick is quickly dampened by imported lamb from Australia and New Zealand, portions of which were up over 33 percent last year. These conditions highlight the volatility we struggle with, particularly given neither a futures market nor a hedge against market downturns exists for us.

Last spring, USDA RMA issued a report evaluating risk management tools available to the industry, or lack thereof. The report acknowledged our need for a quality risk management tool, but ultimately did not provide recommendations. We therefore ask the Committee to direct the Secretary to provide recommendations for a viable, specific sheep management tool.

One-third of America's sheep herd is under the watch of an H-2A sheep herder. Overtime payments required by certain states and the mandated salary increase forced on sheep producers by the Department of Labor's use of the Adverse Effect Wage Rate methodology are literally driving ranchers out of business. Salary alone in California, the second largest sheep producing state, is nearly \$58,000 annually per herder. This combined with a mandate that we provide the herders with food, board, clothing, while also covering application and visa fees, has driven our costs to an untenable level. California has lost nearly 15 percent of sheep production over the last 2 years alone. Research by Wyoming wool growers shows that Wyoming, the third largest sheep producing state, is dealing with similar resolve. ASI appreciates the prompt reaction of the Administration with great support from Members of Congress to bring USDA APHIS Wildlife Services personnel back on-line last month. Millions of head of livestock are protected from coyotes and other predators via an agency that is uniquely important to us. ASI strongly supports USDA's Minor Drug Use Development Programs. The cost of bringing a new animal drug to market is rising, and many pharmaceutical companies are not investing in such development. The lack of access to these products, which are used by our competitors, creates a disadvantage. While imported lamb may be treated with a foreign drug, that same product is often not approved for use here by the FDA.

In summary, ASI thanks you for including our priorities last year and believes that the reauthorization of a similar farm bill is crucial to all of our members.

Thank you all very much.

[The prepared statement of Mr. Hopkins follows:]

PREPARED STATEMENT OF LARRY HOPKINS, REGION III DIRECTOR, EXECUTIVE BOARD,
AMERICAN SHEEP INDUSTRY ASSOCIATION, ZIONSVILLE, IN

Introduction

Chairman Mann, Ranking Member Costa, and Members of the Subcommittee, thank you for the opportunity to speak with you today. I serve as the region III chair on the Executive Board of the American Sheep Industry Association (ASI), to represent the country's 100,000 lamb and wool producing farms and ranches. I also serve as the association's Legislative Action Chair and am pleased to relay the status of the sheep industry asks of the 119th Congress. We view the bipartisan version of the farm bill that was passed out of the Committee in 2024, very favorably and share today those priorities to assist our industry.

Farm Bill Extension

ASI appreciates the 1 year extension of the 2018 Farm Bill as provided late 2023 and the subsequent extension for 2024. We are greatly concerned that the "orphan programs" were not included in the recent extension attached to December's continuing resolution (CR) and ask every consideration to include the programs in this month's Federal funding actions as the deadline for the current CR approaches March 14, 2025. The sheep and wool industry have two programs in that group and welcome an opportunity for those to be funded this year. Ultimately, the reauthorization of a new farm bill is paramount as we rely on these programs for infrastructure support particularly for our wool textile infrastructure including the wool clothing for America's service men and women.

The Chairman's 2024 version of the farm bill which includes the Agricultural Fiber Products Trust and serves both wool and cotton is very strongly supported by the sheep industry.

2025 Farm Bill

A large share of the mid-western and eastern wool clips did not receive a bid for purchase in 2024 and we are now in the shearing season for the 2025 clip. The trade war with China in 2018 blew up our single largest market for American wool. This loss was shortly followed by the pandemic that shuttered wool textile mills across the world and wiped-out demand for most wool garments. That demand has yet to return to full strength and buyers recognize the years of production that have been stockpiled since 2020.

We encourage this Committee to support the increase ASI has requested in the wool marketing loan rate in the next farm bill. The current rates were set nearly 25 years ago, and I share for some producers, the loan is their only revenue for wool in today's market. Further, please consider wool in any market facilitation payment due to trade battles as this was not the case in 2018.

We encourage support of the USDA FAS programs as ASI is aggressively applying and implementing exploration of new markets and support of current exports to drive sales of American wool. To underscore the importance of securing markets, China has more wool textile processing equipment than the balance of the world combined.

This month's USDA inventory report revealed an increase in the nation's sheep herd. This is a notable report as sheep producers are dealing with record high input prices and non-existent, depressed, or flat markets for their sheep and wool. The lamb market at the wholesale level has been stagnant for the past year and any uptick is quickly dampened by the surge in imported lamb from Australia and New Zealand (portions of the trade have witnessed a 1/3 jump in volume of 2024 over 2023).

Importers are taking full advantage of the U.S. currency exchange that favors imports, hurting our domestic prices and exports. ASI has engaged a legal firm specializing in international trade twice in 4 years and is discussing a third investigation with our board of directors this winter.

These market conditions highlight the volatility that sheep producers struggle with in sourcing and servicing financing. Neither of our commodities have a futures market or the ability to hedge against market turns. USDA Risk Management Agency investigated a risk management product for sheep producers and provided a report in the summer of 2024. The report discusses several approaches but does not recommend a product for USDA to develop. ASI believes the lone opportunity for USDA development of a risk management tool relies on direction in the new farm bill.

ASI reiterates our strong support in the bill for Livestock Mandatory Price reporting, conservation programming as well as the disaster/drought provisions.

Labor

One-third of America's sheep herd is under the watch of an H-2A shepherd. Mandatory and unnecessary overtime payments required by certain states and the mandated salary increase forced on sheep producers by the Department of Labor's use of the adverse effect wage rate (AEWR) methodology are literally driving ranchers out of the business.

Salary, program fees and the cost of food and housing (all paid for by the sheep rancher) have skyrocketed in the past 8 years. Salary alone in California (the second largest sheep producing state) is nearly \$58,000 annually. This combined with food expenses for a shepherd plus board, clothes and the application and visa fees have driven costs to an untenable level and the state has lost nearly 15 percent of sheep production in 2 years as proof. Research by the Wyoming Wool Growers Association shows a similar result of H-2A salary and fee increases as not sustainable for sheep production in the third largest sheep producing state.

ASI has re-formed an industry H-2A working group with plans to present our industry's recommended changes to regulation and statute of the program during our spring fly-in the last week of March 2025.

Regulations

The 2024 decision of USDA to discontinue the use and supply of spring-loaded ejection devices (sled) for coyote control is a regulatory issue that we ask the Committee to promptly support at USDA.

Predator management expense and the lost value of sheep killed by predators represents the second largest expense for many sheep farm and ranches in America. Removing any tool from our livestock protection options has major ramifications. The sled is critical to livestock protection in states including Texas, North Dakota, and West Virginia. As a fully approved device for rodenticide by the EPA, we support USDA promptly restoring the use and supply of this livestock protection tool.

ASI and our state sheep producer affiliate organizations appreciate the prompt reaction of the Administration with great support from Members of Congress, to bring USDA APHIS Wildlife Services personnel back online this month. The alarm of ranchers to the loss of pilots, [aerial] support staff and livestock protection specialists cannot be understated. Millions of head of livestock are protected via the industry, state and Federal cooperative agreements of Wildlife [Services].

Animal Health

ASI appreciates the Committee's efforts to authorize and fund the foreign animal disease preparation of the 2018 Farm Bill and we fully support this in the next farm bill. ASI and partners continue to build out the plans for a disease event with support of the USDA personnel and funds on private and Federal land livestock operations. We further appreciate the USDA APHIS staff and expertise regarding the New World Screwworm and Highly-Pathogenic Avian Influenza and relay the Federal officials are in regular contact with our association on these threats. To add to the disease and animal health front, we are nearing the scrapie free designation that ASI and USDA jointly sought fully 2 decades ago with the launch of the Scrapie Eradication Program. While the disease and pest threats are heightened today, the Agriculture Committee leadership has dramatically improved the livestock industry preparedness to address via tracking animal movement, research, and vaccination.

Minor Use Minor Species Animal Drug Program

America's sheep producers have limited means to protect and prevent disease in their animals as animal health and welfare are critical aspects for ensuring a sustainable sheep industry. The cost of bringing a new animal drug to market is rising and many pharmaceutical companies are not investing in developing products for sheep. USDA established the Minor Use Animal Drug Program to address the shortage of animal drugs for minor species and uses by funding and overseeing the efficacy, animal safety, and human food safety research and environmental assessment required for Food and Drug Administration (FDA) drug approval. Funding for this program ceased in 2016, and as a result the program lacks the staff and expertise to meet its mission of increasing the number of therapeutic drugs approved for minor animal species. To remedy this, ASI supports an annual allocation to USDA's National Institute of Food and Agriculture (NIFA) Minor Use Animal Drug Program (MUADP) of \$5 million to fund research and development to support the approval of new drug products for sheep.

Access to Animal Drugs

With five million sheep, animal drug manufacturers often find that securing FDA approval for new, innovative, and even older products is not cost effective for this

market. While the Minor Use and Minor Species Animal Health Act of 2004 (MUMS Act) is intended to make more products legally available for minor animal species, the current FDA animal drug-approval process is unworkable for the sheep industry. It is prohibitively expensive, which is discouraging the development of products for the prevention and treatment of sheep diseases in the United States. The lack of access to these products which are used by our competitors in other countries, places the United States sheep producers at a disadvantage, not to mention limiting their ability to ensure the welfare of their animals and the safety of the national food supply. While imported lamb may be treated with a product that has a USDA/Food Safety Inspection Service accepted residue level, that same product often is not approved for use in the United States by the FDA. The [Government] Accountability Office (GAO) has recently begun a study on the MUMS Act to evaluate if the objectives are being met with respect to sheep, the effectiveness of the incentives to address the high development costs, the cost and duration to bring a new animal drug product to market *versus* other countries, and to review the number of products for sheep in the United States relative to the those available in our competing markets.

Summary

The American Sheep Industry Association pledges our full support to secure these requests and believes the farm bill is pivotal to thousands of operations being able to finance their business.

The CHAIRMAN. Thank you.

Mr. Schweitzer, please begin when you are ready.

STATEMENT OF WALTER SCHWEITZER, PRESIDENT, MONTANA FARMERS UNION, GEYSER, MT

Mr. SCHWEITZER. Thank you, Chairman Mann, Ranking Member Costa for the invitation to testify today. My name is Walter Schweitzer, and I am President of Montana Farmers Union.

I am a third generation Montana farmer. All of my grandparents homesteaded in Montana. I raise registered black Angus cattle, hay, and grain. I am also an international ag consultant and have been involved in international trade. My testimony today will be mostly about two themes: competitive markets and reducing uncertainty.

I believe we must build a more resilient food system, one that is more diverse than the one we have today, with additional local and regional production markets and an infrastructure. During the pandemic, we saw how fragile our highly consolidated food system is. But it doesn't have to be that way. When I first started farming, we had several packing plants, flour mills, bakeries, and home delivered milk in most of our major communities. Now, almost all of these are gone. We had family-owned grocery stores in every small community that had Montana food on its shelves. Now, most of the food produced in Montana is shipped 1,000 miles away to be processed, packaged, and then shipped back to corporate-owned grocery stores. This is not a resilient food system, and our food security is at risk.

We can start addressing these problems by focusing on one of Montana's biggest businesses, the cattle industry. Prices are relatively high today, but market volatility and uncertainty will remain high without more oversight of competition laws. For beef, just four firms control more than 80 percent of the packing. Cattle ranchers are hesitant to reinvest in rebuilding their herds when they are at the mercy of four large, multi-national corporations. We must push back against these monopolies with strong enforcement of competition laws.

For over a century, the Packers and Stockyard Act has protected the ability of independent family farmers and ranchers to compete in a fair and open marketplace without fear of retaliation or discrimination. But those protections had eroded until the last few years. Recent updates to the Packers and Stockyard Act strengthened protection for family livestock producers. Lawmakers should maintain those common sense, farmer-focused actions.

We should better equip the USDA to enforce these rules by passing the Meat and Poultry Special Investigator Act (H.R. 1380), which could dedicate more resources to fight monopolistic practices in the livestock markets. The cattle sector would be more competitive with the passage of the Cattle Price Discovery and Transparency Act of 2023 (H.R. 1287, 118th Congress) to ensure a robust cash market for cattle. Passing and enforcing a strong agricultural right to repair law would save American farmers \$4 billion per year in repair costs, and \$3 billion in crop loss due to downtime each year.

Another way to address the lack of competition is by starting our own marketing channels. Montana Farmers Union worked with several direct to market producers to form meat processing co-operatives, the Montana Premium Processing Cooperative and the Glacier Processing Cooperative, that leveraged USDA grants and low-interest loans to build new plants. Ranchers in our co-ops now have additional markets, and consumers have more choices to purchase local food.

We also need to make sure that consumers know what they are buying. Truthful and accurate labels are important to American producers and helpful for consumers. That is why Farmers Union supports the bipartisan American Beef Labeling Act of 2025 (S. 421), which requires mandatory country of origin labeling for beef. I urge you to reinstate COOL to make markets fair and more competitive for the American cattle producer.

There are many livestock producers who are facing uncertainty due to early actions by the Administration to pause Federal grants and layoffs of tens of thousands of employees. Some Montana farmers and ranchers voluntarily enrolled in the USDA conservation programs to improve their farm operation. Many farmers have been told that they are not being reimbursed. Even if the funds eventually come, the uncertainty is bad for long-term planning. I hope this Subcommittee will keep a close eye on these cuts and how they affect farmers and ranchers.

Finally, one of the best ways to reduce uncertainty in this livestock sector is to advance a strong farm bill that includes improved livestock disaster and insurance offerings. The farm bill is long overdue, and I urge you to push back against proposed agricultural conservation and nutrition cuts. I believe that investing in food security is national security, and should be as much of a priority as investing in our military.

The CHAIRMAN. Your time has expired.

Mr. SCHWEITZER. Thank you for the opportunity to testify, and I look forward to answering your questions.

[The prepared statement of Mr. Schweitzer follows:]

PREPARED STATEMENT OF WALTER SCHWEITZER, PRESIDENT, MONTANA FARMERS
UNION, GEYSER, MT

Thank you for the invitation and the opportunity to provide testimony on behalf of National Farmers Union (NFU) and Montana Farmers Union. NFU is made up of more than 200,000 family farmers and ranchers across the country. Similarly, Montana Farmers Union is a grassroots, nonprofit organization dedicated to preserving the agricultural way of life, our rural communities, and family farms and ranches. We believe that no farmer or rancher should stand alone, and we are fighting for the issues that will preserve agriculture and rural communities for the next generation.

I am a third-generation Montana farmer. All of my grandparents homesteaded in the state. Today, I raise Registered Black Angus cattle, hay, and grain. I am also an international agriculture consultant and I have been involved in international trade for over forty years. I serve as Montana Farmers Union President and Chairman of NFU's Legislative Committee.

During this hearing, I will primarily address issues in the cattle market, because that is the specific livestock market in which I participate. But NFU, as a general farm organization, represents a diverse array of farm and ranch operations. We see the nearly complete vertical integration of the poultry and pork sectors over the past several decades as a cautionary tale for what could happen—and is increasingly happening—in cattle markets. We could end up in the same place if we do not have fair, open, and competitive markets.

I also believe we must build a more resilient food system. A more resilient food system is one that is more diverse than the one we have today, with additional local and regional production, markets, and infrastructure. During the COVID-19 pandemic, and the drastic supply and demand shifts that came with it, we saw how fragile our highly consolidated food system had become. Consumers faced empty food shelves and meat counters while producers had no choice but to euthanize livestock, dump milk, and plow over fields due to supply chain breakdowns. We can prevent this from happening again by making good policy decisions, especially if we consider that the food system was not always this fragile.

When I first started farming we had several packing plants, flour mills, bakeries, and home-delivered milk in most of our major communities. Now almost all of these are gone. Family-owned grocery stores in every small community had shelves full of Montana-produced food. Now most of the food produced in Montana is shipped a thousand miles away to be processed, packaged, and shipped back to large corporate-owned grocery stores. This is not a resilient food supply and our food security is at risk. Because we have lost the local food processing facilities providing good-paying jobs in our communities, Montana has more ghost towns than healthy, thriving communities. Many of our local stores, schools and churches have closed. Many of us have to travel hours to educate our children, buy our supplies, care for our health, and worship. Increased investments in local food processing will cultivate healthy, vibrant communities throughout the country.

Economic Conditions Facing Livestock Producers

American cattle producers are today experiencing the smallest cow herd in over 70 years, which is a result of widespread drought over the last few years and an anticompetitive market filled with uncertainty. The number of beef cows in the U.S. is down 39 percent from the historic peak set in 1975, marking the smallest beef cow inventory since 1961.¹ Due to these supplies and strong demand for beef, along with stronger enforcement of the Packers and Stockyards Act (P&S Act) in recent years, cattle prices today are higher than they were 5 years ago.² But even with these strong prices, significant uncertainty remains, especially around trade. While higher than average prices are expected to linger, volatility will likely remain high without continued oversight of the packers. Prices will be subject to short-term setbacks due to macroeconomic forces, political uncertainties, and packer manipulation.³

¹ U.S. Department of Agriculture (USDA) Economic Research Service (ERS). "Livestock, Dairy, and Poultry Outlook: February 2025," Feb. 18, 2025. <https://ers.usda.gov/sites/default/files/laserfiche/outlooks/110972/LDP-M-368.pdf?v=22396>.

² USDA National Agriculture Statistics Service (NASS). "Prices Received for Cattle by Month—United States," Feb. 28, 2025. https://www.nass.usda.gov/Charts_and_Maps/Agricultural_Prices/priceca.php.

