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INCREASING DOMESTIC CONSUMPTION OF U.S.-GROWN AGRICULTURAL PRODUCTS

HEARING

BEFORE THE

COMMITTEE ON AGRICULTURE,
NUTRITION, AND FORESTRY

UNITED STATES SENATE

ONE HUNDRED NINETEENTH CONGRESS

SECOND SESSION

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INCREASING DOMESTIC CONSUMPTION OF U.S.-GROWN AGRICULTURAL PRODUCTS

TUESDAY, MARCH 10, 2026

U.S. SENATE
COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY
Washington, DC.

The Committee met, pursuant to notice, at 3:02 p.m., in Room 106, Dirksen Senate Office Building, Hon. John Boozman, Chairman of the Committee, presiding.

Present: Senators Boozman [presiding], Hoeven, Ernst, Hyde-Smith, Marshall, Tuberville, Grassley, Fischer, Klobuchar, Bennet, Smith, Durbin, Booker, Luján, Warnock, Fetterman, and Slotkin.

Also present: Senator Husted.

STATEMENT OF HON. BOOZMAN, U.S. SENATOR FROM THE STATE OF ARKANSAS, CHAIRMAN, U.S. COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Chairman BOOZMAN. Good afternoon, and it is my privilege to call the meeting to order. I thank my colleagues for joining us today.

I also want to thank our witnesses for being here. Many of you farm, and we all know that it is an important time of the year for you to be on the farm as you prepare to plant your next crop. Today's hearing comes at a time of great financial stress for America's farmers. If you are putting something in the ground, you are probably losing money. It does not matter what you are planting or where you are planting it; no row crop is currently profitable.

In my home State of Arkansas, the last three years have been absolutely punishing, and again, that goes across the board with our row crops and all of agriculture, except for cattle. Arkansas now holds the unfortunate distinction of leading the Nation in Chapter 12 farm bankruptcies, a sobering statistic. I remain committed with my colleague, Senator Hoeven from North Dakota, and literally everyone on the Committee, to pursue additional financial assistance for our farmers to lengthen and widen the Farmer Bridge Assistance Program that President Trump announced in December, which is so, so very important.

The recent history of high input costs, high labor costs, and high interest rates, coupled with lower prices and significant trade headwinds for certain commodities, should give us all good reason to think about what the future of agriculture in the United States should look like. It is clear that China is not a dependable trading partner and that Brazil is doing everything that it can do to take over the agricultural markets that, traditionally, have been domi-

nated by the United States. I commend the Administration for pursuing new markets and holding our trading partners accountable. Agricultural trade must remain a high priority, one of the highest priorities for the United States. Expanding market access and developing new trading partners is crucial to the success of American producers and our rural communities. However, our recent experiences made me think about how we can build more robust domestic markets that will not subject our producers to the whims of foreign governments. This hearing is intended to begin that conversation.

My hope for today is that we start exploring new domestic opportunities for our farmers. What are the impediments limiting domestic consumption? What incentives would be helpful? Are there legal, regulatory, or procedural obstacles at the federal, state, or local level that need to be addressed? Is the Tax Code structured in a way to make American-grown commodities more attractive? Do we have the necessary processing infrastructure? In the coming weeks and months, the Committee will continue to explore this topic. I intend on discussing this topic with processors, manufacturers, and retailers as well. Domestic market development will remain a priority of this Committee as long as I am Chairman.

Again, I want to thank my colleagues and our witnesses for being here today, and now I recognize my friend and colleague, Senator Klobuchar.

STATEMENT OF HON. KLOBUCHAR, U.S. SENATOR FROM THE STATE OF MINNESOTA

Senator KLOBUCHAR. Well, thank you so much, Mr. Chairman, and thank you for holding this important hearing this afternoon.

Whether a farmer grows corn and soybeans, or blueberries and apples, our farmers need domestic marketing opportunities to stimulate growth throughout our country. They need it now more than ever, as you pointed out, Mr. Chairman. A few ideas I would toss out there. One is E15, making that permanent and year-round. There is bipartisan support for this, and I want to thank Senator Fischer and Duckworth, and so many others who have worked on this issue for we need to get it done. A bipartisan farm bill seems to me a vehicle where we can get it done, but there may be others as well.

We can also expand domestic opportunities by investing in local markets by purchasing fresh produce and meat from small- and mid-sized farmers, we can support local supply chains and families. I was frustrated to see the administration cancel the popular Local Food Purchasing Assistance Program last year, and I hope that we can reinstate this investment. We can also invest in organic agriculture, expand support for rural businesses, and invest in research to develop new revenue streams for farmers. I have long supported bipartisan efforts to grow new domestic production of sustainable aviation fuel, bio-based products, and industrial hemp. There is a lot more we can do on hemp, that is a subject for another day, but this is a growing market that we should be looking at and not going backward on. These opportunities provide farmers with innovative sources of revenue amidst a difficult farm economy. It is no secret that we are exploring these domestic marketing opportuni-

ties. We would be anyway, but the chaos caused by our tariff and trade policy is causing many, many issues.

I appreciate my colleagues on both sides of the aisle who have joined me in pushing back on the tariffs. The impacts of the tariffs, record-high input costs, and the need to invest in domestic markets are top of mind for Minnesota farmers. I recently held two roundtables, one in Southern Minnesota, one in Breckenridge in Western Minnesota, where I heard directly about the uncertainty facing our farmers and ranchers, and that is the hardest thing for so many of them. A tariff changes, it goes up, it goes down. They do not know what to plant, they do not know what to invest in, and then, in the end, it gets harder and harder.

The best thing we can do, in addition to having less of these tariffs and have them much more targeted, using a chisel or a hammer instead of a sledgehammer, would be good, and the second thing would be a bipartisan five-year farm bill that meets the moment. Farmers need reliable access to credit, modernized conservation programs, and new uses for their products. These ideas could be included in a bipartisan farm bill. At the same time our farmers and ranchers are struggling, we also have families struggling. Paychecks are stretched because of rising grocery and health care costs, and now, gas costs, just as our anti-hunger programs face the steepest cuts in a generation. We must do something here, and I did not like the way these state shifts went on SNAP. I understand that our colleagues would engage in some cuts to SNAP this last summer, and I am hoping we can get to a better place.

I think it is really important for people to know that, because of the way this was structured, with the highest error rate states getting off scot-free, 10 of them, and the lowest error rate states, of course, not having to pay, there is a whole bunch of us in the middle, as in the entire Midwest. They are going to see enormous cost shifts to our states and in some states, counties. That is why the bipartisan National Governors Association—I am not talking about the Democratic Governors Association—the National Governors Association have come out with a proposal to delay these cost shifts. The National Conference of State Legislatures and other state and local officials, we should give the states the time to get their error rates down, and we should delay these cost shifts, and we certainly should not be benefiting high error rate states over ones that have lower error rates.

I hope as we look at a farm bill, and I know there is work being done over in the House, that we include some corrections to what happened last summer. Thank you, Mr. Chairman, and I look forward to today's discussion.

Chairman BOOZMAN. Thank you. Today, we are joined by our colleague from Ohio, Senator John Husted, who will introduce two of our witnesses. I did not realize that Ohio was taking over the meeting.

[Laughter.]

Chairman BOOZMAN. You are well represented. Thank you for being here, and I know you are like everybody else is, incredibly busy, but thanks for taking time to come over.

Senator HUSTED. Thank you, Mr. Chairman, to you and the Ranking Member, and the Committee Members, thanks for allowing me to introduce two Ohioans today.

First, I would like to introduce Scott Metzger, the president of the American Soybean Association in Ohio. I would just like to say that we grow products that feed and fuel America, and so I am proud to introduce Scott today to provide insight on how we can increase domestic consumption of these homegrown products. Mr. Metzger is a sixth-generation farmer from Williamsport, Ohio, where he grows soybeans, corn, and wheat. He is also a member of the Ohio Farm Bureau, Ohio Corn & Wheat Growers Association. Mr. Metzger is the—Mr. Metzger's leadership is in guiding one of the largest farm organizations in the country is a testament to Ohio's agricultural impact on our great farm economy. I want to thank you for joining us today, Mr. Metzger, and we are looking forward to hearing your testimony.

Then, second, I want to introduce Mr. Jed Bower. Jed is—he raises corn and soybeans with his wife, Emily, and their children, Ethan and Emma, on the fifth-generation farm in Washington Courthouse, Ohio. In addition to advancing corn growers' interests at the national level as the president of the National Corn Growers Association, Mr. Bower previously served as the president of the Ohio Corn & Wheat Growers Association, and continues to serve as an active member of NCGA's farm-led leadership Committees. Ohio's farmers drive economic growth and ensure our state remains a leader in agriculture, and Mr. Bower's leadership with the National Corn Growers Association underscores the role Ohio farmers play in shaping the agricultural landscape across our country, and I appreciate Mr. Bower coming to testify today and to the Committee Members.

I can tell you, both of these gentlemen are highly respected in our state, and farmers across our state and across the country rely on them for their role in these organizations, and thank you for allowing them to appear before the Committee today.

Chairman BOOZMAN. Thank you, John, and again, thank you for taking the time to come over.

I am pleased to introduce Mr. Zippy Duvall. Mr. Duvall is a third-generation farmer from Georgia, where he and his son raise beef cattle, broiler chickens, and grow hay. A true advocate for farmers and ranchers nationwide, Mr. Duvall has led the American Farm Bureau Federation as president since 2016. Mr. Duvall has a personal understanding of how several factors before this Committee may impact the future of American agriculture, and I look forward to hearing his testimony. Welcome back to the Committee, and you have been here several times, and we really do appreciate your leadership.

Next, Senator Hoeven is going to introduce Mr. Perdue.

Senator HOEVEN. Thank you, Mr. Chairman, and thanks to both you and the Ranking Member for calling this hearing today. It is my pleasure to introduce Matt Perdue, who is the president of the Farmers Union in North Dakota. We have an incredibly strong farmers union organization in North Dakota, more than 70,000 members, and Matt is the youngest person to ever be elected president of that great group. We know both Farmers Union, and, of

course, because Zippy is here, Farm Bureau. Both are just powerhouse organizations for our farmers and ranchers, and so important, particularly at these times where our guys are facing a hard go of it. Your advocacy is just incredibly important.

Matt, in addition to leading North Dakota Farmers Union, is a farmer himself and a lifelong farmer. Grew up on the farm and now is farming with his family. They farm in Northwest North Dakota, where I am from, Northwest North Dakota. We love that part of our country and our state. On his farm, they raise durum wheat, canola, lentils, soybeans. You know, he reflects what we need to get more of is younger farmers into farming, and so, that is why it is so important that you and the Ranking Member are having this hearing today, because it is about markets.

Our guys want markets here at home, around the world, and anything and everything we can do to help them is critically important. Again, that is why it is so important that our commodity groups, certainly led by Farmers Union, Farm Bureau, are so important because we have this network—this incredible network of family businesses, family farms, and ranches. If we take it for granted, we take it for granted at our peril, and we need to be with them, and I know that is what this hearing today is all about. Thank you.

Chairman BOOZMAN. Next, Senator Klobuchar is going to introduce our next witness, Mrs. Burns.

Senator KLOBUCHAR. Thank you very much. I do not know if Mrs. Burns is the youngest person ever to head up her organization, but I do thank her for coming today. She is the chief executive officer of the International Fresh Produce Association. She serves the entire fresh produce and floral supply chain, including farmers, consumers, processors, and retailers. She has over 30 years of industry experience, including her time as the Produce Marketing Association—at the Produce Marketing Association and serving as a leader in the grocery retail sector.

Thank you for being here, Cathy, and thank you for your work in support of specialty crops, which has been so—a growing part of our ag profile in our country, and really appreciate it. Thanks.

Chairman BOOZMAN. I do not know if she is the youngest, but she is one of the most effective in twisting our arms.

[Laughter.]

Chairman BOOZMAN. I would now like to introduce Mr. Nathan Reed, a great Arkansan hailing from Marianna, Arkansas, located in the heart of the Mississippi Delta region. Nathan and his wife, Kristen, and their four wonderful children, grow cotton, rice, corn, and soybeans. Nathan currently serves as the chairman of the National Cotton Council. Back in Arkansas, he serves as the executive director—executive officer with the Arkansas Ag Council and serves on the Arkansas Plant Board. I look forward to hearing his testimony as he represents farm families across the cotton industry. Welcome back to the Committee, Nathan.

Again, thank all of you all for being here. You can go ahead and come up. Okay, so we are ready to roll. Mr. Duvall, you are recognized for your opening statement.

**STATEMENT OF MR. ZIPPY DUVALL, PRESIDENT, AMERICAN
FARM BUREAU FEDERATION, GREEN COUNTY, GEORGIA**

Mr. DUVALL. Thank you, Mr. Chairman, and Ranking Member Klobuchar, and the Members of the Ag Senate Agriculture Committee. I want to thank you all for the opportunity to testify on this important topic. My name is Zippy Duvall, and I am a third-generation farmer from Georgia. My family and I raise beef cattle, poultry, and hay, and I am honored to serve as president of American Farm Bureau Federation, representing more than five million member families who grow every crop produced in the United States. Our members are the economic backbone of rural America, but they continue to face historical headwinds in farm economy.

When adjusted for inflation, USDA projects that farm income this year will be down nearly \$50 billion below the levels of just a few years ago. One of our young farmers from Oklahoma pointed out to me recently that his prices have failed to the lowest level in his lifetime, while input costs have continued to increase faster than ever. The conflict in Iran is expected to make cost of fuel and fertilizer soar even farther. Congress and the President have delivered critical support, and we are grateful for that support and investment in our risk management tools, trade promotion, conservation and addressing animal diseases, bridge payments provide a lifetime—lifeline to farmers to help farmers make it to this planting season, but farmers do not want to rely on government aid, and aid should not be needed year in and year out. That is not a normal volatility. It is structure imbalance, and that is why this hearing is so important today.

We must strengthen domestic demand for American agricultural products, and we must support increased production of critical ag supplies and restore domestic processing. We must ensure our safety nets are strong and expand fair access to markets abroad. More than 20 percent of our total agricultural products are exported in a typical year. When that export engine slows, farm-level prices drop quickly. Export markets must be strengthened through fair and enforceable trade agreements. Global competitors have expanded their acreage, they have improved their yields, and they are investing heavily in their ports and rail system. That competitiveness is not going to go away. We must be competitive in the export market, but we also need to expand our domestic demand and processing capacities to truly be resilient.

There are many ways to drive domestic demand. Biofuels represents a clear example. Ethanol production now accounts for about 40 percent of the total U.S. corn usage. Renewable diesel and biodiesel markets continue to transform oilseed demand. This shift has driven expansion in soybean crushing capacity, creating jobs and strengthening our local communities. Sustainable aviation fuel represents another opportunity. Another aspect of domestic demand is federal purchasing. Federal agencies purchase almost \$7 billion of U.S.-grown food in agricultural products last year.

Buy America policies are both patriotic and powerful, but oversight and enforcement can be strengthened. For example, the National School Lunch Program provides nearly five billion meals annually, and they are supposed to be domestically sourced, but the rules allow for significant share of foreign products. Enabling

schools and food banks to be sourced directly from U.S. farmers is another demand booster, especially in fruit and vegetable growers. Incentives can also help. The Buy America Cotton Act of 2026 is a good example of legislation that builds demand through a tax credit for businesses using American-grown cotton. A key pillar of strong farm economy is an adequate work farm workforce. The current labor shortage is unacceptable and unnecessary. We need modernized ag labor programs and improved guest worker programs. Otherwise, farm production and food processing will continue to move agricultural outside our borders.

American agriculture remains one of the most innovative and productive sectors in the world. We must ensure that markets, infrastructure, and policy evolves alongside that productivity. I look forward to working with this Committee to ensure that America's farmers and ranchers can continue to supply food, fiber, and fuel to families across our great country and beyond.

Thank you for the opportunity to testify for you today.

[The prepared statement of Mr. Duvall can be found on pages 42–62 in the appendix.]

Chairman BOOZMAN. Thank you. Mr. Perdue.

**STATEMENT OF MR. MATT PERDUE, PRESIDENT, NORTH
DAKOTA FARMERS UNION, RAY, NORTH DAKOTA**

Mr. PERDUE. Chairman Boozman, Ranking Member Klobuchar, Members of the Committee, thank you for the opportunity to testify today. My name is Matt Perdue. I farm with my family near Ray, North Dakota, where we raise durum, spring wheat, canola, lentils, and soybeans, and I am honored to serve as president of North Dakota Farmers Union and on the board of directors of National Farmers Union.

Family farmers are facing significant economic headwinds. Our input costs are high, commodity prices are low, and our markets are extremely volatile. Farmers and ranchers are also shouldering record-high debt loads, higher than the 1980s, further deepening the crisis for many. In the last year, trade disputes and now the war in Iran have compounded these economic challenges. Geopolitical tensions have created pressure on both sides of the farm income equation, driving up input costs and depressing commodity prices. Farmers Union has been critical of the Administration's trade strategy, but we must also confront the reality that U.S. agriculture is facing increased competition in international markets. Strong domestic markets are critical to the long-term profitability of family farms and ranches, and we can grow those domestic opportunities by bolstering renewable fuels markets, expanding local and regional supply chains, and strengthening competition in ag input markets and the markets that we sell into.

Renewable fuels play a vital role in farm income and rural economies. A strong domestic biofuels industry provides consistent home-grown demand for agricultural commodities, offering greater price stability, and that stability is badly needed right now. We appreciate the work of Senators Fischer and Klobuchar and many others on this Committee to secure permanent year-round E15. As you well know, farmers are frustrated by the repeated delays in advancing permanent year-round E15 through the legislative process.

We need that demand boost, and we need it now. It is time to get it done.

We are also encouraged by the Administration's proposed increase in biomass-based diesel volumes under the renewable fuels standard. We strongly support those increased volumes and will continue to urge EPA to finalize its proposal and provide certainty for farmers and renewable fuels producers, and long-term, we look forward to working with this Committee to grow biofuels markets. Further, we strongly support efforts to advance higher blends of ethanol, including E30, we support 45Z, the Clean Fuel Production Credit and its timely implementation, and we are excited to help grow demand through sustainable aviation fuel.

While expanding renewable fuels markets will boost commodity prices, we can also create more opportunities beyond traditional commodity channels. Local and regional supply chains help farmers and ranchers expand and build markets and strengthen profit margins. Programs like the Local Food Purchase Assistance and Local Food for Schools program supported that development. While we were disappointed that USDA terminated funding for those programs last year, we appreciate the inclusion of both in the House farm bill. As this Committee takes up the farm bill, we encourage you to authorize LFPA and LFS and to build upon the House proposal by providing both programs mandatory funding.

We also strongly support efforts to bolster local and regional livestock processing. In recent years, a combination of federal and state programs have meaningfully expanded market opportunities for North Dakota ranchers. Those investments are having a real impact for real families. For example, the Bruner family from Drake, North Dakota has built Dakota Angus Beef, a brand that now has statewide recognition. Through Dakota Angus Beef, the Bruners are selling their own beef directly to consumers and to restaurants, and capturing a larger share of the consumer food dollar. Their story is a great example of how targeted support can help hardworking producers create new opportunities for themselves, their families, and their neighbors.

Finally, we must recognize that most of the markets we buy from and sell to are heavily consolidated. That consolidation limits options for farmers and ranchers, and it compresses our margins. We appreciate the Administration's recently announced investigations into farm inputs in the major meat packers, but investigations will not help farmers and ranchers unless they are followed by real enforcement. We urge Congress and the Administration to work together to provide meaningful antitrust relief and remedies for farmers and ranchers.

Family farmers are experiencing real economic pain. We need real solutions. We look forward to working with this Committee to expand domestic opportunities, create new ones, and to ensure that all our markets are fair and competitive. Thank you for the opportunity to testify today. I look forward to answering your questions.

[The prepared statement of Mr. Perdue can be found on pages 63–73 in the appendix.]

Chairman BOOZMAN. Thank you very much. Mr. Reed.

**STATEMENT OF MR. NATHAN REED, CHAIRMAN, NATIONAL
COTTON COUNCIL, MARIANNA, ARKANSAS**

Mr. REED. Good afternoon. I am Nathan Reed from Marianna, Arkansas. I farm with my wife, Kristen, and our four children in the Mississippi River Delta, where we raise cotton, rice, corn, and soybeans. We are grateful for the work of this Committee over the last year to mitigate the economic conditions facing cotton producers. Congress, the USDA, and the White House have stepped up to the plate by providing additional support to production agriculture. However, the financial situation of U.S. cotton growers continues to deteriorate, with market prices still well below the cost of production. This is on top of deep losses producers suffered in 2023, 2024, and 2025. We are encouraged by Chairman Boozman and Senator Hoeven's efforts to provide additional economic assistance for 2025 losses. We look forward to working with you and the leadership in the House and Senate to achieve this result.

Unfortunately for domestic producers, Brazil has surpassed the U.S. as the leading global exporter of cotton and is projected to produce almost 19 million bales, up from 6 million bales a decade ago, and far surpassing current U.S. production of 14 million bales. Over the last 20 years, cotton has seen no consistent demand growth. To make matters worse, during the same period, man-made fiber consumption has more than doubled, with much of that being Chinese polyester priced at 42 cents per pound. While ad hoc assistance and farm bill provisions have helped substantially, the U.S. cotton industry cannot survive without stronger demand.

We are grateful for the leadership of Senator Cindy Hyde-Smith, who last year introduced the Buying American Cotton Act, or BACA. In January, a House companion bill was introduced by Representatives Greg Murphy and Terri Sewell. BACA has strong bipartisan support that extends far beyond the Cotton Belt, as evidenced by House co-sponsors from New York, New Jersey, Ohio, and Maine. In addition, BACA has very broad industry support, as highlighted in a letter signed by 80 entities, including cotton organizations, textile mills, brands, and retailers from all over the country. Under BACA, products sold containing—products containing U.S. cotton sold in this country would qualify for a transferable tax credit that scales with the level of U.S. cotton content or domestic cotton processing. Higher credit values apply to qualifying items produced entirely in the United States or in countries with which we have a free trade agreement.

U.S. consumers represent the world's largest retail market for textile and apparel products, purchasing the equivalent of 40 million bales of fiber. Yet, we estimate that only 10 percent of that total, or 4 million bales, is U.S. cotton. The other 90 percent of American consumer purchases are supporting international cotton and synthetic fiber producers. BACA will correct this imbalance by increasing demand for U.S. cotton, thus positioning U.S. cotton to compete more effectively. Ultimately, BACA will enhance cotton prices for American producers, reducing cost and reliance on farm bill support programs. It will encourage additional cotton production and increase domestic economic activity. We estimate that each dollar at the farm gate generates \$20 throughout the broader economy. This legislation is critical not only for cotton producers,

but also the rural communities that depend on healthy and profitable family farming operations.

In closing, I commend this Committee for conducting this hearing on building domestic demand for our agricultural products. Most importantly, we urge Congress to pass the Buying American Cotton Act this year. Thank you for the opportunity to testify, and I am pleased to respond to any questions.

[The prepared statement of Mr. Reed can be found on pages 74–78 in the appendix.]

Chairman BOOZMAN. Thank you. Mr. Bower.

STATEMENT OF MR. JED BOWER, PRESIDENT, NATIONAL CORN GROWERS ASSOCIATION, WASHINGTON COURT HOUSE, OHIO

Mr. BOWER. Thank you. Chairman Boozman, Ranking Member Klobuchar, Members of the Senate Committee on Agriculture, Nutrition, and Forestry, thank you for your invitation to testify today. Again, my name is Jed Bower. I am a fifth-generation farmer from Washington Courthouse, Ohio. I grow corn and soybeans with my wife, Emily, and my children, Ethan and Emma. I currently serve as the president for National Corn Growers Association. Founded in 1957, NCGA represents more than 36,000 dues-paying corn growers in 48 states, and the interests of more than 500,000 farmers who contribute through their corn checkoff programs in their states. It is an honor to testify before the Committee today. This hearing on domestic demand expansion could not come at a more critical time for our industry.

In 2026, we celebrate America's 250th year, and in those 250 years, corn has been foundational to the American success story. Unfortunately, the legacy that generations of corn growers have built is in jeopardy. Today, corn farmers are facing many challenges, and the ability of the next generation to take over the farm is in question for too many families right now, including my own. With the next 250 years in mind, NCGA is doubling down on a demand agenda to diversify near- and long-term market opportunities for corn and corn products. While my written testimony covers a broader range of topics that are important to growers' profitability, such as trade and risk management, because today's hearing is focused on domestic demand, I will concentrate on two key domestic demand priorities: expanding markets for ethanol and scaling the utilization of bio-based products.

Since its inception, the ethanol industry has strengthened rural economies, created jobs, and driven farmer profitability. Today, over a third of each year's crop is turned into fuel. We believe there is room for growth in on-road, marine, and aviation fuels. First, year-round access to E15 is critical. Farmers have waited far too long for this simple deregulatory bill to be passed. Aside from the economic boost it would provide to farmers, year-round E15 would lead to significant savings for American consumers, strengthen U.S. energy dominance at a time when geopolitics are complicating markets and supply chains, and I want to thank Chairman Boozman and Ranking Member Klobuchar for their public support of year-round E15.

Second, the renewable fuel standard remains the cornerstone of biofuels policy. Strong, predictable renewable volume obligations are essential. They give farmers, ethanol producers, and fuel retailers the confidence to invest and grow. We appreciate the EPA's current approach and look forward to seeing the finalized 2026–2027 RVOs as soon as possible.

Beyond maintaining current markets, we must look toward the future and new opportunities for biofuels to help decarbonize the transportation sector. One of the most promising is sustainable aviation fuel. Corn-based ethanol can play a major role as a feedstock for producing SAF. The 45Z tax credit, which Congress wisely extended in the One Big Beautiful Bill Act, is poised to help stimulate the expansion in the rising industry.

Corn growers are also actively exploring ethanol and marine fuel. This has potential to be a four billion gallon market within the next five years. This market symbolizes an unprecedented opportunity for American corn farmers. Bio-based products represent an important growing economic opportunity for farmers when corn and ethanol are used as feedstocks. They also present a more environmentally sustainable alternative for ingredients in many products that Americans use in their everyday lives, such as fibers and polymers. Capturing just 10 percent of the global plastics market with bio-based alternatives could generate a demand for an additional 15 billion bushels of corn.

NCGA is working with industry partners to develop legislation to establish a federal tax incentive that would encourage the conversion of U.S.-grown agricultural feedstocks into renewable chemicals and materials. This investment and production credit would diversify demand for agricultural products, strengthen domestic bio-manufacturing, and stimulate rural economies. We encourage Congress to invest in these tools.

In closing, I thank the Chairman, the Ranking Member, and the Members of the Committee once again for today's focus on expanding domestic demand markets for U.S. agricultural products. This objective is imperative to our future. I implore all Members of Congress to work with us to advance real solutions like the ones that were discussed here today. Please fight with us to secure the next 250 years of farming.

[The prepared statement of Mr. Bower can be found on pages 79–85 in the appendix.]

Chairman BOOZMAN. Thank you very much. Mrs. Burns.

STATEMENT OF MRS. CATHY BURNS, CEO, INTERNATIONAL FRESH PRODUCE ASSOCIATION, WASHINGTON, DC

Mrs. BURNS. Chairman Boozman, Ranking Member Klobuchar—thank you for the introduction—and Members of the Committee, thank you for the opportunity to testify on behalf of the International Fresh Produce Association. I am proud to represent the thousands of U.S. fruit and vegetable producers who feed American families, strengthen rural communities, support more than two million jobs, and contribute more than \$335 billion to the national economy.

IFPA is guided by a simple yet powerful goal: to grow a healthier world by increasing Americans access to and consumption of fresh

fruits and vegetables grown here in the United States. The science is clear. Eating more fruits and vegetables is one of the most effective ways to improve health, prevent chronic disease, and reduce health care costs. This is reflected in the Dietary Guidelines for Americans and aligns with the priorities of the Make America Healthy Again movement, yet 90 percent—90 percent—of Americans still fall short of recommended intake levels.

Increasing consumption is not just a nutrition issue; it is an economic issue and an economic opportunity. When we strengthen produce consumption, we strengthen domestic markets for American farmers. To meet this opportunity, we need systematic solutions—systemic solutions to make it easier for everyone to choose fruits and vegetables, everything from strengthening federal nutrition programs to ensuring the industry has access to federal investment to enhance our competitiveness, our resiliency, and efficiency.

