Testimony of

Mr. Troy Sander

On behalf of the

National Cattlemen's Beef Association

Submitted to the

United States House of Representatives
Committee on Agriculture
Subcommittee on Livestock, Dairy, and Poultry

Prepared for the Hearing Titled

The State of the Livestock Industry: Producer Perspectives

Held on

Tuesday, March 4, 2025

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 producers 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).

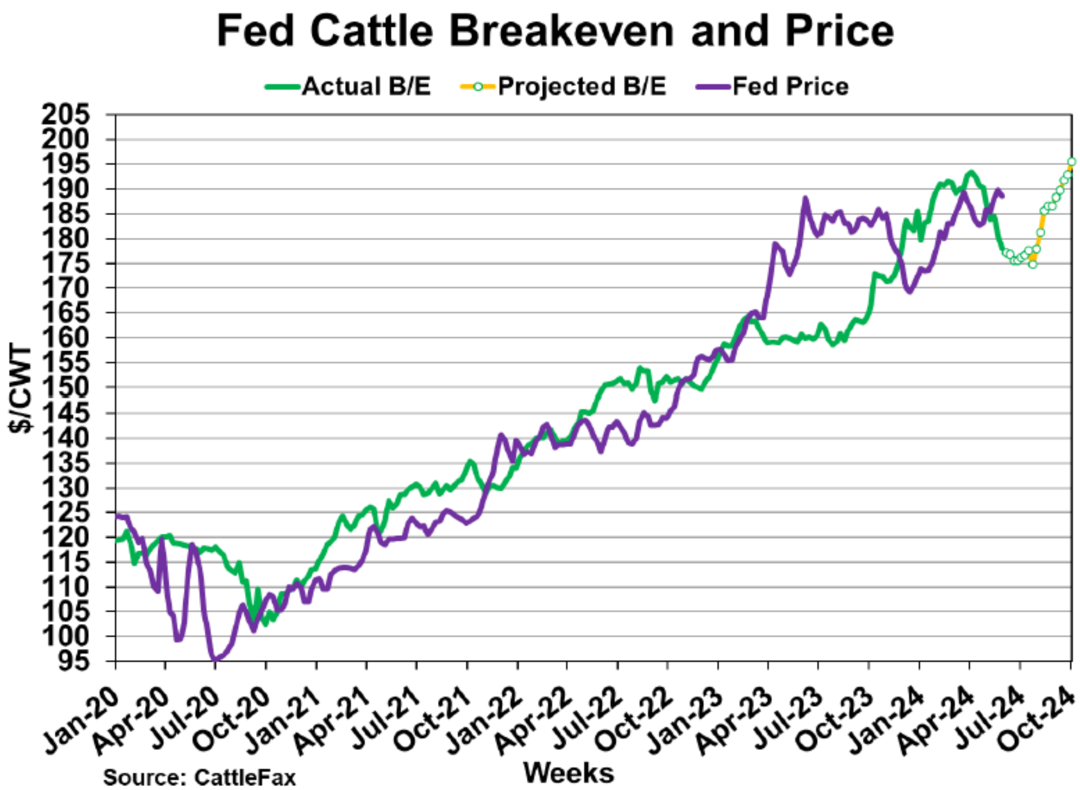

Figure 1

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 Checkoff

Commodity research and promotion boards, or "checkoffs," 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 Checkoff has been instrumental in increasing demand, opening new market access, and providing consumer nutrition education. These initiatives would not be possible without the Beef Checkoff, which directly benefits farmers and ranchers by creating an effective model for public-private partnerships.

The Beef Checkoff, 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 Checkoff 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 Checkoff 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 Checkoff, it failed to gain enough support. Despite a three-month extension to gather signatures, supporters couldn't reach the necessary 10% threshold, reflecting the broad backing for the checkoff among those who directly benefit from it. This overwhelming support speaks volumes about the checkoff'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 checkoff 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 checkoff programs and stand with real farmers and ranchers.

Despite the false claims of checkoff 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 checkoffs, as well as the USDA staffing costs to conduct the required oversight thereof, are paid for entirely by the checkoffs 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 checkoff 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 recissions 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 10 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 recordkeeping. 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 three 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 three 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 four 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 attempting 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 four 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 five years. Interestingly—and unfortunately—enough, this September will mark the five-year anniversary of the expiration of LMR's five-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, five-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 four 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 nine-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.