³ Peel, Derrell and Anderson, David P, "Cattle markets bullish but cautious in 2025." *Farm Progress*. Jan. 23, 2025. <https://www.farmprogress.com/livestock/cattle-markets-bullish-but-cautious-in-2025>.

A major concern for cattle ranchers is the control of the market by multinational corporations. The beef packing industry is highly consolidated and uncompetitive, with just four firms controlling more than 80 percent of the processing market. Concentration is high in hog processing (65 percent) and among poultry integrators (55 percent) as well. At the local and regional levels, concentration is even higher, and that more clearly reflects the marketing opportunities for individual ranchers. Cattle ranchers are hesitant to reinvest in rebuilding their herds when they are at the mercy of four large multinational packers. These packers have leveraged opportunities to both demand high retail prices from consumers and pay producers less. For instance, in 2019, a fire at a major packing plant owned by one of the big four meatpackers led to a simultaneous drop in cattle purchase prices from producers and an increase in beef prices for consumers. Subsequent analysis of processing data revealed that, contrary to what one would expect based on resulting prices, meatpackers processed over 5,000 more head of cattle in the weeks following the fire than in the weeks before. Without strong oversight of packers, we are at risk of price manipulation that harms ranchers and consumers.

Country-of-Origin Labeling

We also need to make sure that consumers know what they're buying. Truthful and accurate voluntary labels are important to American producers and helpful for consumers. Thus, NFU supports reinstating mandatory country-of-origin labeling (COOL).

The bipartisan American Beef Labeling Act would require COOL for beef sold in grocery stores, helping consumers make informed decisions through clear and accurate food labels and promoting a fairer and more competitive market for America's cattle producers. Congress can take action to help put American consumers, farmers, and ranchers first by reinstating COOL. American producers deserve the right to choose, and American cattle farmers and ranchers deserve the right to compete for consumers' favor in their domestic market. Please keep and enforce the new rule that the label "Product of USA" can only be used on products that are from animals that were born, raised, and processed in the U.S.

Packers and Stockyards Act

For over a century, the P&S Act has protected the ability of independent family farmers and ranchers to compete in a fair and open marketplace, without fear of retaliation or discrimination. But those protections have eroded. When a handful of powerful corporations control livestock markets, producers lose their ability to negotiate fair prices, secure transparent contracts, and build a future for the next generation. Without strong safeguards and clear rules of the road, rural communities suffer due to unfair practices that tilt the playing field against independent producers and that stifle the entrepreneurial spirit that has made America great. Recent updates to the P&S Act strengthened protections for family livestock producers and policymakers should maintain these common-sense, farmer-focused actions.

Farmer-Focused Enforcement of Anti-Competitive Actions

The updated P&S Act, as well as our nation's antitrust laws, must be vigorously enforced so that we can give independent livestock producers the tools they need to compete fairly, reinvest in their communities, pass down their operations to the next generation, and continue the proud tradition of feeding America.

USDA needs stronger tools to enforce the P&S Act and conduct investigations into unfair and anticompetitive conduct. The bipartisan Meat and Poultry Special Investigator Act would further empower USDA and provide more resources to address anticompetitive behavior in livestock markets. The bill also provides the cross-agency collaboration with the Department of Justice, the Federal Trade Commission, and the Department of Homeland Security necessary to address monopolistic practices within the industry and protect against actions that would threaten our food supply. We ask Members of this Committee to review and advance this important bill.

Cattle Price Discovery and Transparency

Another concern in the cattle industry is the impact the decline in negotiated, or cash, trade has on price transparency and discovery. The cash market serves as the basis for all cattle prices, even as there has been a proliferation of alternative marketing arrangements (AMAs) that can sometimes be an attractive option for cattle producers.

Congress must ensure there's a robust cash market for cattle to provide price discovery for all other sales. That is why we have been pushing for the bipartisan Cattle Price Discovery and Transparency Act in recent years. The bill would promote fairness and transparency in cattle markets by improving price discovery through negotiated trades. The bill would require more timely reporting of market dynamics

to give producers more insight into the market and better leverage when negotiating prices for their cattle. We hope policymakers advance the core concepts behind this bill during the 119th Congress.

Local and Regional Processing

Anti-competitive pressures have eroded local and regional livestock processing options, which limits opportunities in the marketplace for producers while making our food system less resilient. Local and regional market opportunities, supported by adequate alternative processing capacity, can help farmers capture a larger share of the food dollar.

In recent years, USDA increased its support for businesses and communities looking to invest in expanded meat and poultry processing. Members of Congress have also taken note of the importance of this issue, introducing the bipartisan Strengthening Local Processing Act in the last Congress. We expect this legislation to be re-introduced very soon. USDA's investments are critical, and we must ensure these new facilities are able to operate sustainably and thrive over the long-term.

These new facilities are making a big difference in Montana so far. We eat about 100,000 head of cattle each year in Montana. Prior to this recent investment in our local meat processing we could only process about 30,000 head each year. Even though Montana raises and sells about two million calves each year, it became abundantly clear during the pandemic that we did not have the right infrastructure in place to feed ourselves. Thanks to recent investments in the state, supported by USDA grants and low-interest loans, we now have the capacity to process over half of the cattle we consume. Investing in food security is national security should be as much of a priority as investing in our military.

Another major challenge facing producers is inflexibility in scheduling for harvest of their livestock because of the robust demand for too-few local processing facilities. Producers often must schedule harvests for 1 or even 2 years out, which means for some producers they must schedule harvest dates before animals are even born. Recent investments also helped us tackle this issue. Montana Farmers Union worked with several direct-to-market producers to form meat processing cooperatives—for example, the Montana Premium Processing Co-op⁴—that leveraged USDA grants and low-interest loans to build meat processing plants. Now, the approximately 100 livestock producers that are member-owners of these cooperatives can schedule harvest in a much more manageable 3 month window.

Despite this good news, without strong enforcement of the P&S Act and our anti-trust laws, and ongoing and consistent support for new processing facilities from USDA, we fear the major meatpackers will force the new smaller packing plants in our state out of business like they did in the 1980s.

Federal Funding Freeze and Layoffs

Early actions by the new Administration to freeze Federal funding and lay off or buy out many Federal workers have created significant uncertainty for farmers and ranchers across the country. NFU and Montana Farmers Union are gathering stories and information from members and other rural Americans about how these rapid changes have created challenges, and livestock producers are among those affected.

Many farmers and ranchers choose to work with USDA's Natural Resources Conservation Service (NRCS) and enroll in conservation programs to strengthen their businesses, make improvements to their farm operation, and protect their natural resources. These programs, such as the Environmental Quality Incentives Program (EQIP) and the Conservation Stewardship Program (CSP) work on a reimbursement and cost share model where farmers voluntarily take on the initial expense of contracted projects with an understanding that USDA will reimburse them promptly. We have heard from many farmers who have told us that the funding freeze on some conservation program funds has prevented timely reimbursement of the expenses they have already incurred for contracted projects. Even if the money remains in the programs and farmers are reimbursed, the uncertainty is bad for long-term planning.

Program payment limits of \$450,000 for EQIP and \$200,000 for CSP, and the fact that both of these programs work often through long-term, multi-year contracts, mean farmers enrolled in either or both programs can incur hundreds of thousands of dollars in costs before being reimbursed. We have heard stories of lenders reluctant to renew farmers' operating lines without assurance that these programs will continue, and farmers leveraging existing lines of credit with high interest rates to

⁴Montana Premium Processing Cooperative. <https://www.mtpremiumprocessing.com/directors>.

cover these costs until the funds are, hopefully, released. We appreciate that USDA recently released a very small percentage of the funding for frozen programs, but we urge the department to complete their review and release all remaining funds as soon as possible to relieve farmers of the uncertainty they are facing.

USDA's Food Safety and Inspection Service (FSIS) also recently attempted to rehire several staff members that had been fired when it became clear that their expertise was needed to help address the outbreak of highly-pathogenic avian influenza (HPAI). We urge similar actions for FSIS meat inspectors. An FSIS inspector must be on site at a meat or poultry processing facility in order for it to operate; reductions in the inspection force could significantly reduce processing capacity and create backlogs in the supply chain.⁵

Farmers Union members are also well-aware of the longtime challenges of recruiting and retaining qualified local USDA staff for the Farm Service Agency, NRCS, and other agencies. We are very concerned that reducing the Federal workforce will only exacerbate these issues. We urge this Subcommittee to ensure the Administration's pause on many Federal grants, hiring freeze, and layoffs of Federal workers do not adversely impact livestock producers or other farmers and rural Americans more than they already have.

Livestock Risk Management and Disaster Programs

The farm bill can help protect family farmers and ranchers against natural disasters and lower prices. That's why Farmers Union urges continued efforts to improve disaster programs and insurance options for livestock producers to be able to manage their risk effectively.

The American Relief Act of 2024 included \$2 billion in *ad hoc* assistance to livestock producers. I hope this Committee will help Secretary Rollins gather information about how those dollars can be most effectively distributed. Additionally, emergency disaster programs, like Wildfires and Hurricanes Indemnity Program (WHIP and WHIP+), the Emergency Livestock Relief Program (ELRP), and the Emergency Relief Program (ERP) made \$17.6 billion available to livestock programs between 2017 and 2024.⁶ These programs helped keep ranch families in business but need careful review to make sure the next round of assistance is as effective and equitable as possible.

As this Subcommittee knows well, the farm bill is overdue and it is time to make improvements to these risk management programs and livestock policy in general. Recent spending levels set in the House budget reconciliation bill would eliminate a very large portion of the funding the Agriculture Committees need to build support for farm, conservation, and food policy legislation. We urge you to push back against deep cuts to agriculture spending because family farmers and ranchers need a strong farm bill.

Additional Policy Priorities

Animal Identification

If there are any efforts toward expanding a mandatory national animal identification system, lawmakers should ensure that this should not be at the expense of producers. A broader national animal identification should be about U.S. herd health and is a national food security issue, so the costs of implementing the program, including the tags, readers and database, must be borne by the Federal Government and not passed on to family farmers and ranchers.

Trade

International trade brings a lot of value to our livestock market, so whenever policies start to shift and change, lawmakers need to carefully consider the effects on farmers and ranchers. We need a measured approach to tariffs and trade. Tariffs can be a powerful and useful tool when used in a smart way, but if they aren't, the results can be catastrophic: lost markets for agricultural products, higher prices for consumers, and farm income drops.

Check-offs

NFU supports voluntary, producer-financed commodity research and promotion programs, so long as they are transparent and regularly audited and independently evaluated for effectiveness. Over the years, a few of these check-off programs have

⁵ Katz, Eric, "Trump exempted public safety roles from his hiring freeze. Federal firefighters, prison guards and food inspectors wonder why they don't count." *Government Executive*. <https://www.govexec.com/workforce/2025/02/trump-exempted-public-safety-roles-his-hiring-freeze-federal-firefighters-prison-guards-and-food-inspectors-wonder-why-they-dont-count/402871/>.

⁶ Congressional Research Service (CRS) "Livestock Forage Disaster Program (LFP): Drought and Wildfire Assistance." June 4, 2024. <https://crsreports.congress.gov/product/pdf/R/R48082>.

misused funds and have well-documented conflicts of interest. Family farmers and ranchers would be well served by greater oversight of these farmer-paid funds. That's why NFU supports the Opportunities for Fairness in Farming (OFF) Act, which would provide more supervision and review of commodity check-off programs.

Conclusion

The livestock sector has become highly consolidated and uncompetitive, much to the detriment of family farmers, ranchers, rural communities, and consumers. We have seen important progress in recent years, however, to bring fairness for farmers back into the livestock marketplace. This Subcommittee should push forward to enact these policy priorities to best serve American agriculture.

Thank you for the opportunity. I appreciate the Subcommittee's attention and look forward to answering your questions.

The CHAIRMAN. Thank you.

Next we will hear from Mr. Sander. Please proceed when you are ready.

STATEMENT OF TROY SANDER, PAST CHAIRMAN, LIVE CATTLE MARKETING COMMITTEE, NATIONAL CATTLEMEN'S BEEF ASSOCIATION, OKLAHOMA CITY, OK

Mr. SANDER. Chairman Mann, Ranking Member Costa, and Members of the Subcommittee, thank you for the invitation to share a cattle producer's perspective on the state of the livestock industry. My name is Troy Sander. I am the Chief Operating Officer for Heritage Beef, a Kansas-based cattle feeding business, and the current President of the Kansas Livestock Association. I am also a proud member of the National Cattlemen's Beef Association, or NCBA, where I just concluded my time as Chairman of the Live Cattle Marketing Committee.

NCBA has been the trusted leader and definitive voice of the U.S. cattle industry since 1898. NCBA today represents over 25,000 direct members and approximately 178,000 through its 44 state affiliate organizations. As the chair of one of NCBA's seven policy committees, I have seen firsthand our century-old grassroots policymaking process at work. Every member has a voice in that process, and it is on behalf of these cattle producing families that I testify before you today.

In general, and certainly more so than any time in the recent past, I am pleased to report that the state of the cattle industry is healthy and strong. We are seeing cyclically high prices for fed cattle feeders, calves, and cows, and even setting new price records in some cases. While much of this can be attributed to tight cattle supplies, beef demand has also held strong in the face of inflation and tighter household incomes. Consumers know that beef is a nutrient-dense and efficient source of protein, and that is largely why they keep coming back for more. Not to mention it tastes pretty good, which we got to experience last night.

While we maintain a positive outlook in our industry, we are also not immune to the challenges that face all of production agriculture. Input costs such as feed, fuel, labor, and even regulatory compliance represent the greatest threat to producer profitability. To put it into perspective, as prices have nearly doubled over the last 4 years, my margin is roughly the same.

As Congress explores ways to support cattle producers, I would draw your attention to the following points. As I stated earlier, much of the support for these high prices is because of strong beef

demand. One of the greatest tools ever designed to grow and maintain beef demand is the beef check-off system. This widely supported and successful program uses the pooled resources of cattle producers across the country to open new markets abroad, drive sales domestically, and conduct research into the human nutrition benefits of incorporating beef in a healthy diet.

Cornell University estimates that those who pay into the beef check-off see a roughly \$13.41 return on every dollar invested. Despite this, the check-off has come under fire from a small minority of dissatisfied producers whose voices have been amplified by the radical animal rights industrial complex. The simple fact is this. The beef check-off works. It does so with rigorous oversight under producer direction and at zero cost to the taxpayer. NCBA urges lawmakers to reject any legislative or regulatory attempts to dismantle commodity check-off programs.

Finding and keeping a workforce is another major challenge in the cattle industry. Domestic farm labor is extremely hard to come by and as a result, we struggle to maintain operational certainty. Although programs like H-2A exist to help with the farm workforce, it favors crop production because it is entirely a seasonal program. The cattle industry needs refinements to H-2A to make it a year-round, more successful, efficient, and streamlined program.

NCBA was pleased that the Biden Administration withdrew its disastrous rule deceptively titled Fair and Competitive Livestock and Poultry Markets. Government handouts and central planning is not the solution to market challenges. However well-meaning this rule may have been, the fact is it would have wreaked havoc on the small producers it was intended to help. And this rule is not the only example of that. Whether it is the Endangered Species Act, National Environmental Policy Act, climate sideboards on conservation programs, or *Waters of the United States*, NCBA urges Congress to rein in regulatory overreach everywhere it exists.

There are many other important issues I simply do not have time to address, and I would ask that you please examine my written testimony.

In closing, Mr. Chairman, cattle producers are tough and resilient people who tackle new challenges with determination and grit. NCBA is ready to work with this Subcommittee, the Administration, and anyone to ensure a bright future for the next generation of America's cattle producers.

Thank you, Chairman Mann, and I will now stand for questions.
[The prepared statement of Mr. Sander follows:]

PREPARED STATEMENT OF TROY SANDER, PAST CHAIRMAN, LIVE CATTLE MARKETING COMMITTEE, NATIONAL CATTLEMEN'S BEEF ASSOCIATION, OKLAHOMA CITY, OK

Introduction

Chairman Mann, Ranking Member Costa, and Members of the Subcommittee, on behalf of America's cattle producers, thank you the opportunity to testify before you today.

My name is Troy Sander. I am the immediate past Chairman of the Live Cattle Marketing Committee for the National Cattlemen's Beef Association (NCBA), the current President of the Kansas Livestock Association, and the Chief Operating Officer at Heritage Beef, LLC, which operates feedyards in Kansas.