The good news is that Congress has powerful tools at its disposal, particularly through federal nutrition programs. We need Congress to continue to fully fund the WIC Fruit and Vegetable Benefit and expand online redemption, strengthen produce incentives in SNAP, ensure school meals include a wide variety of fresh produce, expand the Fresh Fruit and Vegetable Program to reach more elementary schools, and modernize USDA in procurement so it reflects nutritional value, not just the lowest cost, and includes more U.S.-grown produce options. Embedding produce prescription as a standard benefit across the federal health programs will improve the health of nearly 150 million Americans. Ensuring HSA and FSAs can be used to purchase fruits and vegetables is another commonsense step.

While these actions will help drive consumption, Congress must also support a competitive and resilient supply chain. From the moment it is harvested, fresh produce must move fast, and growers today face rising input costs, labor shortages, regulatory pressure, and increasing natural disasters. Over the past two decades, the United States has lost more than 230,000 farms, a stark reminder of the economic pressures facing producers. Policies that support farm profitability and encourage new investment in specialty crops are essential.

Strategic investments in research, technical assistance, risk management, and conservation programs help growers remain competitive across all production systems, conventional, organic, and regenerative. A coordinated national approach to produce packaging is also critical, one that avoids conflicting state rules and balances sustainability goals with food safety, shelf life, and affordability. Finally, consumer confidence depends on a strong modern food safety system. This includes continued investment in FDA's Human Foods Program, including traceability, implementation and reliable funding for and consistency across state food safety programs. These are all essential to protect consumers and support growers.

Despite the challenges they face, America's fruit and vegetable producers are ready to meet the growing demand, but we cannot do it alone. We need your leadership. Congress has a vital role to play in ensuring every American has access to fresh fruits and vegetables, while creating economic opportunity for farmers across this country. On behalf of the International Fresh Produce Associa-

tion and U.S. Growers we represent, thank you for your leadership and for your partnership, and I look forward to your questions.

[The prepared statement of Mrs. Burns can be found on pages 86–90 in the appendix.]

Chairman BOOZMAN. Thank you. Mr. Metzger.

STATEMENT OF MR. SCOTT METZGER, PRESIDENT, AMERICAN SOYBEAN ASSOCIATION, WILLIAMSPORT, OHIO

Mr. METZGER. Thank you, Chairman Boozman, and Ranking Member Klobuchar, and Members of the Senate Agriculture Committee. It is an honor to join you here today to testify on behalf of the American Soybean Association regarding domestic market expansion opportunity for U.S. Ag. My name is Scott Metzger, and I am a sixth-generation grain farmer from Ohio. I also serve as ASA president, which represents U.S. soybean farmers across 30 soy-producing states.

The U.S. soybean industry has a profound positive impact on the economy, with the entire soy value chain generating an economic impact of \$124 billion in 2025. However, the trade uncertainty plaguing our industry this marketing year highlights how important strong domestic markets are for U.S. soy. While the soybean industry continues to diversify export markets, embracing federal policies that can promote and expand domestic markets is more critical than ever. U.S. soybean farmers play an essential role in feeding and fueling the world while also supporting over 1,000 soy bioproducts, from biofuels to food uses to new opportunities for soybean meal and the development of soy-based bioproducts.

ASA sees immense domestic market potential for our crop. The domestic biomass-based diesel, or BBD, industry was developed with the support of the soybean farmers in the 1990s. Biodiesel, renewable diesel, and sustainable aviation fuel support American energy dominance while using U.S.-grown soy oil feedstocks. Through federal policy, the U.S. consumed over five billion gallons of BBD in 2024, which created over \$42 billion in economic impact. Now the industry is on the brink of additional expansion. While the BBD industry increased by 65 percent from 2021 through 2024, the percentage of soy oil used in BBD production decreased as imports of used cooking oil and tallow surged from China, Brazil, other overseas destinations.

ASA thanks Congress for its improvements to the 45Z tax credit. The changes eliminated the penalty on ag-based biofuels, effectively doubling the credit value for soy-based BBD. Further, Congress prohibited fuel and feedstocks imported from overseas from benefiting from the tax credit. Now, Treasury must finalize the guidance that the soy biofuel value chain can actually utilize the tax credit. The EPA renewable volumes obligation for 2026 and 2027 must also be finalized swiftly to promote biofuel industry expansion. The June 2025 draft EPA rule was the most positive proposal ASA has ever seen. Finalization of the 45Z tax credit and RVO rule will provide increased certainty for domestic BBD markets and drive investments to increase production, in turn, increasing consumption of U.S. soy.

Soy is also a critical component in the U.S. food systems. In addition to food products, soy oil serves as an affordable, heart-healthy

ingredient for home cooking and packaged foods. The Federal Government must ensure that the regulations and policies continue to follow sound science. At the state level, food labeling proposals continue to emerge. ASA urges Congress to ensure food affordability remains top of mind, especially as labeling patchworks will increase consumer costs by 12 percent nationwide.

As soybean processing increases to meet domestic oil demand, soy meal offers additional market opportunities beyond animal and aquaculture feed. Soy meal is used as a base ingredient in SoyFoam, a PFAS-free firefighting foam. Firefighting foams are one of the most common, continuous PFAS polluters in the country, and SoyFoam offers a biodegradable American-grown alternative. ASA urges Congress to help expedite federal approvals of this product. Widespread use of SoyFoam will ensure firefighters, like my son, Dalton, will no longer have to worry about regular PFAS exposure while on the job.

Soy oil-based products also offer immense domestic market growth potential, from tires, to infrastructure products, to golf balls, and artificial turf. The scalable potential of these products is limitless. Like biodiesel, most soy bioproducts can be traced back to the investments made by the soy checkoff. As a proud investor in our checkoff, support is critical to ensure research and development into new domestic market opportunities can continue. As we work to maintain and grow domestic markets for U.S. soy, Congress must continue to focus on biofuels, edible oil meal bioproducts. I also urge for our soy checkoff, which is a critical tool to U.S. soybean farmers to use to build markets today.

Thank you for this opportunity. ASA appreciates the Committee's focus on this critical issue to improve the farm economy, and I look forward to your questions.

[The prepared statement of Mr. Metzger can be found on pages 91–104 in the appendix.]

Chairman BOOZMAN. Thank you very much. Mr. Reed, there has been a dramatic decline in cotton processing capacity with the number of cotton gins, once over 2,000 in 1980, now standing just under 450, so that 85 percent of U.S. cotton production a day is exported. Can you talk further about the underlying reasons for the trend, you know, with the processing ability and opportunities? Is it out of reason to think that we could actually have textile plants again in the United States? I mean, it seems like every—you know, we all know communities that there was, you know, some sort of a gin factory, or this or that there, that just simply all disappeared.

Mr. REED. Well, on the cotton gin side, there has been a reduction in cotton acres, which, unfortunately, has closed many gins. There has been some consolidation of gins and some larger gins built, but it has followed the trend of reduced cotton acres. As far as textile mills, they have had a very tough time. It started when China entered the World Trade Organization. We started losing textile mills, and then more recently, the mass importation of cheap synthetic chemical fibers from other countries flooding our market, our textile market in America.

Fortunately, we got the *de minimis* provision reversed and that has helped some, but we feel that the way to reverse this trend is through BACA, the whole cotton industry, textile, providing more

consumption of American cotton will absolutely reverse the trend of the loss of cotton processing facilities because once they are gone, it is very difficult to get that back.

Chairman BOOZMAN. Very good. Mr. Duvall, in your testimony you talked about the importance of reliable labor. I was glad to see the Department of Labor issue an interim final rule on the effective adverse wage rate and support efforts to codify the rule. What else can Congress or the Administration be doing to modernize ag labor programs?

Mr. DUVALL. Well, we need to continue to work together to bring a farm labor bill to surface and get it on the President's desk so that we can have a reliable source of labor for agriculture. The programs that we work within now is only seasonable. There is year-round workers needed in much of agriculture today all across America, and we need to continue to work on that. We are very appreciative of the work that the Administration has done, the Department of Labor has done to try to help some of the regulations, but if you look across America, when I go across America and talk to farmers, it is the number one issue they are facing. That is a long-term issue.

Of course, the economy right now is the biggest issue that faces them, but labor is the biggest limiting factor that we have in agriculture today. It prevents having young people come back to our industry because they have to expand their family farms, and they need additional labor to do that, and we are not able to do that. Then it is over-regulated and cost too much. Larger farms have a tendency to be able to adapt to the program because larger farms may have—possibly could have H.R. department and attorneys working for them, while small- or medium-sized farms, it is almost impossible for them to adapt to the systems that we have. We need to look at this, and it can be fixed. It is unnecessary that we are short of labor. There are people in this world that want to do our work, and we need to find a way to let them come here and help us do it.

Chairman BOOZMAN. Mrs. Burns, you mentioned that one of the answers to increasing specialty crops is the various USDA programs that are out there. We have problems with them in the sense that sometimes the bureaucracy, sometimes this or that. Do you have any specific ways that we could make those programs better, easier for farmers to use?

Mrs. BURNS. Yes, I mean, I think anytime you can make the process simpler and easier for our growers, it is definitely a win. Some of these programs that are in place have an opportunity to scale, so the construct already exists. Obviously, some of them need funding, but I will tell you, fully funding the WIC Fruit and Vegetable Benefit is our crown jewel. It really does make a difference in those young families. If you think about school meals, our schools are the largest restaurant in the country, and so we need to ensure that we are providing the variety of fruits and vegetables for our kids because we need to start those habits at a very young age. Again, streamlining processes, always, but some of the recommendations that we put forward do not cost a lot of other bureaucracy. It is just a matter of opening up the policies like ensuring HSA and FSAs are used to purchase fruits and vegetables.

Chairman BOOZMAN. That is good. I visited with the school lunch professionals today and they were mimicking exactly the same things you said, so it was great. Senator Klobuchar.

Senator KLOBUCHAR. Thank you, Mr. Chair. I have long led bipartisan efforts along with so many of my colleagues to make E15 available year-round. I appreciate so many of you bringing it up. It is an obvious solution to what we are facing now, which is some higher gas prices which we were not facing a few months ago. It seems to me like the moment to seize, to show that we have a diversified fuel supply, and it is already, what, 10 percent of our fuel. I just think this would be the smartest thing to at least send a message to those soybean and corn farmers that this is a market that we want to fill, and this is the time to do it.

A new economic analysis from the University of Missouri shows that E15 is currently saving drivers about 25 cents per gallon. Mr. Bower, with the cost of production being so far above the current price of corn, what would the availability of year-round E15 and higher blends of ethanol mean for corn growers across the country?

Mr. BOWER. Well, Ranking Member Klobuchar, thank you for the question. You know, absolutely tremendous. As we look at potentially our 4th year of losses in a row, and trying to—at least in my personal farm, trying to figure out how I am going to pay for my inputs that are so drastically out of line. You know, as we look at what E15 could potentially do for growers, for every one percent we increase that blend wall. As we go from 10, to 11, to 12, and on up, for every one percent, that is 490 million bushels of grind, you know. For farmers it varies depending on the market, but we are looking at maybe 35 cents a bushel. Some numbers are lower than that, but any relief right now is tremendous for growers.

Senator KLOBUCHAR. I do not even—I think of it as fuel we need right now. If we put you in such perilous position, if the government policies do that with tariffs and the like, that you are not able to keep producing, then we are going to be really screwed because you do not—those are not your words—because with the way gas prices are going right now, I think it is a real problem. This is a great moment to do that. Mr. Metzger, how does a strong renewable fuel standard provide stability for soybean market? Be quick in the answer because I have a few more.

Mr. METZGER. Thank you, Ranking Member Klobuchar. Biofuel production is one of our largest domestic products markets for U.S. soy, with significant growth potential through higher annual blending targets and safeguards against the flood of imported feedstocks. A strong RFS will help the American soybean farmer. You know, we are in kind of the same role here as corn. With it, we are, you know, looking to have more access—become more economically viable with our products.

Senator KLOBUCHAR. Thanks. Mrs. Burns, of the \$12 billion in economic assistance announced by USDA, as you know, only certain specialty crops will be available for a billion in assistance. Do you believe that the economic assistance is adequate, and are you in favor of advancing a farm bill?

Mrs. BURNS. Absolutely not adequate. We need at least \$5 billion. In fact, GT said last week that we need \$10 billion. We need—

we will take \$5 billion, \$10 billion. We are a third of the crop sales, yet we are not getting a third of the economic assistance, so yes.

Senator KLOBUCHAR. Thank you. Mr. Perdue, how can farm bill conservation programs and the conservation programs created using CCC funding help create new markets?

Mr. PERDUE. Senator Klobuchar, I appreciate the question. You know, I think the reality is that consumers are often willing to reward farmers for adopting certain practices, producing a commodity in a specific way. Farm bill conservation programs are, you know, a key opportunity, a key support that we can provide producers to transition that production system, whether it is an incremental transition or a wholesale transition. We get caught up on words a lot: "sustainable," "regenerative," "climate-smart," "carbon neutral." Does not really matter to me. It matters that a consumer puts value in it, and farm bill conservation programs help us meet that.

Senator KLOBUCHAR. Very good. I was just at our National Pheasants Forever Convention in Minnesota and there was of course a lot of interest in this for reasons outside of even farmers.

Last, Mr. Duvall, could you talk about investments we have talked about—year-round E15, and aviation fuel, which we have all these opportunities to move into, and conservation, and fruits and vegetables—but could you talk about how investments in ag research directly benefit farmers on the ground, especially right now when you are seeing the ability of technology to help us to get to that next level?

Mr. DUVALL. Number one, that is why it is so important for us to get a new farm bill, modernized farm bill passed. All the research that goes into agriculture helps us stay on the cutting edge. We see other countries where their agricultural communities are growing, and they are adapting to the things that we have adapted to many years ago, and that research keeps us on the cutting edge and gives the consumer out there what they really want. It is vitally important for us to have additional monies for research. It helps us do the things that the people of this country want us to do, from conserving our natural resources to creating new products and new crop protection tools that we can use in the future.

Senator KLOBUCHAR. Thank you.

Chairman BOOZMAN. Senator Hoeven.

Senator HOEVEN. Thank you, Mr. Chair. In the One Big Beautiful Bill, we included updates to ARC/PLC and also to crop insurance—very important—and our Chairman led that effort, and big-time effort, that is going to help our farmers and ranchers. It really kicks in in October because that is the end of the marketing year, so we are still working to get our guys from where we are now to October range. Senator Boozman and I have introduced a bill that would provide additional disaster assistance, about \$15 billion. If possible, we would also like to include E15 in there, year-round as well. Starting with you, Mr. Duvall, what is your thoughts?

Mr. DUVALL. Well, first off, I want to thank you, and the Chairman, and the whole Committee of what they are doing to push that forward. We do need that additional money. The monies that has come across now has got our farmers to planting season, but there is not enough there to bridge us over until those new Title I pro-

grams come into effect. It is vitally important that we not only get a new farm bill, modernized farm bill, and finish it out, but it is also vitally important that we have more bridge payments and a real focus on specialty crops, too. We have to have that to get our farmers and ranchers through.

Senator HOEVEN. Mr. Perdue, same question.

Mr. PERDUE. Senator Hoeven, I appreciate your work on this issue, and absolutely, it is going to be critical in the months ahead that we provide additional financial support. There is not enough money out there in farm country right now, that is a challenge. One of the things, you know, in North Dakota we tend to have higher basis or a wider basis than other parts of the country, something that was not reflected in the Farmer Bridge Assistance. Essentially, that means that we get underpaid compared to the losses that our neighbors in other states' experience, and I think that is an important issue as we move forward.

Senator HOEVEN. Mrs. Burns, specialty crops are an important part of the legislation we put forward. What is your feeling? Same question.

Mrs. BURNS. Yes. I appreciate, Senator, you calling this out. As Zippy mentioned, this is a very, very important topic for our growers. It needs to be addressed through the farm bill as well, and we need—as you know, specialty crops do not really have a crop insurance program that is affordable or effective. The Specialty Crop Farm Bill Alliance put together a recommendation to do just that, and we are proposing significant reforms to the current programs. We have high value products that have a high impact on Americans health. We need this.

Senator HOEVEN. Right. We very much want to thank Secretary Rollins for the Farm Bridge Assistance. That has really been important and much appreciated, but also, you know, we need to finish that bridge assistance, which is what we are trying to do here to get to the provisions that we did include in ARC/PLC and crop insurance.

The other question, and again, the focus here is how we increase domestic markets. You know, both the Chairman, and I, and others have talked on a continuous basis to USTR. We have got—you know, we not only have international agreements to export, but we have got to get the sales—the actual hard sales as fast as we can, and I know they are very much focused on that. I guess the issue today is what more we can do domestically? In our state, we have made a huge push on value-added ag. I guess I will come back to you, Mr. Perdue. Are there some other things you think we can and should do in that realm?

Mr. PERDUE. Senator Hoeven, I think—you know, I think one of the biggest things to point out with the North Dakota story is we have made big strides on ethanol, we have made big strides on soybean crush, but we also have pea flour processing, and craft molting, and a lot of diversity like wheat flour milling—

Senator HOEVEN. Awesome.

Mr. PERDUE [continuing]. that is driving a lot of opportunities for producers. Now, we are still in tough economic times. It has not totally changed the tide, but the more we can create diverse opportunities for producers, I think the better off everybody is. I think it

bolsters our resilience on the farm in North Dakota and across the country.

Senator HOEVEN. Yes, and to foot stomp that we now grow 40 different major crops and a lot of it is because we do have the ability to do processing. Mr. Perdue, what can we do on the input side on the fertilizer and those kinds of things to help—those input costs have gone up so much. What are the top-of-mind things we can do there? Yes, Mr. Duvall. I am sorry.

Mr. DUVALL. Thank you, sir. Well, one thing we need to look at the tariffs that are being put on and make sure that we exempt all inputs that come in from out of country and crop protection tools that we utilize. That would help drastically to make sure that all that and retain those exemptions for them. Of course, we need to look for ways to increase the production of those ag supplies that we need here in this country, and I know that would take a big investment. I know it can take a long time. If you look at our dependence on the rest of the world for these inputs, it really is important for us to do that because we surely do not want to be taken to of our knees when it comes to our food supply. It is a national security issue.

Senator HOEVEN. I am really glad—I am really glad you ended there because I think working both with USDA and Department of Energy, we can do more there to, you know, use the energy we produce to provide our inputs. That is a double win: security on energy and security on food, so I really think that is important. Thank you. Thank you, Mr. Chair.

Chairman BOOZMAN. Senator Smith.

Senator SMITH. Well, thank you, Mr. Chair and Ranking Member. I really appreciate this hearing and hearing the testimony of all of you. As we think about what it is going to take to boost domestic demand for American-grown food, and fuel, and fiber, I want to just first say thank you all so much for your strong support for biofuels, year-round E15, and the opportunities around sustainable aviation fuel and marine fuels, and it is really exciting to think about what we can do with bio-based products. I know there are Minnesota companies that are working on this, and there is a huge opportunity there.

I am struck by how our innovation and value-add has always been our competitive advantage in this country, and that has been fueled by a big public-private partnership. You have got private industry, you have got academic institutions, you have got the Federal Government, you know, land grants, extension, all doing the kind of research that it takes. I just hope, colleagues, that as we think about the role of the Federal Government, as we think about a farm bill, that we are paying attention to the support that we need to provide to research because I think it is just crucially important.

I also just want to put a note on the impact of labor shortages that quite a few of you have been talking about and what that means for farm country. I cannot let this moment pass without observing that in my home State of Minnesota, the Administration's immigration policies has had a devastating impact on farm labor and food processing labor. As farmers, as we think about getting ready to go into the field and the work that we have ahead of us

this spring, there are a lot of people that are just not there anymore, not because they were here illegally, but because it is too risky for them, even with their legal status, to be here in Minnesota to do the work. I just think we all need to think really hard about what impact these immigration policies are having on our domestic food production.

I want to go to something, and Mr. Perdue, that you were talking about that I think is really interesting and very relevant to this conversation. We have got rising input costs, we have got the impacts of tariffs, the impact of the war, the Iran war, on pushing these costs even higher. It is no secret, right, that one of the biggest factors that we have here is the lack of options that farmers face because of corporate consolidation.

This is an issue both on the supply side, you know, like, where are you going to get your inputs, what companies control those inputs, and it is also a big issue on the demand side if you are producing beef, or corn, or pork, the few numbers of, you know, who you can sell to. Minnesota farmers will often say to me, basically, "I feel more and more like I am just a contractor to a big company, that my business is not even my own anymore." This is an issue that many folks on both sides of the aisle have worked on in this Committee. Could you just speak a little bit more to this, and what impact do you see this consolidation has on the overall competitiveness as we want to build bigger domestic markets for American-grown food in this country?

Mr. PERDUE. Senator Smith, appreciate the question. When you look at the reality of the markets, again, that we buy from and sell to, most of them are controlled by—three or four companies control 80, 85 percent of those markets. One of the things that I consistently hear from neighbors, friends, fellow farmers, and ranchers across the State of North Dakota is input costs are just through the roof.

Senator SMITH. Right.

Mr. PERDUE. You know, we need to figure out some way to provide relief. You know, now we have additional geopolitical tensions, right, the Strait of Hormuz and some of the challenges there, driving another increase in already high fertilizer costs. That fertilizer cost on an acre of wheat is about 40 percent of your production cost, and that is going up 30 percent now. I mean, that is—you cannot make it work. You cannot make it pencil out. We have to look at market structures and the ways in which they create challenges for market participants.

Senator SMITH. Right. There are—I would just add, I mean, there are a lot of good ideas on, again, as I said, on both sides of the aisle. I have legislation with many of my colleagues to get at this consolidation issue and the direct impact it is having on the ability of producers to make a profit. You know, you said there is just not enough money in farm country, and I would argue that there is a lot of money in farm country. It is just that it is going to fewer and fewer institutions and organizations, and that is the problem that we have to get after. Thank you, Mr. Chair.

Chairman BOOZMAN. Thank you. Senator Ernst.

Senator ERNST. Thank you, Chair Boozman, and Ranking Member Klobuchar, and thanks for all of our witnesses for being here as well.

I have been traveling across Iowa, and I meet with farmers all the time, and I hear one very clear message, and many of you have stated it already: markets, not aid, okay? I hear it all the time. Since coming to Congress in 2014, I have been fighting to grow our domestic markets and increase consumption of American-grown commodities. Today, farmers in Iowa, whether you are traveling near my family farm in Southwest Iowa, all the way over to the other side of the state in Eastern Iowa and across the country, because I am hearing it from you, all of these farmers are being squeezed by the high input costs and low commodity prices.

You know, Congress has a real opportunity right now to respond by expanding our domestic markets, putting more money into the pockets of our producers and rural communities, and a new five-year farm bill would be an exceptional place to start. I do applaud Chairman Thompson for moving a bipartisan package in the House last week, and I am hopeful that we can make the same progress here in the Senate very soon, but the farm bill is not the only avenue to do this. We should be looking at every opportunity to increase demand here at home.

We are going to stay on some of the themes you have heard already. The recent spike in oil prices following activity in the Middle East really reminds us how vital energy security is. Energy security is national security, food security is national security, and how higher blends of ethanol can help keep gas prices affordable here at home, so producers and consumers alike deserve long-term stability. Mr. Bower, how does E15 strengthen our Nation's fuel supply and support strong grain prices for farmers?

Mr. BOWER. Well, thank you, Senator. You know, to reiterate on what you just said, you know, the conflict going on right now, this is a prime example and a prime time to bring that strength in domestic production up, so we are less reliant on all the foreign countries. It is so much better. We grow the product here, we can produce it here, we can burn it here. It is a perfect opportunity for the American farmer and the American people, and I think we are in a prime position to move that forward. We are so close. We have been close many times, and it is so relieving to see so much support in this room for that.

Tremendous for us as growers, too, I mean, at a time when input prices are just completely out of sight, and we are worried, losing sleep every day on how we can possibly raise another crop next year, and we need this market boost. As we try to market last year's crop and try to figure out how to pay for the inputs this year. Prime time for this to happen, and we need the support for the consumers. It has been mentioned, you know, if we can lower the price 25 cents a gallon, I mean, everybody in America gets a break on this, and it is—I am just so thrilled to hear all of you talk positively about it.

Senator ERNST. Yes. Thank you. Mr. Duvall, do you have any thoughts there as well?

Mr. DUVAL. Yes, ma'am. It is vitally important. E15 is a no brainer. It is a win-win-win. It is a win for consumers, win for the

farmer, and it is a win for you to make sure that you can do that for the consumer and for the farmer at the same time, so, and there is no better time to do that, especially with the threatening of some of the fuel and oil going up because of the war.

Senator ERNST. Yes, absolutely. Thank you so much. I will also add we need to make sure that the infrastructure requirements do not stand in the way of offering E15 to those who want that cheaper fuel source. I am leading a bill, it is Ethanol for America Act, to deem existing fuel equipment as compatible with ethanol blends up to 15 percent. It is a really simple fix, and it would avoid costly infrastructure upgrades and build on the \$4 billion to \$6 billion dollars in savings from securing permanent year-round E15. President Trump has already asked Congress to deliver a bill to his desk, and it is really well beyond time to act. I would love to talk a little bit more about 45Z as well.

We have got the clean fuel production credit hanging out there. I would like to see more work done on cover crops and other initiatives that our farmers have as well. I think that has been lacking. I will be sending a letter soon reiterating this point, but Treasury, and the Department of Energy, and the Department of Ag, they really have to work together to ensure that the final rule that they put together truly does put our farmers first. Thank you all for being here, and with that, Mr. Chair, I yield back.

Chairman BOOZMAN. Thank you. Senator Slotkin.

Senator SLOTKIN. Thank you, Chairman, and I want to welcome you all here and associate myself actually, with a lot of things that Senator Ernst just said. You guys have been going through a lot. We owe you a farm bill. That is our job, and we have always had a great tradition here. My former—the woman I replaced, Senator Stabenow, that was a big deal to her, and so it is a big deal to Michigan, and I want to also put down, it seems like very bipartisan E15 year-round. Can we just do it? I thought we were getting close. I thought there was a moment. Let us just do it. It is so good and good for the consumers, good for our farmers. It is a good deal.

I think the thing I want to talk about, you know, we are talking about expanding American markets, which is very important, but just review the bidding on sort of where we are here. You know, the—I am going to do this as neutrally as I can, and I want you all to correct me because I am not trying to be political. I am just trying to review the facts for the farmers, particularly specialty crop farmers. I come from Michigan, and we are the most diverse crop state in the country with access to water.

The President in his first term, put on a bunch of tariffs, our farmers started feeling it immediately, and then he spent \$23 billion in bailouts. I have heard over and over again, just like Senator Ernst, we do not want bailouts. We want access. You know, we do not want this money to be paid when we are suffering. We want access to markets. Second term, comes in, and the Secretary of Agriculture was here, and I said, like, can we not rinse and repeat from the first time, where we are having to again bail out farmers? We have put a bunch of different tariffs on. It is hard to know on a given day, but right now, so far, the spending package—the bailout package for farmers is \$12 billion, and we are just 14 months in.

It feels like taxpayers are kind of in this do-loop where a bunch of tariffs are put on. We all want our farmers to succeed, and in order to keep them afloat, we have to bail them out with taxpayer dollars, and it seems, in my mind, at least, unnecessary. In that package, and Mrs. Burns, this is for you, we have had a real lack of clarity on what this aid means for specialty crop farmers. One billion out of the \$12 was put aside for us. You just said in your opening statement it needs to be way more than that, but we do not even know, like, how they are going to be calculating that aid, how to get at that aid, when it is going to come out? Can you hum a few bars on what this is doing to our specialty crop farmers, because I am hearing it constantly?

Mrs. BURNS. Yes, it is not doing enough, and if I think about that \$1 billion, we also have to share with others, so it is not just for specialty crop. As I mentioned earlier, our expectation is that we get no less than \$5 billion. We would love to have \$10 billion, but at the end of the day, we also need and want open markets. I think the critical thing is that it is the mechanism and the construct of how that money gets distributed. That is where we need a process and some real support. It should not be on acreage, and it should not be on product-by-product commodity. It should be on crop sales, revenues, receipts, however you want to say it, and that is critical. I mean, our growers are hurting just as much as my colleagues here, and we do not have the mechanism and construct to get that money out to our growers, and that could be the biggest help that could happen right now for our growers.

Senator SLOTKIN. Thank you for that.

Mrs. BURNS. You are welcome.

Senator SLOTKIN. Mr. Duvall, I wanted to get your sense. You know, we were talking—the senator was talking about Iran, and sort of right before, farmers are starting to think about planting. You know, more shocks to the price of fuel, more shocks, importantly, to the price of fertilizer. I do not think the average American understands the role of, like, the Strait of Hormuz way in the Persian Gulf to their farmer that lives down the corner. Can you walk through the official Farm Bureau position on this? You guys have been writing letters. Can you walk us through where you are on this?

