

Testimony of Senator Chuck Grassley to the House Agriculture Committee on "A Hearing to Review the State of the Livestock Industry"

Chairman Scott, Ranking Member Thompson, and other distinguished members of the House Agriculture Committee – it is an honor to testify today to discuss the state of the livestock industry.

My name is Chuck Grassley. And I'm a farmer from Butler County, Iowa.

While this hearing covers all livestock, I want to discuss the reform needed in the cattle industry.

Chairman Scott, I appreciate your interest in cattle market reform. When we met earlier this summer to discuss my bill with Senator Tester, you took a keen interest in ensuring that family farms across the country not only survive, but can make an honest living.

Secretary Vilsack, the next witness, knows that cattle producers are struggling.

At USDA, Secretary Vilsack is taking steps to expand the meat processing industry with grants and loans to address bottlenecks in the food supply chain.

He has also taken action to support the enforcement of the Packers and Stockyards Act.

In addition, President Biden issued an executive order where he called on the Secretary of Agriculture to ensure farmers have, "Measures to enhance price discovery, increase transparency, and improve the functioning of the cattle and other livestock markets."

While I appreciate the actions from the White House and Secretary Vilsack, it is now time for Congress to do our part.

As the nation's number one producer of meat, Iowans rely on market information provided by Mandatory Price Reporting to run their businesses.

The reauthorization of Mandatory Price Reporting is the vehicle available where we can add additional price transparency and price discovery measures.

Over the past 18 months we've seen massive price discrepancies between fed cattle and boxed beef.

This is pushing cattle producers and feeders to the brink of having to selling their operations.

The four major beef packing companies control over 80 percent of the cattle industry.

These companies have the advantage of procuring cattle from thousands of producers, acting as a chokepoint for the entire industry.

Given the critical nature of their operations, these packers dominate the marketplace and limit opportunity for pricing negotiations.

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According to USDA, for every one dollar Americans spend on food, only 14.3 cents goes to farmers.

Meanwhile, the retail price of beef for consumers has increased and remains high.

I want to make it clear that I'm not upset about paying more for my beef. I'm upset the farmer isn't getting paid.

And while some participants in the third panel will say otherwise, there is no denying we need serious reform in the way our country markets cattle.

I believe my bill, commonly referred to as 50/14, and would create the price transparency that is needed in the marketplace.

My colleague, Senator Fischer has a bill that would help as well.

Ultimately, Senator Fischer and I are working on a compromise that can unite the industry because kicking the can down the road is not an option.

The beef industry employs hundreds of thousands of hardworking men and women who work each day to help feed our country and the world.

I'm in front of you today to ask that you join with me and other Senators on the Senate Agriculture Committee to include real reform in Mandatory Price Reporting.

Cattlemen across the country are counting on us.