I am testifying today on behalf of the National Cattlemen's Beef Association (NCBA), the largest and oldest trade association representing the U.S. cattle and beef industries. Initiated in 1898, NCBA has been the leading voice for cattle pro-

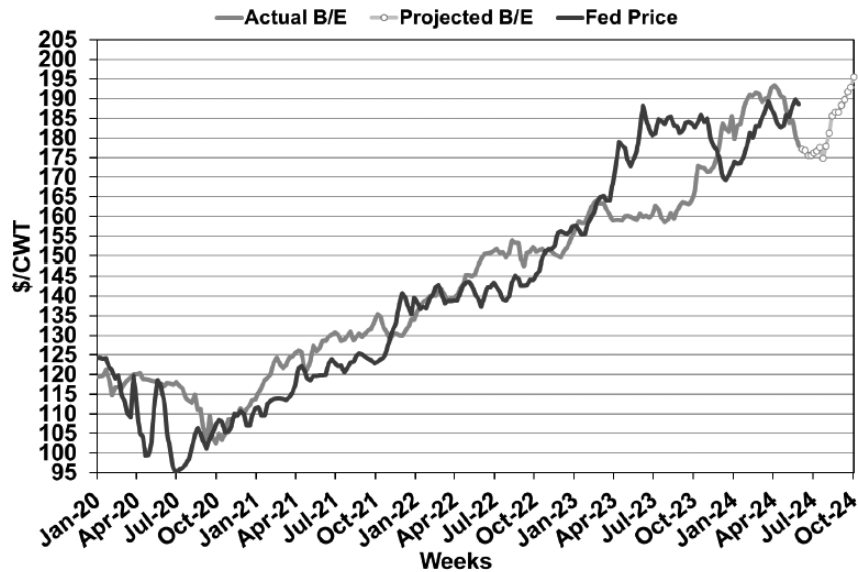
ducers for over a century, shaping the future of our industry. Today, NCBA represents more than 25,000 direct members and an additional 178,000 through our 44 state affiliates. These affiliates are critical in driving our policy positions and ensuring that the concerns of cattle producers are heard. Over 90 percent of our members are family-owned businesses, operating across all sectors of the cattle industry—from cow-calf, stocker/backgrounder, and feeding sectors of the supply chain. Each member has a direct influence on our policy decisions, made through a democratic process of resolutions and directives. This is how NCBA forms its stance on legislation and regulations—by listening to those who live and work on the ground every day.

State of the Cattle Industry

The U.S. cattle industry is strong and positioned better than it has been in many years. Cattle prices are high, and demand for U.S. beef continues to hold both domestically and internationally. It must be noted, however, that this success has come without the passage of burdensome legislation or excessive regulation in the cattle market. Cattle producers navigated the immense difficulties of the COVID-19 pandemic, demonstrating the industry's ability to adapt, on its own, to changing conditions of supply and demand.

Despite the current positive state of our business, significant challenges still remain. The testimony of my fellow NCBA members over the years has been similar, all noting that input costs are the greatest threat to the solvency of family cattle operations. Progress has been made, but the problem still lingers as producers continue to battle high interest rates, transportation expenses, feed prices, labor costs, and—certainly—the increasing costs of regulatory compliance. These issues directly impact profitability, which is the key to maintaining the farming and ranching lifestyle. For example, the profit margins cattle producers are clearing today on roughly \$2.00 fed cattle are little different than the margins we were making when live cattle were at \$1.35 (See *Figure 1*).

Figure 1. Fed Cattle Break-Even and Price



Source: CattleFax.

Leadership in Washington has a profound impact on the future of America's cattle industry. It is critical to restore common sense to regulatory decision-making, and President Trump has demonstrated a strong commitment to cutting unnecessary red tape that stifles industry growth. For over 125 years, NCBA has remained unshakable in its commitment to one fundamental principle: producer profitability. Without profitability, producers cannot continue their way of life, nor can they sustain their vital role in driving the nation's economy and food security. Profitability is not just a financial goal—it is the lifeblood of family farms and ranches. It is the

very foundation of a way of life that is deeply rooted in hard work, dedication, and a passion for raising cattle. While profitability is critical, direct payments are not the solution. Instead, the focus must be on establishing an operating environment that allows producers to succeed based on their own innovation, sound business decisions, and ability to drive demand from consumers.

As we confront the pressures of inflation and work toward a future that supports the growth and sustainability of cattle operations, NCBA wants to highlight the most pressing concerns from producers across the country. These issues are not just policy points—they represent the livelihood, passion, and dedication of thousands of American cattle producers who are committed to feeding the nation and the world. While this list is not exhaustive, it addresses many of the issues of the highest concern to the cattle industry.

Swiftly Adopt a Farm Bill

The farm bill is essential to providing stability for America's cattle producers, and NCBA strongly supports the progress made by Chairman Thompson, whose bill passed out of the House Agriculture Committee with bipartisan support. Now, Congress must see this framework through to completion. A modern farm bill must address key priorities for the cattle industry, including expanding the National Animal Vaccine and Veterinary Countermeasures Bank (NAVVCB) to guard against Food-and-Mouth Disease (FMD) and other threats. We also support stronger risk management tools, ensuring producers have access to programs that help them navigate market volatility. We support conservation programs that work, including improvements to the Environmental Quality Incentives Program (EQIP) and the Conservation Stewardship Program (CSP)—keeping them voluntary, incentive-based, and beneficial for working lands.

The farm bill provides a critical level of certainty for ranchers and the broader cattle industry. NCBA remains fully committed to supporting a strong, producer-focused bill that prioritizes profitability and keeps government overreach in check. Congress must act now to ensure that cattle producers have the tools they need to succeed.

Support the Beef Check-off

Commodity research and promotion boards, or “check-offs,” play a crucial role in the success of U.S. agricultural commodities. These programs allow producers to pool their financial resources for marketing, research, and promotion efforts that support their shared commodities. For the beef industry, the Beef Check-off has been instrumental in increasing demand, opening new market access, and providing consumer nutrition education. These initiatives would not be possible without the Beef Check-off, which directly benefits farmers and ranchers by creating an effective model for public-private partnerships.

The Beef Check-off, established by law in 1985 and supported by 79% of cattle producers in a national referendum, has proven to be an invaluable program for the industry. By collecting just \$1 per head from cattle sales, the Beef Check-off uses these funds to conduct research and promote U.S. beef, both domestically and abroad. The U.S. Department of Agriculture (USDA) estimates show that every dollar invested in the Beef Check-off yields a remarkable return of \$13.41 for cattle producers. This significant return underscores the program's value, which is widely recognized by producers. In fact, when a petition circulated from 2020 to 2021 seeking a referendum on the Beef Check-off, it failed to gain enough support. Despite a 3 month extension to gather signatures, supporters couldn't reach the necessary 10% threshold, reflecting the broad backing for the check-off among those who directly benefit from it. This overwhelming support speaks volumes about the check-off's importance and effectiveness in strengthening the beef industry.

Unfortunately, these programs have come under attack from a small but vocal minority of dissatisfied producers, whose voices have been amplified by the radical animal rights industrial complex. These activists and their allies have attempted to gut check-off programs with misguided legislation like the so-called “Opportunities for Fairness in Farming Act (OFF) Act,” (H.R. 1249, 118th Cong.). Thankfully, when brought to a vote, legislative measures similar to this bill have been overwhelmingly defeated by lawmakers—both Republican and Democrats—who understand the value of check-off programs and stand with real farmers and ranchers.

Despite the false claims of check-off detractors, these programs are routinely audited to ensure compliance with strict, and reasonable, implementation rules and financial regulations. This oversight is done both internally and by officials at USDA. Remarkably, the research and promotion work done by check-offs, as well as the USDA staffing costs to conduct the required oversight thereof, are paid for entirely

by the check-offs themselves—at zero cost to the taxpayer. This is a model of efficiency and coordination.

NCBA strongly urges Congress to oppose the OFF Act and continue to defend the Beef Check-off and other commodity programs that have been proven to be successful in promoting agriculture, supporting producers, and improving the strength of U.S. commodities both here and abroad.

Bolster Producer Profitability by Cutting Red Tape

The Federal Government is deeply involved in nearly every aspect of the cattle industry, from environmental regulations to market oversight. Over time, it has continually tested the boundaries of its reach, adding layer upon layer of bureaucracy that increases costs and limits producers' ability to make decisions that work best for their operations. Our industry is one of precision, requiring careful management and long-term planning. Yet every year, new regulations create additional burdens. Federal encroachment into private property rights, such as through the Endangered Species Act (ESA) and ever-changing water regulations, has further complicated land management. The constant revisions and [rescissions] of Federal expectations make it nearly impossible for producers to plan for the future with confidence. These regulatory hurdles add costs at every stage of production, impacting ranchers, feeders, processors, and ultimately consumers.

NCBA has long supported reducing these barriers to ensure that producers and on-the-ground experts have the authority to make decisions that best serve their land, livestock, and communities. This includes rightsizing Federal policies like the National Environmental Policy Act (NEPA) to align with Congress' fiscal responsibility goals, improving the ESA to incentivize conservation rather than penalize landowners, and ensuring appropriate Federal staffing levels so that agencies have the resources necessary to support, rather than hinder, the cattle industry. By scaling back unnecessary government overreach, we can allow the cattle producers to focus on what they do best—raising high-quality beef while stewarding the land for future generations.

Address the Threat of New World Screwworm

For over 60 years, the U.S. cattle herd has been free from the devastating impacts of New World Screwworm (NWS), a parasite that poses a significant threat to all mammals, including humans. However, the pest has rapidly spread through Central America and is now present in Mexico, bringing a renewed and urgent concern to our nation's agriculture and public health.

NWS causes severe damage to livestock, feeding on open wounds and leading to rapid tissue destruction. If left untreated, the effects can be fatal in a matter of mere weeks. The speed at which this pest spreads is alarming, and its potential to devastate the U.S. cattle industry is significant. Beyond its impact on cattle, NWS can also pose a threat to humans, making this an issue of both agricultural and public health concern. The good news is that NWS can be eradicated through a scientifically proven method: the Sterile Insect Technique. This involves the release of sterile male flies that mate with wild females, leading to a gradual reduction in the population. However, the current capacity for sterile fly production is not sufficient to meet the demands of such an extensive eradication effort. Without additional resources and infrastructure to scale up sterile fly production, we risk an uncontrollable spread of this pest across the U.S.

NCBA calls on Congress, along with our Mexican and Central America partners, to address this NWS threat before it reaches U.S. borders and escalates into an irreversible crisis. The cattle industry, along with other sectors of agriculture and public health, depend on swift and decisive action to address this emergent threat.

Keep the Dietary Guidelines for Americans Nutrition Focused and Free from Bias

Beef is a powerful, nutrient-rich source of protein that plays a crucial role in a healthy diet. In just 3 ounces of lean beef, you can get 25 grams of high-quality protein and ten essential vitamins and minerals for only 170 calories. To match this same amount of protein, you would need to consume 382 calories of black beans or 666 calories of quinoa. This makes beef not only an incredibly efficient source of nutrition but also a delicious one that supports both muscle development and overall health. Unfortunately, despite its proven benefits, beef's place on the plate is under attack—not because of scientific evidence, but due to unscientific recommendations from the Dietary Guidelines Advisory Committee. These recommendations have been influenced by political opinions rather than sound, science-based research. The result is that beef, a nutrient-dense protein, is being unfairly maligned, while other protein sources with less efficient nutritional profiles are being promoted. As the *Dietary Guidelines for Americans* are being finalized, NCBA urges the Committee to

exercise proper oversight and ensure that the HHS and USDA are led by science, not political agenda. The final guidelines must reflect the latest, evidence-based research that supports the inclusion of lean beef in a balanced diet.

Repeal the Death Tax and Preserve Crucial Tax Provisions

Family-owned cattle operations play a pivotal role in driving rural America's economy. To continue thriving, these businesses need a tax system that supports their entrepreneurial endeavors and encourages multi-generational growth. One of the most significant threats to these operations is the estate tax, commonly known as the death tax. NCBA strongly supports the full and permanent repeal of the death tax. A recent NCBA tax survey revealed that 61% of respondents would experience negative consequences if the death tax relief from the 2017 Tax Cuts and Jobs Act (TCJA) were rolled back to pre-2017 levels. For many cattle producers, land is their primary asset, not cash. Rising farmland values have made it more difficult to avoid substantial loans or sell parts of the operation to cover the death tax, which is why protecting the stepped-up basis is critical. Without this protection, inherited farmland and pastureland could be subjected to a capital gains tax, which would significantly increase producers' tax burdens at the time of death. Succession taxes are not conducive to growth, and failing to repeal the death tax and safeguard the stepped-up basis will harm the next generation of cattle producers.

Cattle producers also rely on vital tax tools such as the Section 199A Small Business Deduction, Section 179 deduction, and Bonus Depreciation. Section 199A enables small businesses, including farms and ranches, to deduct up to 20% of qualified pass-through business income. According to an Ernst and Young study, this provision supports 2.6 million jobs and contributes \$325 billion to the economy, with 38,000 jobs in agriculture. Section 199A was designed to allow pass-through businesses to compete fairly with corporations following the reduction of the corporate tax rate in the TCJA. If Section 199A were to expire, many farmers and ranchers might face the difficult choice of converting to C corporations to benefit from favorable tax treatment, despite potentially losing flexibility in other areas.

Section 179 has long been an essential tool for farmers and ranchers, alleviating cash flow issues, reducing effective tax rates, and simplifying depreciation record-keeping. The TCJA increased the Section 179 deduction limit to \$1 million, with a \$2.5 million cap on equipment purchases. According to the NCBA tax survey, 57% of respondents have used Section 179 in the past 3 years, and 45% of those respondents said they would have faced an additional tax burden exceeding \$20,000 without this deduction.

Bonus depreciation, also known as first-year expensing, allows businesses to deduct the full cost of an asset in the year it is placed into service. This tool is especially valuable for farmers and ranchers when equipment purchases exceed the Section 179 deduction limits. NCBA strongly supported the TCJA's updates to Section 179 and Bonus Depreciation, as they enabled producers to maximize deductions on equipment purchases, keeping more money in their pockets. These provisions, when used together, help producers recover costs more quickly, thereby reducing taxable income. NCBA's tax survey found that 44% of respondents utilized Bonus Depreciation within the last 3 years, and 31% would have faced an additional tax burden of over \$20,000 without it.

Safeguard the Viability of the Domestic Farm Workforce

NCBA is dedicated to ensuring both the security of farmers and ranchers along the southern border and the stability of the agricultural workforce. Labor shortages in production agriculture and agribusiness have reached a critical point, threatening rural economies, supply chains, and U.S. food security. To address this crisis, reforms to the H-2A visa program are needed, including year-round worker availability, expanded access for processors, and shifting oversight from the Department of Labor to the USDA, where agricultural needs are better understood. At the same time, protecting livestock, land, and the environment from harm along the southern border remains a top priority.

Reject Prescriptive Livestock Markets Policy

Cattle prices have soared to record highs over the past 4 years, a direct result of the free market operating without unnecessary government interference. During the challenging marketing conditions of the COVID-19 pandemic, some claimed that without sweeping Federal intervention, producers would never see favorable market conditions again. Those claims have been undeniably disproven. Yet, despite this clear success of the free market, the Biden Administration continued its efforts to interfere in cattle producers' private business negotiations.

From the outset, President Biden and Secretary Vilsack sought to expand USDA's power under the Packers and Stockyards Act of 1921 (PSA), particularly by attempt-

ing to dismantle the long-standing “Harm to Competition” standard. This key legal precedent ensures that a violation of the PSA occurs only when an action harms overall market competition. By maintaining this standard, cattle producers have been able to negotiate premiums for the unique characteristics of their livestock and beef products, fostering innovation and fair competition. The standard has been upheld in Federal courts eight times as consistent with Congressional intent, yet the Biden Administration pushed forward with efforts to undermine it.

Over the past 4 years, USDA has introduced five rulemakings under the PSA, each based on a flawed interpretation of the agency’s authority and widely opposed by cattle producers. While the most damaging of these, the *Fair and Competitive Livestock and Poultry Markets* rule, was withdrawn at the end of the previous Administration, USDA has signaled its intent to revive similar policies. These misguided regulations, much like cash trade mandates, would be devastating to the cattle industry, threatening the profitability of producers nationwide. Congress must remain vigilant in opposing any attempt to expand Federal control over private business dealings in the livestock sector.

However, Federal overreach is not the only threat to the free market. California’s Proposition 12 serves as another example of harmful, market-altering policy. While California accounts for just under 1% of U.S. pork production, it consumes approximately 13%, giving it an outsized influence on the national market. By imposing specific and restrictive production standards on pork sold within its borders, California has effectively dictated practices to producers in other states—an undeniable violation of interstate commerce principles. Congress must take action to ensure that no single state has the authority to impose regulations that extend beyond its borders and unfairly burden producers across the country.

Reauthorize Livestock Mandatory Reporting

Livestock Mandatory Reporting (LMR) is a crucial market transparency tool for cattle producers. Countless cattlemen and women across the country utilize the information reported through LMR to forecast supply and demand trends, price cattle, and analyze market trends. It is the single most accessible and diverse source of timely, accurate information available to those who make their business trading livestock.

LMR is required to be authorized by Congress every 5 years. Interestingly—and unfortunately—enough, this September will mark the 5 year anniversary of the expiration of LMR’s 5 year authority. Since 2020, LMR authority has been temporarily extended via the appropriations process despite calls from animal agriculture to complete this reauthorization for the standard time and in the appropriate manner. While we are grateful to have not lost access to LMR data since its expiration, NCBA still holds that a full, 5 year reauthorization provides the most certainty to cattle producers. We urge Congress to prioritize this effort as quickly as practicable.

Prioritize U.S. Beef Trade and Hold Partners Accountable

The U.S. beef industry is a global leader, with approximately 15% of domestically produced beef sold internationally. In 2024, U.S. beef exports totaled \$10.45 billion, contributing an estimated \$415 per head of fed cattle slaughtered. Korea, Japan, and China accounted for 58% of total sales, reflecting strong global demand for high-quality American beef. This success is largely due to trade agreements that have removed barriers, allowing U.S. producers to compete effectively. However, while competitors in Australia, South America, Canada, and Mexico have aggressively pursued and secured new trade agreements, the U.S. Government has done little in the past 4 years to expand market access for American beef. To maintain a competitive edge, the U.S. must re-engage in trade negotiations and secure preferential access in fast-growing markets across Asia, Africa, and the Middle East.