Mr. DUVALL. Yes, ma'am, and thank you for the question, and it is timely to talk about what we need to be doing. We need for our government to use the Navy to make sure that those ships can freely come through and work with our partner countries that make sure that they come through there. Also, the financial and insurance direction. You know, when the Strait was shut down, the insurance company, Lloyd's of London—

Senator SLOTKIN. Yes—

Mr. DUVALL [continuing]. cut off insurance.

Senator SLOTKIN [continuing]. they refused to insure.

Mr. DUVALL [continuing]. they parked the boats. We need to use every opportunity that we have in our country to make sure that we solve that problem. Once we get it here, we need to make sure that we waiver the Jones Act. The President has often done that in difficult times like this. We also need to make sure that ports, and rail, and everything that is going to bring it from the port here

in America, and get it to the farmer real quickly, tear down any barriers that might be in that area. I get—I think last but not least, but the countervailing duties that are charged needs to be go off so it makes it easier to get them here and make it more affordable for our farmers. It is a serious time. My phone has rang off the hook since last week when the Strait was shut down, and we need to do it. We need to do it now.

Senator SLOTKIN. Thank you. Appreciate that. Yield back.

Chairman BOOZMAN. Senator Tuberville.

Senator TUBERVILLE. Thank you, Mr. Chairman. Thanks for being here today. My State of Alabama, we are leaking oil bad. We had lost 150,000 farms and 25,000 farmers nationwide just a few years ago. You all know that. Mr. Duvall, I am going to give all of you the answer to this one wish to correct this God-awful mess. What do we do?

Mr. DUVALL. I do not know that there is just one wish that can solve this problem. We need open markets, we need a labor force, and we need to tear down regulation to take down those barriers that gets in the way of us actually being able to make a living on the farm.

Senator TUBERVILLE. Thank you. Scott.

Mr. METZGER. Yes, thank you, and that there is not a one-answer-fits-all on this, but—

Senator TUBERVILLE. Give a good shot at it.

Mr. METZGER. Give a good shot at it?

Senator TUBERVILLE. Yes.

Mr. METZGER. Well, let us get some new markets opened up, continue with the trades that we have had, and then on domestic markets, you know, getting those ramped up, 45Z, we get the RVO numbers out and finalized, get some domestic use done. That is going to help.

Senator TUBERVILLE. Mrs. Burns.

Mrs. BURNS. Since Zippy said labor and open markets, I will do a third one. I think the Federal Government can take action to incentivize healthy eating, and to incentivize and provide better access to domestic-grown products, specialty crops products here in the U.S., and we can do that by driving consumption. Huge opportunity for us in the U.S., and Americans will be healthier.

Senator TUBERVILLE. Thank you.

Mr. BOWER. Senator, short-term, it is—that is a challenge for new markets, I think we all know. E15 is poised to be right there, but another one I need to bring up is we need to continue support for the renewal of USMCA. I think that is critical to row crop farmers. There are a number—Mexico is our number one exporter of corn. Canada is our number one export market of ethanol. Truly critical for growers in the short-term while we build out these domestic markets.

Mr. REED. Thank you, Senator. Speaking for the cotton market or for the cotton production, as a cotton farmer, we need to be able to leverage the power of the American consumer through the Buy American Cotton Act and get that passed. Thank you.

Senator TUBERVILLE. Thank you,

Mr. PERDUE. Senator, I would say that the single biggest impact would be growing our renewable fuels markets. That is going to im-

prove prices for corn and for soybeans. It is going to produce prices for—or improve prices for wheat. We also need to make sure that we have strong and competitive fair markets for farmers to buy inputs from and sell their commodities to.

Senator TUBERVILLE. Thank you very much. Mr. Reed you are talking about the Buy American Cotton Act, which I am sponsoring with my cohort, Cindy Hyde-Smith here. I hear that this would totally revamp the cotton market because if we do not do something, we are going to lose it all. In Alabama, we are losing \$400 an acre before we even plant it. I mean, it is ridiculous. Why would we get in the cotton business? We have to do something. Could you explain what this act would do?

Mr. REED. Well, the American cotton farmer, we can produce the highest quality, most environmentally friendly, best crop, best cotton in the world. We cannot produce it cheaper. Unfortunately, between other countries, without as much regulatory environment and synthetics, we have been able to not—we have been unable to compete on a world market. Our domestic textile industry has been decimated, not only as a cotton farmer, but our whole industry, the domestic textile industry; the farm, or the gins, and cottonseed crushing facilities.

There is so much that goes into cotton production just beyond the cotton farmer. A lot of these small rural communities depend on all that. When you lose the cotton industry, you do not just lose the farmers, you lose the whole industry in America. We feel that the Buy American Cotton Act will reverse that trend and provide—allow us to use the power of the American consumer that consumes 40 million bales of textiles a year. It will allow us to bring that market back because there is rewards in there for domestic produced thread and fibre. There is a bigger tax credit, but it will allow us to—until our American mill industry comes back, further export cotton and then American cotton comes back in in garments that may have been produced overseas and brands and retailers get a tax credit. It will increase demand for American cotton.

Senator TUBERVILLE. Thank you. Good explanation. Thank you, Mr. Chairman.

Chairman BOOZMAN. Thank you. Senator Luján.

Senator LUJÁN. Thank you very much. Thank you, Mr. Chairman, for calling this hearing and for our witnesses for being here. Taking time away from home, that is not always easy when you have other responsibilities, and that does not just include the farm, that includes the family. Thank you all for taking a moment.

Mr. Chairman, before I jump into questions, you know, I just wanted to reflect on something here. We all fought for seats on this Committee because we care about farms, we care about our ranchers, we care about people, we care about access to food. I was a little saddened by the markup that came out of the House of Representatives on the farm bill because it is not bipartisan. It did not take into account all of the programs that have been devastated that are hurting folks across the country.

I certainly hope, Mr. Chairman, that in the Senate, that we can show our House colleagues that we know how to count because, you know, growing up on that little farm, my grandparents, they taught me when I would go get those eggs that sometimes there

were not eggs, and not to count them before they hatch also if we wanted some new chickens, and basic arithmetic around here seems to evade everybody. I do not understand. If we are going to talk about getting a strong bipartisan bill here that is going to help all of our farmers and our ranchers, and make sure we have food for people that are hungry, and that we are going to do something real here, that we find a way to do it, Mr. Chairman.

I just certainly hope that everyone hears that loud and clear. For me, if we cannot address the food problem that was created in some of these pieces of legislation of devastating access to food for hungry people, that should not be a starter for us because cutting these food programs and access to them, that hurts all the farmers across the country as well. Keeping grocery store shelves empty, that is not good for anybody. A big percentage of that dollar that is spent, I think, is 20 cents, when it comes to buying food in those grocery stores. That little bit amount, that is what goes to farmers and ranchers. Then, for all of our folks who are not here, that can of food, I mean, hell, they are already struggling because the cost of the tin that it takes to make the damn can, they cannot afford to do it anymore. Oddly enough, the tariffs, they do not hit—the can that has food in it that comes into America, just the empty can. I am just beside myself as I try to figure out all these crazy rules.

I am certainly hopeful that we will get there. We are seeing now additional kickers when it comes to the cost of fertilizer, the war in Iran. I did not realize that we got so much fertilizer input from that Strait, and I am now realizing how much that is hurting our farmers and ranchers back home as well. I just hope that we look at this farm labor shortage, there is a bunch of USDA staff that have been fired. A bunch of farmers and ranchers back in New Mexico tell me that it is great to get a farm bill, but if there is nobody at USDA to implement all these programs that we create and fund, they do not get any help. I certainly hope that when we talk about these programs that we have the USDA professional staff in place at the local level, at the federal level, to make sure that these programs actually get to families back home.

Now, in my remaining time, Mr. Perdue, I would like to begin by discussing the challenges facing specialty crop producers as well, and I hope we get a lot more attention in these spaces. We have gathered here today to talk about increasing domestic consumption of U.S.-grown agricultural products. In March 2025, USDA announced that the cancellation of two local food procurement programs that did just that: created a pipeline from local farmers to schools to food banks. The cuts at the LFPA and LFS made by USDA total about \$900 million. Now, farmers and ranchers back home told me that these cancellations had negative impacts on their operations. Can you speak to the uncertainty these cancellations had on fruit and vegetable growers, especially folks who had made purchasing and planting decisions based on these grants?

Mr. PERDUE. Senator, appreciate the question, and certainly there were benefits to the LFPA program or from the LFP program to North Dakota. There was \$400,000-some in products purchased from North Dakota farmers, ranchers, processors that were then used to support hungry people through our Great Plains Food

Bank. That is an important demand boost. We are a very rural state. If you want to have a base of demand for those small-scale direct marketing-type operations, you need some of that institutional demand, and pulling that away certainly had significant negative impacts for many of those producers.

Senator LUJÁN. I appreciate that. Mr. Chairman, as my time expires, I certainly hope we keep an eye on some of these as well because these are good for farmers and ranchers. Look, for folks that are saying why are all these senators sitting up there, they do not know a damn thing about our farms, look, my hands are cut up from cleaning a ditch this weekend as well. The Senate has made my hands a little softer, so all the calluses I had when I was a kid, they have kind of gone away. I made a joke this weekend that, you know, one of the things that prepared me to serve in this body is when my dad used to make me clean the shit out of the sheep barn as well, but, look, I took a shovel to a ditch this weekend. These things go back hundreds of years in New Mexico. It is how we get water going. I think that a few of us need to take more shovels to the dirt and understand what you guys are going through every day, so that we can fight for these programs that make a difference and make sure that we get to you as well.

Thanks for having me today, Mr. Chairman. I look forward to rolling up my sleeves, working with my colleagues. Mr. Grassley, let us make sure that we get more places to cut up that meat and get it served on the plate, brother. I look forward to working with all of you to get the work done. Thanks, everyone.

Chairman BOOZMAN. Thank you. Senator Grassley.

Senator GRASSLEY. I am sorry I missed all your testimony, but listening to your answers to questions of my fellow colleagues and what my staff said—who heard all the testimony, I think all of you said things that I would agree with. I want to thank you for your great representation of American agriculture, and thank you for coming and testifying. I think I am going to submit my questions for answers in writing, and give you some of my frustrations, and for the benefit of Iowa farmers and for the benefit of my colleagues here, some of the frustrations I have. I am going to start with a lot of things that have already been talked about here by my colleagues, but E15 and the importance of biofuels and Iowa being the number one producer of biofuels, with about 50,000 jobs implied with it, and a tremendous market for our corn.

One of the frustrations I have is dealing with these refineries in the RINS and things like that that are holding up getting E15 by legislation because the frustration comes from the fact that for the last year or two years of Trump 1 and now Trump 2, and then the four years of Biden in between, we had E15 by Presidential waiver and still have it by Presidential waiver, and not any of those six or seven years did I hear one peep out of refineries. Somehow, you are going to make it law, and I think somebody figures I can get my hands in the cookie jar and benefit from it because I know that some of these mid-sized refineries are billion-dollar businesses, and I am not hearing from any small refinery that is not making some money. What is the big deal? It is holding it all up, and we are not going to get that \$14 billion that the economist for the Corn Growers Association says we are going to get if we cannot have E15 na-

tionwide year-round, if we do not get it by law because you are never going to get the retailers to invest in the pumps that it takes unless they know it is permanent law. I just do not understand it, but we got to get it done.

Now, there is some good talk that we are getting close, but we were there in February until some refineries wanted to get their hand in the cookie jar, and then we do not get it in an appropriation bill. Then they tell me, well, there is a good chance it can pass the House of Representatives as a separate bill if they get this final agreement, but you are never going to get through the U.S. Senate as a separate bill. It has got to be put someplace, and that could be a five-year farm bill, it could be money for the Iran war when we supplement our Defense expenditures, it could be this housing bill that is on the floor right now, but there is no reason that we cannot get it done.

This is all going on at the same time that we got people in the Congress and maybe even in the Administration talking about we are going to give a handout to the farmers of a certain number of billion dollars in addition to the \$12 that has always been there. How many times have we heard farmers in Iowa say, we do not want our money from the Federal Treasury, we want it from the marketplace, and that is what it is going to take? I heard my colleague from Iowa talk about 45Z. We have some regulations for 45Z, but it has not covered agriculture, and the only thing I want the Administration to keep in mind when it comes to regulations for farmers to qualify for 45B, do not make it as egregious as they did in 40B. Be a little more realistic when you require farmers to benefit from their cutdown on carbon.

My last thing deals with tariffs. I do not understand. If we are losing a dollar on corn, we are losing \$2 on soybeans. If we can get the cost of production down a little bit, there is no reason we should have tariffs on phosphate coming out of Morocco when one company in the United States has 80 percent of the market. There is no reason we should have tariffs on anhydrous ammonia coming out of Trinidad when two companies dominate the market in the United States, and there is no reason we should have any tariffs on potash. You have heard me. My opinion. Thank you very much, Mr. Chairman.

Chairman BOOZMAN. Thank you, Senator Grassley. Thank you. Senator Durbin.

Senator DURBIN. Mr. Chairman, Senator Grassley, and I may disagree on college basketball teams, but we agree on everything else that he had to say.

Senator GRASSLEY. Amen.

Senator DURBIN. I have to tell you, you and I go back in this E15 debate to the days of gasohol. It goes back to gasohol a few years ago. I am with you all the way on what you had to say on both accounts. I listened—I had a hearing I had to be Ranking Member on, but I listened to your testimony, and there are three things that came out to me.

Mr. Duvall, you talked about farm labor. Going to put in a word that you do not hear too often, “immigration,” and we have to be honest about immigration. I have got farmers—dairy farmers, people who own orchards and the like tell me they just cannot get any-

body to do it, help them, and they are going to give it up. They do their best, and they cannot, and those that had loyal employees that came in from Mexico, for example, bring their family every year. Good family relationship between the owners of the farm and the workers. They are scared to death to come to the United States right now. You know that for a fact, and I do, too. It applies not just to farming, but it applies to processing as well, and that is the reality. We got to get serious about immigration. When we did a bipartisan immigration bill, comprehensive bill, with John McCain, I was on that group of eight senators, we had a farm program. It was damn good. If we had it today, we would be much better off.

The second issue that I want to raise, and it applies to virtually everybody, is tariffs. I hear when a door closes when I meet with farm groups, and they know nobody can hear them, how frustrated they are with tariffs. Farmers have long memories. They can remember when Richard Nixon messed it up with Japan and put Brazil on the map for soybeans. Mr. Metzger, you know that story, and I think by and large, this tariff thing, now that the Supreme Court has given it the boot, I hope it does not come back. It is not helping. The third area is what the war in the Mediterranean is going to do to input costs. It has got to be bad when you consider what goes through the Strait of Hormuz. You got three things, three policy decisions by this Administration that are really putting us in a real challenging situation.

Mrs. Burns, I would like to ask you a question if I can, and I do not mean to pick on you, but one of the hottest—I have been around Senate for a while. One of the hottest debates I can ever remember in the Democratic Caucus was over the issue of GMOs. It went on for days, and people were madder than hell on both sides before it was over. We got a new debate coming up, and, you know, from Secretary Kennedy and others what it is. It is about processed food and what it means. Is it dangerous? Is it nutritious? What is it? Tell me, if your industry, specialty crops, is thinking ahead about a proactive position when it comes to alternatives to processed food, do you see some opportunity there?

Mrs. BURNS. Yes. You are not picking on me. You are giving me an opportunity to address the question. I—we have such an opportunity here in the U.S. to increase domestic production by increasing domestic consumption. As I said earlier, only 1 in 10 Americans are eating the right amount of fruits and vegetables. That means 90 percent of Americans are not eating the right amount of fruits and vegetables. Just an increase of 10 percent would be \$33.5 billion. If we got the American population to eat the amount of fruits and vegetables that we are eating in protein, 50 percent, based on the Dietary Guidelines, it would be an extra \$134 billion.

Senator DURBIN. Do you see this whole debate about processed foods as an opportunity then?

Mrs. BURNS. I see an opportunity to drive incentives to purchase our products. If you think about SNAP, you know, if we—there are programs within SNAP that drive incentives for Americans to buy more fruits and vegetables in the SNAP program, so health is having a moment. You said it yourself, right? Health is having a moment right now. As a specialty crop industry, we must take advantage of that.

Senator DURBIN. I go into a high school in Chicago, brand-new school, beautiful school. As we are leaving, I say, let us walk through the cafeteria. The principal says, we are in a hurry. I want to see what you are serving for lunch. I will tell you what they were serving for lunch. Corn dogs, pizza, tater tots. How about that for a meal? I think we can do a lot better, and I think we need to be proactive in that area. I am glad—I am so happy to hear that you are not taking a defensive position on this, but a proactive position, and I invite the others at the table to see it the same way. There is going to be a national debate about nutrition. Let us do our darndest to make sure it is balanced. Thank you, Mr. Chairman.

Chairman BOOZMAN. Senator Hyde-Smith, who has been waiting patiently.

Senator HYDE-SMITH. Thank you, Mr. Chairman, very much, and thank you to all of you for your willingness to come and testify. You have done very well, and I certainly appreciate your efforts because I know you could be doing a lot of other things, but we are certainly glad you are here.

We are talking about at this hearing ways to increase domestic consumption of U.S.-grown agriculture products and the Buying American Cotton Act, which I introduced last year, would achieve exactly that. I ask for unanimous consent, Mr. Chairman, to enter into the record a letter sent today to the Senate from industry stakeholders, textile mills, major brands, and retailers, and farm bureaus from across the country, many represented on this Committee, companies like Target, America Trench, Gap, Dignity Apparel, all support this initiative.

Chairman BOOZMAN. Without objection.

[The letters can be found on pages 106–110 in the appendix.]

Senator HYDE-SMITH. Thank you. Congress must deliver on two things to save American agriculture before it is too late, before we have to rely on foreign adversaries such as China to feed and clothe us. It is imperative that we, one, provide an additional round of short-term support to supplement the Farmers Bridge Assistance Program until the achievements of the One Big Beautiful Bill Act become available, which is going to be later in October. Two, invest in a long-term, demand-building initiatives, such as Buying American Cotton Act, which will reduce our reliance on ad hoc assistance and farm bill safety net programs in the future. This will help keep American farmers and ranchers in operation while saving tax payer dollars down the road.

Not long ago, a colleague from a state that does not grow cotton asked me, “Why should we support the cotton industry? It is too small for us to care about and we do not grow it in my state. Last year, the U.S. grew more than 95 million acres of corn, 83 million acres of soybeans, but less than 10 million acres of cotton. Synthetic fibers are on the rise anyway.” Well, here is why we should care about the U.S. cotton industry and passing this Buying American Cotton Act. While cotton planted acreage is small compared to other major row crops, its economic output and associate jobs dwarfs other major row crops on a per-acre basis.

Just do the math. The supply chain is far more intricate than other major row crops. That means jobs, money. More jobs and

more money. U.S. producers now have to export, as it has been mentioned before, more than 85 percent of the cotton they grow. We can use it right here. Just think about it. Most products Americans use today are made of synthetic fibers or foreign-grown cotton from Brazil and China. In Mississippi we grow a lot of corn, soybeans, rice, sweets, sorghum, peanuts, and cotton. Some see year-round E15 as a long-term fix for Ag. Some point to the clean fuel tax credit. The list goes on, but if we pick winners and losers among commodities, we have already lost.

We in Washington need to adopt a comprehensive strategy for domestic consumptions that lifts all of American agricultural products. That is how all growers benefit, and it is the only fix worth having. Today, I am here to emphasize that complex problems are rarely solved with one simple solution and that the Buying American Cotton Act should be part of the overall solution that we are seeking.

This question is for Chairman Reed and President Duvall. How would the Buying American Cotton Act support producers and the entire cotton supply chain, and what will happen if Congress fails to strengthen the domestic cotton market?

Mr. REED. First, representing the cotton industry, I would very much like to thank you for co-sponsoring this bill. As you know, cotton has been in a big decline. Your State of Mississippi. I am from Arkansas. As you know, in that region of the country, we have much higher production costs. We depend on crops that are higher-gross crops, higher-value crops, and cotton is one of those. In addition to that, we have the whole infrastructure that surrounds it, as we discussed, but we are in a dire situation in cotton due to cheap domestic—or cheap polyester and cheap foreign cotton. This is a way for us to leverage the American consumer to help support our industry, and there will be some cost offsets because the price of cotton goes up, PLC payments go down to farmers. It is a win-win across the board and also supports the industry, the whole industry, all the way through the supply chain.

Mr. DUVALL. Thank you, Senator. Wore my cotton tie today. I do not grow cotton, but I know how hard they are struggling out there for that. Your bill will incentivize companies to use American-grown cotton, which is a good thing for our cotton farmers. They need a market here in our country. When NAFTA was passed and all our textile mills left and went overseas, that is where our cotton had to go to, and now we need that production to come back to this country so that we can give them.

The key thing is not only will it help farmers. It is going to help rural communities. We have lost 1,700 cotton gins since 1980. Seventeen hundred. That infrastructure will never be replaced again. Never be replaced again, and all the jobs that went with it and all the communities that depended on that infrastructure just went away, and we have seen it all over the Southeast and Southern part of our country. That bill will be a tremendous help, not only to farmers—cotton farmers, but it will be a big help for our rural communities in those areas of our country.

Senator HYDE-SMITH. Yes, because we want corn growers to grow corn, but we want cotton growers to grow cotton. I think, Mr. Bower, you mentioned that in a podcast this past week. I had a

question on that, but I am out of time, but thank you again for your willingness.

Chairman BOOZMAN. Thank you. Senator Warnock.

Senator WARNOCK. Thank you, Brother Chair. Look, I am all for helping our farmers sell their crops across the country, and coming from the State of Georgia, I certainly support any efforts to strengthen and bolster the hands of our cotton growers. We are talking about increasing American markets today, in part, because international markets have been decimated by the President's tariffs. We need our growers to be able to sell here in the United States, certainly, but we also need them to be able to sell globally. The President's tariffs—taxes, which is what it is, taxes—have increased the cost of everything farmers need, like fertilizer, fuel, and equipment, and it is eroding the very slim margins that they already had left. It is a tough business. I spend a lot of time with our farmers all across the state, and I admire people who are just really committed to that work. Farmers, for me, are an answer to a basic prayer that we Christians pray all the time, "Give us this day our daily bread," and the margins are thin. There is so much that you cannot control. The President's tariff taxes have made a tough business even tougher.

Mr. Duvall, it is good to see you again. Always good to see you, and thank you again for your leadership, first over the Georgia Farm Bureaus, and now, the American Farm Bureau. Now that we are approaching a year into the tariffs, what is the latest that you are hearing from farmers about the effects on their business since last April?

Mr. DUVALL. Well, it has been—it has been very difficult for our farmers because it has raised the cost of inputs. Some have been exempted, not all, but the loss of markets—we lost some markets in the first trade war that we never recouped. Now, we are very appreciative of the work the Administration has done in opening up some of that market, but it—we have not gotten back to the place that we were in the first trade war. We had promises of frameworks of trade treaties all over the world. I understand eight of them have been closed. We are very appreciative of that, but until we see ships leaving the dock with our products in it going to a destination, our farmers are not going to find any relief.

When it comes to fruits and vegetables, and you want to talk about USMCA and we are coming up on a review, it is so important for us to renew that, but it is so important for us to have something like a rapid response technique to be able to deal with the flooding or dumping of products from other countries. You know, we—our fruits and vegetable guys are devastated because when they go into production, these other countries will dump product in there and just destroy the market, and it takes it below the cost of production for our specialty crops.

The other play thing is we need to emphasize the importance of our Federal Government, when they purchase foods, that they purchase American-grown food, and we have to protect those markets so that we give farmers certainty that they can stay in business, produce fruits and vegetables. You realize that our school system, 94 percent of the fruits that are served in our school system come from out of country—94 percent—53 percent of the vegetables.

Why? Because we probably cannot—we do not have the producers producing it because there is no certainty there. They do not have any risk management tools, and there is no protection from dumping from other countries, and those things need to be solved before we can get the certainty out there and bring young people and farmers back into the business of producing specialty crops.

Senator WARNOCK. Well, absolutely, and, you know, as the Ranking Member on Trade for the Finance Committee, I will be taking a close look at USMCA. On the other hand, you know, I think it would help if we could get a farm bill—

Mr. DUVALL. Yes.

Senator WARNOCK [continuing]. a bipartisan farm bill, passed through this Congress. I was glad to see that the USDA admitted that farmers have been hurt by the President's tariffs. It is one thing to have a theory of the case. The President clearly had a theory of the case. He has had it about 30 years. I am not sure that he is responding to facts on the ground, but now that we are beginning to hear from farmers, they have admitted as much by providing a bridge payment program, but I was—and I would point out that farmers, while they appreciate the bridge payment program, what I am hearing from farmers all the time, and Senator Grassley said the same thing, we want trade, not aid, but here we are.

I was disappointed to see that only \$1 million of the \$12 million was dedicated for specialty crop farmers. As a former president of the Georgia Farm Bureau, you know as well as anyone how important specialty crops are, like blueberries, peaches, and peppers. What is your view on how much of the funding is going to specialty crop farmers based on your understanding of their specific market conditions? I know I am running out of time, Mr. Chair.

Mr. DUVALL. One million does not even come close to covering the losses that we had in specialty crop. Like in other programs that are there to protect producers, specialty crops do not have those risk management tools, and they do not get the attention that they need because in this country, the consumer is wanting more and more of those fruits and vegetables. To compound that problem is the lack of labor. It is a lot more labor intense. We do not have the labor to actually get out in the field, pick it, harvest it, and get it to the stores.

Senator WARNOCK. Across-the-board tariffs putting pressure on farmers, an immigration policy that is so unforgiving that you are struggling with labor, and now we are facing USMCA. All of these make for a difficult mix for our farmers. I think we need to sit with the farmers, hear what they are saying, and then we have a chance of getting the policy right. Thank you so very much for your work, and thanks to all of the witnesses.

Chairman BOOZMAN. Thank you. Senator Fischer.

Senator FISCHER. Thank you, Mr. Chairman, and thank you to our witnesses for being here today.

It is no secret that we are facing challenging times right now with the farm economy all across this country, so I appreciate this hearing and the need to reinforce how we can grow demand. While it has been touched on already, it is really important for me to underscore the importance of biofuels as a key demand driver for the

Nebraska crops. Not only do biofuels drive demand for our crops, but they play a crucial role in our energy security. There are several ways before us that Congress and the Administration can and should take action, and they should take it immediately, that I would like to touch on.

Mr. Bower, through a patchwork of regulatory actions, we have had year-round E15 now since 2019, but that patchwork of emergency fuel waivers does not provide certainty. How does Congress passing a year-round E15, which I have had a bill for that for 10 years, how does that translate into greater corn demand?

Mr. BOWER. Well, Senator, thank you for being such a champion on this issue. Your leadership has given us all hope. As I have mentioned before, you know, this is just truly at a point that was pivotal for the American corn farmers. You know, E15 would provide certainty to the retailers, which in turn builds the infrastructure out to lower the cost for consumers, and then in turn bring that back to the corn farmer in a time when we are so desperately in need of some relief. I cannot emphasize how much it would mean just to my operation and to all my friends and colleagues across the country. We are all in a tough time, and it is not only the growers, but the consumers as well, saving them at the pump. We have to have that certainty for that infrastructure to go in and for people to have the ability to find that at every station.

Senator FISCHER. I appreciate you talking about consumers because this is a way that we can save consumers money every time they fill up at the pump, so thank you for mentioning that. Mr. Metzger, the RFS Set 2 rule is currently pending at OMB for soybeans. Can you discuss what strong RVOs will signal to the market?

Mr. METZGER. Yes, thank you, Senator. With the strong RVOs that are in the Office of Budget and Management, it is going to be critical. We get up into that 5.61-billion-gallon area, with it—and that is going to be a lot of bushels that is used up domestically here, and it will help crush and oil together to get to get bushels used up and help drive some of this domestic demand that we are needing. The soybean farmers are in the same boat. You know, this last year we were about \$109-an-acre loss. We are also the lowest on the FBA payment. It is—you know, things like this are going to be critical for American soybean farmers to be able to become more economically viable in the future.

Senator FISCHER. When our corn and soybean farmers are successful, our rural communities are strong and the heartland of this country is strong. Rural America has value, and sometimes that is hard to explain to some of my colleagues, but it is so important that we continue to find that dignity in hard work, to find that value in strong communities and strong families. Thank you both.

