



**Testimony of
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**Submitted to the
U.S. House Committee on Agriculture
Subcommittee on Livestock, Dairy, and Poultry**

“The State of the Livestock Industry: Producer Perspectives”

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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, non-profit 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 five 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

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.

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>.

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 reintroduced 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 2 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 one or even two 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 three-month window.

Despite this good news, without strong enforcement of the P&S Act and our antitrust 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

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

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 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.

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/>.

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.

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>.

Checkoffs

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 checkoff programs have 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 checkoff 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.