At the same time, while failing to expand access for U.S. beef, the Federal Government has approved imports from multiple countries—often without holding those trade partners to the same rigorous standards required of American producers. The National Cattlemen’s Beef Association (NCBA) has raised concerns about Brazil’s repeated failures to report cases of atypical bovine spongiform encephalopathy (BSE) in a timely manner. As outlined in multiple letters to the USDA, Brazil’s reporting delays suggest either incompetence or intentional withholding of critical information, neither of which align with the high safety standards the U.S. demands from its trade partners. NCBA urged the USDA to suspend Brazilian beef imports and conduct a full audit, but the agency declined. Similarly, the approval of Paraguayan beef imports has raised industry concerns due to outdated risk assessments based on 9 year old site visits. Given Paraguay’s history with foot-and-mouth disease (FMD), NCBA called for updated inspections before granting market access. Yet, despite strong opposition from U.S. cattle producers, the USDA moved forward. The

health of U.S. consumers and the cattle industry cannot be jeopardized by trade partners with questionable safety records. The U.S. must enforce strict import standards, starting with the suspension of beef imports from Brazil and Paraguay until thorough audits confirm compliance with U.S. food safety and animal health regulations.

In 2024, the U.S. was a net importer of beef, with Brazil being a leading supplier of lean trimmings and processed beef products. Brazil exports under the annual “Other Country” tariff rate quota, alongside Paraguay, Japan, the United Kingdom, Ireland, and several European nations. This year, Brazil filled its 65,000 metric ton quota by January 17, 2025. For the remainder of the year, Brazilian beef will be subject to a 26.4% tariff—yet this may not be enough to discourage imports. To uphold U.S. food safety and trade integrity, suspending imports from Brazil and Paraguay, coupled with thorough audits, may be the only effective way to ensure compliance. Additionally, Colombia has applied for access to the U.S. beef market, despite having active FMD cases and a porous border with Venezuela, a known FMD hotspot. While Colombia remains a key U.S. ally, diplomatic ties should not override the need for strict animal health standards. Before any market access is granted, a comprehensive risk assessment must be conducted in line with GAO recommendations.

The global reputation of U.S. beef is built on safety and quality—something American producers have worked tirelessly to maintain, particularly in the wake of the 2003 BSE case, infamously dubbed “the cow that stole Christmas.” Protecting this reputation requires vigilance in both domestic production practices and international trade policies. Currently, there is increasing interest in using vaccines to combat high-path avian influenza (HPAI) in U.S. dairy cattle. While this approach may offer animal health benefits, it could also trigger long-term trade restrictions on U.S. beef, as seen in other countries that vaccinate for FMD and similar diseases. The U.S. Government must carefully evaluate the potential market consequences before moving forward with vaccination policies. While imports account for roughly 12% of the beef consumed in the U.S., it is critical for domestic producers to differentiate their products in the marketplace. NCBA welcomed USDA’s decision to close a loophole that previously allowed misleading origin labels on imported beef.

As of January 1, 2026, packers and retailers will no longer be able to use generic “Product of USA” claims on imported beef. Instead, under the new voluntary and trade-compliant labeling rules, beef can only be labeled “Made in USA” or “Product of USA” if it comes from cattle that were born, raised, harvested, and processed in the U.S. These reforms will help American producers stand out in the domestic market while catering to growing consumer demand for locally sourced beef. To ensure the continued success of U.S. beef, policymakers must prioritize expanding market access, enforcing strict import standards, and maintaining the industry’s reputation for quality and safety. This means holding trade partners accountable, preventing risky imports, and securing trade agreements that benefit American producers. Without decisive action, U.S. beef risks losing its competitive edge in the global market.

Analyze the Federal Lands Grazing Programs

The U.S. beef industry benefits from a diverse cattle supply chain, in part due to the vast Federal lands that play a central role in raising cattle. In the West, livestock producers collaborate with the Bureau of Land Management (BLM) and the U.S. Forest Service (USFS) to manage approximately 250 million acres of Federal grazing land. Each year, around 63% of cattle in the region rely on this crucial forage, which not only supports the local cow/calf sector but also contributes to a multi-regional beef supply chain. However, the industry has faced challenges over the years, especially following the early 1990s, when radical environmental groups pushed for a “cattle-free” initiative on Federal lands, demanding grazing be eliminated by 1993. This movement led to significant regulatory changes that reduced livestock grazing on Federal lands and increased regulatory burdens on producers. These regulatory changes, along with the growing complexities of natural resource laws such as the National Environmental Policy Act (NEPA) and the Endangered Species Act (ESA), have made it more difficult and costly for ranchers to operate on Federal lands. The U.S. Forest Service (USFS) has also faced similar pressures to reduce grazing, but their focus on timber and fire management—rather than grasslands and forage—has made it harder for ranchers to maintain grazing operations over time.

Livestock producers leasing Federal lands face a number of challenges, including paying a base grazing fee set by Federal law and maintaining infrastructure to comply with their grazing permits. Maintaining fences, water systems, pipelines, and invasive species control is often more expensive than operating on private lands.

However, ranchers view these costs as a worthwhile investment because they benefit directly from the high-quality forage that sustains their cattle. Moreover, the environmental and economic advantages of grazing Federal lands extend far beyond just cattle production. Many of these Federal lands are interspersed with private and state lands, and grazing plays a key role in reducing wildfire risk, controlling invasive species, and supporting a range of other uses on public lands. Studies show that grazing reduces the risk of wildfire ignition by 45–50%, prevents the spread of invasive grasses, and contributes to biodiversity. Additionally, grazing generates billions of dollars in ecosystem services, including wildlife habitat, watershed protection, and opportunities for wildlife-based recreation.

Given the multiple benefits grazing provides, the National Cattlemen’s Beef Association (NCBA) strongly supports significant revisions to USFS and BLM grazing policies to recognize the economic and environmental value that private producers bring to Federal lands. Furthermore, NCBA advocates for the expanded use of targeted grazing—especially outside existing grazing allotments—to mitigate wildfire risks, which not only threaten cattle production but also have wide-reaching impacts on the economies of the West.

Effective Federal lands management is crucial to the long-term success of the U.S. cattle industry, and NCBA appreciates this Committee’s focus on policies that support a strong and resilient national beef supply chain.

Conclusion

To conclude, America’s cattle producers are some of the most adaptable and resourceful individuals you’ll find. They consistently demonstrate their ability to overcome challenges, and that will continue as they navigate the future. While there is reason for optimism compared to previous years, the obstacles we face are still substantial.

If I could make one simple recommendation, it would be this: listen. Take the time to hear from cattle producers when they share their insights. If they tell you that a program is effective and should be expanded, give it serious consideration. If they warn that a bill could unintentionally harm their operations, give it the attention it deserves. These producers, who are on the ground day in and day out, know what works best for the health of our food systems.

It’s a well-known statement around Capitol Hill that “food security is national security,” and we agree fully. This responsibility is something we take with great seriousness and pride. We are honored to be part of this vital industry, and we are eager to continue working with you to ensure that future generations can count on a secure and sustainable food supply. Thank you, Mr. Chairman. I will now stand for questions.

The CHAIRMAN. Thank you all for your important testimony here this morning.

At this time, Members will be recognized for questions in order of seniority, alternating between Majority and Minority Members, and in order of arrival for those who joined after the hearing convened. You will be recognized for 5 minutes each in order to allow all of us to get as many questions in as possible.

To begin, I will recognize myself for 5 minutes. Thank you all for being here this morning.

First question will be for your, Mr. Sander. Can you speak to the growth in demand that you are seeing for the cattle industry, and what is the outlook overall for prices as you think about where the beef industry is today and where it is headed?

Mr. SANDER. A lot of the high prices and record high prices that we are currently experiencing today go back to just simple supply and demand. We are at a point in the cattle cycle which occurs about every 5 to 7 years where we see herd reductions, because it wasn’t so great of an environment a few years back. And so, as supplies go down prices go up.

But I also attribute, as I said in my testimony, a lot of our continued robust demand has to go to both the beef check-off system and also robust export markets as well.

The CHAIRMAN. All right, thank you.

Next question is for you, Mr. Zimmerman. In your written testimony, you stated that the Biden Administration's proposed *Salmonella* Framework lacks a scientific basis and introduces a policy that is logistically unfeasible, financially burdensome for the industry, and is likely to increase food costs, waste, and threaten food security.

Please expand on the flaws of the proposal, and provide an overview of all the important work that the industry is already carrying out to reduce the risks associated with *Salmonella*.

Mr. ZIMMERMAN. Obviously, food-borne illness is a concern for our industry, and we do take many steps and strides to mitigate the risks in our processing plants.

But the proposed framework proposed by the Administration is highly flawed and potentially illegal. *Salmonella* is inherent in poultry, and to declare it an adulterant is just not legally sound. We take many, many steps to address the situation and decrease the loads from farmers like me who regularly monitor for *Salmonella*, to processing plants who have many, many steps to try to limit its spread.

But to go so far as to declare it an adulterant is nearly impossible. Bacteria are everywhere. We will do what we can to limit the risks, but, to go as far as they have in this rule is just not legally or scientifically possible.

The CHAIRMAN. Thank you.

Next question for you, again, Mr. West and also Mr. Zimmerman, you both know all too well about the havoc that high-path has wreaked across the poultry industry. I was pleased to see President Trump and Secretary Rollins' announcement last week directing additional money to improve biosecurity fund indemnity and conduct research on vaccines and therapeutics.

How do you both feel that last week's announcements—how do you feel about the announcement and the impact that will have on our poultry producers? Maybe we will start with you, Mr. Zimmerman, and then let you conclude, Mr. West.

Mr. ZIMMERMAN. As I outlined, we are very thankful for the attention this issue has raised, and we are thankful for the plan that has been brought forward. But we want to be very clear that this plan needs to address the virus and not just one species.

Turkeys are not just big chickens, and we have our own set of concerns, so any plan moving forward, we would hope that turkey farmers would also be included, and it would encompass the entire spectrum of other species that are also affected, dairy cattle, we are seeing it cats, rodents, and other species.

So, the plan needs to be a little bit more holistic and address the virus as a whole, but we are thankful for the initial steps.

The CHAIRMAN. Okay. Further comments from you, Mr. West? I know you talked about some in your testimony, but feel free to expand.

Mr. WEST. I would echo Mr. Zimmerman's comments. It gives us a clear path for our future. A vaccine is another tool in our tool chest that we can use. I would like to describe the conditions on our farm where we have been hit twice with AI. Within 10 kilometers of our ranch, we have 40 dairies. We have about ten million broiler chickens. We have about four million laying hens, and about

10 miles to the south of us, we have the largest nature preserve west of the Mississippi, I believe. So, in our particular instance, we believe a vaccine would be very helpful, and would ensure the health of those birds in that neighborhood.

The CHAIRMAN. Great. Well, thank you all again for being here this morning and for your testimony.

Next, I will recognize Ranking Member Costa for 5 minutes.

Mr. COSTA. Thank you very much, Mr. Chairman.

I don't know, Mr. West, if you want to enhance your comments. You talked about your plan and for the record, I would like to submit the plan that you are implementing, if there is no objection.

The CHAIRMAN. No objection.

Mr. COSTA. Thank you.

Do you want to expand any more on that, Mr. West?

Mr. WEST. Well, are you referring to the working group that we have established in our industry?

Mr. COSTA. Correct.

Mr. WEST. Yes. We are working on the first draft of that as we speak, and as soon as that is ready, we will be ready to deliver that.

Mr. COSTA. Good.

Mr. WEST. I do not know a timeframe on that. I would guess—I don't want to guess, Mr. Costa.

Mr. COSTA. You made your comments, Mr. West, about our valleys and critical productivity in terms of not only the poultry development in your area, but also the dairy industry. You have cooperated—because I know I have represented both industries and many others. How is the cooperation going these days with over 70 percent of the dairy herds in California being impacted by the high-path avian flu? How would you describe that relationship?

Mr. WEST. I would describe it as friendly, and I would describe it as perhaps a little secretive. We know what is going on in our farms, and we don't know what is going on, on theirs. And we would like to work together with that industry and others locally, regionally, nationally to come up with a plan.

In many neighborhoods where you see laying hens, you will see dairy cows and you will see a lot of other forms of agriculture.

Mr. COSTA. Well, I think that is something we need to continue to work on, not just in California but around the country, because of the way this high-path avian flu has taken shape.

Do any of you witnesses here care to comment on the impacts of potential tariffs on our trading partners in Canada and Mexico, and your concerns?

Ms. STEVERMER. Yes, thank you. I can address that question.

I mean, as I mentioned before, 25 percent of our pork products are exported. That adds \$66 worth of value. Our trading partners like Canada and Mexico are concerned. We export—Mexico is our number one market for exports, so any type of disruptions, our concern is—especially the retaliatory tariffs that might come back to us.

I think it is also important to note that we, as an industry, get young wean pigs from Canada that would be affected by that—those tariffs also, which would add costs to our producers. These pigs are raised in states like Minnesota and Iowa. So, we have a

very integrated industry. We work well together, and certainly concerned with any type of disruptions and retaliatory tariffs that might come our way.

Mr. COSTA. And that is the thing. Each country has the ability to invoke retaliatory tariffs, so it is a two-way street.

Anyone else care to comment?

Mr. SCHWEITZER. Yes, the U.S. is the largest beef exporter in the world. We are also one of the largest beef importers in the world. Tariffs hit us both ways on that. In Montana, we have a good working relationship with Canada. Most of our feeder calves go north to the border to be finished, fed out, and many of them come back to the United States to be processed. Most of our inputs for growing our feed come from Canada. So, these tariffs would have a very adverse impact on the cattle ranchers of Montana.

Mr. COSTA. So, you would agree there are taxes on American consumers and American producers?

Mr. SCHWEITZER. Absolutely.

Mr. COSTA. Thank you.

I have carried the funding legislation for Animal Health Laboratory National Animal Disease and Preparedness, the RESPONSE Program, the National Animal Vaccine and Vet Countermeasures, and I am proud to continue to carry those appropriations.

Mr. Zimmerman, would you agree that without these critical resources, our food supply would be even more at risk?

Mr. ZIMMERMAN. I would wholeheartedly agree. The first step in combating a virus outbreak such as HPAI is surveillance.

Mr. COSTA. So, we need to keep these folks on board and not have them terminated, correct?

Mr. ZIMMERMAN. They were already short-staffed, so any further cuts to staff would be detrimental, yes.

Mr. COSTA. I agree.

Biosecurity continues to be a main pillar in combating high-path avian flu, but we also have strong herd health here in the United States. Mr. Schweitzer, you mentioned in your testimony, you can expand why ear tags and other measuring and biosecurity are worthy investments? Quickly comment. I have run out of time.

Mr. SCHWEITZER. It is, food security is a national security.

Mr. COSTA. We both agree.

Mr. SCHWEITZER. And herd health is national security. And it is definitely important and our herd health is at risk without good traceability. It is a public good, and it should be—the cost of herd health should be borne by public, not the producers, not the feeders, not the packers.

Mr. COSTA. Thank you, Mr. Chairman. My time has expired.

The CHAIRMAN. Next we will recognize the gentleman from Nebraska, Mr. Bacon, for 5 minutes.

Mr. BACON. Thank you. I appreciate y'all being here. Question for our beef experts, our pork experts. Can you tell me the importance of USMCA to these two industries?

Ms. STEVERMER. Yes, thank you, Mr. Bacon. I love the last name there.

Once again, trade is so important to our industry. I mean, when you look at the pork industry, trade helps provide that balance. We export more than we import, and so, Mexico is our number one ex-

port market. They love our pork down there. Canada is, I believe, number five. So, both of them are important to us, and the work of USMCA has been good for both—all three of us countries, I should say, certainly want to continue those types of relationships in the future, too.

Mr. BACON. How about for our beef?

Mr. SANDER. Yes, we are extremely glad for the export trade that we have. We value it at about \$425 a head for every animal that we produce is the value of exports to us. So, we are excited about new markets and expanding current markets, and we fully understand that this is a very important part of our production system.

Mr. BACON. Question for you both, a follow up.

I understand some retribution towards Mexico. They were blocking our corn and doing some other things, but has Canada—to my knowledge, they have lived up to the USMCA, so I am trying just to get my arms around how—I am not sure responding to Canada with tariffs is appropriate, but has Canada been living up to the USMCA agreement, and if anybody knows differently, please let me know.

Mr. SCHWEITZER. Well, I believe they have been living up to the agreement, but I think the agreement needs a few improvements.

First and foremost, country-of-origin labeling. Second, they can dump their grains, wheat especially, into the U.S. market, but we are not allowed to export our wheat into the Canadian markets. This is clearly an important addition that needs to be made to the USMCA.

Mr. BACON. That is great input. Anybody else? Okay, go ahead.

Ms. STEVERMER. Well, I would just say that the trade and exports are complex, and as I mentioned, we get weaned pigs from Canada into the U.S. in Iowa and Minnesota, and those are good healthy pigs that are harvested in our plants. And so, we have an integrated industry, and that is why we need to continue to find ways to work together. I realize it may not be perfect for all species, but, for the pork industry, it has worked well for us.

Mr. BACON. One of the big concerns I have, we were a net trade exporter 4 years ago. Not a huge trade surplus, but there was one. Now, we have the biggest trade deficit in agriculture in our history, and I think it is part of the fact is why we are nearing a recession in the agriculture sector. That is very concerning for me.

A follow up question to Mr. Sander and Ms. Stevermer. There were recent cuts, several cuts to the Meat Animal Research Center, otherwise known as the Market in Nebraska, and a lot of these researchers lost their jobs. Can you explain the importance of our nation's research efforts to agriculture?

We will start with you, ma'am.