Mr. Duvall, welcome. Good to see you. As I mentioned, E15 is a significant byproduct of corn, and it has helped add value and utilize more out of each bushel of corn—of each bushel of corn. With Nebraska being the beef state, beef byproducts are also essential in driving domestic and international demand. From hides to specialty cuts, the industry has significantly increased its efficiency in using those cattle carcasses. We also have seen interest from some producers, whether in the cattle, dairy, or hog industries, of turn-

ing animal waste into potential streams of revenue. Mr. Duvall, how do we continue to bolster the development of new byproducts for the livestock industry, and what opportunities do you see for maximizing potential revenue streams from all livestock production?

Mr. DUVALL. Well, thank you, ma'am. Thank you for the opportunity and your question, which is not a real simple one to answer, of course, because most of that market for those byproducts is overseas, and that means good trade treaties and making sure that we can move those products out of here, and giving individual farmers access to that. One of the big problems is, you know, to have those byproducts that a farmer can use. A farmer does not have any place to take their animals on a small scale. The big four packers dominate it, and it is very difficult to find local processing plants for smaller amounts of cattle that could be—or any livestock to go through. To help small processing plants to be able to be developed with low-interest loans or some kind of grants so that they can sustain themselves in these communities would be big.

I am in the beef business myself, and I would love to take a certain percentage of my cattle straight to the consumer, but there is nowhere within 400 miles of me to be able to process it and get it done, so it is not practical to do that. We need more small processors around so that farmers can utilize straight to the consumer, and also take some of those byproducts and expand on it, but research and development dollars and investment in that infrastructure to be able to handle that would be a necessity.

Senator FISCHER. I agree with you. As the beef state, we have cow-calf production, we have backgrounders, we have large and small feedlots, and we have three of the four big packers in the state. We are also seeing growth of smaller packing plants in Nebraska, and I agree that that is a direction we need to go, and one way we can address that, I think, at the federal level, is looking at the regulatory environment that affects all of agriculture. That sometimes is a really large hindrance when you are looking at putting up those smaller packing plants that can help smaller communities and still be able to thrive in a marketplace with the big four. Thank you.

Mr. DUVALL. The regulatory requirements and the cost that goes with that, and the lack of technology that we are allowed to use in those smaller plants and whether or not they could afford it. It is just like any other technology or innovation that comes down the pipe. Bigger producers can afford that, where smaller- and middle-sized producers cannot afford it, and it is putting pressure on them and pushing them out of business, whether it be a processor or a small family farm. We have to bridge that gap to make it affordable so that they can use those innovation and technology in the future to preserve that small family farm that American people are in love with.

Senator FISCHER. I have got some bills on that with precision agriculture to be able to have our small farmers take advantage of all that really cool technology out there that will help them be more profitable, and it is also good for their economy, but the environment as well. Thank you, sir. Thank you, Mr. Chairman, for allowing me to continue over my time.

Chairman BOOZMAN. No, thank you. Senator Marshall.

Senator MARSHALL. Thank you, Mr. Chairman, and welcome to all of our guests, our witnesses. We do appreciate you being here.

Mr. Duvall, if I told you I have export market that we could double overnight, that we typically export about 2 billion bushels of corn, maybe 2.3, but we have a new market that would add an additional 2.5 billion bushels of corn consumption, would you be excited about that?

Mr. DUVALL. I would be real excited and celebrate with you.

Senator MARSHALL. Yes, and of course, we have got that in our backyard. By going to year-round E15, it would be the equivalent of doubling our exports, and the beauty of that is we do not have to depend upon the ups and downs of having to deal with another country and maybe a different administration, all these types of things. This would—this would—how big of a win would this be, Mr. Duvall?

Mr. DUVALL. It would be tremendous.

Senator MARSHALL. Yes. Mr. Bower, is there anything to add how important year-round E15 is? Is there anything that is a bigger priority right now for agriculture that could really change net income today?

Mr. BOWER. You know, when you talk about all the bushels, Senator, and the amount of acres corn happened to cover this past year, I mean, a lot of farmers are looking for a way to make a profit, and they are hoping this is the light at the end of the tunnel. I think we have seen a lot of acres transition just for the hope that we are going to get E15 and we might bring some profitability back. That is—that is our number one priority, and we truly hope that it gets over the line here soon.

Senator MARSHALL. Yes. Then, if I told you that I have another export market that would consume even more corn than year-round E15, and I talked about 45Z, what would be the go ahead? Again, Mr. Bower, what would be the impact of 45Z potential market?

Mr. BOWER. Again, Senator, absolutely tremendous. You know, the American corn farmer is the best in the world at raising corn. You give us a—give us a goal, we will raise the corn, and we will produce the corn. We just need the markets.

Senator MARSHALL. This is the number one ask I had for President Trump and his team going into the election is to proceed with 45Z, and it is here. We even got undenatured alcohol in there so that we can export it as well. Mr. Duvall, are you all happy with the President's rules for the 45Z?

Mr. DUVALL. Currently, we are. Of course, we could always modify them a little bit, and I do not want to get into the weeds of that, but yes.

Senator MARSHALL. Okay. Looking through, Mr. Duvall, your own—your graphs here, it is very enlightening that we saw a record decline in net farm income in 2023 and 2024, net drop in farm income in 2023 and 2024. Then, we talk about input costs, and I think that is probably the number one challenge right now is input costs. Input costs stayed stable in 2016, 2017, 2018, 2019, 2020. In 2021 we saw, it looks like, just a record increase in input costs, and they continued upward, but they have not come down. People tell me usually input costs come down when the commodity

prices come down, and, you know, I will open it up to anybody. Why did the input costs go up so much, and then what are the solutions?

Mr. BOWER. Senator, I guess I will start. The input costs went up because they could. Nobody told them they could not. As farmers, you know, we are left out in the weather, in the cold, and there has been a lot of consolidation in that realm. With a lot of the things happening around the world, our ability to source fertilizer and inputs has really declined, and we are left stuck with what we got.

Senator MARSHALL. When you say no one told them they could not, what you are really referring to is a concentration of industry.

Mr. BOWER. Yes, Senator.

Senator MARSHALL. When we speak of—speak of input costs, really what we are talking about are chemicals and fertilizers. They would be the big chunk of input costs. You know, certainly diesel fuel is in there as well. Until nine days ago, diesel fuels were coming down—

Mr. BOWER. It really was, yes.

Senator MARSHALL [continuing]. and even interest is a huge expense for farmers.

Mr. BOWER. Right now.

Senator MARSHALL. The average Kansas farmer, a million-dollar operation, loan interest rates went from two to nine percent overnight, so it is good that that is coming down as well. Mr. Duvall, anything to add on input costs? You know, why, and what can we do to help impact these?

Mr. DUVALL. We know the events around the world with the war in Ukraine and now the war in Iran is not helping things at all, and it has been challenging. Of course, we have encouraged the people that are providing those inputs to be more transparent so that we could more understand on the farm why those increases have come so high. The other increase you have not even mentioned is increase of machinery.

Senator MARSHALL. Yes.

Mr. DUVALL. I mean, if you just—I do not grow cotton, but I know you cannot touch a cotton picker for less than \$1 million, and it does one thing: it picks cotton for about a month.

Senator MARSHALL. Yes.

Mr. DUVALL. It does one thing, and, you know—and it has—and it has probably doubled in price in the last five or six years. There is really no explanation other than what is happening around the world, and I think there needs to be more transparency so that we can understand why these inflated prices are there.

Senator MARSHALL. Okay. Mr. Chairman, I think I will just leave it there. Thank you.

Chairman BOOZMAN. Thank you very much. I just got a couple more things. Matt—Mr. Perdue—tell me—you know, I had a situation—this has been probably five or six years ago—where I was at a meeting and they were talking about sweet potatoes, and actually, I was meeting with a guy. This was a guy that farmed all kinds of stuff and just a guy that knew how to make it work. You know, he is like, you-all, at the top of your fields. He—I told him, I said, I am going to go to a meeting about sweet potatoes. You

know, there—again, not a lot grown in Arkansas, and he was intrigued by that. He said, well, I am going to come with you, so he would, you know, get in the car and go over there. He looked at the presentation, researched it, and then wound up planting a bunch of sweet potatoes and made a bunch of money out of it. I do not know what they are doing now or whatever, but at that time, again, savvy guy.

Are we doing a good job in informing our producers, our farmers about the alternatives? You know, again, we are in a situation now where this is not—this is not the first year it has been bad. What is making this year so bad is it is the third year of being bad, and I see John Newton out in the audience, our great economist. He is going to tell us that next year does not look a whole lot better, okay. It really makes it difficult and, you know, these years doubling up. Are we doing a good job of telling the agriculture community to, you know, to start looking for ways to look into different crops, not necessarily not doing their own crops, you know, or what they are used to, but in addition?

Mr. PERDUE. Senator Boozman, I appreciate the question, and there is always room to improve research and extension, and making sure that producers understand the opportunities available to diversify their operations. Where I think there really needs to be a focus is creating those market opportunities. You know, on our farm, we raised malt barley for many years, and we do not do that anymore because there is not local contracts. I think that is a good reminder to us all to drink more beer, but I think it also demonstrates that, you know, you need to have that local market outlet.

On the other hand, you see in Southwestern North Dakota, there was hardly any corn raised for grain there 15, 20 years ago. There is an ethanol plant now. A lot of people have a lot of success raising corn for grain and selling it to an ethanol plant. The market opportunity is what people need, and we need to make sure that we are providing more diverse market opportunities for producers.

Chairman BOOZMAN. Let me ask you, Mr. Metzger, in regard to that. You know, as we have, you know, some things coming on the line with opportunity, are we worried about people changing their planning decisions, and then you are in a situation where everybody is growing, and then you have increased—you have got increased supply and then that lessens your cost?

Mr. METZGER. Yes. Thank—

Chairman BOOZMAN. Does that make sense?

Mr. METZGER. Yes. Thank you, Chairman. Yes, that is—yes, that is always an issue depending on, you know, how rotations go every year. You know, the—in the—we get in these tighter economic times like this, a lot of times there will be more soybeans planted, an increase in soybeans and a little bit decrease in corn acres. That would be a concern, but that is where, you know, we get some of these—some domestic demand use up with it, get the—get the RVOs out, and that will help—that will help those increased acres that we have, you know, if the—if the higher yields come to fruition with it.

Chairman BOOZMAN. Very good. Cathy, you got any words of wisdom as we leave?

Mrs. BURNS. Yes. I am so excited that they grew sweet potatoes. Those are our people.

Chairman BOOZMAN. No, that is good.

Mrs. BURNS. That means the demand for sweet potatoes must have been increasing.

Chairman BOOZMAN. Yes, yes.

Mrs. BURNS. Right now, specialty crops are grown in all 50 states, and the easiest way for us to look at expanding domestic production is by expanding domestic consumption and also opening markets. Absolutely, our growers will grow anything. They will increase their acreage if the markets are there and the demand is here domestically, and at the end of the day, it will improve the health of all Americans.

Chairman BOOZMAN. How many specialty crop producers have we lost in the last 20 years?

Mrs. BURNS. Well, total farms over the last two decades is about 230,000.

Chairman BOOZMAN. It is about 80—it is like 80 percent, isn't it?

Mrs. BURNS. Yes, I mean, it is—you know, and it is a significant amount, so—

Chairman BOOZMAN. Yes, yes.

Mrs. BURNS [continuing]. because of the high input costs, because of the labor challenges. I mean, that is the biggest challenge is if you think about—if we could just get 50 percent of Americans eating the recommended amounts of fruits and vegetables, imagine the labor—

Chairman BOOZMAN. Right.

Mrs. BURNS [continuing]. it is going to take to harvest that.

Chairman BOOZMAN. Well, my concern is, again, you know, we can look at specialty crops. This stuff, like I say, did not start this year. You know, it started a long time ago, this slide, but they are such a great example of what can happen in the sense of losing so much. My concern is that is going to spread, you know, across the commodity sector also. We need to beef up specialty crops. We need to protect what we have in the commodity sector, and that is really going to take all of us working together.

We appreciate you. Today was very helpful. I cannot tell you how busy it is around here. It is busy right now. There is lots going on, but we had all kinds of Members come and participate, so you can be very proud of that. That says a lot for you all, that they actually wanted to hear what you had to say. Again, we appreciate it, and the way you can help us, and I speak for myself and Senator Klobuchar, just let us know—let us know what you are thinking. You are not a bashful bunch at all, we do not have to worry about that, but we really do appreciate all that you do and helping us get through a very, very difficult time. Thank you very much.

With that, the—I got to do my—where is my stuff? Okay. The record will remain open for five business days.

Chairman BOOZMAN. Today's hearing is now adjourned.

[Whereupon, at 5:19 p.m., the Committee was adjourned.]

A P P E N D I X

MARCH 10, 2026



**American Farm
Bureau Federation®**

**TO THE UNITED STATES SENATE COMMITTEE ON
AGRICULTURE, NUTRITION, & FORESTRY**

**“INCREASING DOMESTIC CONSUMPTION OF U.S.-GROWN
AGRICULTURAL PRODUCTS”**

MARCH 10, 2026

Presented By:

Zippy Duvall

President, American Farm Bureau Federation

Chairman Boozman, Ranking Member Klobuchar, and Members of the Senate Agriculture Committee,

Thank you for the opportunity to share the views of the American Farm Bureau Federation (AFBF) on how we can strengthen domestic demand for U.S. agricultural commodities to ensure America's farmers and ranchers can keep our nation's food supply secure and continue supplying food, fiber, and fuel for generations to come.

My name is Zippy Duvall. I am a third-generation farmer from Georgia. My family and I raise beef cattle, poultry, and hay. Like many farm families, we have experienced good years and hard years. On our family farm, we diversified during the economic crisis of the 1980s to keep from going under. We understand market volatility. We understand what it means to borrow against a crop and hope that prices hold through harvest. We understand weather risks and have helped our neighbors pick up the pieces after a storm. Farming has never been easy.

I am honored to have served as president of the American Farm Bureau Federation for the last 10 years. American Farm Bureau represents more than five –million member families in every state and Puerto Rico. Our members grow every commodity produced in the United States and care for livestock, milk cows, and raise poultry across all regions. They operate farms and ranches of every size, from specialty crop operations serving local markets to multi-generational row crop and livestock farms that help feed the world. They are leaders in their communities and are the economic backbone of rural America.

Let me begin by expressing sincere appreciation for the work the President, this committee, and Congress have done to strengthen farm programs through the One Big Beautiful Bill Act. You made a generational, and much-needed, investment in farm bill risk management tools, trade promotion programs, conservation programs, and animal disease preparedness and response. Our farmers are grateful for that leadership.

At the same time, today's hearing is in response to something deeper than a short-term downturn. The challenges facing agriculture are not merely cyclical. They are structural. Farmers and consumers have faced historic levels of inflation. On top of that, farm input costs are expected to be record high again in 2026. On the farm, productivity continues to rise and technology continues to advance. We do more with less every year.

The prices we receive, however, have not kept pace with that productivity or the input costs. As one farmer told me recently: “I’m paying 2026 input costs, but I’m receiving prices from the 70s and 80s and paying the freight both ways.” Whether it’s cotton or milk, corn or apples, or any other commodity, farmers have been dealing with a cost-price squeeze for the better part of five years.

In October 2025, the American Farm Bureau Federation sent a letter to Congressional leadership and the President outlining the extraordinary economic pressure farmers are facing.¹ We requested immediate economic assistance to ensure producers could reach the next planting season, and we also emphasized that long-term stability cannot rest on emergency programs alone. That letter outlined a roadmap focused on building durable demand, restoring domestic processing capacity, and ensuring competitive, rules-based access to global markets. Those principles guide my testimony today.

Farmers do not want to rely on ad hoc support. We want markets with fair competition. We want value-added opportunities close to home. We want to compete and win. But doing so requires policy that encourages and facilitates domestic consumption, and that also recognizes and adjusts to unfair trade policies and market-distorting practices in markets around the world.

Achieving these priorities is important to our food security—and our national security. The food and agriculture sectors contribute more than \$9.5 trillion to U.S. economic activity and support more than 24 million jobs across farming, processing, transportation, retail and food service.² Agricultural exports alone were valued at over \$170 billion in 2025 and supported more than one million American jobs. Every dollar of agricultural exports generates over two dollars in additional economic activity. When farms struggle, rural communities struggle. When processing plants close, towns hollow out. When farmland is converted permanently to other uses, that capacity is unlikely to ever return.

Food production is not only critical to our economy; it is also a strategic national asset. Global disruptions, including ongoing military conflicts abroad, supply chain breakdowns during the pandemic, and water scarcity in major producing regions around the world, remind us that food

¹ American Farm Bureau Federation, *Farm Bureau to President and Congress: Farmers Are at a Breaking Point*, available at <https://www.fb.org/news-release/farm-bureau-to-president-and-congress-farmers-are-at-a-breaking-point>.

² Feeding the Economy, *2025 Feeding the Economy Report*, available at <https://feedingtheeconomy.com/>.

security and national security are closely linked. America's farmland and processing infrastructure must be treated as strategic assets if we are to maintain resilience in the face of global uncertainty.

The path forward is clear. We must strengthen domestic demand for American agricultural products. We must reinforce our production capacity of critical inputs such as fertilizers, crop protection tools, and pharmaceuticals for animal health. We must restore and modernize domestic processing capacity. We must expand fair and enforceable market access abroad, and we must ensure our safety nets remain anchored in predictable, farm bill-based policy.

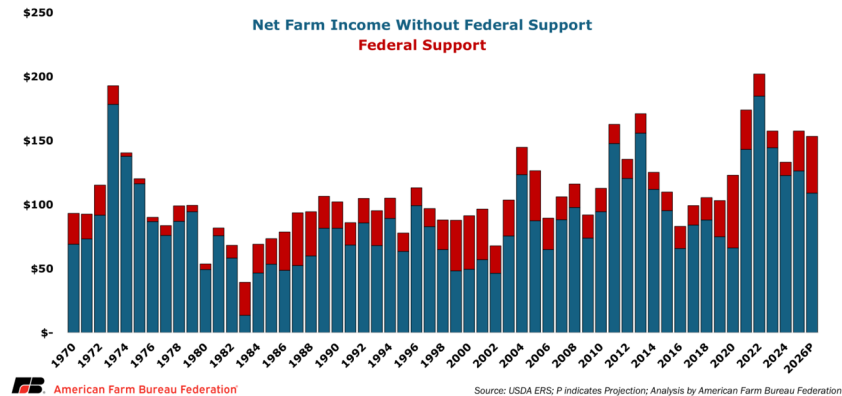
The Structural Economic Problem: High Productivity, Weak Margins

To understand why demand growth and processing capacity must now be central to agricultural policy, we must begin with the scale and persistence of the financial stress American farmers and ranchers face. USDA's most recent farm income forecast, released in February, underscores the magnitude of that imbalance. Net farm income for 2025 was revised downward to approximately \$154.6 billion, roughly \$25 billion lower than projected just months earlier. The outlook for 2026 remains essentially flat at \$153.4 billion. That level is nearly \$48 billion, or 24%, below the record high reached in 2022. While those totals remain above long-run averages in nominal terms, they mask a troubling reality. Much of the recent resilience in aggregate farm income has been concentrated in the cattle sector, where tight supplies have supported historically strong prices.

Outside of cattle, most major commodity markets are weakening, and a broad swath of crop producers and specialty growers are operating at or below full economic cost.

Generational Decline in U.S. Farm Income

Inflation-Adjusted Net Farm Income and Value of Government Payments, 1970 to 2026P, Billion Dollars



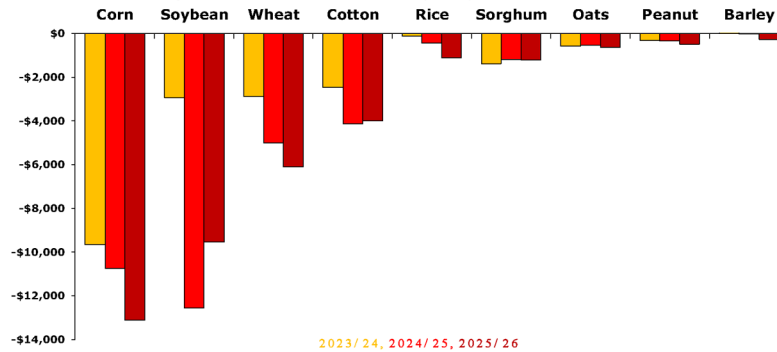
The depth of losses across principal crops is significant and sustained. Across the nine major row crops, returns were below total economic costs by approximately \$20 billion in the 2023 and 2024 crop year, down \$35 billion in 2024 and 2025, and down \$34.6 billion in 2025 and 2026. These figures are calculated before accounting for crop insurance indemnities and ad hoc government assistance. Over a three-year period, cumulative losses exceed \$90 billion across major crops alone. That scale of sustained negative return is not typical of normal commodity cycles. It signals that market prices have not kept pace with the cost structure farmers face.

Corn illustrates this dynamic clearly. For the 2025 crop year, U.S. farmers planted nearly 100 million acres of corn, committing close to \$90 billion in production expenses. With average total costs of near \$900 per acre, producers have significant capital at risk before a single bushel is harvested. Even assuming record yields approaching 186 bushels per acre and a national average price near \$4 per bushel, projected returns exceed negative \$150 per acre. On a national scale, losses for corn alone are estimated to surpass \$15 billion. Similar cost-price compression is occurring in soybeans, wheat, and cotton. Since 2022, corn prices have declined by roughly 54%,

soybeans by nearly 58%, wheat by more than 50%, and cotton by over 40% from pandemic-era highs. At the same time, production costs have not returned to pre-2021 levels.

Cumulative Losses Exceed \$90B Since '23

Estimated National Average Returns Over Total Costs, Nine Principal Crops, Million Dollars

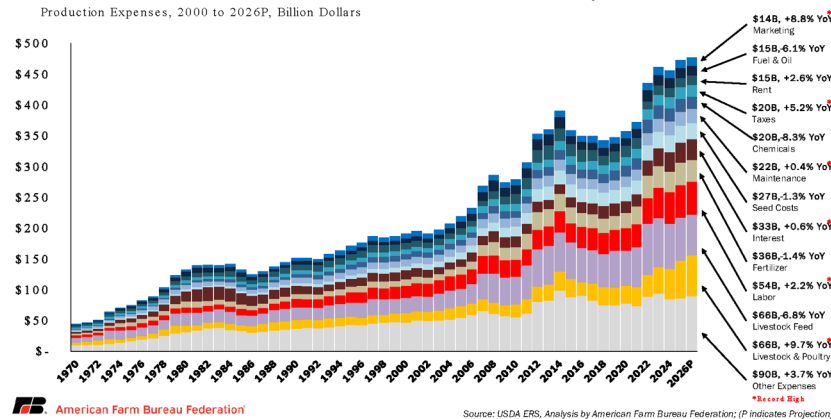


AFB American Farm Bureau Federation

Source: USDA NASS, ERS, WASDE, CBO, Analysis by American Farm Bureau Federation

Total farm production expenses are projected at approximately \$473 billion in 2025 and are projected to remain historically elevated heading into 2026. While the pace of inflation has moderated, cost levels have not reverted. Since 2020, interest expenses have risen more than 70%, labor costs approximately 47%, fertilizer roughly 37%, and fuel and oil more than 30%. Chemical, seed, and maintenance costs remain materially higher than prior to 2021. These increases have permanently raised break-even thresholds across commodities. In this environment, even modest price declines translate quickly into negative margins.

Production Costs Reach Record \$478 Billion



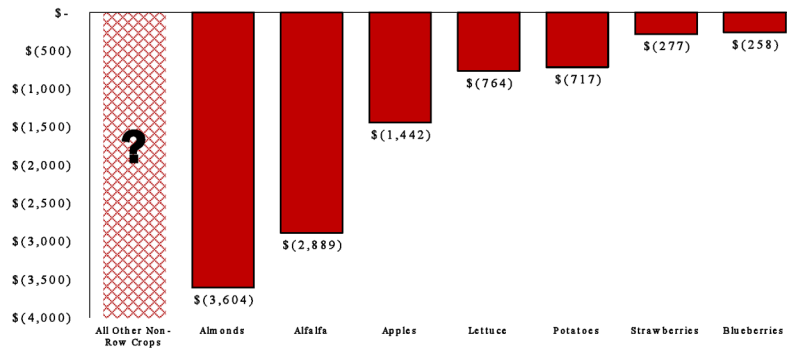
The result is what many producers describe as a high-yield, low-margin farm economy. American farmers are producing at historically high levels. Corn and soybean yields have increased more than 50% since 1990, reflecting sustained gains in genetics, mechanization, and precision agriculture. These productivity gains are a success story. However, productivity growth without proportional demand growth suppresses prices. When global supplies expand faster than consumption, market-clearing prices fall even if individual farms operate efficiently.

Specialty crop, hay, and other field crop farmers face parallel pressures, often with fewer tools to manage them. Specialty crops generate more than \$75 billion in annual farm-gate value and account for over one-third of total U.S. crop sales. Yet these operations typically lack the same depth of countercyclical support available to major program crops and operate with a more labor-intensive cost structure. Analysis of six key commodities (almonds, apples, blueberries, lettuce, potatoes, and strawberries) which together represent roughly one-quarter of total specialty crop receipts shows billions of dollars in projected losses in 2025 alone. Labor accounts for approximately 38% of cash expenses on specialty crop farms, nearly three times the average across all farms. In sectors dependent on hand harvest, pruning, and packing, rising wage rates and labor scarcity significantly compress margins. When farm-gate prices fail to keep pace with these increases, producers have limited financial cushion. Similar pressures extend beyond specialty

crops: alfalfa, the fourth-most valuable U.S. field crop, is projected to face roughly \$2.9 billion in losses in 2025, or about \$203 per acre, despite having little access to the core farm safety net.

Specialty Crops Face Billions in Economic Losses

Select Specialty Crops and Alfalfa, 2025 Estimated, Cost of Production Over Estimated Returns, \$ Millions



*Figure DOES NOT capture all specialty crop losses or the full diversity of production challenges across the U.S.

AFB American Farm Bureau Federation

Source: USDA NASS, Analysis by American Farm Bureau Federation

These pressures extend beyond individual enterprises to farm households. According to the USDA, more than half of farms in the U.S. lose money each year and 77% of household income is derived from off-farm sources. While USDA's definition of a farm includes many small operations, the statistic remains instructive. For many families, off-farm income is not supplemental but essential to keeping the operation intact. At the same time, farm sector debt is projected to approach \$625 billion in 2026, and lenders report growing operating loan balances as producers finance working capital to bridge losses. Elevated interest rates compound that stress by increasing the cost of borrowing precisely when margins are thin.

Government payments have played an increasingly important role in stabilizing income. Direct payments totaled approximately \$30.5 billion in 2025 and are projected to rise to roughly \$44.3 billion in 2026, in part due to disaster assistance and the USDA Farmer Bridge Assistance Program. These programs are appreciated and necessary in the short term, but their growing scale underscores the widening gap between market returns and production costs. Repeated emergency assistance since 2018 reflects a persistent structural imbalance rather than isolated shocks.

Global market conditions are contributing to this imbalance. U.S. agriculture operates within a highly integrated global system where prices are shaped by international supply growth, trade relationships, and shifting demand patterns. When global supply expands or trade flows change, those effects transmit quickly to U.S. farm prices. In that environment, productivity gains at home do not automatically translate into stronger returns.

Taken together, sustained crop losses exceeding \$90 billion, billions in specialty crop strain, rising leverage, increasing reliance on government payments, and heavy exposure to export volatility point to a structural imbalance between productivity and profitable demand. This is not merely a low-price year. It is a market alignment challenge.

If productivity continues to rise, market development must advance with it. If export markets remain concentrated and volatile, domestic demand must be strengthened. If margins remain compressed, predictable risk management must support functioning markets rather than replace them.

Export Reliance in a More Competitive and Volatile World

The margin compression described above is occurring in a farm economy that is structurally reliant on export demand. For many commodities, exports are not simply an additional marketing channel. They are the mechanism that clears surplus production when domestic utilization is insufficient. More than one-fifth of total U.S. agricultural output is sold abroad in a typical year, and for certain commodities the share is far higher. Approximately 86% of U.S. cotton production is exported in most years. More than half of sorghum production moves into foreign markets. Wheat, rice, and soybeans also depend heavily on export channels to maintain price stability. When that export engine slows, farm-level prices adjust quickly.