Ms. STEVERMER. I would say all of us in agriculture, especially those of us that graduated from land-grant universities who want to continue to see that research happen there. I mean, that information, that research uncovered helps drive our industry. It helps drive the innovation and it is important work. It fuels the next, maybe, vaccine, animal health program, and so, we need to continue to have that support in those areas, yes, so that our industry can continue to be vibrant, continue to face the challenges that we have, and continue to be a leader in the world.

Mr. BACON. Yes, sir.

Mr. SANDER. Yes, our ability to respond—to prevent and respond to a foreign disease outbreak is paramount, and it would be devastating for our industry. And so, we support funding to continue that initiative.

We were very glad to see the Trump Administration rehire Federal employees that are important to protecting the U.S. cattle herd, including research from APHIS and employees from the USFS.

Mr. BACON. As someone who worked hard to get the FMD vaccine bank funded back in 2017, I appreciate the great work our researchers do, and I think with 4 seconds left, I am going to yield it all back to you.

The CHAIRMAN. Very generous, Mr. Bacon. Thank you.

I now recognize the gentlewoman from Connecticut, Mrs. Hayes, for 5 minutes.

Mrs. HAYES. Thank you. Thank you to our witnesses for being here today.

Last month, the President issued an Executive Order instructing agencies to plan for large scale reductions in force, and fired thousands of probationary employees. To your point, the rehiring of those employees would not have had to take place if they weren't fired without cause to begin with. Loan officers at the Farm Service Agency who help farmers secure financial investments to run or expand their operations were fired. These firings also impacted the Economic Research Service at USDA, which produces reports and data on the farm economy.

In the middle of an outbreak of bird flu, which has led to the death of over 165 million birds, President Trump and Elon Musk fired ¼ of the staff at the National Animal Health Laboratory Network Programs, and hundreds of employees at the Animal and Plant Health Inspection Service, which have been responding to the spread of the disease. The Trump Administration is now struggling to rehire these important employees as bird flu spreads from poultry flocks to dairy herds in 17 states, and has tragically resulted in at least one human death.

Mr. West, in your testimony you indicated that current egg shortages and high egg prices are directly linked to the outbreak of bird flu. You also mentioned that the Federal hiring freezes left 26 new hires at the National Poultry Research Center unsure of whether they were supposed to start their jobs. Can you elaborate more on the impact of those large-scale firings and hiring freezes, the impact that they have on the ability of egg producers to respond to the bird flu, and additionally, what resources do farmers need to respond and recover from this outbreak and provide stability to the egg market?

Mr. WEST. I would like to talk about research first. During our outbreaks, we had full USDA staff on our farms. We did not have anybody that was short labor on our farm during our outbreaks. When I talked about labor shortages, I talked about techs and labs doing samples for avian influenza or whatever other poultry disease they might be looking for. I did not see any labor shortages on the farm.

Mrs. HAYES. But aren't those techs equally as important as the people who are actually on the farm in order to combat an outbreak of bird flu?

Mr. WEST. That is exactly right, and I believe that those positions were left untouched, if I am not mistaken, and I am going off memory here, ma'am, so I might be wrong.

Mrs. HAYES. Okay. Well, you can submit that later, but the point is making those types of cuts without surgical precision and an understanding of the impact that would have would leave us in a bad spot, should an outbreak occur that we cannot plan for. So, it is not just the workers on the farm, but the technicians in the lab and all of those highly specialized employees are very important to the lifespan of this process.

I have another question, but Mr. Schweitzer, you seem to be jumping out of your seat. Would you like to respond?

Mr. SCHWEITZER. The cuts have had an impact in Montana, no doubt about it. Both in predator control for our chief industry, and for health of our livestock, and for programs for the Montana farmers and ranchers.

Right now, many farmers are going in to get their operating loans renewed, and the bankers are dismissing any support from the U.S. Government. If you take that out of our bottom line, we are not going to get our loans renewed.

Mrs. HAYES. Yes, thank you. I can tell you that it has also had an effect in Connecticut. I was approached at a parade by a father who wanted to tell me the story of his daughter who was a shellfish expert, Marine veteran, highly recruited by the USDA, and happened to be a probationary employee in that role, although she had served 25 years in other agencies and departments in a highly specialized field as a shellfish expert.

I will submit my other questions for the record. With that, I yield back.

The CHAIRMAN. The chair recognizes the gentleman from Indiana, Mr. Baird, for 5 minutes.

Mr. BAIRD. Thank you, Mr. Chairman and Ranking Member.

So, I am going to start with Mr. Hopkins. As you know, all orphan programs were left unfunded at the end of the last Congress. Can you speak to the importance of the orphan programs, such as the Sheep Production and Marketing Grants, and the need for continued funding?

Mr. HOPKINS. Thank you, Congressman.

Yes, the orphan programs are critical to the sheep industry. The programs, as I understand it, in the past have been too small for CBO to score those in a baseline, and as a result of that, they always have to be listed in the farm bill as separate programs, which creates a lot of problems, especially when there is a CR that has to be done.

Last year in the farm bill that this Committee released in May, you combined many of those orphan programs into a—I believe it was a Fiber Trust Fund to make sure that they would be in the baseline, and we are greatly pleased that you were able to do that. And if you could continue to do that in the new farm bill, I think we would be very satisfied that that problem that has been with us for a while would get resolved.

Mr. BAIRD. Thank you. Do any of the other witnesses have thoughts in this arena?

If not, I will move on to Ms. Stevermer. You talk about how the U.S. pork industry is dependent on vitamins manufactured in China, due to the limited production that we have, and in some cases, there being no other country of origin options to meet the industry volume demands. While this is not within the jurisdiction of the Agriculture Committee, what recommendations do you have to Congress for addressing this issue?

Ms. STEVERMER. Yes, thank you for that question, and as I did mention, there are certain vitamins, trace minerals and amino acids, excuse me, that we can only get from China. And so, my ask would be that as we continue to have conversations about our relationship with China going forward, to keep that in mind because if we are unable to source them, or if the cost of those go up significantly, it will impact our producers bottom lines.

Mr. BAIRD. Thank you. Do any other witnesses have any remarks in this regard?

So, I am going to move on to another area. So, Mr. Sander, do you and your organization have any position regarding USDA's investments into small and regional meat and poultry processing capacity? And given the policy preferences, as a general rule, is it preferable to have Congress authorize these programs or have Administration do it?

Mr. SANDER. Yes, obviously we will, at some point, end up rebuilding our herd. Maybe not to levels that we have seen in the past due to inflation and taxes and land values, but we will see again a time where we have a large supply of cattle that need to go through the processing plants and the packing plants. And so, we are absolutely 100 percent supportive of programs to help small and regional packers overcome the high costs of the startup, and provide more hook space for our product.

Mr. BAIRD. Do any of the other witnesses have—

Mr. SCHWEITZER. Yes. Montana prior to the COVID pandemic, we eat about 100,000 head of cattle a year. But we only had the processing capacity of about 30,000. We found out during the COVID pandemic that we couldn't even feed ourselves, even though we raise over two million head of cows. This local regional processing is critically important for our food security and our national security, and the investments that have been made in Montana have increased, almost doubled, our processing capacity. But we still have a ways to go because we eat 100,000 head. So, if we can process 60,000, we are still short 40,000.

Mr. BAIRD. Thank you.

Anyone else? We have about 21 seconds. If not, I yield back. Thank you.

The CHAIRMAN. The gentleman yields.

I now recognize the gentleman from Iowa, Mr. Feenstra, for 5 minutes.

Mr. FEENSTRA. Thank you, Mr. Chairman. Thank you for having this Committee hearing. I want to thank our witnesses. I read your testimonies and they are very impressive.

We got some exciting times in the U.S. and what is happening in the commodity markets and things like that, but we also have

some concerns. I am from northwest or western Iowa where we have some of the largest livestock production in the country, livestock, turkey, egg laying, you name it. We lead in these industries, pork, and so forth. But the great problem that we are having and worry that we are having is foreign animal disease and obviously high-path avian influenza. Obviously, it has killed over 140 million birds already. It is catastrophic, and we are seeing it getting into cattle. We are seeing it get into mice and rats and cats and dogs. I worry—significantly worry about hogs, which I want to talk about a little bit.

But I am excited that Secretary Rollins came out with a robust strategy last week, and this was after a letter that I helped lead with others concerning the development from USDA and what can be done. Obviously, the investment has to be in biosecurity, farm relief, vaccine research, and other considerations.

So, I want to talk to Mr. Zimmerman and Mr. West. Obviously, Mr. Zimmerman, National Turkey Federation, thanks for being here. I think the world of your organization and what you do. I have one of your producers here that is going to go with me tonight to hear the State of the Union. And then, Mr. West, United Egg Producers, thanks for being here. Obviously, I have one of the largest egg producers in the country, 14 percent of the eggs come from one of my producers, and it is great to have you here.

So, between you two, what areas of research should be our priority that we can best implement and move forward on this strategy of trying to find a solution to high-path avian influenza? Mr. Zimmerman, what are your thoughts on this?

Mr. ZIMMERMAN. We have come a long way since 2014 when this virus first emerged in the Midwest, and we have come a long way with our biosecurity. There is still room for improvement and any research there obviously is helpful. But we need to do more than just biosecurity.

So, as we look towards a vaccination program, we need to research how that can be rolled out, because obviously we are not going to be able to jab every bird out there. It is just not possible.

Mr. FEENSTRA. No.

Mr. ZIMMERMAN. But what birds should we protect first? I mean, egg layers maybe, maybe our breeding stock. But we have to have those discussions of how a vaccine could be implemented, and we also have to address the trade issues, obviously, to make that happen.

Mr. FEENSTRA. Is that going to be the big issue? The trade issue concerns me a lot. So, you start vaccinating—it is different for egg layers, but for turkeys, is this going to be a big issue for you?

Mr. ZIMMERMAN. It can be a big issue. We have to weigh how many birds are we depopulating *versus* how large our export markets are, and we are at that point.

Mr. FEENSTRA. Yes.

Mr. ZIMMERMAN. So, we really need to look into how we can vaccinate and not harm trade.

In 2014, we know the CVOs got together and discussed this issue and alleviated a lot of the trade concerns. So, we would hope that in the future, we could have those discussions so we can start con-

centrating and looking at vaccines, because honestly, I think that is our path forward.

Mr. FEENSTRA. Yes, I agree. I had a couple turkey farms get hit in Buena Vista County and Sac County and stuff like that. We have to get our arms around this. We can't continue to euthanize and indemnify. I mean, we have to find solutions, and I appreciate that.

Mr. West, we have had a lot of discussions on this topic. Worried. What are your thoughts? What can we do to move forward? What is a solution here?

Mr. WEST. Well, there are a lot of solutions and there needs to be research at every level of this virus. I spoke in my testimony about a working industry group working with the USDA and working through some of these issues. Chief among them for our industry is when and where do we vaccinate the birds, and at what age and what facility? Do we do it at a hatchery? Do we do it in a brooder house where we take a day-old baby chick and raise her to 16 to 17 to 18 weeks? Do we do it there? We do not want to do it in a lay house. It would be operationally nearly impossible.

Mr. FEENSTRA. That is right, it would.

Ms. Stevermer, what is your thoughts? I am worried about it getting into hogs. Obviously, we are worried about African swine fever, but where do you see this moving forward and how can we all work together and find a solution here?

Ms. STEVERMER. I would just say it goes back to our three-legged animal health stool that we talked about, the importance of the labs that are doing the diagnostic work, the surveillance that we have in place there, and also our biosecurity. So, it is upon all of us as an industry, as livestock industries to be in communication with each other. I know our staff veterinarians are on those calls on high-path, and making sure that our lab capacity is there and that we have the science and innovation to work on vaccines.

Mr. FEENSTRA. Thank you. Thanks for your testimonies.

Thank you, and I yield back.

The CHAIRMAN. The Chairman recognizes the gentleman from New York, Mr. Riley, for 5 minutes.

Mr. RILEY. Thank you, Mr. Chairman. I appreciate it.

I want to follow up on what my colleague was talking about with bird flu. It is very, very concerning for a lot of reasons. We just had a bird flu outbreak in Ulster County in my district in January. We had another one in Delaware County just last week. And of course, we have seen what has been happening with egg prices.

So, Mr. West, I wanted to ask you this question. I share your concerns about the damage this virus is causing, and I agree with colleagues on both sides of the aisle that we really got to get it under control.

I am an original cosponsor of the bipartisan bill that Congressman Costa and others are leading, the Healthy Poultry Assistance Indemnification Act (H.R. 1376), and my understanding is under current law, farmers will get compensated if they have to depopulate a farm where bird flu is found, but that the folks who are in the surrounding control areas also have to take measures, but they don't get compensated. And so, our bill would allow them to be compensated for the economic impacts that they face.

I know that this bill is supported by the American Farm Bureau Federation, the National Chicken Council, and the United Egg Producers, and I was just hoping you could take a couple minutes to make the case for folks here why this bill is so important.

Mr. WEST. Well, the control zone in each neighborhood—let me describe the process. When there is an avian influenza case, there is a circle around that farm. It can be 5 kilometers, it can be 10 kilometers, and permitting needs to be done through those areas. If you have a poultry farm in that area, you would have to do increased testing. You would have to jump through a few different hoops to get your products moved. So, we would support anything that would support that farmer next door to getting his product moved.

Mr. RILEY. I appreciate that.

Ms. Stevermer, I had a question about in your testimony you talked about how American farmers are forced to rely on China for a lot of vitamins, and you listed some things like B₁₂, thiamine, folic acid, that are made almost exclusively in China. You said that China makes about 80 percent to 100 percent of various other vitamins. I am just curious, why exactly is that the case, and are there things we should be doing with American public policy to start trying to lessen our dependence on China for this stuff?

Ms. STEVERMER. I would say that process happened through time. As the economic and environmental pressures were here in the U.S. on those particular manufacturing plants, they went elsewhere into China. And so, I don't have a specific answer. If there were any plants that were going to be built, it is going to take time to get those built and then permitting for that to happen.

So, I think in the meantime, once again, keeping in mind that they come from China, many of those trace minerals and amino acids, and continue to have that thought in mind when we have conversations on our relationship with China.

Mr. RILEY. But there is not, like, some sort of structural or scientific or technical reason we are depending on China for this stuff? Like we could if we put our minds to it and made the investments, we could—scientifically we could probably do this here in America? Is that your sense?

Ms. STEVERMER. Correct. Correct, yes.

Mr. RILEY. Yes, okay. It just seems like—I mean, this is the thing across so much of the country, and certainly in my district in Upstate New York where we have been—the economy has just been hollowed out because we have ceded ground to China and other competitors around the world. We used to make stuff in America, and something as simple—I guess I shouldn't say as simple. I am sure making vitamins is probably very complex scientifically, but when are you telling me that 100 percent of these vitamins that our farmers need we are depending on China for that, that makes no sense to me. And so, maybe we could look into ways to start making stuff in America again.

I will yield back the balance of my time, Mr. Chairman.

Mr. MESSMER [presiding.] Thank you.

I now recognize the gentlewoman from Indiana, Mrs. Miller.

Mrs. MILLER. Illinois.

The CHAIRMAN. Oh, Illinois.

Mrs. MILLER. We are neighbors.

Thank you all for being here. I really appreciate hearing from producers.

As a cattle producer myself, I understand the importance of promoting American beef and protecting our food safety in the country. I am concerned that other countries don't live up to the standards that the United States has for, say, raising cattle.

Mr. Sander, do you share these concerns when it comes to the importation of beef from other countries such as Brazil and Paraguay?

Mr. SANDER. We do spend a lot of our time talking about the value of exports to our business, and probably need to also spend as much time talking about imports. And as you mentioned, Brazil and Paraguay enjoy beef access to the U.S. market, but this needs to be immediately ceased, in our opinion, because they have proven they are either unable or unwilling to adhere to global animal health and food safety standards that we are held to here in the U.S.

Mrs. MILLER. Thank you, and I do find it troubling that United States is importing so much beef from other countries that put the U.S. cattle herd at risk for counteracting dangerous diseases such as foot-and-mouth disease. Could you explain to us what would happen in the U.S. if there was an FMD outbreak, and why it is so important to protect our cattle from these diseases?

Mr. SANDER. As it currently stands, if we would be devastated with such an outbreak, there would immediately be a minimum of a 72 hour stop movement on cattle. And as you all are aware, we have a perishable product and we can't stop the production process. The process needs to move. And so, among other costly devastating effects, that would be the one obviously that would happen quickly, and we just can't stand to have that type of a disease enter our shores.

Mrs. MILLER. Last, the USDA January cattle inventory report showed us that the cattle inventory in the U.S. has been at its lowest since 1995. What can Congress do to support cattle producers to get that number back up, and for us to have a thriving beef market?

Mr. SANDER. So, at the end of the day in the cattle business, we are margin managers and there are three ways that you can help protect your margins. And that is pay less for your input costs, produce your product more efficiently, or sell it for more. And keeping burdensome costs and burdensome government overreach in check, and helping us to reduce our costs in the production process is absolutely what we need to help us stay profitable and manage our margins.

Mrs. MILLER. Yes, and we know inflation is driven by out of control government spending and energy costs, so we're gonna ramp that back.

Mr. SANDER. I absolutely agree.

Mrs. MILLER. Ms. Stevermer, you mentioned that the pork industry is suffering from a shortage of labor across sector. What changes to the H-2A program would you believe would make the most difference?

Ms. STEVERMER. For us, making the H-2A program year-round, having those be year-round foreign-born workers would be key. Our pigs don't just grow for 9 months. We need workers 12 months of the year. So, that year-round access to those H-2A workers would be key.

Mrs. MILLER. Thank you, and I yield back.

Mr. MESSMER. Thank you.