Export reliance becomes more complex in a global environment that is more competitive and more coordinated than it was two decades ago. The United States remains one of the most productive agricultural producers in the world, but competitors have expanded acreage, improved yields, and invested heavily in ports, rail systems, crushing facilities, and logistics networks that lower their delivered cost to key buyers. The result is a global marketplace with more supply options. When trade relationships shift or buyers reallocate sourcing, the United States is no longer the default residual supplier.

This shift is visible in market share data. In wheat, U.S. global export share has fallen from roughly 25% in the early 2000s to approximately 11% today. In soybeans, Brazil's rapid acreage expansion and productivity gains have materially reduced U.S. dominance in global trade. Yet even as U.S. share has declined, exposure remains significant. That combination increases vulnerability: the United States still depends on export markets to absorb production but has less influence over price formation than in prior decades.

Trade concentration compounds that exposure. In 2024, China purchased nearly half of all U.S. soybean exports. When a single country represents that magnitude of demand, shifts in purchasing patterns can quickly become price events. From January through August 2025, U.S. soybean exports to China totaled roughly 218 million bushels, down sharply from approximately 985 million bushels during the same period the previous year. Over that same timeframe, Brazil exported roughly 2.5 billion bushels to China. Global soybean demand did not contract. It was redirected. When demand shifts at that scale, domestic prices respond regardless of farm-level efficiency.

The consequences extend beyond one commodity. When soybean export prospects weaken, acreage adjustments follow. Producers shift into alternative crops such as corn, expanding supply and increasing downward price pressure. Storage builds, basis weakens, and working capital tightens. In an export-dependent system, volatility in one major crop can quickly transmit across the broader row-crop economy. Once planting decisions are made, producers cannot reverse course mid-season. They are committed to clearing the market at whatever price global demand supports.

Logistics vulnerabilities add another layer of exposure. Inland waterway disruptions, low river levels, congestion at export terminals, and rail bottlenecks all influence the price farmers ultimately receive. When export markets carry a large share of utilization, transportation disruptions translate directly into wider basis and lower net returns. Competitiveness is therefore not only about negotiating new agreements. It is also about ensuring reliable, efficient infrastructure so that U.S. commodities reach global buyers at predictable cost.

Trade policy itself increasingly revolves around non-tariff barriers that affect real-world demand. Sanitary and phytosanitary measures, biotechnology approval timelines, maximum residue limits, and regulatory standards can restrict access even in the absence of formal tariffs. The Office of the U.S. Trade Representative continues to document practices ranging from opaque import licensing

to state-supported enterprises that distort competition. For American producers, the effect is uncertainty about whether the market will be open when the crop is ready to ship.

Recent trade frameworks and negotiations offer meaningful opportunity. Commitments to reduce tariffs, address non-tariff barriers, and expand agricultural purchases can support farm income if fully implemented. Farmers strongly support open and enforceable trade relationships. At the same time, experience over the past decade demonstrates that episodic purchase agreements alone cannot serve as the foundation of long-term profitability. Markets must be stable, diversified, and rules-based.

For trade to work effectively across commodities, it must also be fair. American producers operate under stringent labor, environmental, and food safety standards. When imported products enter the U.S. market under materially different regulatory regimes, domestic producers can be placed at a disadvantage within their own marketing windows. Ensuring that trade is reciprocal and science-based protects both export opportunity and domestic stability.

Exports remain indispensable to American agriculture. But heavy export reliance in a world of intensified competition, concentrated demand, and infrastructure vulnerability increases income volatility. When foreign sourcing decisions shift abruptly, the presence or absence of strong domestic demand and processing capacity determines how much of that shock is absorbed downstream versus transmitted back to the farm gate.

The Erosion of Domestic Processing Capacity

U.S. agricultural demand only becomes farm income when domestic infrastructure can convert raw commodities into finished products. That infrastructure determines where value is added, where rural jobs are anchored, and how much volatility is absorbed within the supply chain rather than transmitted back to producers. When processing capacity narrows or concentrates, resilience declines.

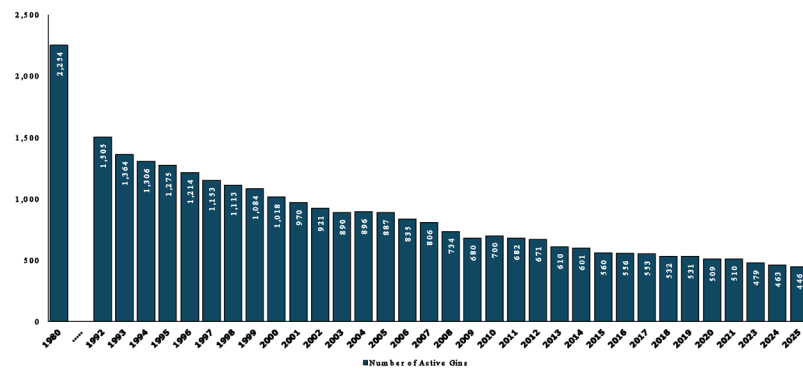
Several sectors illustrate this long-term structural shift.

Cotton is the clearest example of permanent capacity loss. In 1980, more than 2,200 cotton gins operated across producing regions. Today, roughly 446 remain. While some consolidation reflects scale efficiencies, the broader story is the collapse of domestic textile manufacturing after global restructuring of apparel production. As mills closed and capacity moved overseas, domestic mill

use of cotton fell to historic lows. Producers now export 80% to 85% of annual production. Once textile infrastructure and skilled labor networks dissipated, they did not return. The result is a globally competitive production base that depends heavily on foreign processing demand.

Over 1,700 Cotton Gins Have Closed Since 1980

Number of Active Cotton Gins in the United States



 American Farm Bureau Federation

Source: USDA NASS, Analysis by American Farm Bureau Federation

Rice milling and sugar refining show similar consolidation patterns. These facilities require steady throughput and regulatory certainty to justify capital investment. When regional production fluctuates or compliance costs rise, marginal plants close. Rebuilding requires not just capital but labor, supplier networks, and predictable permitting environments. Over time, fewer facilities serve larger regions, increasing transportation costs, and narrowing marketing options.

The beef sector illustrates how concentration affects resilience even without long-run decline. A small number of large packing plants process the majority of fed cattle. When a major facility shuts down, regional cattle prices can weaken quickly because alternative buyers are limited within economic hauling distance. During the pandemic, temporary disruptions widened spreads between wholesale beef prices and cattle prices, highlighting how concentrated capacity can amplify shocks. Modern packing plants require hundreds of millions of dollars in capital, specialized labor, and wastewater infrastructure. Investment decisions depend on regulatory stability, labor availability, and long-term throughput certainty.

Recent expansion in soybean crushing tied to renewable diesel demand shows the opposite dynamic. When domestic utilization grows predictably, capital follows. Additional crush capacity has created new local marketing options and strengthened regional basis levels. That contrast underscores the broader principle: processing investment responds to stable demand signals and predictable policy environments.

Capital hesitates when those conditions are absent. Agricultural processing margins are cyclical. Environmental permitting and wastewater approvals can extend timelines. Rural labor availability remains uncertain. Elevated interest rates increase financing costs. Imported processed goods can enter at competitive prices when labor and regulatory costs differ abroad. These realities do not argue against efficiency. They explain why distributed, resilient capacity does not expand automatically.

Processing determines whether a nation captures value or exports it. When infrastructure erodes or concentrates excessively, rural communities lose employment, producers have fewer buyers, and geographic production diversity narrows. Productivity gains alone cannot offset that structural shift. Without adequate domestic conversion capacity, even strong demand signals are less likely to translate into durable farm income.

Domestic Produce: High Value, High Cost, and Growing Import Exposure

Specialty crops operate under a different structure, but the pressure is the same. These are high-value, labor-intensive, perishable commodities sold into concentrated marketing channels and increasingly integrated North American supply chains. Even when consumer demand is strong, the farm gate price depends on cost competitiveness, seasonality, and buyer sourcing decisions.

Imports have increased steadily over the years. In 2023, Mexico supplied 51% of U.S. fresh fruit imports by value and 69% of fresh vegetable imports, with Canada supplying another 20% of vegetable imports. These supply chains reflect geography and year-round consumer expectations, but they also define the competitive environment domestic growers face. When retailers prioritize consistent supply at the lowest delivered cost, domestic producers compete against products grown under different labor structures and regulatory regimes. Imports frequently overlap with U.S. harvest windows, compressing prices at critical marketing moments. Over time, these pressures have coincided with a notable decline in domestic production, with U.S. vegetable output falling

by roughly 14 million metric tons since 2000, a 39% decline, while fruit production has dropped by about 9 million metric tons, or 24%.³

Potatoes illustrate how production strength does not guarantee domestic value capture. The United States is a leading potato producer, and most utilization is tied to processed products. Yet the United States has been a net importer of frozen French fries in recent marketing years. In the 2024/25 marketing year, frozen fry imports approached 2 billion pounds, with roughly 85% supplied by Canada and another significant share by the European Union. This is not a production constraint. It reflects processing economics, energy costs, labor availability, and capacity distribution. When buyers need finished product, they source where capacity exists at competitive cost.

Specialty crop producers are also uniquely exposed to labor instability. These operations are highly labor-intensive, with harvesting, sorting, and packing that cannot be fully mechanized. Workforce uncertainty raises break-even thresholds quickly and introduces production risk. When labor is unavailable during peak harvest windows, product can be left in the field and buyers shift sourcing elsewhere. Once shelf space or contract volume is lost, recovery is difficult.

Market structure compounds these pressures. Unlike grains traded on transparent exchanges, many specialty crops are sold through negotiated contracts or concentrated buyer channels with limited price discovery. Perishability limits storage flexibility. If supply exceeds immediate demand, price declines can be swift. When imports are readily available, they provide an alternative supply source that weakens domestic bargaining leverage.

The implication is practical. Domestic fruit and vegetable production will remain viable only if labor policy provides stability, regulatory implementation remains science-based and enforceable, procurement policy genuinely prioritizes U.S.-grown products where feasible, and domestic packing and processing capacity expands in step with demand. Without those conditions, strong consumer demand can coexist with shrinking domestic production share.

³ Food and Agriculture Organization of the United Nations (FAO), *FAOSTAT: Production—Crops and Livestock Products Database*, available at <https://www.fao.org/faostat/cn/#data/QCL>.

Specialty crop growers do not lack productivity. They face structural competitiveness pressures in a market where imports can respond quickly and where processing and labor constraints shape whether domestic supply reaches consumers.

Building Durable Domestic Demand

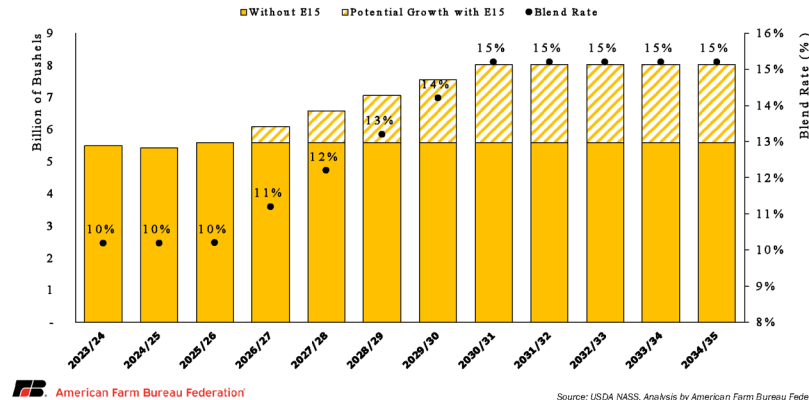
With rising productivity in American agriculture, durable domestic demand must be a structural feature of agricultural policy. Export markets remain essential and must be strengthened through fair and enforceable agreements. But driving domestic demand for a diversity of farm products provides stability when global markets fluctuate and supports investment in local infrastructure.

Biofuels represent the clearest example of policy-aligned domestic demand. Ethanol production now utilizes roughly 5.5 billion to 5.6 billion bushels of corn annually, accounting for approximately 40% to 43% of total U.S. corn use. That demand channel did not exist at that level three decades ago. It was created by matching our nation's agricultural strength with our energy priorities. Renewable diesel and biodiesel markets have similarly transformed oilseed demand. Approximately 40% to 45% of domestic soybean oil utilization is now tied to biofuel production. That shift has driven expansion in domestic soybean crushing capacity across multiple states, creating jobs and strengthening local markets.

However, growth in ethanol utilization faces structural constraints. The national gasoline blend remains close to E10 in many regions due to outdated seasonal volatility limitations. Permanent, year-round authorization of E15 would expand blending opportunities significantly. Moving from a nationwide E10 baseline to broader E15 adoption would increase ethanol demand by approximately 6.8 billion gallons, or on the order of 2.4 billion bushels of corn annually. For producers facing multi-year margin compression, demand of that magnitude significantly tightens balance sheets and supports local processing margins.

E15 Expansion Would Boost Corn Demand

Projected Impact, Assumes Five-year Scale-up, 2023Y2034 Crop Years



Sustainable aviation fuel (SAF) represents another opportunity. As the aviation sector seeks to reduce lifecycle carbon intensity, domestic SAF production capacity is expanding. U.S. Energy Information Administration data from 2025 show SAF output increasing as new facilities come online. Feedstocks derived from corn, soybeans, and other agricultural products can supply this emerging market if policy frameworks provide stable incentives and clear lifecycle accounting standards. With long-term growth projected in global air travel, SAF has the potential to become a stable demand channel if development occurs domestically rather than shifting overseas.

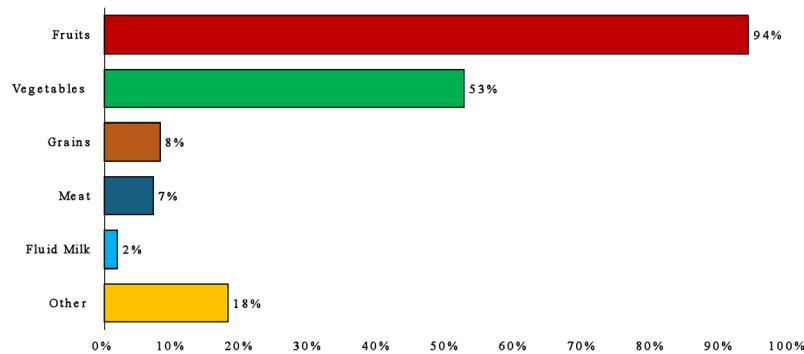
Domestic demand tools extend beyond energy. Federal procurement is an established lever for reinforcing domestic production. In fiscal year 2025, federal agencies purchased approximately \$6.9 billion in U.S.-grown food and agricultural products. While this represents a small fraction of total consumption, it provides stable baseline demand in key sectors. Strengthening oversight and enforcement of Buy American provisions in school meal programs, Department of Defense procurement, and nutrition programs can ensure that public dollars consistently reinforce domestic agriculture when practicable.

The National School Lunch Program alone serves roughly 30 million children per day and provides nearly 5 billion meals annually. Under current rules, a product qualifies as “domestic” if it is processed in the United States and contains at least 51% U.S.-grown ingredients. That definition

allows a substantial share of foreign inputs in composite or processed foods. In addition, tracking of Buy American exceptions remains uneven across districts, and waivers are often granted when imported products are modestly less expensive or more readily available. As a result, the realized domestic share embedded in institutional demand can fall short of its potential. Strengthening reporting transparency, improving enforcement consistency and gradually raising domestic content thresholds would more fully align nutrition spending with domestic agricultural production without expanding overall program costs.

Schools Using Exemptions That Purchased Non-U.S. Foods

School Year 2017-2018, Exemptions from U.S.-Grown Requirements



 American Farm Bureau Federation

Source: U.S. Government Accountability Office, Analysis by American Farm Bureau Federation

Procurement alignment is particularly meaningful for specialty crops and fiber markets. Programs that enable schools, food banks, and institutional buyers to source directly from U.S. farmers can strengthen regional fruit and vegetable markets and improve supply chain transparency. In cotton, legislation that encourages use of U.S.-grown fiber in government procurement and uniform manufacturing, like the [Buying American Cotton Act](#), can anchor segments of domestic demand even if broader textile production remains globalized. Legislation that encourages businesses to buy U.S.-grown agricultural products could help increase domestic demand by incentivizing companies to purchase commodities from American farmers.

Regulatory clarity also influences domestic demand realization. Policies affecting ethanol blending, lifecycle carbon accounting, labeling standards, and product definitions shape private-

sector investment decisions. When rules are predictable and science-based, capital responds. When policy signals fluctuate, investment hesitates.

Labor policy is central to sustaining domestic production and processing. Specialty crops and many processing facilities depend on reliable, legal labor availability. Without modernization of agricultural labor programs and workable improvements to guestworker programs, production could migrate to regions with more predictable workforce conditions. Labor instability is not simply a cost issue. It is a supply continuity issue that affects harvest timing, processing utilization, and buyer sourcing decisions.

Risk management modernization also supports domestic diversification. Producers investing in value-added processing, specialty crops, or emerging markets often face revenue volatility not fully addressed by traditional commodity programs. Updating risk management tools to accommodate diversified production can facilitate domestic investment.

Building durable domestic demand is not about retreating from global trade. It is about ensuring that American productivity is matched by American utilization wherever economically feasible. Energy policy, procurement alignment, regulatory stability, labor modernization and risk management reform all influence whether demand growth catalyzes domestic processing and strengthens farm income.

Domestic demand functions as a stabilizer. It complements exports, supports processing investment, and reduces vulnerability to external shocks. As agricultural productivity continues to increase, policy alignment between production, processing and utilization will determine whether that productivity strengthens or strains the farm economy.

Preserving American Farmland as a Strategic Asset

Farmland is more than real estate. It is productive sustainability and the foundation of our food security. When farmland leaves production permanently, the country loses the ability to respond quickly when global supplies tighten, when conflicts disrupt trade corridors, or when weather shocks hit multiple regions at once. In agriculture, capacity is built over decades through soil

stewardship, drainage, irrigation, local agronomy, equipment networks, and nearby processing and transportation. That system cannot be recreated on demand.

The data show that America's production base is slowly but steadily narrowing. USDA's 2022 Census of Agriculture reported just over 1.9 million farms, down 6.9% from 2017, and 880.1 million acres of farmland, down 20.1 million acres in five years. Even as farms and acres declined, average farm size rose from 441 acres to 463 acres, a sign that consolidation pressures continue to reshape the structure of production. These changes are not inherently "good" or "bad" on their own, but they mark an unmistakable shift. In a period when margins are thin, the economic pressure to exit farming rises, and when land is sold into non-agricultural uses, it rarely comes back.

Development pressure is one of the most permanent drivers of farmland loss, and the scale is often underestimated because farmland slips away, one parcel at a time. USDA's Economic Research Service estimates that developed land totaled 116.3 million acres in 2017 and has increased by roughly 43 million acres since 1982, an 85% increase over that period. That is not just growth at the edges of cities. It reflects a long-running expansion of housing, commercial and industrial footprints, transportation corridors, and supporting infrastructure into land that was previously part of the working landscape.

Importantly, the land being converted is not always marginal. ERS reports that about 22% of newly developed land from 2012 to 2017 was cropland. Cropland is where much of America's highest productive potential sits, and once it is subdivided, paved, or converted into industrial footprints, rebuilding that capacity is extremely difficult. Even where soil remains, fragmentation changes what can be farmed economically. Roads, utility corridors, zoning constraints, and conflicting adjacent land uses can permanently alter where modern production systems can operate.

This matters for national resilience because food production cannot be switched on and off like a factory line. When global disruptions occur, the United States benefits from having a broad, geographically diverse base of productive acreage and the supporting infrastructure that makes it usable. Recent years have reminded the world that grain and oilseed flows can become strategic chokepoints when conflict disrupts a major exporting region. In those moments, domestic capacity is not a talking point. It is leverage and stability.

The economic consequences of farmland leaving production also show up in rural communities long before anyone calls it a “national security” issue. When farmland disappears, local businesses lose customers, school enrollment drops, and the service economy that supports agriculture thins out. In many towns, farms are not only employers: they anchor the local economy, keeping equipment dealers, agronomists, veterinarians, trucking, repair services, and food processors viable. If we want rural communities to be places where the next generation can live, work, and raise families, keeping farmland in production must be treated as a long-run economic development strategy, not an afterthought.

That is why a modern farm bill remains essential. The farm bill is the backbone for risk management, conservation working lands, research, and rural development, and it shapes whether farming remains economically viable enough for land to stay in agriculture rather than being paved over. A strong farm economy is not only about surviving the next weather event or the next price cycle. It is about maintaining a production base that the nation can rely on when the world is less predictable.

If we want American agriculture to remain resilient, we should treat farmland as a strategic asset by keeping it economically viable to farm, creating opportunities for farmers to grow and invest in their businesses, and making it realistic for the next generation to take up this calling. Demand, processing capacity, market access, and a predictable safety net all support that objective, but the objective itself is straightforward: preserve the productive base, because once it is gone, the country cannot buy it back.

Call to Action

Chairman Boozman, Ranking Member Klobuchar, and members of the Committee, thank you for the opportunity to speak today as both a farmer and as president of the American Farm Bureau Federation.

On my farm in Georgia, every decision begins with the numbers. Before we plant a crop or expand a herd, we calculate costs, evaluate expected prices, and determine whether the margin justifies the risk. That discipline applies just as much nationally as it does on my own farm. Today, farmers across this country are producing at historically high levels, but they are doing so in a high-cost environment where demand growth and market access have not kept pace with rising productivity. When markets lag behind output, margins tighten and financial resilience erodes.

The data we discussed today tells a consistent story. Sustained losses across major row crops. Significant financial pressure in specialty agriculture. Rising debt levels. Increasing reliance on government payments to stabilize income. Heavy exposure to concentrated export markets. Erosion and concentration of domestic processing capacity. These are not temporary disruptions. They reflect structural misalignment that must be addressed deliberately and strategically.

American agriculture remains one of the most innovative and productive sectors in the world. The opportunity before us is to ensure that markets, infrastructure, and policy evolve alongside that productivity. Demand must grow in durable ways. Processing capacity must be modern, regionally resilient, and economically viable. Trade relationships must be enforceable and reciprocal. And the farmland that underpins this system must remain economically viable for the next generation.

Food security is national security. A resilient agricultural system provides stability during geopolitical conflict, supply chain disruption, and economic uncertainty. When productive land leaves agriculture, when infrastructure narrows, or when markets become unstable, flexibility declines. Once that capacity is lost, rebuilding it is costly and slow.

The path forward requires coordinated policy. Strengthen predictable farm bill-based risk management so producers can plan beyond a single season. Expand domestic utilization through energy policy, procurement alignment, and regulatory clarity. Encourage long-term investment in processing infrastructure by reducing uncertainty and supporting workforce stability. Protect fair and open markets abroad while ensuring reciprocity at home. Treat agricultural land and water resources as strategic production assets.

Farmers are ready to compete. We are ready to innovate. We are ready to meet demand at home and around the world. What we need is policy that is stable, aligned, and forward-looking.

This hearing is an important step in that direction. I look forward to working with this Committee to ensure that American farmers and ranchers can continue supplying food, fiber, and fuel for generations to come.

Thank you.



**Testimony of
Matt Perdue, President
North Dakota Farmers Union**

**Submitted to the
U.S. Senate Committee
on Agriculture, Nutrition, and Forestry**

**“Increasing Domestic Consumption of U.S.-Grown
Agricultural Products”**

**March 10, 2026
106 Dirksen Senate Office Building
Washington, DC**

My name is Matt Perdue and I serve as President of North Dakota Farmers Union. North Dakota Farmers Union (NDFU) is the state's largest farm organization, representing 70,000 farm, ranch, and member families. I also serve on the board of directors of National Farmers Union (NFU). I farm with my family near Ray, North Dakota, where we raise durum, wheat, canola, lentils, and soybeans. I appreciate the opportunity to testify on the importance of strengthening domestic agriculture markets for family farmers and rural communities.

Family farmers are facing significant economic headwinds. Our input costs are high and commodity prices are low. U.S. farm debt has reached a record high. While cow/calf producers are enjoying historically strong prices, most North Dakota crop farmers are expecting to lose money in 2026.

In the last year, trade disputes have compounded farmers' economic challenges. Tariffs have created upward pressure on input costs. Retaliatory tariffs have undercut demand for U.S. commodities abroad and created significant price volatility. We look forward to working with you and the administration to stabilize our trade relationships.

As we pursue stronger, more stable market access abroad, we must confront the reality that U.S. agriculture is facing increased competition in international markets. For example, Brazil has increased its soybean production by roughly 50 percent over the last 10 years. Opportunities to sell domestically are an increasingly important part of the long-term solution for family farm and ranch profitability.

We have opportunities to grow domestic markets today. Farmers Union looks forward to continuing to work with you to support growth in renewable fuels markets, create more local and regional market opportunities, and strengthen market competition.

North Dakota Agriculture

North Dakota agriculture is incredibly diverse and productive. We consistently lead the nation in production of spring wheat, durum wheat, canola, flaxseed, dry edible beans (specifically pinto beans), and sunflowers. Furthermore, our state ranks second nationally in the production of lentils, dry peas, and barley. In the last two decades we have risen to the top ten in soybean and corn production.¹

¹ U.S. Department of Agriculture (USDA), National Agriculture Statistics Service (NASS). "North Dakota Agricultural Statistics," 2025 edition, August 2025. Published cooperatively by North Dakota State University (NDSU); North Dakota Department of Agriculture; USDA NASS.

Agriculture is North Dakota's largest economic driver. According to a 2025 study, agriculture contributes \$41.3 billion annually to North Dakota's economy. Commodity processing and manufacturing contribute roughly \$12.6 billion of that total business volume.² Agriculture is also our state's largest jobs-creator, supporting approximately 123,000 jobs.

Cooperatives and farmer-supported ventures are responsible for a significant share of agriculture's strength in our state. These ventures turn wheat into pasta, sugar beets into sugar, corn into ethanol, peas into pea flour, and canola and soybeans into oil and meal. Value-added processing acts as a hedge against volatile global commodity prices and creates opportunities to produce and market different commodities.³

Processing locally also increases farm profits by reducing shipping and transportation costs. In North Dakota, basis – the difference between the futures price and cash price – is significantly wider than in most states. North Dakota soybean producers have historically been dependent on exports to East Asia. Those soybeans are shipped by rail 1,500 miles to the Pacific Northwest, where they are loaded onto an ocean-going vessel that transports them to the Pacific Rim. It is not uncommon for the local soybean price to be \$1.00 or more under the futures price.

With the recent opening of two large-scale soybean crushing facilities, North Dakota farmers benefit from a structural shift in prices. New domestic crush plants have improved the local basis by \$0.15 to \$0.25 per bushel for farmers within a 70-mile radius.⁴ At the same time, many North Dakota soybean producers experienced basis levels of -\$1.50 this last year, as we lost access to the China market. That underscores the need to continue to grow soybean crush capacity in our state. These plants process roughly 45 percent of North Dakota soybeans,⁵ leaving many producers dependent on export markets.

https://www.nass.usda.gov/Statistics_by_State/North_Dakota/Publications/Annual_Statistical_Bulletin/2025/ND-Annual-Bulletin25.pdf

² Dean Bangsund and Nancy Hodur, PhD. "North Dakota Agriculture Industry Economic Contribution Analysis," "Research Report, Agribusiness and Applied Economics, December 2022." Department of Agribusiness and Applied Economics, NDSU, December 2022. <https://www.ndsu.edu/agriculture/ag-home/publications/north-dakota-agriculture-industry-economic-contribution-analysis>.

³ Jenny Schlecht and Peyton Hung, "North Dakota ag boosts \$41.3 billion economic contribution," AgWeek, Feb. 11, 2025. <https://www.agweek.com/agribusiness/north-dakota-ag-boasts-41-3-billion-economic-contribution>.

⁴ Shujie Wu, Mindy Mallory, and Teresa Serra, "Renewable Diesel Boom: The Impact of Soybean Crush Plants on Local Soybean Basis." Proceedings of the NCCC-134 Conference on Applied Commodity Price Analysis, Forecasting, and Market Risk Management, Chicago, IL, Apr. 14-15, 2025. <https://farmdoc.illinois.edu/publications/renewable-diesel-boom-the-impact-of-soybean-crush-plants-on-local-soybean-basis>.

⁵ Scott Gerlt, "Soybean Crush Expansion: 2025 Update," American Soybean Association, Apr. 10, 2025. <https://soygrowers.com/news-releases/soybean-crush-expansion-2025-update/>.