I now recognize the gentleman from North Carolina.

Mr. DAVIS. Thank you so much.

I would like to thank in particular Chairman Mann and Ranking Member Costa for organizing this important Subcommittee hearing today. The topic is very important for eastern North Carolina. Livestock sales are 49 percent of agriculture sales in North Carolina's First District, over \$23 million in livestock inventory. The financial situation of our producers is top of my mind every day. In eastern North Carolina, our top industry is agriculture, to be clear. The jobs tied to the agriculture industry directly support—and we know this—the local grocery store, the local banks, the local tractor store, and many, many others.

Over the course of this last weekend, I was fortunate enough to be able to go out to Nooherooka Natural Farm. It is a seventh-generation family-owned and operated farm, and we did a ribbon cutting. And I am saying this to say I believe strongly that we need to do everything possible to keep our farmers and producers in business, and get financial standing so that they can continue to feed and clothe the American people.

We talked about animal health today over the course of this hearing. It remains in the news, so I am going to come back to the topic of HPAI, the outbreak. The bird flu epidemic continues to be top of mind. That raises the fear of producers back home that others could spread, and that it could jump from one livestock to another. Staffing shortages, as we have also alluded to, these are not easing fears.

I want to specifically narrow down my question here to Mr. Zimmerman. USDA Secretary Rollins recently announced USDA's HPAI strategy and turkey seems to not be included. I would like to know how has the turkey industry been affected and what would inclusion mean?

Mr. ZIMMERMAN. Well, thank you. We hope it was just an oversight. Obviously, the price of eggs is in the spotlight now, so we hope that turkey will be included in the future.

Turkeys are a more long-lived bird, and so, they have more time to be exposed to the virus. And so, our industry as a whole—and nothing to denigrate the damage to the egg industry, but we have been hit really hard and we were some of the first to be hit in the previous outbreaks in 2014 and 2015.

So, we just wanted to be included and I think the major point is that we need to treat this as a virus, not as a specific species. This is in dairy cattle. It is in cats. It is mice. It is in chickens. It is in ducks. And so, any solution to this virus needs to be holistic in approach and include all of us so we can all be rid of this terrible virus.

Mr. DAVIS. Thank you so much.

I am going to see how we can do with the last 2 minutes of my time here.

I would love to hear from all of the witnesses, if you can just keep it like to a sentence, a one-liner that could capture what concerns, if any, do you have about the impact of a potential retaliatory tariffs? Whichever way you want to start.

Mr. ZIMMERMAN. I will start. We import a lot of our baby turkeys and our eggs from Canada, so obviously imports rising and then Mexico is our largest trading partner. Obviously that is a great concern that we—in a time when we are very—in a very stressful time, we can't afford to lose those exports and have our import prices increase.

Ms. STEVERMER. I would say our farmers are very concerned with retaliatory tariffs. We went through a longest period of unprofitability, lost average of \$30 a head. We are starting to make a little bit of money now. Any type of retaliatory tariff that disrupts that market affects our profitability, and that is concerning.

Mr. WEST. Very negligible amount of product moves across our borders. We don't import or export many eggs at all, so this will have little impact on the egg industry.

Mr. SCHWEITZER. The commodity prices that are so low this year and last is in large part due to the last trade war. Our largest customers were impacted during that trade war, and they looked for alternative markets. In 2024, we had an average crop but we lost our average market. And so, our commodity prices tanked because of this. It does have an impact and it has a long-range impact because our customers have built ports, rail, and other distribution networks to purchase their products from our competitors.

Mr. SANDER. We obviously are aware of the tariffs and as this Administration works to negotiate equitable trade agreements, we would hope that they also look at possible other export opportunities for our product as well.

Mr. DAVIS. Well, thank you for getting through that line of questioning, like 17 seconds over. You all are just as good as Members of Congress.

I yield back.

Mr. MESSMER. I now recognize the gentleman from Minnesota for 5 minutes.

Mr. FINSTAD. Thank you, Mr. Chairman, and I would also like to thank Chairman Mann for holding this important hearing today, and thank you to the witnesses for taking the time to be here with us.

Southern Minnesota is a top region for livestock production, and as I stated earlier, we are a pork powerhouse and we are very proud of that. It is an honor to represent the hardworking men and women who put high quality, nutritious protein on our tables.

With that being said, Ms. Stevermer, Prop 12. It has wreaked havoc on the marketplace and it has hurt small- and medium-sized producers. The fallout will only lead to increased consolidation as the largest producers are better equipped to conform to its arbitrary and unscientific requirements. In simple terms, can you explain to the Committee why it is completely backwards to think Prop 12 is anything but detrimental to pork production agriculture?

Ms. STEVERMER. Well, first of all, I want to thank Chairman Thompson for his work on language with Prop 12.

What makes it somewhat chaotic and backwards is the fact that while I am fine with states regulating production practices within their own state, it does not make sense for states to regulate production practices in other states. The fear that our producers have is that patchwork of regulations, and it doesn't matter what size you are, small or medium. You feel that effect, and it is hard to make business decisions and the chaos that it is causing is concerning.

I would say also, I have farms and producers that come up to me and say I don't know if the next generation wants to come farm because look at this chaos. If one state can tell another state what to do, and down the road maybe that happens again and we have multiple states and multiple regulations, how do I deal with that? Why would I want to deal with that? Why do I want to come back and farm? And I think that is very disappointing for people that produce wholesome, nutritious protein.

I will also say it is chaotic because it raises food prices. The people in California are paying, on average, 20 percent more for pork. That makes no sense. That makes no sense.

Mr. FINSTAD. Thank you for that, and in a follow up to that, so in the Farm, Food, and National Security Act of 2024 that we passed in a bipartisan manner through the Agriculture Committee, we had a fix included for Prop 12. And you alluded to it, but do you support that fix and the language in that bill?

Ms. STEVERMER. We do support that, yes.

Mr. FINSTAD. All right, thank you for that.

Maybe one last thought, and Mr. Riley from New York brought this up and I think it is a very, very good point. We have all our eggs in one basket when it comes to some inputs on the pork production side, and quite frankly, livestock production in general. But if you look at the amino acids, the vitamins, the minerals, it is scary to think that we all agree and say food security is national security, but yet, we don't have a domestic fix to diversify our inputs. And so, if we were to, from a Congressional bipartisan standpoint, work on ways to reignite domestic production of amino acids, vitamins, things that are so critical to our food and national security, would the pork industry be supportive of that?

Ms. STEVERMER. I would say we would. I mean, it is, as you said, having all our eggs in one basket is not ideal, and working through any regulatory and environmental conditions that might be out there I think is important to making sure that we can build that industry back again.

Mr. FINSTAD. Yes. So, to that point, I mean, these are self-inflicted wounds that we have put on ourselves, right? So, we have regulated ourselves out of the marketplace to the point where our only conclusion is our customer or our—the deal is to be made with China. And so, I think it is high time that we, again, in a bipartisan manner work together to figure out how we can bring some of this production back to the United States.

Mr. Zimmerman, I think of you often. You are a second-generation farmer, and most of your adult life you have lived as a farmer through very tough times. And so, you look at the perfect storm we

have going on now with high-path avian influenza and aMPV. How have these diseases separately impacted the economic livelihoods of Minnesota turkey growers, and what advice would you provide Members of Congress and the USDA, and how can we best combat these impacts simultaneously?

Mr. ZIMMERMAN. As I said in my oral testimony, this has been a one-two punch to our farmers. I am seeing the next generation of turkey farmers just throw up their hands. They can deal with one thing. HPAI has been great because there has been indemnity. With aMPV, there has been no indemnity. So, including the aMPV in the Livestock Indemnity Program would go a long way to provide some assurances to the next generation that there is some support there when they have these types of viral outbreaks.

But more importantly, let's find a solution. When we have been dealing with HPAI since 2014, it is time to move on. We spent the money on biosecurity. We need to look at vaccination. We need to get the trade issues straightened out, and we need to work towards a long-term solution, because we cannot survive. We will not have a poultry and egg industry in this country if we have to continue to live with HPAI.

Mr. FINSTAD. Well, I have seen your kids and the way they love farming, and we owe it to them to get this right to give them hope so they can be the third generation to take over your farm.

So, with that, I yield back.

Mr. MESSMER. I now recognize the gentleman from California for 5 minutes.

Mr. GRAY. Thank you, Chairman Mann, Ranking Member Costa. I appreciate you calling today's hearing, and thank you to our witnesses. It has certainly been an informative discussion. A special welcome to my good friend and constituent, Mr. West. Nice to see you on the other side of the country here and see a friendly face.

Mr. WEST. Thank you.

Mr. GRAY. Yes. I represent one of the largest dairy and poultry districts in the country, and certainly share a lot of the concerns that have been raised here today.

With the depopulation of over 160 million birds and the impact to consumers and wholesale prices and everything else, I mean, there is a lot to be concerned about. And frankly, some of the chaotic activity that I have experienced since my arrival here in Congress 2 months ago hasn't always reassured me that we are doing what we need to do.

Having said that, I certainly think the \$100 million funding that Secretary Rollins has announced and is moving forward with is the bright spot in this. Mr. West, you and I have talked about extensively the importance of the vaccination strategy, right? I am hoping—well, I am just curious if you could lay out for us what you think—how those funds can best be utilized, and what we can do as Members of this Committee and Members of Congress to best utilize our time to support those efforts and make sure that we do have an effective response strategy? Because like I said, there is certainly a lot to be concerned about.

So, if you could walk me through your thoughts on the best use of those funds and how we can best support that.

Mr. WEST. Absolutely. Thank you for the question.

I think those monies need to be spent everywhere around avian influenza, Mr. Gray. I think that it needs to start with industry groups, and I have said, I believe twice this morning, that we have established an industry group that is really excited about meeting with USDA and getting an action plan put in place. We need to be looking at things like monitoring out there in the field. We need to look at test results. We need to manage processes on the ground that we don't have guidance for at this point. And I think it makes it that much more important for us to work with government to make a clear path for everybody. Nobody wants high egg prices. Nobody wants empty egg shelves in the grocery stores. We want this problem to be over with, and I think if we work together, we can sure do that.

Mr. GRAY. I appreciate that, and I will open up the question to the rest of the panel. Just a sense of what barriers or hurdles do you all see that we can be helpful in clearing as we head down this path? Open-ended question to any members. Sir?

Mr. ZIMMERMAN. Surveillance is key, and fully staffing our surveillance teams at the state level is very important. Because if we don't know where the virus is, we can't even begin to control it.

I know recently in Minnesota that some funding has been frozen and our state is wondering how we are going to continue to even do basic surveillance for HPAI. So, that is key number one.

But then our strategic initiative, which I outlined in my written testimony, again, it is very similar to what Mr. West is talking about. Getting the best and brightest in the industry together and coming up with solutions, and looking at how we can use potential solutions such as vaccination to finally rid ourselves of this virus. It is going to take a lot of time and effort to come up with that plan, and we need some help getting the people together to formulate those solutions.

Mr. GRAY. I appreciate that.

Thank you all for your efforts, and please consider my office a friend and ally in addressing this very, very serious situation.

Thank you all, and I will yield back the rest of my time, Mr. Chairman.

Mr. COSTA. Mr. Chairman, may I raise a point of order?

Mr. MESSMER. Go ahead.

Mr. COSTA. I would like to enter into the record a Milk Producers Council of California letter that was addressed to me. I made reference to it in my opening comments, but the impacts of the poultry industry and the dairy industry with high-path avian flu and the dairy industry, like the poultry industry, has been made available to participate and file for emergency assistance for livestock, honey bees, and other farm-raised animals, and so, that is helpful with the ELAP application for milk losses due to high-path. However, the hope has been put on hold to a stop in payments for USDA, and Milk Producers Council wanted to raise that to our attention. If we can enter the letter into the record, I would appreciate it.

Mr. MESSMER. Thank you for the—it will be entered. Thank you. [The letter referred to is located on p. 72.]

Mr. MESSMER. I now recognize the gentleman from North Carolina.

Mr. HARRIS. Thank you, Mr. Chairman, and thank you to all of you that have been very patient on the panel today.

There have been a series of questions that popped up again about California's Prop 12, and just for the record, we know California's Prop 12 requires pork producers to increase space for their sows if they want access to the California market. It effectively banned gestation crates, a common enclosure used by the industry to protect sows and piglets during pregnancy and after birth.

The premise of this law implies that hog farmers don't want their animals to be healthy and safe, and I would just ask Ms. Stevermer, do you find that that is the case with the producers that you interact with?

Ms. STEVERMER. The producers I interact with work closely with their veterinarians and consultants to make the best choices for their farming operation based on their management style. And Prop 12 is not based on any scientific measures. It was a number pulled out of the hat, and once again, we—producers in other states had no opportunity to provide feedback, and yet it affects us. So, that is part of our concern is that patchwork and that over-regulation on our industry.

Mr. HARRIS. So, California's law also seems to take an entirely different approach to animal safety than longstanding producer and veterinarian practices, and I wonder if you could confirm if there was any science really put in behind this decision?

Ms. STEVERMER. No science put behind it, just arbitrarily picked out a number of 24'².

Mr. HARRIS. Okay.

Well, I understand Prop 12 went into effect just about a year ago, and I wonder if you could take a few moments to talk about the extremely difficult decisions that producers are facing on whether or not they comply with the forced mandate from California, or try their best to find another market to sell into, both of which are extremely costly in the process. Can you talk a little more about that?

Ms. STEVERMER. Yes, producers are making business decisions, whether they should incur costs to comply to Prop 12, and while there may be some premium involved with that, there is no guarantee that premium is going to last for a long period of time. Plus, there is no guarantee that there is not going to be another state's regulation come along with a different square footage that would affect their businesses. So, irregardless if you are small, large, medium, compliant, noncompliant, you are concerned about that patchwork of regulations.

I would say that it has gone beyond the U.S. Our trading partners, Mexico and Canada, are concerned about Prop 12. It is disruptive. I mentioned earlier that we bring piglets down from Canada into the U.S. Minnesota and Iowa are a couple of states that get a lot of those piglets. Canadian producers are affected by Prop 12 then, and so they are just struggling to see how that can affect them in the chaos.

And I will state it again that within California, the USDA Chief Economist studies show that pork prices rose 20 percent, so it is affecting us as producers. Our costs are going up, but it is affecting consumers also.

Mr. HARRIS. Thank you, and I think you make a great point about worrying that there is going to be continued fragmentation in state laws if Congress fails to act, and I think that is going to be critically important.

I want to turn to Mr. Sander, if I may, for just a moment. I did note in your testimony that California's Proposition 12, which largely focused on the hog industry, is of huge concern to National Cattlemen's Beef Association and its members. I wonder if you could take a moment just to explain why this is so worrisome to you and other livestock producers?

Mr. SANDER. Thank you for the question.

It becomes concerning for us when a state that produces less than one percent of the domestic hog production in the U.S. starts dictating animal husbandry practices to the rest of the country. We believe in the cattle industry that—I personally have spent the last 50 years—I am not that old, but I started really young, learning how to do a good job of raising livestock, animal handling, and animal husbandry practices. We are literally the original stewards of the land and of the animals, and we believe that those decisions need to be made with us, not just one state.

Mr. HARRIS. Well, thank you very much, and Mr. Chairman, with that, I will yield back the balance of my time.

Mr. MESSMER. Thank you. I now recognize the gentleman from New Mexico.

Mr. VASQUEZ. Thank you, Mr. Chairman. Thank you, Ranking Member. I appreciate the ability to waive onto today's Subcommittee hearing. I represent New Mexico's second district, the chili capital of the world. We produce the largest amount, over half of the country's onions in June and July, and we are also home to the Wild Turkey Grand Slam. You can hunt a Rio Grande, Merriam's, and a Gould turkey in my district, which I am very proud of.

However, we are here today to talk about livestock and dairy, two really critical industries to my district as well. Now, we have over 9,000 ranchers that raise over 1.2 million head of cattle and contribute over \$2 billion to the New Mexican economy. They hold 2,200 allotments across approximately 13.5 million acres of public lands across the state.

However, oftentimes these ranchers are confronted with unnecessary bureaucratic hurdles that hinder their ability to do their jobs efficiently. That is why I am proud to have introduced the bipartisan Ranching Without Red Tape Act of 2025 (H.R. 2238), which would cut through excessive regulatory delays and provide ranchers with the flexibility that they need to make simple but critical improvements on their Federal leases.

So, my question is to Mr. Sander. Mr. Sander, can you give me a few examples of range improvements that would trigger a lease renegotiation?

Mr. SANDER. Yes, thank you for the question.

As I said, our operations are in Kansas, so we don't graze many Federal lands. But we do buy from a lot of folks in the West that graze over more than 60 percent of the herd grazes Federal lands, and the ranchers who manage those permits, as I said earlier, are some of the original stewards of this land. And they know how to

take care of land. They are responsible for maintaining water troughs, pipelines, and fences are really good examples of that for you.

Mr. VASQUEZ. Thank you, Mr. Sander, and I completely agree with you. And that is why I believe my legislation is so important, and it makes common sense to cut through that red tape and cut through those regulations, and not have to renegotiate a lease with the BLM or another Federal land management agency. Is this something that you would commit to working with me to help pass this legislation?

Mr. SANDER. Absolutely.

Mr. VASQUEZ. Thank you so much.

It is also important to emphasize that this bill is not about short-cuts or sacrificing environmental oversight.

However, there is another bill I want to get to before my time expires today, also another bipartisan bill I have introduced called the Grazing for Wildfire Risk Reduction Act (H.R. 1110) with Mr. LaMalfa. We know that well-managed grazing plays a crucial role in wildfire mitigation by reducing fuel loads. The Grazing for Wildfire Risk Reduction Act would make it easier for ranchers to access public lands to reduce some of those fuels and prevent catastrophic wildfires like those in New Mexico, two of the largest that we have seen in just the last year alone.

Mr. Sander, from your perspective, how would targeted grazing in these areas of increased fuel loads both contribute to wildfire prevention, overall land health, and help ranchers?

Mr. SANDER. Again, we have learned a lot over the years, over many, many years of how the symbiotic relationship between grazing cattle and the environment can work amazingly well at helping to not only reduce the undergrowth and the fuel that is there for fires, but also slow down the flames in the process if and when a fire does ignite. We are 100 percent supportive of this initiative as well.

Mr. VASQUEZ. Thank you so much, Mr. Sander.

And look, one of the things I appreciate about serving on this Committee is we get to work with our colleagues on common sense legislation that we hope eventually makes it into a viable farm bill as a vehicle to get this passed. And so, I am looking forward to working with my Republican colleagues on both of these initiatives, and certainly anticipate and look forward to the support from the livestock industry, cattle growers in my state who also support both of these pieces of legislation as well, and that supports livelihoods in rural communities.

Now, I look forward to continuing this important work. Thank you all so much for being here today, and I look forward to having further discussions in full Committee for both of these bills.

Thank you, Mr. Chairman. I yield back.

Mr. MESSMER. Thank you. I will now recognize myself for 5 minutes.

Thank you all for sharing your time and insight to this Committee. Obviously, avian flu is top of mind for many Members of the Subcommittee here today.

I am encouraged by Secretary Rollins's timely response to the issue, and with Indiana being the fourth largest producer of tur-

keys in America, I am hopeful the USDA avian flu response will expand to support our turkey farmers.

Mr. Zimmerman, American farmers are the most efficient turkey producers in the world, but in your testimony, you mentioned that pressures like animal disease are pushing them out of business. What policies can Congress consider to keep our turkey farmers on the map, and is the primacy of American turkey production at risk if Congress does not prioritize these issues?

Mr. ZIMMERMAN. Thank you.

Specifically concerning aMPV, including that in the Livestock Indemnity Program will go a long way to adding certainty to our industry. One of the major concerns I hear from younger growers right now is they aren't able to get financing because their bankers don't know how they can survive with losing 30, 40, 50 percent of their flocks. So, providing that certainty that there is a backstop to these losses would be a godsend to our industry.

Outside of that, just certainty in our high-path avian influenza response. As I mentioned, staffing to make sure that we are actively surveilling for this virus, and I am very thankful that USDA now has a very concrete plan to move forward, and we do hope that turkey is also included in that plan. But that provides a lot of hope to our growers that maybe there is some light at the end of this tunnel, because God knows we can't survive doing the same old thing we have been doing for the last 10 years.

Mr. MESSMER. Thank you.

Recently, egg prices have been all over the news. Egg prices are high and are an anomaly in Indiana, but in one state in particular that has grown used to high food prices. Since passing Prop 12, residents of California have been subject to historically high cost of protein, and now Californians are unable to cushion themselves from the impact of supply shortages.

But this state initiative has trickle-down effects, impacting farmers in my district 2,000 miles away. Ms. Stevermer, if Congress fails to include a solution to Prop 12 in the upcoming farm bill, what implications will there be for our farmers and the purchasing power of consumers, and the integrity of our food supply, especially under strains like animal disease?

Ms. STEVERMER. If we don't address Prop 12 and the patchwork of regulations is allowed to continue across the country—so, if one state puts in a regulation that is slightly different than the next one, and now all of a sudden we as an industry are trying to market our pigs and raise our pigs to a variety of regulations, it will be chaos. And as I mentioned before, the next generation looks at that and says I don't want to be part of that. And so, we will lose a generation of farmers, and consumers will have to pay more for their food prices.

Mr. MESSMER. Thank you.

As everyone is well aware, President Trump's tariff on Mexican and Canadian goods went into effect this morning. I know the potential for trade war brings anxiety for producers in my district and across the nation, but I also know tariffs can be a way to make sure our trade partners hold up their end of the deal.

Mr. Sander, where have our trade partners most abused our current trade agreements?

Mr. SANDER. A good example that comes to my mind is, we have allowed Australia to have access to our markets here in the U.S. for many years, and we have not been able to send even \$1 of our product into their markets. And so, I believe that is an example of an export market that needs to be held accountable.

Mr. MESSMER. Thank you. Mr. Hopkins?

Mr. HOPKINS. I would reiterate, Australia and New Zealand have pummeled the sheep industry with lamb imports for decades. So, when unfair trade practices like that are occurring, tariffs are definitely warranted. They have all kinds of advantages that we don't have in the United States, and it is important that we try to level the playing field. So, I think in the face of such unfairness, we need tariffs.

Mr. MESSMER. Thank you. Well, with that, I will yield back the rest of my time.

Before—today's hearing has been a perfect example of why the livestock sector—oh, he showed up. Yes.

Mr. NUNN. Thank you, Mr. Chairman. I appreciate it, and thank you for allowing me to waive onto this.

You are all here at a very timely juncture as the Chairman has just noted, both in American history, but what it means to farmers across the country. As a guy from Iowa, sixth-generation family farm, these impacts are felt across not only the 87,000 family farms in Iowa, but across the country. We know that our farming communities are facing significant challenges, from rising input costs to the ongoing diseases like bird flu.

I would like to begin today by talking specifically to Mr. West and Mr. Zimmerman. Farming isn't just a job. For many of us, it is a way of life, and diseases like bird flu and aMPV threaten our farmers' livelihood and the very future of their ability to farm. In the last year alone, Iowa's farmers have lost over ½ million birds to aMPV alone, particularly in our turkeys.

Mr. Zimmerman, I would like to ask, is there a single USDA program that offers financial assistance to turkey producers impacted by aMPV?

Mr. ZIMMERMAN. No.

Mr. NUNN. That is right. So, I just want to repeat that again for all the folks who are watching at home and reporting on this from the ag side. They are talking about the impact here. Not a single Federal program currently exists to help our turkey producers recover from aMPV, and that is more than one million birds lost just in Iowa. Across the country, we are talking about true tragedy.

And that is exactly why I am proud to lead the Iowa delegation, and one I think is important for the entire country here, that the USDA—urge them to allow aMPV to qualify for the Livestock Indemnity Program, or LIP, and Mr. Chairman, I would ask that this letter be entered into the record.

Mr. MESSMER. Agreed.

[The letter referred to is located on p. 71.]

Mr. NUNN. Mr. Zimmerman, how would access to LIP program benefit producers in the coming months?

Mr. ZIMMERMAN. It would provide a lifeline. As you said, when you lose 30 to 50 percent of your flock, that is a loss of 30 to 50 percent of your yearly income. I mean, think of that if you are a

salaried individual. How would you survive losing that much? And then again, it will provide some certainty to our lenders that there is hope and that there can be some recovery from these losses.

In addition to that, I would like to address that there is a vaccine for aMPV. We are starting to see that now, but the process that it took over a year for us to get that approved needs to be reevaluated, because this isn't the only animal disease we are going to have in the future, and there are going to be vaccines that need to come into this country, and they need to be regulated and safe, but it should not take over a year for us to have access to the tools we need to protect our flocks.

Mr. NUNN. And I would agree with you on that. Not even just a family losing half of their income, imagine the family farm or a hometown community that sees half of its income wiped out. The ripple effect here is huge. You are absolutely right; this isn't just in the turkey sector, but removing the regulation to be able to get the vaccines needed to the front lines, it is not just in aMPV, it is also in bird flu.

Mr. West, I know you have worked on this. With the prices of eggs nearly doubling, something that my colleagues on the other side of the aisle maybe didn't care about 6 months ago. Now it is all they can talk about. But the reality here is that a lot of this is being driven directly by bird flu driving up costs, both at the supermarket, but on my breakfast table and I am trying to feed six kids.

I want to check with you on this. How are farmers' access to critical vaccines prevented by this spread of bird flu while at the same time if we could get these out here, not only would we help keep more flocks, we would help drive down costs for consumers.

Mr. WEST. I am not sure I understand the question. Is the question the availability of other vaccines aside from avian influenza?

Mr. NUNN. Yes, great clarifying point. Both the access to them, the regulatory items that Mr. Zimmerman just highlighted, and then being able to field that in a timely fashion.

Mr. WEST. We have had zero issues with vaccinations and vaccines to have inventory on our farms to this point. I can't speak to what is going to happen in the future, but the vaccines that we need and use are readily available at the moment.

Mr. NUNN. Would you consider them critical for the success that you have seen in fighting bird flu?

Mr. WEST. Absolutely.

Mr. NUNN. Would you like to see that model replicated when it comes to fighting things like aMPV for turkeys?

Mr. WEST. Yes. I would like to see avian influenza vaccine implemented and put into place and put into execution.

Mr. NUNN. I would agree with you, and I think there is a good pathway that you have highlighted here.

Thank you, Mr. Chairman. With that, I think we can all see the importance of the government getting to work on this to help communities in need while this is ongoing.

With that, I yield back my time.

Mr. MESSMER. Thank you.

Today's hearing has been a perfect example of why the livestock sector is so important. As mentioned earlier, agriculture is incred-

ibly interconnected. From the producer to the feedlot, and from the harvest facility to the distributor, every role is important to delivering protein to the market and to our consumers.

To our witnesses, thank you for being here today. We heard you loud and clear. From supporting the three-legged stool, to pushing back on the unscientific *Salmonella* Framework, to providing support to producers impacted by the avian flu, and expanding our markets for American animal protein exports, we have our work cut out for us. I look forward to working with all of you on the livestock issues that are so important to America, and as we reauthorize one of the strongest farm bills yet.

Under the Rules of the Committee the record of today's hearing will remain open for 10 calendar days to receive additional material and supplemental responses from the witnesses to any questions posed by a Member. This hearing of the Subcommittee on Livestock, Dairy, and Poultry is now adjourned.

[Whereupon, at 12:10 p.m., the Subcommittee was adjourned.]

[Material submitted for inclusion in the record follows:]

SUBMITTED STATEMENT BY HON. GLENN THOMPSON, A REPRESENTATIVE IN CONGRESS FROM PENNSYLVANIA; ON BEHALF OF AMERICAN BANKERS ASSOCIATION, FARM CREDIT COUNCIL, INDEPENDENT COMMUNITY BANKERS OF AMERICA

Dear Chairman Thompson, Ranking Member Craig, and Members of the Committee: Thank you for the opportunity to submit a written statement on behalf of the American Bankers Association, the Farm Credit Council and the Independent Community Bankers of America. We respectfully request that this statement be made part of the record for the March 4, 2025 House Committee on Agriculture Hearing.

The uncertainty surrounding some Federal programs is compounding already challenging economic conditions faced by America's farmers and ranchers. However, lenders in the agricultural sector remain committed to supporting our customers. We thank Congress for providing both agriculture economic and disaster assistance. As USDA works to send those funds to eligible producers, we as lenders, are well positioned and able to consider the economic assistance funds as we look at individual customer balance sheets and make lending decisions. Many of our members are utilizing USDA data and data from Land-Grant Universities to assist in making these funding assumptions. We will work diligently to position our customers with the financing options they need to continue operating during these challenging times. Finally, the most impactful thing Congress can do to ensure producers have the certainty they need to operate in these uncertain times is to pass a meaningful 5 year farm bill as soon as possible.

SUBMITTED LETTER BY HON. ZACHARY NUNN, A REPRESENTATIVE IN CONGRESS FROM IOWA

March 4, 2025

Hon. BROOKE ROLLINS,
Secretary,
U.S. Department of Agriculture,
Washington, D.C.;

Hon. KIMBERLY GRAHAM,
Acting Administrator,
Farm Service Agency,
Washington, D.C.

Secretary Rollins and Acting Administrator Graham,

We write today with deep concerns regarding the avian Metapneumovirus (aMPV), an acute respiratory virus of turkeys and poultry breeding stock, and the devastating impact it has had on Iowa's turkey farmers. Given the severe implications threatening the viability of turkey operations, we ask that the U.S. Department of Agriculture consider providing immediate financial assistance to the nation's turkey producers by allowing aMPV to qualify as an eligible adverse event under the Livestock Indemnity Program.

The aMPV virus, or Turkey Rhinotracheitis, is a highly contagious, viral respiratory disease that can infect turkeys, broilers, layers, and breeders for up to 4 weeks, leading to high flock mortality, reproductive disorders, and potentially a permanent reduction in egg production.

Since its identification in the fall of 2023, the disease has spread to all turkey producing states, having a major impact on turkey farmers, processors, small businesses, and the consumer supply chain. Iowa turkey farmers have reported flock losses ranging from 30 percent to 50 percent due to aMPV, threatening both their livelihoods and the broader U.S. turkey supply. Last year alone, Iowa's farmers lost an estimated 569,700 turkeys due to aMPV. This attributed to a loss of \$18 million in farm income.

Iowa's sharp decline in turkey production is reflective of the national turkey industry at large. Despite devastating financial shortfalls and supply chain disruptions caused by aMPV, there are currently no Federal assistance programs available to offset these devastating losses, leaving many family-owned operations at risk of closure. Without immediate support, the viability of these farms—and the stability of the U.S. turkey industry—is in jeopardy.

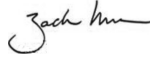
We appreciate the USDA's efforts in authorizing the importation of one inactivated vaccine and three live vaccines for aMPV. As this process develops, it is critical that the USDA act swiftly to approve its use and expedite its distributions across the nation. In the interim, turkey farmers continue to suffer substantial losses without any meaningful financial safety net.

To mitigate these losses and prevent future outbreaks, we urge the USDA Farm Service Agency (USDA-FSA) to consider determining aMPV as an eligible adverse

event under the Livestock Indemnity Program so that our farmers can access much-needed financial relief to affected producers.

We appreciate your consideration and look forward to working together to support American turkey farmers during this crisis. Should you have any questions about this request, please contact Congressman Zach Nunn's Legislative Assistant, Madeline Willis, at [Redacted].

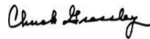
Sincerely,



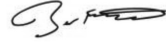
Hon. ZACHARY NUNN,
Member of Congress



Hon. ASHLEY HINSON,
Member of Congress



Hon. CHUCK GRASSLEY,
United States Senator



Hon. RANDY FEENSTRA,
Member of Congress



Hon. MARIANNETTE MILLER-MEEKS,
Member of Congress



Hon. JONI ERNST,
United States Senator

SUBMITTED LETTER BY HON. JIM COSTA, A REPRESENTATIVE IN CONGRESS FROM CALIFORNIA; ON BEHALF OF KEVIN ABERNATHY, GENERAL MANAGER, MILK PRODUCERS COUNCIL

March 3, 2025

Hon. JIM COSTA,
Ranking Member,
Subcommittee on Livestock, Dairy, and Poultry,
House Committee on Agriculture,
Washington, D.C.

Dear Congressman Costa,

Thank you for this opportunity to share an update on the effects the Highly-Pathogenic Avian Influenza (HPAI) has had on California dairy producers.

Since its first detection in the late summer of 2024, 747 California dairies have been infected, which is about 70 percent of all the dairy farms in the state. However, due to the highly transmissible nature of the virus, the California Department of Food and Agriculture (CDFA) currently has 991 dairy farms under surveillance, which is nearly all of the dairy farms in California. To date, 297 of the infected farms have fully recovered and been released from CDFA quarantine, but surveillance continues to determine if any of these farms become reinfected as we have seen in other states.

The toll HPAI has taken on dairy families has been both emotional and economic. My producers have been "cow people" for generations, and they have shared countless stories about how they have never seen so many of their animals sick at one time. The past 7 months have truly been an unprecedented time for our dairy families.

Economically, HPAI has dealt a terrible blow to our dairy families at a time when margins on the farm are already razor thin. When the cows are infected, their milk production drops anywhere from 10 to 40 percent. Post infection, production comes back up, but in many cases, does not return to previous levels. Imagine any business continuing to survive by cutting its sales up to 40 percent, while still incurring the same level of expenses. I estimate that the average size dairy in our state is losing out on \$225,000 a month in milk sales while infected with HPAI. Moreover, most of my producer members are three-to-seven times larger than the average dairy, which can put their losses at well over \$1 million per month. Producers are struggling to cash-flow their business and racking up more debt, which is having a ripple effect throughout the California farm community.

Fortunately, USDA started accepting ELAP applications for milk losses due to HPAI, which gave hope to our producers. However, that hope has been put on hold due to a stop in payments by USDA. Based on my personal experience working on ELAP applications with my members, I estimate that about one percent of producers have received their ELAP payment. It is my hope that you will request a report from USDA detailing how many ELAP applications have been received, processed, and funded. It is critical that Congress and the Administration work together to resolve this issue so that approval of applications and disbursement of funds by USDA's Farm Service Agency resumes. Time is of the essence for California dairy producers.

Respectfully,



KEVIN ABERNATHY, *General Manager.*

SUBMITTED QUESTIONS

Response from John Zimmerman, Immediate Past Chairman, National Turkey Federation

Questions Submitted by Hon. Randy Feenstra, a Representative in Congress from Iowa

Question 1. The last Administration failed to negotiate new trade agreements or renegotiate existing ones, further hurting the farm economy and the economic viability of our family farms. This has created a severe crisis in farm country, and it is critical that we improve our trading capabilities to expand our export markets.

However, without robust market development and critical infrastructure, our producers are significantly limited in their ability to export their high-quality products around the world.

As we look at diversifying export markets, specifically, the availability of cold chain capacity has been a limiting factor in growing trade with developing countries.