NDFU takes a proactive role in educating our members and local leaders on value-added agriculture and expanding domestic markets. At our annual Evolution Ag Summit in February, we focused on consumer trends and how producers can respond to them.⁶ In recent years, we have educated our members on precision agriculture and renewable biofuels. We also advocated for the creation of the Agricultural Diversification and Development Fund in North Dakota. This \$15 million fund supports value-added projects that diversify crop and livestock production and create additional uses for agricultural resources.⁷

Biofuels

Biofuels play a vital role in strengthening farm income and rural economies. Farmers have a long history of innovation to meet the needs of the country, including expanding production into additional markets, and biofuels are a prime example of that leadership. By transforming crops like corn, soybeans, and canola into renewable energy, farmers capture added value from every bushel while supporting domestic energy security. Biofuels also diversify commodity markets, helping reduce farmers' reliance on volatile export markets and global supply chain uncertainties. A strong domestic renewable fuels industry provides consistent, homegrown demand for agricultural products, offering greater stability in commodity prices and long-term planning certainty for producers.

Farmers Union supports continued growth of the Renewable Fuels Standard (RFS) through increased volumes of ethanol, biodiesel, renewable diesel, and cellulosic ethanol. Increasing RFS volumes, as EPA proposed for biomass-based diesel at 5.61 billion gallons, creates additional market opportunities for farmers, drives investment in rural infrastructure, and reinforces the economic foundation of rural America. We urge the EPA to maintain these volumes in the final rule and give priority to domestic fuels and feedstocks. We strongly support programs that expand and grow the use of biofuels as part of a forward-looking agricultural and energy strategy.

The continued development and expansion of sustainable aviation fuel (SAF) is an important next step in growing value-added markets for farmers, particularly in a state like North Dakota with strong agricultural production and energy expertise. We are well-positioned to be a leader in SAF development, with ample ethanol production facilities,

⁶ "A Food Fad or a Long-Term Trend?" *Red River Farm Network*. Feb. 21, 2026.
<https://www.rfn.com/2026/02/21/long-term-trends-should-guide-farm-decisions-says-purdue-economics-professor/>.

⁷ North Dakota Department of Agriculture, Agriculture Diversification and Development Fund.
<https://www.ndda.nd.gov/divisions/business-marketing-information/agriculture-diversification-and-development-fund-add>.

oilseed processing capacity, and emerging projects. We support 45Z, the Clean Fuels Production Credit, and its timely implementation.

We also know that year-round higher-level blends of ethanol, such as E15 and beyond, will increase demand for U.S.-grown crops while offering consumers affordable, cleaner-burning fuel options. We appreciate the legislation introduced by Senators Fischer and Klobuchar to support year-round E15 and thank the many committee members who are advancing this effort. U.S. crude and gasoline prices have risen recently due to world events. It is essential now, more than ever, that we pass legislation to allow the year-round usage of E15 to help ensure ample fuel supplies and lower gasoline prices.

Higher blends like E15 and E30 can further strengthen the rural economy by increasing ethanol utilization and encouraging innovation across the supply chain. Expanding access to higher ethanol blends represents a practical, bipartisan step toward bolstering farm income, supporting rural jobs, and enhancing America's energy independence. In the long-term, we urge continued efforts to grow markets for higher blends.

Local and Regional Supply Chains

Strengthening local and regional supply chains is another effective way to build stronger, more stable, higher value domestic markets for agricultural products. Congress has taken some important actions to build these markets. As Congress advances the Farm Bill, we urge you to authorize and robustly fund programs that build greater domestic capacity, stability, and longevity.

Until recently, local and regional food procurement programs, including the Local Food Purchase Assistance (LFPA) and Local Food for Schools (LFS) programs, were strengthening our food system, putting a larger share of the retail food dollar in farmers' pockets, helping farmers expand and build new markets, and creating a stronger connection between farmers and their local communities. One LFPA success is a formal partnership with the Great Plains Food Bank. Over \$413,000 in LFPA funding was used to purchase products directly from local farmers, ranchers, and processors. This food was distributed through a network of nearly 200 partner food pantries, shelters, and soup kitchens across North Dakota.⁸

⁸ Great Plains Food Bank, "Great Plains Food Bank purchasing locally grown, produced foods in partnership with the N.D. Department of Agriculture" Mar. 28, 2023, <https://greatplainsfoodbank.org/great-plains-food-bank-purchasing-locally-grown-produced-foods-in-partnership-with-the-n-d-department-of-agriculture/>.

We were disappointed that the U.S. Department of Agriculture (USDA) terminated funding for these programs last year, especially given their great success in such a short period of time, spurring roughly \$400 million in new direct food purchases from farmers and generating an estimated \$747 million in new economic activity in rural communities across the country in the few years (2023- 2025) the cooperative agreements were operational.

We have been heartened by the bipartisan support in Congress for permanently authorizing these programs. The recently introduced Farm, Food, and National Security Act of 2026 (H.R. 7567) would authorize this program, and we urge the Senate to take similar action – while making sure to provide mandatory funding so the program can function as intended.

We also ask that Congress continues to invest in additional local and regional livestock processing. The meatpacking sector is heavily consolidated, limiting competition and constraining opportunities for livestock producers. In recent years, USDA increased its support for local and regional processing facilities, creating new market outlets for producers and boosting consumers' access to locally produced and processed beef.

Minnesota Farmers Union is currently leveraging a Meat and Poultry Processing Expansion Program (MPPEP) to establish a new facility that will process 15 head per day and create 15 jobs. The project will also provide apprenticeship opportunities, helping to address workforce challenges common in the industry. In Montana, recent investments, including the producer-owned Montana Premium Processing Co-op, have boosted the state's processing capacity by 20 percent.⁹

In North Dakota, a combination of federal and state programs has significantly expanded market opportunities for producers. The USDA Meat and Poultry Intermediary Lending Program has supported low-interest loans to eleven new and expanding meat processors. State programs, including the Agriculture Diversification and Development program, have complemented those federal initiatives.

These investments have a real impact. Last month, at NDFU's annual Evolution Ag Summit, Ashley Bruner, a rancher from Drake, highlighted her family's success marketing beef to consumers and area restaurants. Dakota Angus Beef, LLC, provides this ranch family with a new income source and helps them to capture a larger share of the consumer food dollar. Their success was supported by a combination of state and federal support to their business and to the meat processors they partner with.

⁹ USDA, "Biden-Harris Administration Announces Final Awards through Landmark Meat and Poultry Processing Investment," Sept. 19, 2024, <https://www.usda.gov/about-usda/news/press-releases/2024/09/19/biden-harris-administration-announces-final-awards-through-landmark-meat-and-poultry-processing>.

Value-Added Markets

Another critical part of strengthening and stabilizing domestic agricultural markets is expanding opportunities for farmers to earn more of their income through value-added production and product differentiation. Production methods such as USDA-certified organic and other third-party verified standards allow farmers to respond to growing consumer demand for food that reflects their values and preferences. In many cases, these options can help farmers capture a premium and build more direct relationships with buyers.

These markets also come with challenges. Verification programs, third party certifications, and implementing new practices often carry upfront costs and additional risk. Smaller and medium-sized farms face disproportionate burdens when it comes to navigating certification, finding processors who will handle specialty products, and accessing the technical support needed to shift production practices. Without appropriate infrastructure and support, these value-added labels can remain out of reach for many producers—even when they want to adopt them. Congress can play a constructive role by expanding cost-share programs and strengthening technical assistance to help farmers defray costs of participating in these markets.

Federal programs such as USDA's Value-Added Producer Grants (VAPG) remain essential tools that help farmers to take the next step toward higher-value markets. But demand for these programs consistently outstrips available funding, and many farmers — especially first-time applicants or smaller operations — struggle with the complexity of the application process. Congress could help farmers tremendously by increasing funding to meet demand and simplifying the application and reporting requirements.

Competitive Markets

As we seek to create new market opportunities for family farmers and ranchers, we must ensure those opportunities are fair and transparent. We must also ensure that new and emerging value-added businesses have a meaningful opportunity to compete. It is critical that Congress and the administration work together to enforce and enhance our antitrust and pro-competition laws.

Farmers today must buy from and sell into highly consolidated and uncompetitive markets. Very few firms control markets for agricultural inputs (such as seeds, crop protection products, fertilizer, and farm equipment), processing (including livestock slaughter and processing), food manufacturing, wholesale distribution, food service, and grocery retail. The small number of large, consolidated firms in the middle of the agricultural supply chain

wield immense market power.^{10 11 12} High levels of concentration throughout the food supply chain drive down the farmer's share of the retail food dollar while raising input costs for farmers and prices for consumers. Today, farmers and ranchers on average receive only 15.9 cents of every dollar that consumers spend on food, which remains near historic lows.¹³

Congress must do more to ensure our antitrust and competition laws are strengthened and better enforced. Congress should strengthen the connection between USDA and our chief federal competition and antitrust law enforcers at the Department of Justice (DOJ) and the Federal Trade Commission (FTC) and protect the Packers & Stockyards Act (P&S Act).

Congress should pass the bipartisan Meat and Poultry Special Investigator Act (S. 1312). The bill would establish an independent office at USDA to strengthen enforcement of the P&S Act and to ensure USDA has a liaison to the DOJ and FTC on competition and trade practices in the food and agriculture sectors. A raft of private price fixing and other lawsuits in the food and agriculture sector demonstrates that, without strong federal enforcement of antitrust and competition laws, harmful practices are being carried out under the noses of Congress and at the expense of family farmers and consumers. It is also essential that recently finalized P&S Act rules are maintained and implemented.

There are many other actions Congress should take to make markets more competitive and fair, including ensuring truth-in-labeling through reestablishing country-of-origin labeling for beef, establishing the right to repair our own farm equipment, permanently establishing a Farmer Seed Liaison at USDA to strengthen competition and choice in the seed marketplace, and supporting additional research into consolidation in the livestock industry.

Last November, President Trump directed the DOJ to investigate the major meatpackers for illegally manipulating beef prices.¹⁴ DOJ and USDA also announced last September their intention to coordinate to "protect competition in key agricultural markets such as feed,

¹⁰ Jonathan B. Baker, "Market power in the U.S. economy today," Washington Center for Equitable Growth, March 20, 2017. <https://equitablegrowth.org/market-power-in-the-u-s-economy-today/>.

Stockyards Division: Annual Report 2021 & 2022," Mar. 2024. <https://www.ams.usda.gov/reports/psd-annual-reports>.

¹² Claire Kelloway and Sarah Miller, "Food and Power: Addressing Monopolization in America's Food System," Open Markets Institute, Mar. 27, 2019, Updated Sept. 21, 2021.

<https://www.openmarketsinstitute.org/publications/food-power-addressing-monopolization-americas-food-system>.

¹³ USDA, ERS, Food Dollar Series – Documentation, November 2024. <http://www.ers.usda.gov/data-products/food-dollar-series/documentation>.

¹⁴ Aaron Pellish, Meredith Lee Hill, and Marcia Brown, "Trump directs DOJ to investigate meatpackers amid beef price pressure," *Politico*, November 7, 2025. <https://www.politico.com/news/2025/11/07/trump-meatpackers-investigation-beef-prices-00643152>.

fertilizer, fuel, seed, equipment, and other essential goods.”¹⁵ While this is welcome news, USDA also cancelled several of its antimonopoly efforts, including USDA funding for state attorneys general to strengthen antitrust law enforcement for food and agriculture, and the cancellation of the contract for work to increase transparency in the seed marketplace for farmers. Furthermore, the current administration recently proposed a delay to the Poultry Grower Payment Systems and Capital Improvement Systems final rule,¹⁶ stifling recent progress to strengthen the P&S Act. We are hopeful that the administration will complete investigations into anticompetitive practices, but we also need Congress to conduct oversight and press the administration to move swiftly to provide family farmers and ranchers with relief and remedies.

Transportation

Farmers already face limited transportation options, especially in landlocked North Dakota, and we rely on rail to move crops to market and to bring inputs to our fields. Since the passage of the Staggers Act in 1980, the pace of railroad mergers has dramatically increased. In 1980 there were 33 Class I railroads in the United States, while only six remain today.¹⁷ And of these six Class Is, four control over 90 percent of all freight rail.¹⁸ These rail mergers, whether their stated goals are to increase geographical control, reduce companies’ operational costs, or gain overall market power, have resulted in fewer rail options for farmers and greater monetary gains for railroad companies. Farmers have no choice but to pay the rail rates set by Class Is. They accept any and all costs just to stay in business. Railroad companies increase their rates as they wish when they know they’ve become the only available option.

In 2014, the only two major railroads for grain transportation were BNSF Railway and Union Pacific (UP) on the west coast of the United States, and CSX Transportation and Norfolk Southern (NS) on the east coast.¹⁹ Today’s proposed rail merger between UP and NS poses

¹⁵ <https://www.justice.gov/opa/pr/justice-department-and-usda-coordinate-protect-competition-agricultural-inputs>

¹⁶ Office of Management and Budget (OMB), Office of Information and Affairs, “Poultry Grower Payment Systems and Capital Improvement Systems (RIN 0581-AE54); Delay of Effective Date,” *Reginfo.gov*. Feb. 26, 2026. <https://www.reginfo.gov/public/do/eoDetails?rid=1292167>.

¹⁷ Marvin Prater, Adam Sparger, and Daniel O’Neil, Jr., “Railroad Concentration, Market Shares, and Rates.” *USDA, AMS*, Feb. 2014. <https://www.ams.usda.gov/sites/default/files/media/Railroad%20Concentration%2C%20Market%20Shares%2C%20and%20Rates.pdf>.

¹⁸ *Letter from organizations on the “Rail Customer Coalition” to Surface Transportation Board (STB)*, Sept. 16, 2025. <https://www.freightrailreform.com/wp-content/uploads/2025/09/Rail-Customer-Coalition-Letter-to-the-Surface-Transportation-Board-Regarding-Proposed-Merger.pdf>.

¹⁹ Prater et al., *USDA, AMS* (Feb. 2014). <https://www.ams.usda.gov/sites/default/files/media/Railroad%20Concentration%2C%20Market%20Shares%2C%20and%20Rates.pdf>.

an even greater risk for rail competition in this country— an example of rail consolidation happening in real time.

Competition in the agricultural industry is not only healthy, but necessary. Past rail mergers have shown what happens when consolidation goes unchecked. Rail service suffers, rates increase, jobs disappear, and farmers are left financially ruined. Further consolidation not only impacts farmers, but also American consumers who rely on the food our farmers produce. We support the Surface Transportation Board's (STB) decision to reject the proposed UP/NS merger for failure to demonstrate the STB's required "clear and tangible long-term improvements in competition."²⁰

As Congress takes up a new Surface Transportation Reauthorization bill this year, Congress must prioritize on-time reauthorization before September 30, 2026, and include stronger regulatory oversight and antitrust enforcement language to protect and promote rail competition.²¹ We also support the STB's oversight authority that addresses captive shipping, rate increases, and the creation of reciprocal switching.

Supply Considerations

When considering how best to increase the value of our agricultural production, policymakers must also address a major contributing factor: supply. Family farmers and ranchers are highly effective producers of crops and livestock, but effective agricultural policy should ensure that low prices due to overproduction do not undermine our financial security. When thinking about how to boost the agricultural value chain, Congress should not look past the problems that arise with greater domestic production of commodities.

We ask Congress to take a closer look at the Inventory Management Soil Enhancement Tool (IMSET), a policy proposal developed and supported by Farmers Union. IMSET is a voluntary, incentive-based conservation and farm safety net program concept that has two core purposes: to help us conserve our soil and to protect net farm income when agricultural markets falter. By voluntarily enrolling in IMSET, farmers would have an additional opportunity and incentive to participate in working lands conservation programs in exchange for stronger risk management options. This policy concept can address

²⁰ North Dakota Farmers Union (NDFU), *Letter to STB - "Opposition to the Proposed Acquisition of Norfolk Southern by Union Pacific Corporation,"* Oct. 17, 2025, <https://ndfu.org/wp-content/uploads/2025/10/NDFU-Letter-to-STB-UP-NS-Merger.pdf>.

²¹ National Farmers Union (NFU), *Letters to Congress on Surface Transportation Reauthorization Priorities*, Aug. 8, 2025, https://nfu.org/wp-content/uploads/2026/03/08-08-25-NFU-Surface-Transportation-Reauthorization-Priorities-Letter_Senate-Commerce.pdf; https://nfu.org/wp-content/uploads/2026/03/08-08-25-NFU-Surface-Transportation-Reauthorization-Priorities-Letter_Senate-EPW.pdf; https://nfu.org/wp-content/uploads/2026/03/08-08-25-NFU-Surface-Transportation-Reauthorization-Priorities-Letter_House-TI.pdf.

important conservation needs while maintaining fiscal responsibility. IMSET, or a similar tool, must be part of our farm policy, otherwise American agriculture will find itself in a race to the bottom when it comes to commodity prices. A system that only supports greater production will undermine our profitability and the economic viability for family farmers and ranchers and our communities.

Conclusion

Strengthening domestic markets is not merely an economic choice but a prerequisite for the long-term survival of family farms and rural communities. By investing in biofuels, local supply chains, and value-added processing, we can mitigate our vulnerability to fluctuating global markets and high transportation costs. However, these market opportunities must be accompanied by robust efforts to ensure fair and competitive markets.

Testimony of Nathan Reed
U.S. Senate Committee on Agriculture, Nutrition, and Forestry
March 10, 2026
Washington, DC

Introduction

Good Morning:

I am Nathan Reed, from Marianna, Arkansas. My wife, Kristen, and I own and operate Eldon Reed Farms, Inc, where we farm 9,000 acres of cotton, corn, soybeans, and rice.

I am a proud graduate of the University of Arkansas Dale Bumpers College of Agricultural, Food, and Life Sciences. Kristen and I reside on the farm in Marianna with our four children: twins Jane-Anne and Stanley “Eldon” (13), Katherine (12), and Grace Austin (10).

I am also actively a member of multiple trade associations both nationally and in Arkansas. I currently serve as chairman of the National Cotton Council, which I am representing here today. I am also past chairman of the American Cotton Producers, past president of the Agricultural Council of Arkansas, and serve on the Lee County Farm Bureau Board of Directors.

The NCC is the central organization of the United States cotton industry. Its members include producers, ginners, cottonseed processors and merchandizers, merchants, cooperatives, warehousemen, and textile manufacturers. A majority of the industry is concentrated in 17 cotton-producing states stretching from California to Virginia. U.S. cotton processors cultivate between 9 and 14 million acres of cotton, with production averaging from 12 to 16 million 480-lb. bales annually. The downstream manufacturers of cotton apparel and home furnishings are in virtually every state. Farms and businesses directly involved in the production, distribution, and processing of cotton employ more than 115,000 workers and produce direct business revenue of more than \$22 billion. Annual cotton production is valued at more than \$5.5 billion at the farm gate, the point at which the producer markets the crop. Accounting for the ripple effect through the broader economy, direct and indirect employment surpasses 265,000 workers, with economic activity of almost \$75 billion. In addition to the cotton fiber, cottonseed products are used for livestock feed, and cottonseed oil is used as an ingredient in food products and is a premium cooking oil.

Economic Overview

We are grateful for the work of this committee over the last year to mitigate the economic situation cotton producers continue to face. While our situation remains a challenge and more must be done, Congress, USDA, and the White House have stepped up to the plate by providing \$108 billion in new money to production agriculture through the Emergency Commodity Assistance Program (ECAP), the Supplemental Disaster Relief Program (SDRP), the farm bill provisions in the One Big Beautiful Bill Act (OBBBA), and the recently announced Farm Bridge Assistance Program (FBA) that is already reaching producer’s bank accounts.

It is critical that producers and all commodity sectors understand the significance of this, especially considering the current political dynamics on Capitol Hill. A year ago, I testified before this committee about the critical need for an improved safety net that would give cotton producers long-term certainty to withstand cotton's current low-price and high-input-cost environment. I want to commend Chairman Boozman and this committee for addressing every one of our industry's priorities in the development and passage of the OBBBA that was signed into law by President Trump on July 4, 2025.

Despite these enhancements, more must be done to ensure our growers can withstand the current economic losses in the short term. Cotton producers are still facing high prices for most production inputs, with projected costs 35 percent higher than in 2018. The financial situation of U.S. cotton growers continues to deteriorate, with current market prices still well below production costs. This is on top of the deep losses producers have already suffered in 2023, 2024, and 2025. Projected acres for the 2026 crop are just above 9 million acres, which would be the lowest since 2015.

Unfortunately for domestic producers, Brazil has surpassed the U.S. as the leading global exporter and is projected by USDA to produce 18.75 million bales, far surpassing U.S. projections of 13.9 million. Over the past decade, Brazil has increased its cotton production from 6 to 19 million bales, the equivalent of adding a year's worth of U.S. production. When combined with Australia, annual exports from the two countries total 20 million bales.

Over the last 20 years, cotton has seen no consistent demand growth. And to make matters worse, during the same period manmade fiber consumption more than doubled, from 200 million bales to over 400 million, with much of that being Chinese polyester priced at 42 cents per pound.

Additional Economic Assistance Needed

Cotton growers, particularly many of those where I farm in the Midsouth production region, are cratering, and some are even on the verge of total collapse. The FBA takes a step forward in mitigating this crisis. However, payment limits will reduce the benefit for some.

Cotton and rice, two crops that are a major part of my crop rotation and the rotations of other Midsouth growers, received the two highest payments in the FBA due to these crops suffering the largest economic losses. Unfortunately, the lower payment limits for full-time producers cap the level of relief for many growers who need the benefits the most.

ECAP provided partial benefits to growers who filed prevented plant in 2024, in recognition of the fact that a portion of production expenses have to be purchased prior to planting. Despite devastating flooding in parts of the Southeast and Midsouth regions of the Cotton Belt, many growers will not see any benefit from the FBA.

NCC is encouraged by Chairman Boozman and Senator Hoeven's work to try to provide additional assistance for 2025 economic losses. We expect the issues surrounding payment limits

and prevented plant related to FBA can be rectified in any forthcoming economic assistance package. We look forward to working with you and the leadership in the House and Senate to ensure final passage of assistance legislation can be achieved soon.

30-Day Prevailing Market Price and Loan Deficiency Payments

The OBBBA capped a multi-year process that significantly strengthens the producer safety net and provides more affordable risk management options for producers. The Council is working closely with USDA staff on implementation to ensure that their interpretation of statute is consistent with the intent of this committee and Congress.

One implementation issue I want to highlight in my testimony relates to Loan Deficiency Payments (LDPs). The OBBBA made several critical improvements to how USDA's Marketing Assistance Loan (MAL) program functions for cotton by changing the calculation of the Adjusted World Price (AWP) and providing redemption flexibility by amending the repayment rate to the lowest 30-day prevailing market price on the date the loan is repaid.

However, it is now unclear whether USDA will allow the 30-day prevailing market price changes to apply to both Marketing Assistance Loans (MALs) *and* LDPs. The LDP is a beneficial option for all producers, allowing them to take an LDP benefit based on the AWP relative to the loan rate instead of physically placing their cotton in the loan. This allows growers to avoid storage charges while keeping cotton moving through the supply chain. Growers are then able to take advantage of the support benefits of the LDP while not incurring any storage or processing charges.

When the OBBBA changes were drafted, we believe it was the intention of this committee that the 30-day redemption would be available to both MALs and LDPs. As you know, Section 9034 establishes USDA's authorities for repayment of marketing loans. The language used in the drafting of Section 9034 (b)(2) mirrors the existing subsections of Section 9034 that have long allowed growers to take advantage of an LDP in lieu of an MAL gain. If the 30-day redemption is not available for MALs and LDPs, cotton flow will be inhibited, forcing producers to incur additional storage and processing charges.

Buying American Cotton Act

While ad hoc assistance and the farm bill provisions in the OBBBA have helped enormously, the U.S. cotton industry cannot thrive unless we work to build more demand and encourage more global consumption.

NCC's top legislative priority is the Buying American Cotton Act (BACA). We are grateful for the leadership of Senator Cindy Hyde-Smith, who introduced this legislation last year. In January, a House companion bill was introduced by Congressman Greg Murphy (R-NC) and Congresswoman Terri Sewell (D-AL). BACA has strong bipartisan backing and support that extends far beyond the Cotton Belt, as evidenced by House cosponsors from New York, New Jersey, Ohio, and Maine.

BACA is America First. Under this legislation, items that are fully manufactured in the United States or imported into the U.S. would qualify for a transferable tax credit that scales with the level of U.S. cotton content or U.S.-based cotton processing. Higher credit values would apply to U.S. cotton items produced entirely in the United States or in countries with which the U.S. has a free trade agreement or preferential trade program.

Our industry will not survive without stronger demand, and BACA would help position U.S. cotton to compete more effectively against synthetic fibers and against foreign cotton producers, including Brazil. The U.S. represents a 20-million-bale retail market for cotton finished goods, yet we estimate that only 4 million bales of that are U.S. cotton. BACA aims to correct this imbalance.

The bill would apply to cotton products including, but not limited to, apparel, home textiles, and nonwovens, either fully manufactured in the U.S. or imported into the U.S., that are made in whole or in part from U.S. upland cotton or extra-long staple cotton. The eligible beneficiary of the BACA tax credit would be the first U.S. entity selling an eligible article in the U.S. in its final condition. The taxpayer may claim the credit based on the value of the U.S.-grown cotton in the eligible article or may instead elect to claim a higher-value credit based on the value of the U.S.-manufactured yarn or the U.S.-manufactured fabric.

Entities claiming the BACA credit must be able to demonstrate proof of U.S. origin through a trustworthy supply chain tracing system that certifies the provenance and volume of the cotton in the eligible article, or of the yarn or fabric if either of those credit options are selected. The value of the tax credit in the case of cotton fiber is determined as the product of the volume of U.S.-grown cotton in the eligible article and a factored percentage of the rolling three-year average market price. In the case of further processing, the tax credit is multiplied by a price factor of 1.6 for U.S.-manufactured yarn and a factor of 6.5 for U.S.-manufactured fabric to incentivize and reward the consumption of U.S.-manufactured goods.

Plant not Plastic Campaign

In addition, the NCC is striving to increase the demand for cotton globally against synthetic fibers. In September 2025, the industry launched the Plant not Plastic Campaign. Our industry understands that cotton will not regain market share from chemical fibers based on price alone. However, we can capitalize on the advantages of cotton over chemical fibers from a health perspective.

Scientific studies have shown that both wearing and washing synthetic garments can release hundreds of thousands of microplastic particles into the air and water. For example, washing synthetic clothes can release nearly 300 million microplastics per year into the environment while simply wearing the same clothes can release over 900 million microplastics into the air annually. Studies are also looking at the possibility of microplastics being absorbed through the skin.

Over the last couple of years, numerous media publications from the *Chicago Tribune* to the *Los Angeles Times* to the *Guardian* and *Newsweek* have documented studies that outline the possible

negative impacts from microplastic leakage into the body. Microplastics have even been discovered in brain tissues, and some researchers are concerned about microplastic blockage of blood flow.

Health and Human Services (HHS) Secretary Robert F. Kennedy's Make America Healthy Again (MAHA) initiative has highlighted these concerns. We were very pleased to see that the most recent MAHA Commission report calls on HHS, the National Institutes of Health, and the Environmental Protection Agency to further research the health implications of microplastics

Conclusion

In closing, I want to commend the committee for conducting this important hearing to look for ways to build demand for agricultural products here at home.

Most importantly, we urge Congress to pass the BACA in 2026. We believe the demand created through the passage of BACA will bring cotton markets back to a more profitable level for producers while keeping our domestic industry and supply chains thriving in the years to come.

Thank you for the opportunity to testify, and I am pleased to respond to any questions.



**Testimony of Jed Bower
President
National Corn Growers Association**

**Before the U.S. Senate Committee on Agriculture,
Nutrition and Forestry**

**Regarding “Increasing Domestic Consumption of U.S. –
Grown Agricultural Products”**

**106 Dirksen Senate Office Building
Washington, DC**

March 10, 2026

NATIONAL OFFICE
632 Cepi Dr.
Chesterfield, MO 63005
(636) 733-9004

WASHINGTON, DC OFFICE
20 F Street NW, Suite 900
Washington, DC 20001
(202) 628-7001

Chairman Boozman, Ranking Member Klobuchar, and Members of the Senate Committee on Agriculture, Nutrition, and Forestry, thank you for the invitation to testify today.

My name is Jed Bower. I am a fifth-generation farmer from Washington Courthouse, Ohio. I grow corn and soybeans with my wife, Emily and children, Ethan and Emma. I currently serve as President of the National Corn Growers Association (NCGA).

Founded in 1957, NCGA represents more than 36,000 dues-paying corn growers in 48 states, and the interests of more than 500,000 farmers who contribute through corn checkoff programs in their states. NCGA and its affiliated associations in 27 states work together to help protect and advance corn growers' interests.

It is an honor to testify before this committee. Today's hearing on domestic demand expansion could not come at a more critical time for our industry. 2026 is the United States of America's 250th year, and in those 250 years, corn has been foundational to the American success story. Evolving from a source of survival to an economic powerhouse, corn is undoubtedly America's Crop. Unfortunately, the legacy generations of corn growers have built is in jeopardy. Today corn farmers are facing many challenges, and the ability of the next generation to take over the farm is in question for too many families right now, including my own.

Low prices and stubbornly high input costs positioned corn farmers to take a loss of approximately \$125 per acre on average in 2025; 2026 is expected to be the fourth year in a row of net losses on the farm. We are facing steeper global competition from Brazilian farmers, who continue to increase corn production, and a Brazilian government that continues to invest in the nation's agricultural capacity, export opportunities, infrastructure, and market development. This growth, plus farmers' improvements in productivity, has resulted in a global oversupply of corn. Domestically, USDA estimates that we have a 2.1-billion-bushel surplus of corn from the 2025 crop. Many farmers are running out of time and running out of patience as they pursue solutions that have not materialized.

With the next 250 years in mind, NCGA is doubling down on a market development strategy and a policy agenda to diversify long term demand opportunities for our grower members. This agenda involves expanding current markets and building new market opportunities that will increase domestic utilization of corn and ethanol as a more economical and sustainable feedstock.

Ethanol / Biofuels

Ethanol is a proven success story for the corn industry, and it has potential for additional growth. Since its inception, the ethanol industry has strengthened rural economies, created jobs, and driven farmer profitability. But to maintain and expand those benefits, we must continue to build on the policies that have made the corn and ethanol industries successful. Today, over a third of each year's corn crop is turned into fuel. Yet we believe there is room for exponential growth in this market, for both on-road fuel and for industries like marine and aviation. American farmers are more than ready to provide the supply to an expanding biofuels sector. However, legislative and regulatory barriers have held us back. Our ask is a simple one: take the guardrails off and allow this sector to reach new heights.

First, year-round access to E15 is critical. Farmers have waited far too long for this simple, deregulatory action to be passed. We have the support of the large majority of the fuel sector, and the President has pledged several times over that he will sign legislation granting year-round E15 access once Congress gets it across the finish line. I want to take a moment to thank you, Mr. Chairman, for publicly declaring your support for year-round E15. Your voice is so important on this issue. I look forward to working with you to find a path forward to get this done.

Aside from the obvious and sorely needed boost this would provide to corn farmers, year-round E15 would lead to significant savings for American consumers. American farmers want to contribute to American energy dominance, security, and affordability, particularly at a time when geopolitics are increasingly complicating markets and supply chains. To that end, year-round E15 would:

- Save consumers an average of \$0.25/gallon at the pump¹.
- Reduce consumer spending on motor fuel by \$20.6 billion annually and save the average American household \$168 on motor fuel costs.
- Put an additional \$36.3 billion in income into the pockets of American households.
- Generate an additional \$7 billion in tax revenue for the Federal Treasury and \$6 billion for State and local governments.
- Increase corn utilization by 490 million bushels for every percentage increase in the national average blend rate.²

Second, the Renewable Fuel Standard remains the cornerstone of biofuels policy. The RFS has provided a stable framework that connects American agriculture with America's fuel supply. Strong and predictable Renewable Volume Obligations (RVO)s are essential. They give farmers, ethanol producers, and fuel retailers the confidence to invest and grow. Weak or uncertain targets, on the other hand, ripple through the rural economy and undermine the stability farmers depend on. We appreciate the current EPA's efforts thus far and look forward to seeing finalized 2026-2027 RVOs as soon as possible.

Beyond maintaining current markets, we must also look toward the future and new opportunities for biofuels to help decarbonize the transportation sector. One of the most promising is Sustainable Aviation Fuel (SAF). Corn-based ethanol can play a major role as a feedstock for producing SAF. The 45Z tax credit, which Congress wisely extended in the One Big Beautiful Bill Act (OBBBA), will help stimulate expansion of this emerging industry. NCGA is working to ensure that farmers have a seat at the table. In order to do that, we will need backing from the Treasury Department, USDA, and the Department of Energy. Corn growers were encouraged by Treasury's recent proposal on implementation of the credit. Much needed clarity was given on

¹ <https://ncga.com/stay-informed/media/in-the-news/article/2025/09/new-study-unrestricted-sales-of-e15-would-fuel-the-economy>

² Source: <https://growtheenergy.org/2025/06/25/>

the on-farm practice component of the 45Z. It is imperative that USDA and DOE now properly execute their upcoming rulemakings to maintain this positive momentum.

Lastly, corn growers are actively exploring an emerging opportunity for ethanol in marine fuel. The shipping industry is under mounting pressure to increase its use of alternative fuels to meet growing customer demand and respond to tightening international and regional standards. These trends create an accelerating demand for alternative maritime fuels that can be delivered by U.S. bioenergy producers. Policies and international frameworks that incentivize increased use of alternative fuels offer an enormous potential market opportunity for American-made biofuels produced from American-grown crops like corn. Reaching volumes of over four billion gallons within the next five years, this market represents an unprecedented opportunity for American farmers.

NCGA looks forward to working with the administration and Congress as the U.S. government engages with global standards-setting bodies to ensure that the interests of American biofuel producers, farmers, marine shippers, and consumers are represented and that we are positioned to compete globally.

Biobased Products

For many years, NCGA has invested in the research and development of new uses for corn. This discovery process continues to bear fruit and corn farmers will be focusing more of their engagement in Washington on removing policy and regulatory barriers and increasing incentives to scaling uptake of biobased products. Increasing market access for biobased products not only creates an economic opportunity for farmers when corn and ethanol are used as feedstocks, but it also presents a more environmentally sustainable alternative for ingredients in many products that Americans use in their everyday lives, such as fibers and polymers. For example, capturing just 10 percent of the plastics market with biobased alternatives could generate demand for an additional 15 billion bushels of corn.

NCGA is increasing its pursuit of new market opportunities beyond traditional policy pathways, with a renewed focus on corn's role in the bioeconomy, where renewable corn-based solutions can replace fossil fuels in everyday products. Currently, we invest in the commercialization of new products utilizing corn as a feedstock and encourage innovation through NCGA's Consider Corn Challenge. To date, if all 22 winners of the challenge became fully commercialized, it is estimated that total demand could increase by 3.4 billion bushels of corn.

Supporting key USDA Farm Bill energy title programs, such as the Section 9002 BioPreferred Program and the Section 9003 Biorefinery, Renewable Chemical, and Biobased Products Assistance Program, could unleash significant potential for the agriculture bioeconomy. Together, these programs encourage federal procurement of biobased products, de-risk innovation for U.S. biomanufacturing and biorefining, support domestic renewable energy production, and strengthen supply chains across the country. Additionally, investing in the ag bioeconomy advances U.S. national security by reducing reliance on foreign inputs and equipping American companies with the tools necessary to compete in global biobased markets. Currently, the biobased products industry only scratches the surface of what it could mean to the American economy.

NCGA has partnered with the Corn Refiners Association and the Plant Based Products Council to develop legislation to propose a federal tax incentive that would encourage the conversion of U.S. grown agricultural feedstocks into renewable chemicals and materials. As both an investment and production credit, this incentive would diversify demand for farmers, strengthen domestic biomanufacturing, and stimulate rural economies. Boosting market opportunities for bioproducts made from agricultural feedstocks creates new revenue streams for growers of many different crops. We encourage Congress to invest in these tools and enhance USDA programs that support American farmers and the agricultural bioeconomy.

Trade

Though the focus of today's hearing is on domestic markets, I would be remiss if I did not at least mention trade, given its importance to corn demand and its relevance to this committee's important work. One of NCGA's strategic priorities is to increase demand for corn and corn products, and we were pleased to see our signature market access programs – Market Access Program (MAP) and Foreign Market Development (FMD) – receive double funding through the One Big Beautiful Bill Act. These programs are vital to unearthing new international markets and heading off trade issues before they impede access. As our global competitors attempt to outpace our exports, the resources in MAP and FMD keep our exports strong.

We also appreciate the administration's work on trade deals that have resulted in new market access for U.S. corn growers, and we encourage swift implementation and enforcement of new deals. We encourage prioritization of high-volume opportunities for corn in all forms including ethanol, dried distillers' grains with solubles (DDGS), and meat, pork and poultry.

Lastly, our strongest trading partners are our closest neighbors. Under the U.S.-Mexico-Canada Agreement (USMCA), Mexico has become our top export market for corn, valued at \$5.5 billion and Canada has become our top export market for ethanol, valued at nearly \$1.5 billion. USMCA also includes valuable tools to fight back against harmful policies proposed by our neighbors and win those disputes, as evident in the U.S.'s successful challenge of Mexico's attempt to ban biotech corn. Renewing the USMCA is a crucial element to preserving and growing these foundational markets for U.S. corn growers, and extension of this agreement is one of NCGA's main policy priorities in 2026.

Life Cycle Analysis

One barrier to new market access that corn farmers face is inconsistency in modeling the life cycle of corn. NCGA has invested heavily in lifecycle analysis (LCA) to ensure that the environmental performance of U.S. corn production is represented with credible data and transparent science. We strive to be science based and math driven. Working with universities, national laboratories, and industry partners, NCGA has improved the models and datasets that quantify real farm outcomes—reflecting modern practices such as precision nutrient management, conservation systems, and steadily improving yields. As customers increasingly rely on lifecycle accounting to source fuels, materials, and food ingredients, it is essential that the math used in those markets accurately reflects the efficiency and environmental performance of American farmers. Cooperation and coordination from Congress and the administration in this

effort would be invaluable. We are needlessly handing over markets to our competitors. Right sizing models through regulation and/or legislation could prevent this from happening.

NCGA's work ensures that sustainability claims about U.S. agriculture are grounded in verifiable outcomes rather than assumptions or narratives. Decades of innovation have allowed U.S. farmers to produce more while using fewer resources per bushel, making American row crop production the most efficient and sustainable in the world. When lifecycle models reflect real data from U.S. farms, the results consistently demonstrate that performance. Simply put: if the math is right, American farmers win.

Risk Management Tools

In addition to increasing demand, NCGA's other strategic pillar is protecting corn farmers' profitability and freedom to operate. Barriers to freedom to operate, weather events, and high input costs are just some of the variables that impact a farmer's profitability. Sometimes restrictions on production tools and methods can restrict market access as well. A strong safety net to manage these risks is critical, and I want to take this opportunity to recognize the Senate Agriculture Committee for its important work to help farmers manage risk and weather emergencies.

While several important and longstanding farm bill priorities for corn growers were addressed through the One Big Beautiful Bill Act, corn growers recognize that the legislation was passed via the budget reconciliation process which limited the scope of policy provisions. The law includes key investments in commodity and crop insurance programs, including several recommendations from corn growers to strengthen the producer's risk management tools.

Corn growers support the bipartisan development and passage of a "Farm Bill 2.0" this year to address additional policies and provisions throughout USDA programs. NCGA continues to support enhancements in the commodity, conservation, credit, rural development, research and energy titles. As the legislative process continues, corn growers will oppose efforts to cut crop insurance programs or restrict producer accessibility to risk management and crop protection tools that would limit their freedom to operate.

In closing, I thank the committee once again for its focus on expanding domestic demand for U.S. agricultural products. This objective is imperative to our future. I implore all members of Congress to put politics aside to advance real solutions – like the ones we have discussed today – for the American farmer. As we look to the future, we need to work together to create a policy environment that supports sustained growth in demand for U.S. corn and corn products, including domestic, foreign, and additional new uses markets.

If we can't build the markets that will stabilize the farm economy, we face the real potential of an industry-wide contraction that would erode the rural economy and the communities where we live and work, while giving competitors like Brazil an opening to replace us in the global market, and compromising our food security. U.S. farmers are too good at what we do – giving the U.S. global strategic advantages in the process - to sit back and let this happen. Please fight with us to secure our next 250 years of farming.

In closing, thank you to the Senators and staff for your support of America's farmers. We look forward to working with you to confront the current and emerging issues impacting our businesses, families, and rural communities.

Testimony of

Cathy Burns, Chief Executive Officer

Before the

U.S. Senate Committee on Agriculture, Nutrition, and Forestry

Hearing on

**Increasing Domestic Consumption of U.S.-Grown Agricultural Products
March 10, 2026**

Prosperity for Producers and a Healthier America for All

Chairman Boozman, Ranking Member Klobuchar, and Members of the Committee:

Thank you for the opportunity to speak on behalf of the International Fresh Produce Association, the largest and most diverse association representing the full supply chain of fresh fruits and vegetables—growers, shippers, distributors, wholesalers, retailers, foodservice partners, and allied companies. Our members include thousands of U.S. fruit and vegetable producers whose work not only feeds American families but strengthens rural communities, supports hundreds of thousands of jobs, and contributes billions to the national economy.

IFPA is committed to advancing a simple but powerful objective: to grow a healthier world by increasing access to—and consumption of—fresh fruits and vegetables.

We know the science is clear: eating more fresh fruits and vegetables is one of the most effective actions Americans can take to improve their health. Recent federal initiatives—such as *Make America Healthy Again* and the updated *Dietary Guidelines for Americans*—underscore that increasing fruit and vegetable intake is essential for preventing chronic disease, reducing health care costs, and improving overall well-being...Yet most Americans still fall far short of recommended consumption levels.

Increasing access to U.S.-grown fruits and vegetables is not just a nutrition issue; it is an economic opportunity. When we strengthen produce consumption, we strengthen domestic markets for American farmers.

To meet this opportunity, growers and consumers need systemic solutions that integrate produce into health care, strengthen federal nutrition programs, modernize procurement practices, and make it easier for families in every community to choose fresh fruits and vegetables. When we support evidence-based policies, we create the opportunity to increase consumption. At the same time, we cannot lose sight of the need to make U.S. production economically viable for producers so they are able to meet the increased demand and prosper.

Strengthen Federal Nutrition Programs

Federal nutrition programs feed tens of millions of Americans every day. Ensuring these programs provide consistent access to fresh fruits and vegetables is one of the most direct strategies to increase consumption of U.S.-grown produce. Investing in nutrition programs can make individuals healthy eaters for life – providing longer-term benefits to both health and grower outcomes.

1. **Fully fund the Women’s Infants & Children (WIC) fruit and vegetable benefit and expedite online redemption.** This monthly benefit is one of the most proven, effective tools for improving young children’s and mothers’ nutrition and reducing healthcare costs. Stable funding and online purchasing options will create a more consistent and reliable experience for producers, retailers, and participants.
2. **Expand produce incentives in the Supplemental Nutrition Assistance Program (SNAP).** Healthy incentive models help low-income families purchase more fruits and vegetables while directly supporting U.S. producers.
3. **Strengthen school meal standards to ensure a wide variety of fresh produce.** Children consume up to half their daily calories in school. Today, students receive both a vegetable and a fruit for school lunch. Continuing to ensure a wide variety of fresh options in both the National School Lunch Program and School Breakfast Program improves lifelong eating habits and is one of the most reliable markets for U.S. producers, especially locally. For some rural communities, the school lunch program is literally the largest restaurant in town.
4. **Expand the Fresh Fruit and Vegetable Program (FFVP) to more elementary schools nationwide.** This phenomenally successful program introduces students to a broader array of fruits and vegetables—many for the very first time.

5. **Increase USDA procurement of fresh produce and transition from low-cost to values-based purchasing.** Today, only five fresh produce options are available in the USDA Foods direct purchasing program. We are leaving most varieties of U.S. grown produce off the table. Leveraging the existing U.S. produce supply chain for federal procurement supports farmers while ensuring high-quality, nutritious foods reach families.

6. **Allow states to use up to 20% of their Temporary Emergency Feeding Assistance Program (TEFAP) funds for fresh produce through the USDA DoD Fresh Program.** Food banks are eager to offer more fresh products; this change will deliver healthy fresh fruits and vegetables to families who need them most and support the U.S. fresh produce supply chain.

7. **Support FDA labeling reforms that require clear disclosure of “meaningful amounts” of fruits and vegetables.** Accurate labeling empowers consumers to make informed, healthier choices.

8. **Make Produce Prescriptions a standard benefit in Medicare, Medicaid, Indian Health Services, and the Veterans Administration.** Produce prescription programs improve health outcomes and reduce costs—an approach that pays dividends for patients and taxpayers alike.

9. **Ensure Health Savings Accounts (HSA) and Flexible Spending Accounts (FSA) allow purchases of fresh fruits and vegetables.** If we believe food is medicine, the nation’s tax-advantaged health accounts should reflect that reality.

A More Responsive Supply Chain

Fresh produce moves fast—and it depends on a reliable, efficient supply chain. To expand domestic consumption, fruits and vegetables must be affordable, accessible, high-quality, and convenient options for consumers.

- **Make fresh fruits and vegetables more accessible and convenient choices.** Counter unworkable produce and floral packaging bans, while leading a national dialogue on reform and supporting research and development of packaging alternatives.
- **Keep fresh products convenient and affordable with better shelf life.** Guide members while supporting regional and state allies navigating Enhanced

Producer Responsibility (EPR) requirements. Encourage local and state governments to provide the key exemptions recognizing the key role packaging serves in reducing food loss and waste, preventing cross-contamination, and extending the shelf life of most fresh and fresh cut products.

Without thoughtful policy, a patchwork of state regulations could reduce access to fresh produce—an outcome no one can afford. Confusing designations and definitions within state EPR laws will also stifle innovation, actually reduce recycling and composting of packaging waste, and will increase both the cost to the- consumers and to the local communities dealing with trash.

Federal Investment in Domestic Production

To allow for increased consumption of fruits and vegetables in the United States, we must also ensure that domestic production keeps pace with consumer demand. Fresh produce growers are facing rising input costs, labor challenges, regulatory pressures, and increasing natural disasters, all of which make it harder to sustain and expand production.

Over the past two decades, the United States has lost over 230,000 farms, underscoring the economic pressures facing producers across the country. Policies that support farm viability and encourage new investment in specialty crop production are essential to maintaining a strong domestic supply.

- **Strategic investments in research, technical assistance, risk management tools, and conservation programs** can help growers remain competitive while adopting a wide range of production approaches—including conventional, organic, and regenerative systems—that respond to evolving consumer preferences and marketplace demand.

Supporting domestic growers across these production models will help strengthen supply chain resilience, expand consumer access to fresh fruits and vegetables, and ensure more of that production happens here in the United States.

Modernize Food Safety Regulation

Consumer confidence is essential to increasing produce consumption. Food safety must be consistent, transparent, risk-appropriate, and science-based.

- **Push for improvements at the Food and Drug Administration (FDA)** that create a prevention- focused culture within the Human Foods Program.
- **Sustain implementation of the 2022 FDA traceability rule**, including continued investment in technological tools—such as a Warehouse Management System—to support compliance along the entire supply chain.
- **Encourage uniformity between state and federal regulators** as Produce Regulatory Program Standards are implemented.
- **Ensure reliable federal funding** for state food safety training and compliance programs.

A strong, modernized food safety framework benefits consumers, retailers, and America's growers.

Lasting Impacts on American Producers and Human Health

Despite tremendous economic headwinds, fresh fruit and vegetable producers are ready to meet growing demand, but they cannot do it alone. Congress has a vital role to play in ensuring every American has access to the fresh, nutritious foods that support good health and strong communities.

By strengthening federal nutrition programs, supporting a resilient supply chain and all forms of production, and modernizing food safety oversight, we can incentivize and increase domestic consumption of fresh produce while creating economic opportunity for farmers across our nation.

On behalf of the International Fresh Produce Association and the many U.S. growers we represent, thank you for your leadership and partnership. IFPA is happy to answer your questions.



Prepared Testimony of:

Scott Metzger
President

American Soybean Association

Before the U.S. Senate Committee on the Agriculture, Nutrition, and Forestry
Increasing Domestic Consumption of U.S.-Grown Agricultural Products

March 10, 2026

Introduction

Good afternoon, Chairman Boozman, Ranking Member Klobuchar, and distinguished members of the Senate Committee on Agriculture, Nutrition, and Forestry. It is an honor to join you today to testify on behalf of the American Soybean Association regarding increasing domestic consumption of U.S.-grown agricultural products. My name is Scott Metzger, and I am a sixth-generation farmer from Williamsport, Ohio, where I farm soybeans, corn, and wheat alongside my family. This year, I have the privilege of serving as the president of the American Soybean Association (ASA). Our association, founded in 1920, represents U.S. soybean farmers on domestic and international policy issues important to the soybean industry. ASA has 26 affiliated state soybean associations representing nearly 500,000 farmers in the 30 primary soybean-producing states.

The U.S. soybean industry has a profound, positive impact on the U.S. economy. While we have long been U.S. agriculture's #1 export crop, half of our harvested soybeans stay at home for a variety of uses. A by-the-numbers look demonstrates the value of the soybean industry to our domestic economic health. The U.S. Department of Agriculture (USDA) estimates that over 80 million acres of soy were harvested in 2025, with production of 4.3 billion bushels. Soybean production accounts for more than \$4 billion in wages and over \$80 billion in economic impacts, according to a study by the United Soybean Board (USB)/Soy Checkoff and National Oilseed Processors Association (NOPA). This economic impact does not include secondary soy markets and supporting industries like biofuels, grain elevators, feed mills, ports, rail, refining, barges, etc., which bring the national total economic impact of the soybean value chain to a significant \$124 billion.

However, the impact of trade uncertainty for Marketing Year (MY) 2025/2026 highlights how important strong domestic markets are for U.S. soybeans. Across the board, U.S. agriculture is facing significant challenges, which are illustrated by rapidly plunging margins for farmers. Commodity prices are down nearly 50% from highs experienced three years ago, while farmers are still facing elevated prices for land, seeds, fertilizer, and pesticides. As the U.S. soybean industry continues to diversify export markets, supporting current domestic markets for our crop while embracing the policies and systems that promote research and development for new uses is more critical than ever.

U.S. soybean growers play an essential role in feeding and fueling the world, while also providing feedstocks for over 1,000 soy-based bioproducts. When processed, soybeans are divided into protein and oil. Soybean protein or meal (approximately 80% of the bean) is used in livestock feed and plant-based foods like tofu, but is also a key ingredient in plastic composites, synthetic fibers, and more. Soybean oil (the remaining 20%) is one of the most versatile natural oils available. In addition to being a staple of heart-healthy food, its molecular structure and suitable fatty-acid profile make it ideal for a variety of applications including biomass-based diesel and countless bioproducts.

Due to rising costs of production and low crop prices, U.S. farmers have needed to turn to Congress and the administration too many times for ad hoc assistance to make ends meet over the past several years. Developing strong and growing domestic markets for our crops will support our farm economy, and we welcome the Senate Agriculture Committee's interest in exploring opportunities to support U.S. soybean farmers and the entire domestic agriculture industry.

Biofuels: The Urgency of Now

The domestic biomass-based diesel (BBD) industry was developed with the support of soybean farmers and initially helped offset losses from food use when the Food and Drug Administration started regulating trans fats in partially hydrogenated soybean oil in the late 1990s and early 2000s. Since the development of biodiesel, the renewable fuel industry has identified pathways to develop soybean oil-based renewable diesel and sustainable aviation fuel (SAF). Soybean farmers are proud of their role in developing this industry and continue to play an integral role in domestic biofuel production.

Increased utilization of BBD over the past several years has had a marked impact on the rural economy. According to a study conducted by Clean Fuels Alliance America, domestic markets consumed over 5.3 billion gallons of BBD in 2024, which supported over 107,400 U.S. jobs – many in rural America – and created an economic impact of \$42.4 billion¹. Looking ahead, the BBD industry is poised for additional growth.

The overall growth of the BBD industry has been spurred by strong federal and state-level policies that promote increased production and utilization. Looking specifically at federal policies, the 45Z Clean Fuel Production Credit and annual renewable volume obligations (RVOs) set under the Renewable Fuel Standard (RFS) are critical components of a thriving biofuel industry.

Soybean Oil and Domestic Biofuel Markets

While domestic BBD production increased in the past several years, the increase in soybean oil feedstocks was not proportional. BBD production increased from MY 2021/22 to MY 2023/24, resulting in a 65% increase in overall feedstock utilization, from approximately 22.5 billion pounds to 37.2 billion pounds. However, over the same three years, the share of virgin vegetable oils (predominantly soybean oil) in domestically produced BBD decreased from 67% to 58%.

The shift in BBD feedstocks is also reflected in rising feedstock imports. Used cooking oil (UCO) from China accounted for 7% of the feedstocks used in domestic BBD production in MY 2022/23 and increased to 13% in MY 2023/24, with over half of China's UCO exports destined

¹ GlobalData. 2025. *Economic Impact of Biodiesel on the U.S. Economy 2024*. GlobalData on behalf of Clean Fuels Alliance America.

for the United States. A similar trend occurred with animal fats: while just 10% of Brazilian tallow exports came to the U.S. in MY 2022/23, that figure jumped to 95% the following year.

Several policies unfairly disadvantaged soybean oil use in U.S. BBD production. These can be summarized in three main areas.

1. **Carbon-based biofuel programs that penalize agriculture:** Both the 45Z Clean Fuel Production Credit as originally enacted in the Inflation Reduction Act and state low carbon fuel standard (LCFS) programs located on the West Coast use an indirect land use change (ILUC) value when quantifying the carbon intensity of soybean oil. ILUC is a theoretical model that assigns an additional carbon intensity to soybeans and other crops based on global growing practices. Simply put, while total U.S. farmland has been in a sustained decline for over 40 years, expansion of soybean acreage in Brazil increases the ILUC penalty for U.S. soy. While UCO imports were already increasing in earnest due to LCFS incentives for the feedstock, the 2022 enactment of the IRA aligned with a surge in UCO imports. While both LCFS programs and 45Z spurred BBD production, the stacking credits created a market that heavily incentivized UCO and other non-agricultural feedstocks over soybean oil and other agricultural feedstocks.
2. **Coastal renewable diesel production:** The California LCFS program has significantly increased BBD consumption in the state and created a market for the establishment of renewable diesel production facilities on the coast—typically tied to petroleum refiners. While UCO and tallow are already the highest-value feedstock for returns in LCFS programs, there are added costs in shipping soybean oil to coastal BBD facilities, whereas UCO imports can arrive on site via ship. BBD facilities in farm country are typically located near soybean processing facilities. In turn, this improves the localized basis for soybean farmers and provides a critical market when there is trade uncertainty. Policies that support and expand soy-based BBD value chains will improve the basis, lower transportation costs, increase domestic market opportunities, and offer long-lasting stability for soybean farmers.
3. **Uncertainty in other UCO export markets:** The European Union Renewable Energy Directive (RED) II spurred an increase in UCO imports from Asia, which were on the rise until MY 2022/23. In 2023, the EU launched an investigation into potentially fraudulent UCO (virgin palm oil marketed as UCO) being imported. This investigation resulted in an even larger volume of Asian UCO exports being redirected to the U.S. and growing volumes of imported UCO feedstocks used in domestic BBD production.

However, legislative changes to 45Z and the proposed 2026-2027 RVOs from EPA offer solutions that will support the position of U.S. soy as a preferred feedstock for domestic BBD production. Federal and state biofuel policies combine to form a “credit stack” which informs the overall return for a biofuel producer based on the feedstock utilized. With each positive policy change, biofuels produced using soybean oil become more competitive, which in turn will increase domestic market demand for U.S. soy.

45Z Clean Fuel Production Credit

ASA appreciates Congress for its work to amend, improve, and extend the 45Z Clean Fuel Production Credit through the One Big Beautiful Bill Act. Specifically, Congressional changes to 45Z included removal of the ILUC penalty on agricultural biofuel feedstocks which, as noted above arbitrarily assign agriculture with higher carbon intensity scores based on South American farming practices. Removal of agricultural ILUC penalties effectively doubles the tax credit for soy-based BBD. This puts soybeans on par with the tax credits available to biofuels from tallow and used cooking oil, which removes a disincentive to use soy. Further, the 45Z amendments prohibit both biofuels and biofuels produced using feedstocks outside of North America from utilizing the tax credit. While ASA supports feedstock diversity in biofuel production, federal biofuel policies must reflect the actions of this Congress to safeguard domestic agriculture markets by incentivizing biofuels produced using homegrown feedstocks rather than those imported from overseas.