That is why I am proud to lead the FRIDGE Act—which would direct the USDA to negotiate contracts to deliver needs assessments, training, and other technical assistance to enhance infrastructure construction, including cold chain storage, to new and developing foreign markets.

Mr. Zimmerman, can you talk about the importance of cold chain capacity in emerging markets to the export of turkey and pork?

Answer. When you have a fresh product such as turkey, having a reliable cold chain storage system is critical to the United States establishing itself in an emerging market. Currently, limited cold storage vastly restricts certain countries' ability to safely store turkey products in their home country due to the lack of cold storage space.

Question 2. How would this help increase trade opportunities?

Answer. The FRIDGE Act would assist in building the necessary infrastructure essential to the expansion of all agriculture products, including turkey products into new, developing locations around the world.

Question Submitted by Hon. Ronny Jackson, a Representative in Congress from Texas

Question. On top of passing a new farm bill, the House Agriculture Committee is also engaged in the reconciliation process to help extend expiring provisions from President Trump's Tax Cuts and Jobs Act (TCJA).

Livestock producers in my district have benefited from a number of common-sense tax provisions in the TCJA, which have helped them build their operations and stimulate the agricultural economy.

Are there any Tax Cut and Job Act provisions that the producers that you are here representing today have a vested interest in seeing extended for the livelihood of their operations?

Answer. There are several business tax provisions that significantly impact turkey growers and agricultural businesses across the United States. The following are a few provisions that enable agricultural operations to invest in their futures, maintain competitiveness, and contribute to the nation's food security and economic stability.

Maintaining Stepped-Up Basis: Stepped-up basis is critically important to family-owned farms because it can significantly reduce the potential estate tax burden that may arise when the family passes on the property to the next generation. When

a property owner passes away, the basis (or original purchase price) of the property is “stepped-up” to the current market value at the time of their death, rather than being based on the original purchase price. This is beneficial because if heirs must sell the property, they only pay capital gains tax on the difference between the sale price and the stepped-up value, not on the difference between the original purchase price and the sale price.

Family farms are often passed down through generations and can appreciate substantially in value over time. The original owners may have purchased the land decades or even generations ago at a relatively low price compared to its current market value. Without the stepped-up basis, heirs would inherit the property with the original lower basis. If the property were sold immediately, they would be liable for paying capital gains taxes on the large increase in value that has accrued over time.

Estate Tax Relief: The estate tax is overly burdensome on families trying to pass their farm to the next generation. While the estate tax should be repealed in its entirety, any reduction to the current enhanced exemption level will be detrimental for families looking to pass their land and farms to the next generation. The higher exemption threshold alleviates the tax burden that often forces the selling of all or parts of family farms to pay the tax bill. At a minimum, keeping the current enhanced threshold will ensure continuity of operations and preserve the agricultural heritage that is vital to our communities.

Making the Lower Individual Tax Rates and Expanded Tax Brackets Permanent: Many agricultural businesses operate as pass-through entities, meaning their profits are taxed at individual rates. The lower individual rates and expanded brackets contained in the Tax Cuts and Jobs Act are vital for farmers, allowing them to retain more income to reinvest in their operations and meet rising production costs.

Making 199A Qualified Business Income Deduction Permanent: The 199A deduction allows agricultural producers to retain a portion of their income, promoting reinvestment in equipment, labor, land, and sustainable practices. This provision helps level the playing field for family farms against larger agribusinesses and the lower corporate tax rate, ensuring that these vital operations can continue to thrive and support local economies. This provision also benefits farmer cooperatives.

Maintaining Section 179 Expensing: This provision allows for the immediate expensing of qualifying capital investments, up to a limit and with certain income requirements. This provision provides flexibility to farmers in how they choose to expense and depreciate their capital investments. This is especially important in agriculture, where investments in machinery and technology can be substantial. By enabling farmers to deduct these costs in the year equipment is placed in service, Section 179 encourages investment, enhances productivity, and promotes innovation in the agricultural sector.

Restoring 100% Bonus Depreciation: The availability of 100% bonus depreciation has significantly benefited agricultural producers, enabling essential investments in equipment and infrastructure without the burden of delayed tax benefits. This provision not only stimulates growth but also enhances agriculture efficiency, allowing farmers to adopt the latest technologies and practices.

Maintaining 1031 Like-Kind Exchanges: Like-kind exchanges are a vital tool for agricultural businesses looking to reinvest in property without incurring immediate tax liabilities. Maintaining this provision allows farmers to swap properties while deferring capital gains taxes, providing them the flexibility to adapt to changing market conditions, urban sprawl or environmental issues.

Maintaining the 20% Capital Gains Rate: Agriculture is a capital-intensive industry, which makes keeping the cost of capital low extremely important. A lower capital gains rate encourages reinvestment in agriculture operations, rewarding those who take risks to innovate and grow. Preserving the 20% capital gains rate will help ensure the financial viability of our agricultural supply chain.

Response from Lori Stevermer, President, National Pork Producers Council

Questions Submitted by Hon. Randy Feenstra, a Representative in Congress from Iowa

Question 1. I represent the number one hog producing district in the country—in 2024, farmers in Iowa marketed more than 25 million hogs valued at \$15.4 billion in while providing more than 120,000 jobs to the state.

My producers continue to be at risk by the Supreme Court’s decision to uphold Prop 12—which is burdensome, invasive, and just plain wrong for Iowa farmers.

This egregious regulatory overreach is burdening our producers by creating a patchwork of differing state laws and increasing compliance costs for our producers, while also costing California consumers nearly \$300 million annually.

Ms. Stevermer, in your testimony you talk about the importance of international trade to U.S. pork producers, but what do our trading partners think of non-scientific standards like prop 12?

Answer. Our trading partners are concerned with the implications of Prop 12. For example, weaned pigs that come from Canada to be finished on U.S. pig farms would need to be Prop 12 compliant if the meat from those pigs was sold into California. This requires auditors to visit those Canadian farms to certify they are compliant. Canada, New Zealand and Australia have raised this as specific trade concern as recently as the June 2024 WTO Technical Barriers to Trade Committee Meeting.

We are also concerned about the additional patchwork of regulations that will result if Congress does not address Prop 12, and the impact will have on international trade agreements.

Question 2. The last Administration failed to negotiate new trade agreements or renegotiate existing ones, further hurting the farm economy and the economic viability of our family farms. This has created a severe crisis in farm country, and it is critical that we improve our trading capabilities to expand our export markets.

However, without robust market development and critical infrastructure, our producers are significantly limited in their ability to export their high-quality products around the world.

As we look at diversifying export markets, specifically, the availability of cold chain capacity has been a limiting factor in growing trade with developing countries.

That is why I am proud to lead the FRIDGE Act—which would direct the USDA to negotiate contracts to deliver needs assessments, training, and other technical assistance to enhance infrastructure construction, including cold chain storage, to new and developing foreign markets.

Ms. Stevermer, can you talk about the importance of cold chain capacity in emerging markets to the export of turkey and pork?

Answer. NPPC is supportive of expanding exports to developing markets and programs like the FRIDGE Act and also Foreign Market Development (FMD) and Market Access Programs (MAP) help that development.

Question 3. How would this help increase trade opportunities?

Answer. Programs like these create better access for U.S. pork and helps meet the desire for fresh, chilled pork in those countries.

Questions Submitted by Hon. Ronny Jackson, a Representative in Congress from Texas

Question 1. America's animal agricultural industry has been extremely fortunate to have kept out many foreign animal diseases that have devastated other producers throughout the world, but when a foreign animal disease outbreak occurs in the U.S., the effects will be catastrophic.

African Swine Fever, which has been detected in the Dominican Republic and Haiti, is projected to cost the U.S. swine industry over \$50 billion.

The High-Path Avian Influenza outbreak has ravaged our poultry industry and has now expanded into our dairy cattle herds, which has had disastrous effects on farmers in my district.

Could you please expand on the importance of the National Animal Vaccine and Veterinary Countermeasures Bank, the National Animal Disease Preparedness and Response Program, and the National Animal Health Lab Network—and how additional funding in the upcoming farm bill will help protect producers from the effects of a foreign animal disease outbreak?

Answer. A strong laboratory network is necessary for surveillance and disease detection. Ensuring the states and counties have access to resources they need to respond to a FAD through the NADPRP grants and having stockpile of vaccines will allow us to respond quickly to high consequence diseases. Additional funding in the farm bill will help ensure we can implement high-value projects that enhance prevention, preparedness, detection, and response to the most damaging and emerging FADs that threaten U.S. agriculture.

Question 2. On top of passing a new farm bill, the House Agriculture Committee is also engaged in the reconciliation process to help extend expiring provisions from President Trump's Tax Cuts and Jobs Act (TCJA).

Livestock producers in my district have benefited from a number of common-sense tax provisions in the TCJA, which have helped them build their operations and stimulate the agricultural economy.

Are there any Tax Cut and Job Act provisions that the producers that you are here representing today have a vested interest in seeing extended for the livelihood of their operations?

Answer. There are a number of provisions in the TCJA that pork producers would like to make permanent or modify slightly, specifically:

1. **Bonus Depreciation**—TCJA allowed immediate deduction of the purchase price of eligible business assets beyond normal depreciation. Gradually sunsetting from 100% deduction in 20% annual increments, the provision is set to fully expire in 2027. Some large capital expenditures made in pork production are eligible. NPPC asks that a bonus depreciation of 100% become permanent to provide pork producers the flexibility to plan cash flows from major asset acquisitions.
2. **Qualified Business Income (“QBI”) Deductions**—TCJA created an expiring deduction for pass-through income to level the tax liability of pass-through entities with that of corporate entities. Many pork producers are pass-through entities and would face substantially increased tax liability if this provision expired. NPPC asks for this provision to become permanent and allow pork producers to make organizational decisions for their businesses not based solely on tax liability.
3. **Business Interest Expense Limitations**—TCJA simultaneously imposed a 30% limit on deducting interest expense and altered the definition of adjusted taxable income to exclude depreciation and amortization. Producers that are reliant on lending are negatively impacted by this change. NPPC asks for the interest expense to be eliminated to avoid harming pork producers who rely on borrowing money to make improvements or normalize cash flow in poor market conditions.
4. **Estate and Gift Tax Exemptions**—TCJA doubled the estate and gift tax threshold through the end of the 2025 tax year. Though few operations are subject to the estate tax, farm operations disproportionately trigger estate tax liability due to substantial land assets. NPPC asks that the estate tax exemption increase be permanent to prevent new tax exposure for family-owned pork producers.
5. **Increasing or Expanding Section 179 Expensing**—Similar to bonus depreciation, Section 179 allows for the immediate expensing of the cost of eligible property purchased and placed into service. Section 179 eligible assets are highly restricted and subject to a total deduction limit. NPPC asks that Congress increase the expense limitations of Section 179 substantially in order to provide pork producers flexibility in planning cash flows around major asset acquisitions as well as expand the list of assets eligible under this provision.

Response from Mike West, President, J.S. West & Companies, Inc.; Chairman, United Egg Producers

Question Submitted by Hon. Ronny Jackson, a Representative in Congress from Texas

Question. On top of passing a new farm bill, the House Agriculture Committee is also engaged in the reconciliation process to help extend expiring provisions from President Trump’s Tax Cuts and Jobs Act (TCJA).

Livestock producers in my district have benefited from a number of common-sense tax provisions in the TCJA, which have helped them build their operations and stimulate the agricultural economy.

Are there any Tax Cut and Job Act provisions that the producers that you are here representing today have a vested interest in seeing extended for the livelihood of their operations?

Answer. Egg farmers support extending all the 2017 tax cuts. Of particular importance to us are maintaining the current estate tax exemptions, indexed for inflation, and restoring full bonus depreciation to 100%.

Response from Walter Schweitzer, President, Montana Farmers Union

Question Submitted by Hon. Ronny Jackson, a Representative in Congress from Texas

Question. On top of passing a new farm bill, the House Agriculture Committee is also engaged in the reconciliation process to help extend expiring provisions from President Trump’s Tax Cuts and Jobs Act (TCJA).

Livestock producers in my district have benefited from a number of common-sense tax provisions in the TCJA, which have helped them build their operations and stimulate the agricultural economy.

Are there any Tax Cut and Job Act provisions that the producers that you are here representing today have a vested interest in seeing extended for the livelihood of their operations?

Answer. We would like to see the Section 199A deduction made permanent. This provision has been essential for keeping agricultural cooperatives and their farmer members competitive with corporations that have benefited from the permanently reduced corporate tax rate established by the TCJA. While we wish to see this provision made permanent, any efforts to ensure that our Tax Code supports family farmers and ranchers should not come at the expense of passing a badly needed farm bill this year.

Response from Troy Sander, Past Chairman, Live Cattle Marketing Committee, National Cattlemen's Beef Association

Questions Submitted by Hon. Ronny Jackson, a Representative in Congress from Texas

Question 1. On November 20th, USDA–APHIS halted shipments of Mexican Cattle to the United States after a positive detection of the New World Screwworm in Mexico.

Representing the largest fed-cattle district in the United States, many of my constituents contacted my office explaining the detrimental impact that feedlots in Texas would face if the border remained closed.

Thankfully, on February 1st, APHIS resumed cattle imports from Mexico, allowing my cattle feeders to continue feeding our country, but, the threat of a positive New World Screwworm case in the U.S. is still a lingering issue.

USDA–APHIS has recently stated that they have found two locations for sterile fly dispersal centers in Mexico, creating a “Sterile Fly Barrier Zone.”

Do you believe that this will be enough to restrict the New World Screwworm’s migration to the United States, or do you believe that we should also be looking into domestic facilities for sterile fly production and dispersal?

Answer. Congressman Jackson, thank you for the question. The barrier zones you referenced are certainly a positive strategy in the effort to keep this parasite from reaching our borders. Given that the Sterile Insect Technique (SIT) is the best known means of controlling and eradicating New World Screwworm (NWS), we are pleased that the Animal and Plant Health Inspection Service (APHIS) at the United States Department of Agriculture (USDA), in coordination with their Central American counterparts, are keeping up deployment of this method in the Central American countries hardest hit by the current outbreak. However, a more aggressive strategy will be needed if we are ever to halt the parasite’s northward march, prevent it from reaching the United States, and eventually contain it south of Panama once again.

Currently, the only existing sterile insect production facility—run by the Panama–U.S. Commission for the Eradication and Prevention of Screwworm (COPEG)—is located in Pacora, Panama. While this location made sense in the 1990s, when COPEG’s primary mission was to keep NWS from expanding north beyond the Darien Gap, now that that barrier has been breached the facility is ill-positioned to respond. NWS has spread as far north as the Mexican state of Chiapas; the sterile insects produced by COPEG have lost efficacy, and they will become progressively less effective as they are transported longer and longer distances to new outbreak sites. Realistically, going forward the facility will only be able to support containment efforts in Central America. Given this reality, it seems very unlikely that the current rate of SIT deployment supported by existing production capabilities will be enough to prevent NWS from reaching the southern border of the United States.

In order to successfully eliminate the NWS threat to U.S. livestock, wildlife, domestic pets, and even humans, we need to be looking at increasing overall SIT efforts, and the most sensible place to put that production is here in the United States.

Question 2. In November of 2023, Biden’s USDA released a final rule on the Importation of Fresh Beef from Paraguay, placing our livestock producers in unnecessary danger of a potential domestic Foot-and-Mouth disease outbreak.

The decision to begin allowing the importation of fresh Paraguayan beef utilized risk assessment data from site visits to the country from over a decade ago.

A Foot-and-Mouth Disease outbreak in the U.S. is projected to lead to \$57 million in losses per day.

I repeat . . . \$57 million per day.

This rule making was negligence at best and malfeasance at worst.

Do you believe that using data from site visits over a decade old is a safe and responsible way for unelected bureaucrats to allow imports from countries with a known history of FMD?

Answer. Absolutely not, which is precisely why the National Cattlemen's Beef Association (NCBA) has consistently opposed the importation of fresh beef from Paraguay. It is irresponsible to greenlight access to the U.S. market based on such outdated information—especially when it would require such little effort to send APHIS and FSIS inspectors to the country to conduct new reviews.

Imports play a role in the U.S. beef supply chain, but those countries sending fresh beef products to our nation should have to verify it does not pose a threat to human health or domestic animal welfare. Paraguay has failed to do that to NCBA's satisfaction, and we are hopeful that the Trump Administration will halt their access to the American market until they can do so.

Question 3. On top of passing a new farm bill, the House Agriculture Committee is also engaged in the reconciliation process to help extend expiring provisions from President Trump's Tax Cuts and Jobs Act (TCJA).

Livestock producers in my district have benefited from a number of common-sense tax provisions in the TCJA, which have helped them build their operations and stimulate the agricultural economy.

Are there any Tax Cut and Job Act provisions that the producers that you are here representing today have a vested interest in seeing extended for the livelihood of their operations?

Answer. We support the preservation of several important tax provisions such as the stepped-up basis, 1031 exchanges, 199A deductions, 2032A valuations, and many others. However, chief among NCBA's priorities for the 119th Congress is a full and complete repeal of the death tax. This single provision of the Tax Code is the top threat to the future of family farms and ranches. As you are well aware, farmers and ranchers are land rich and cash poor. They operate on razor-thin margins and limited cash flow. In many cases, there simply isn't the liquid capital to cover death tax obligations. Most of the time, this means selling portions of the farm or ranch to satisfy the IRS. I cannot think of a worse way to set the next generation of farmers and ranchers up for success. If food security truly is national security, then we get serious about how we view the death tax.

In short, Congressman, NCBA does not believe death should be a taxable event.