Looking ahead, it is imperative that the U.S. Department of the Treasury move swiftly to finalize draft 45Z tax guidance released in February to ensure that the BBD industry can utilize the tax credit to help realize additional planned investments in soybean oil processing (*Figure 1*) and biofuel production. In addition to the rapid expansion in soy crush capacity that has come online over the past three years, over 140 million bushels of additional domestic crushing capacity is slated to come online for the 2026 soybean crop and can provide increased domestic demand for soy with the proper policy incentives.

U.S. Soybean Solvent Processing Plants

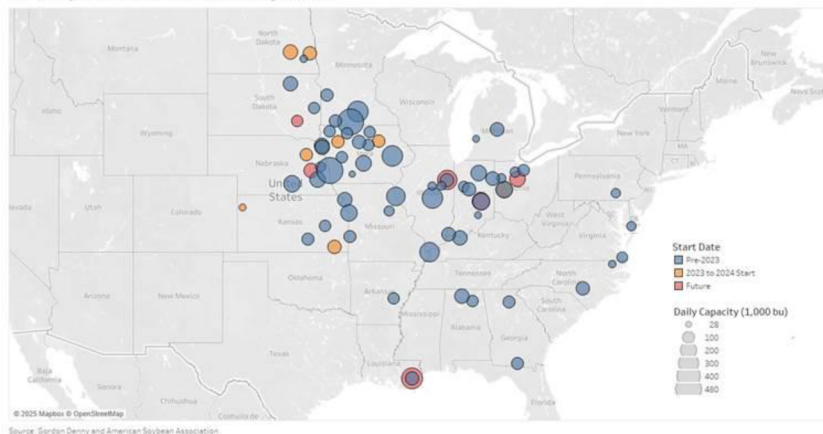


Figure 1: Current and Planned Soybean Processing Facilities

In addition, ASA encourages the U.S. Department of Agriculture, U.S. Department of Energy, and Treasury to work in partnership to promulgate guidance for value-added farming practices included in the 45Z tax credit through the USDA Feedstock Carbon Intensity Calculator (FD-CIC). As it stands, the 45Z tax credit will support expansion of U.S. biofuel production with incentives to better position domestic feedstocks like soybean oil. However, supplemental tax guidance that utilizes the USDA FD-CIC to quantify additional credit value for farming practices like no-till and reduced tillage, cover crops, and timing of fertilizer applications creates a unique opportunity for farmers to access a new premium market and receive direct benefits from the 45Z Clean Fuel Production Credit. To be clear, the current statute directs Treasury to provide a stepped-up tax credit for biofuels produced using agricultural feedstocks grown using specific farming practices. While the February draft 45Z guidance states that supplemental guidance may be forthcoming, farmers are entering yet another planting season with no clarity on whether this domestic value-added market may be available by harvest. Under two presidential administrations, USDA has worked to develop the FD-CIC, soliciting feedback from key stakeholders and beta testing the calculator with farmers who produce BBD feedstocks, including ASA farmer-leaders. With Treasury currently soliciting public comments ahead of developing final 45Z tax guidance, ASA encourages the Committee to urge relevant agencies to swiftly finalize supplemental guidance for agricultural feedstock production practices to ensure U.S. farmers can access this value-added domestic market as intended by Congress.

Renewable Volume Obligations

The annual renewable volume obligations set under the RFS are perhaps the single most important driver for BBD demand in the U.S. In June 2025, the Environmental Protection Agency proposed the 2026-2027 RVOs - the most favorable draft rule that the soy-based biofuel industry has ever seen. Historically, EPA has undercut volume obligations for BBD by not accounting for imported finished biofuel and assuming fuel produced beyond the RVO category for BBD would backfill into unused conventional ethanol volumes under the RFS. This previous operating procedure at EPA in calculating RVOs stymied BBD industry expansion and stunted domestic market growth for U.S. soy. The present-day result of this is the idling of BBD facilities, specifically biodiesel plants located in farm country, and decreased domestic market opportunity for U.S. soybean oil.

Importantly, in its most recent proposal, EPA considered both domestic production and imported fuel, and increased BBD volumes to 5.61 billion gallons – a 67% increase over the 2025 RVO of 3.35 billion gallons and in line with current domestic consumption. This increase represents an acknowledgement of the ongoing and proposed investments to expand both BBD production and domestic soybean processing capacity. If the EPA proposed volumes are carried forward in the final 2026-2027 RVO, the domestic BBD industry is poised for incredible growth.

Additionally, the proposed 2026-2027 RVO rule offered a novel solution to address surging imported waste feedstocks by recommending a 50% reduction in RFS renewable identification

number (RIN) credit value for both imported biofuels and biofuels produced from imported feedstocks – similar to 45Z tax credit restrictions established by Congress. Prior to the release of the proposed RVOs, ASA had requested that EPA identify a testing standard and mechanism to ensure that UCO importers were not engaging in fraud, as anecdotal evidence suggested. The EPA “half RIN” proposal acknowledges that there is currently no efficient, nor cost-effective, method to regulate the surge of imported UCO for domestic biofuel production.

Supporting Soy-Based Biofuels Today

While the domestic biofuel industry has evolved rapidly in response to changing federal and state-level policies, ASA still sees a bright future for domestic market growth. First and foremost, Congress must protect the integrity of the Renewable Fuel Standard at all costs, including any statutory changes that seek to limit annual RVOs for BBD like mandatory RFS compliance exemptions for petroleum refiners. Second, the administration must finalize the long-delayed 45Z tax credit guidance, so the changes Congress secured in 2025 can be fully realized. In addition, the administration must follow Congressional directives to develop additional 45Z guidance for value-added farming practices.

Lastly, the delayed 2026-2027 RVOs, which are currently undergoing Office of Management & Budget review, must be finalized immediately. The biofuels industry has already lost one quarter of potential growth due to the delay, and a positive final rule would provide a market for the 2025 soybean crop that was impacted by Chinese trade retaliation. In fact, a strong RVO and continued sustained growth, paired with guardrails to support domestic biofuel and agriculture dominance, would help insulate the U.S. soybean industry from future trade uncertainty.

Perhaps White House Senior Counselor for Trade and Manufacturing Peter Navarro said it best: “Finalizing and expediting the new Renewable Fuel Standard rule is a concrete step toward ... fueling American energy, strengthening rural manufacturing, and denying Beijing one of its most effective economic weapons².”

Supporting Soy in the U.S. Food Supply

Soy-Based Protein

Soy provides millions of Americans with access to an affordable and domestically produced source of healthy protein. As the recently published U.S. Dietary Guidelines for Americans (DGAs) point out, foods such as tofu and tempeh are rich in protein content. Furthermore, soy is one of the few plant proteins that provide all nine essential amino acids necessary for human health. The health benefits of consuming soy are not limited to protein.

Soybean Oil

² Navarro, Peter. 2026. “How to disarm China’s weaponized soybean purchases.” *The Hill*, January 15. <https://thehill.com/opinion/international/5685497-how-to-disarm-chinas-weaponized-soybean-purchases/>

Today, about half of domestically produced soybean oil is used for biofuel production, while the remaining half supports a wide range of food uses. The FDA approved a qualified health claim for soybean oil that indicates it reduces the risk of coronary heart disease, supported by 160 publications. More broadly, vegetable oils or seed oils are a critical component of dietary patterns associated with lower chronic disease rates. A study published by JAMA Internal Medicine last year demonstrated that a higher intake of plant-based oils (e.g. soybean oil).³ In its analysis, the study found that soybean oil provided substantial health benefits when substituted for butter. Beyond its health benefits, soybeans are an efficiently grown crop that produces a versatile, neutral-tasting oil that plays an important role throughout the U.S. food system – from home cooking to package foods – that may be considered “ultra-processed.”

ASA believes that a food’s health should be based on its role in the diet and its nutritional profile rather than based on its ingredients and processing method. This is why ASA is increasingly concerned about state-level legislative efforts to related to defining and labeling “ultra-processed foods.” The ever-growing threat of a patchwork of state food labeling laws will create a food affordability crisis without federal intervention. A recent economic analysis on the impact of labeling patchworks concluded that prices for consumers could rise as much as 12%⁴. The USDA Economic Research Service “Food Dollar” for 2023 – the last year with available data – noted that farm production translated to by U.S. consumers on food⁵. The remaining \$0.84 is the market share—or the costs borne by consumers after the farm gate. Creating new labels for food products to satisfy state labeling laws comes at an enormous cost, which will ultimately be passed down to the consumer. Food affordability impacts consumers most acutely, but as consumers make difficult decisions to limit food purchases, downstream impacts will impact U.S. agriculture producers across the board.

Soymilk & Infant Formula

Soymilk is the only plant-based milk alternative with a nutritional profile of calories, protein content, and protein quality that is similar to that of dairy milk. Access to soymilk provides millions of people in the US and abroad with access to essential nutrients that otherwise would not be available. This is also true for soy-based infant formulas and infant formulas that contain soybean oil. Fats are an essential nutrient for development, which is why the current nutritional requirements for formulas include fat and linoleic acid.⁶

³ Zhang, Yu et al. 2025. “Butter and Plant-Based Oils Intake and Mortality.” JAMA Internal Medicine vol. 185,5: 549-560. doi:10.1001/jamainternmed.2025.0205

⁴ Policy Navigation Group. 2026. *Costs of recent state nutrition laws*. Policy Navigation Group on Behalf of Americans for Ingredient Transparency. <https://americansforingredienttransparency.com/wp-content/uploads/2026/02/COSTS-OF-RECENT-STATE-NUTRITION-LAWS.pdf>

⁵ USDA Economic Research Service. 2025. “Food Dollar Series.” Last modified December 15. <https://ers.usda.gov/data-products/food-dollar-series>

⁶ U.S. Food and Drug Administration. (n.d.). Title 21, § 107.100 Nutrient specifications. In Electronic Code of Federal Regulations.

Disparagement of soy products negatively affects a critical domestic market for U.S. soybean growers and ignores the overwhelming nutritional data that supports consumption of soy protein and oil. Whether consumed as soy-based products, like tofu or soybean oil, soy offers a healthy source of fatty acids and protein for humans and animals and provides soybean growers with a robust domestic market.

Soybean Meal: Feeding Livestock & Aquaculture and Beneficial Novel Uses

Livestock

Animal agriculture is the largest customer for U.S. soybean farmers, consuming 97% of domestic U.S. soybean meal. According to research conducted by the United Soybean Board (USB), 37.3 million tons of soybean meal were consumed by animal agriculture in 2024⁷. Over 50% of that consumption was comprised of broilers, while hogs, dairy, layer hens, and turkeys consumed the majority of the rest. Soybean meal is a high-density nutritional component in animal feed rations due to its amino acid profile, protein content, and ease of digestibility. Through USB and our sister organization, the U.S. Soybean Export Council (USSEC), ASA has continued to support innovations in animal feed to benefit our partners in the livestock sector domestically and abroad.

Importantly, as the soybean processing industry expands to meet growing biofuel market demands for soybean oil, the volume of soybean meal produced increases in tandem. The increased soybean meal availability lowers production costs for the livestock sector. Further, a 2022 study from Purdue University noted that a 20% increase in the volume of soybean oil produced to meet biofuel market demand results in lower retail prices for consumers on animal protein products including dairy, beef, eggs, chicken, and pork⁸. So, as one critical market for U.S. soy expands, the resulting impact is lower costs for our largest customer – the livestock industry – and in turn, lower prices at the grocery store meat counter.

Aquaculture

In addition to livestock, there is growing adoption of soybean meal as a high-quality feed source for aquaculture production around the world. Aquaculture is one of the fastest growing animal protein sectors and is expected to continue trending in that direction. However, the majority of aquaculture demand remains outside the U.S. A staggering 91% of U.S. seafood is imported, and foreign-produced aquaculture accounts for about half of those imports. According to USDA's

⁷ Decision Innovation Solutions. 2025. *2024 Soybean Meal Demand Assessment*. Decision Innovation Solutions on behalf of the United Soybean Board. https://marketviewdb.unitedsoybean.org/uploads/SBM/SBM_Demand_Assessment_Report_U.S.Total_2024.pdf

⁸ Lusk, Jayson. "Food and Fuel: Modeling Food System Wide Impacts of Increase in Demand for Soybean Oil." Department of Agricultural Economics, Purdue University, November 10, 2022.

Economic Research Service, the United States had a seafood trade deficit of \$20.6 billion in 2024.

ASA sees the expansion of domestic aquaculture as another opportunity to create new markets for U.S. soybean farmers. We have endorsed the Marine Aquaculture Research for America (MARA) Act of 2025, which would authorize an Office of Aquaculture within the National Oceanic and Atmospheric Administration (NOAA) and establish commercial-scale demonstration projects. The projects would direct NOAA to permit offshore aquaculture, creating opportunities for the domestic aquaculture industry to grow. Thanks to research and promotion activities conducted in export markets with global aquaculture producers, we know there is a demand for U.S. soybean meal as a high-quality, high-protein feed ration for farmed fish. The moment is ripe to streamline the U.S. aquaculture regulatory system to bring new innovations to market, decrease our seafood trade deficit, and create new domestic markets for U.S. soybean meal.

However, growing the domestic aquaculture market is a long-term demand growth opportunity. At the same time, livestock production in the U.S. continues a slight downward trend that began in 2019. With soybean meal demand likely to remain even for the foreseeable future, looking outside the feed sector for new soybean meal market opportunities is increasingly important.

Novel Soybean Meal-Based Bioproducts

As noted above, increased demand for soybean oil for biofuels will create a surplus of soybean meal domestically. While our partners at USSEC and the World Initiative for Soy in Human Health (WISHH) continue to diversify export markets and identify new and emerging soybean meal markets abroad, smaller domestic market opportunities have emerged. Soybean meal is used in a variety of bioproducts for industrial products including plastic composites, formaldehyde-free wood adhesives, polyurethane foams, and more. As the price of soybean meal decreases, value-added bioproducts can offer scalable market opportunities.

One of the most exciting soybean meal-based bioproducts on the market today is SoyFoam™ TF 1122. Developed by Cross Plains Solution with supporting investments from the Soy Checkoff, SoyFoam is a biobased firefighting foam that does not include any per- or polyfluoroalkyl substances (PFAS) and has no detectable fluorines. PFAS is an ever-growing topic of concerns on Capitol Hill and communities around the country, as exposure to the “forever chemical” is linked to cancer and other health concerns. SoyFoam offers a solution to one of the biggest continuous PFAS polluters: firefighting suppressants.

SoyFoam is produced using soybean meal milled into flour and is USDA certified as 84% biobased – the highest percentage of any firefighting foam on the market today. It is effective on both class A burns (ordinary combustibles) and class B burns (gasoline and other flammable liquids) and boasts a biodegradable certification of 60% after 18 days and 91.6% after 180 days.

For comparison, the biodegradability requirement for conventional firefighting foam is 60% after 180 days.

When considering opportunities for identifying new domestic market opportunities for agricultural products, ASA sees significant potential with SoyFoam. However, the process for federal agency approvals is onerous and time consuming. Even after passing all nine burns on Jet A and gasoline fuels as required by the Department of Defense, this process may still take 18 months. The Wildlands Fire Chemical Systems division at the U.S. Forest Service currently has the opportunity to approve SoyFoam for their qualified products list. That process may take up to two years. After the wildfires in Los Angeles last year, reports started emerging about the environmental cleanup costs due to the significant levels of PFAS left behind from the firefighting efforts. On a mass-scale, SoyFoam creates a safe alternative, so when victims of fires begin to rebuild their lives, they have one less worry – PFAS exposure. The support of Congress can help expedite and navigate the red tape required for these critical federal approvals to bring this PFAS-free alternative to firefighting foam to the market much sooner.

Firefighters face significant PFAS exposure risk – perhaps more than any other profession. My family has a rich history of firefighting, and I am the proud brother, brother-in-law, and father of firefighters. With the support of the federal government to support greater adoption and scalability of SoyFoam, firefighters like my eldest son, Dalton, would face a significantly lower risk of PFAS exposure immediately upon switching products.

Growing Markets for Biobased Products

Beyond soybean meal, soybean oil-based bioproducts offer an additional modest, yet scalable driver to expand domestic demand for U.S. soy. Soybean oil is one of the most versatile natural oils with a molecular structure and suitable fatty-acid profile that make it suitable for many applications beyond biofuel. Through the Soy Checkoff, U.S. soybean organizations are partnering with major companies and universities to create new rapidly renewable materials made with soy. The Soy Checkoff is also partnering with major manufacturers to create demand for these new products that can meet consumer desires for high-performing sustainable products.

BioPreferred Program

According to USDA, the biomanufacturing sector employs an estimated 4 million Americans and contributes nearly \$490 billion to the U.S. economy annually⁹. Through initiatives like the Biobased Markets (BioPreferred) Program, the federal government is already positioned to champion expansion of the bioproduct market to drive additional domestic demand of U.S. agricultural products. Created in the 2002 Farm Bill and expanded in 2018, BioPreferred has two

⁹ USDA Rural Department BioPreferred Program. *An Economic Impact Analysis of the U.S. Biobased Products Industry*. Mr. Andrew Jermolowicz, et. al. 2023. <https://www.rd.usda.gov/media/file/download/usda-rd-economic-impact-analysis-us-biobased-products-industry-2023-508.pdf>

primary functions: overseeing a mandatory federal procurement program for biobased products and administering a voluntary “USDA Certified Biobased Product” label.

While BioPreferred is the cornerstone of the bioproduct industry, its authorization has been neglected. As a Farm Bill “orphan program,” BioPreferred has endured years without regular funding, as its mandatory funding status must come with explicit extensions when authorization lapses for a Farm Bill, and was not included in recent extensions of the current legislation. ASA was glad to see the House Committee on Agriculture favorably report the Farm, Food, and National Security Act of 2026, which included the reauthorization of the Biobased Markets (BioPreferred) Program and urges the Senate Agriculture Committee to renew authorization for BioPreferred when it considers 2026 Farm Bill legislation in the near future.

Soy-Based Bioproducts in Infrastructure Projects

Soy-based bioproducts are increasingly utilized as part of state and local roadway projects. One longtime soy-based product with a proven track record is PoreShield™, a revolutionary soy-based concrete protector that was first developed through a partnership between Purdue University, the Indiana Department of Transportation, and the Indiana Soybean Alliance to address the growing need to extend the lifespan of concrete highways. In addition to providing long-lasting concrete protection, PoreShield™ is nontoxic and requires no personal protective equipment for workers while applying. Recently, Crafcro, Inc. acquired PoreShield™, offering global market potential for this soy-based, 100% American-made product.

For asphalt-based roads, Soylei, an innovative company born from a partnership between Iowa State University and the Iowa Soybean Association, has developed a soybean –oil-based rejuvenator for asphalt. These soy-based rejuvenators produced by Soylei restore the flexibility and binder quality of reclaimed asphalt pavement. This technology allows for higher percentages of recycled asphalt to be used in new, durable pavement construction.

Unlike agencies like the U.S. Forest Service, the Federal Highway Administration relies on state-administered qualified products lists rather than a national list, which inhibits widespread adoption of bioproducts for major construction projects. To support increased utilization of soy-based materials in federal transportation projects, ASA is exploring a federal pilot program concept that would provide a federal qualified products list for bioproducts with proven success in multiple state transportation projects.

The Value of Farmer-Driven Development of Soy Products & Markets

Over 30 years ago, Congress passed the Soybean Promotion, Research, and Consumer Information Act, creating the United Soybean Board (USB)—an agricultural research and promotion program funded and managed directly by soybean farmers under the oversight of USDA’s Agricultural Marketing Service. Through direct farmer investment, this program, also referred to as the Soy Checkoff, finances research, promotion, and education initiatives, all of which are aimed at improving yield, sustainability, and demand for U.S. soy products.

Checkoff-driven initiatives have brought a return on investment—\$12.30 for every farmer dollar invested in the checkoff—to growers like me, who are then better able to support our families, employees, and rural communities. Many of the innovations highlighted today in my testimony are a direct result of checkoff-funded research. From partnerships with animal nutritionists to study animal feed rations for livestock production to research into biobased products to grow non-agricultural uses for U.S. soybeans, to the inception of the U.S. biomass-based diesel industry, the Soy Checkoff has supported farmers by supporting research and furthering demand both here and abroad. The success of the American soybean farmer and the U.S. soy value chain would not be as robust as it is today, were it not for the Soy Checkoff.

Farmers are overwhelmingly supportive of the Soy Checkoff. During the last USDA-led Request for Referendum in 2024, only 0.06% of eligible soybean farmers called for a referendum – far short of the 10% required by statute to reconsider the structure of the checkoff. It is clear the Soy Checkoff is overwhelmingly supported by farmers, and as this Committee considers an updated farm bill, ASA strongly urges this committee to recognize the important role checkoffs play and to protect them from unnecessary and harmful amendments.

Conclusion

It is no secret that the U.S. soybean industry is facing unprecedented economic distress. The losses faced on our 2025 soybean crop were so profound that even with the support provided to farmers through the USDA Farmer Bridge Assistance Program, U.S. soybean farmers are still facing an average of \$73/acre in uncovered losses.

During every trade conflict that has impacted U.S. soybean farmers, you have heard our leadership echo a united refrain: “Farmers want markets, not handouts.” That holds true today, just as it did in 2018 and 2025. Farm assistance has become a necessary lifeline to ensure we can survive through the next planting season, and we sincerely appreciate the work of Congress to pass prior economic assistance packages, and for our champions on this Committee who are leaving no stone unturned as they continue to pursue additional avenues to help farmers keep their legacies – their land – alive for the next generation.

As I close, I want to reemphasize the five key topics I identified to support domestic markets for U.S. soy:

1. **Biofuels:** Finalizing the 45Z Clean Fuel Production Credit and supplemental USDA FD-CIC and the 2026-2027 RVOs will provide the U.S. soybean value chain – from farmers to processors, to BBD producers – with both immediate and long-term benefits. Supporting federal policies that reward North American biofuel feedstocks while removing arbitrary penalties on agriculture will create domestic biofuel market certainty for U.S. soy while supporting American energy dominance.
2. **Soy Foods:** While ASA supports the goals of this administration to improve health outcomes for Americans, policies must be backed by sound science and not arbitrarily

malign soybean oil and seed oils more broadly. The safety and health benefits of soy foods are backed by a longstanding FDA heart health claim and countless studies, and preserving this market for U.S. soy is imperative.

3. **Soybean Meal:** U.S. soy has enjoyed consistent domestic soybean meal markets, thanks to our partners in the livestock industry. As soybean processing expands to meet additional domestic soybean oil demand, prices for meal will continue to decrease, supporting lower protein costs for consumers. Additional uses for soybean meal like SoyFoam demonstrate untapped market potential for U.S. soy.
4. **Bioproducts:** Soybean farmers are proud of the variety of bioproducts that are being made using our crop. Identifying policies that cut through the red tape for federal approvals and supporting a reauthorization of the BioPreferred Program are just two ways to support the bioeconomy fueled by U.S. agriculture.
5. **Farmer Investments in Soy:** The Soy Checkoff plays an integral role in our ability to identify new markets and develop novel uses for U.S. soy. Soybean growers are immensely proud of their investments, which help open markets, develop new uses, and improve the farm economy for our industry.

Thank you, Chairman Boozman and Ranking Member Klobuchar for holding this critically important hearing to explore a variety of options to expand existing domestic markets and develop new markets to support U.S. agriculture. As I sit here today, the ASA Board of Directors is receiving a briefing a few blocks away to prepare for their visits with Congressional offices tomorrow. This Committee's unwavering focus on improving the economic viability of U.S. farmers is not lost on a single one of those farmers who took the time to come to D.C. this week.

Thank you again for the opportunity to testify before the Senate Agriculture Committee today. I look forward to your questions and continuing this dialogue regarding our shared goal of expanding domestic markets for U.S. agriculture.

**DOCUMENTS SUBMITTED FOR THE
RECORD**

MARCH 10, 2026

March 10, 2026

United States Senate
Washington, DC 20510

Senators:

The undersigned organizations, representing the entirety of the United States cotton industry and many of the nation's leading retailers, urge you to cosponsor the *Buying American Cotton Act* (S.1919), which is being led by Senators Cindy Hyde-Smith (R-MS) and Jon Ossoff (D-GA).

The need to bolster the U.S. cotton industry has never been greater. America's cotton growers continue to face the crushing combination of low commodity prices and rising input costs, while also being squeezed by foreign competitors who can sell their fibers at lower prices thanks to subsidies provided by their own governments. Fortunately, American retailers are well-positioned to increase demand for domestically grown cotton. Their ability to source American fiber is critical to supporting rural economies and maintaining the global competitiveness of the American cotton industry.

The bipartisan *Buying American Cotton Act* establishes market-based incentives for these end-stage retailers to sell apparel and other goods produced, in whole or in part, from U.S. cotton. This demand-side incentive, in turn, directly encourages the selection of U.S. (vs. foreign) cotton and ultimately benefits U.S. cotton farmers through stronger market pull and more predictable buying patterns.

The credit amount in the *Buying American Cotton Act* is tied to the volume of U.S. cotton contained in the product, the three-year average market price of the cotton, and a processing location factor. Retailers selling goods in the U.S. that contain U.S. cotton that was fully processed in the U.S. or in countries with which the U.S. has a free trade agreement (including the signatories of USMCA and CAFTA-DR, as well as those that participate in preference programs such as AGOA, CBTPA, and Haiti HOPE/HELP) would receive the largest incentive. Retailers selling products containing U.S. cotton that was subject to processing in any other country would receive a smaller tax incentive. In all cases, the structure of the bill is intended to encourage greater overall purchase of U.S. cotton.

The legislation would:

- Increase demand for U.S. cotton, thereby increasing market revenue for U.S. cotton farmers
- Incentivize investment in the domestic textile milling industry to increase the capacity of U.S. cotton processing
- Incentivize relocation of labor-intensive cotton apparel production activities to countries closer to the U.S., reducing costs and improving supply chain efficiencies

- Create U.S. jobs in manufacturing, logistics, supply chain management, and other affiliated services
- Level the playing field for U.S. farmers and retailers of cotton products who have to compete against subsidized foreign competitors
- Support existing industry initiatives that address country-of-origin concerns
- Support regional stability in Central and South America

The Buying American Cotton Act leverages the purchasing power of U.S. consumers who annually buy the equivalent of 40 million bales of textile and apparel products. Those consumers want to buy American, but only a small percentage of the cotton in products sold in the U.S. is estimated to be grown here.

Now is the time to act, and the Buying American Cotton Act offers a pathway. Your co-sponsorship would send a strong message of support to American farmers, American mills, American retailers – and ultimately American consumers.

Thank you for your consideration.

Sincerely,

Agribusiness & Water Council of Arizona

Agricultural Council of Arkansas

Alabama Farmers Federation

Amcot

American Cotton Producers

American Cotton Shippers Association

American Farm Bureau Federation

American Trench

Arizona Cattle Feeders Association

Arizona Cattle Growers' Association

Arizona Cotton Growers Association

Arizona Cotton Research and Protection Council

Arizona Farm & Ranch Group
 Arizona Farm Bureau
 Arkansas Cotton Warehouse Association
 Arkansas Farm Bureau
 Blackland Cotton & Grain Producers Association
 Buhler Quality Yarns Corporation
 California Cotton Ginners and Growers Association
 California Farm Bureau
 Capital Farm Credit
 Catalyst Brands
 City Bank
 Coed Collective
 Cotton Growers Warehouse Association
 Cotton Producers of Missouri
 Cotton Warehouse Association of America
 Delta Council
 Dignity Apparel
 Florida Cotton Growers Association
 Florida Farm Bureau Federation
 Gap Inc.
 Georgia Agribusiness Council
 Georgia Cotton Commission
 Georgia Farm Bureau

Gildan Activewear Inc
 Hamrick Mills
 Illinois Farm Bureau
 Imogene and Willie
 Inman Mills
 Kansas Cotton Association
 L.L. Bean, Inc.
 Levi Strauss & Co.
 Louisiana Cotton & Grain Association
 Louisiana Farm Bureau Federation
 Maricopa County Farm Bureau
 Milliken & Company
 Mississippi Farm Bureau Federation
 Missouri Farm Bureau
 National Cotton Council
 National Cotton Ginners Association
 National Council of Farmer Cooperatives
 New Mexico Farm and Livestock Bureau
 North Carolina Cotton Producers Association
 North Carolina Farm Bureau
 Oklahoma Farm Bureau
 Parkdale Mills, Inc
 Plains Cotton Growers, Inc.

Port of Corpus Christi
 Ralph Lauren Corporation
 Red Land Cotton
 South Carolina Farm Bureau
 South Dakota Farm Bureau
 South Texas Cotton & Grain Association
 Southern Cotton Growers, Inc.
 Southern Rolling Plains Cotton Growers Association
 Target
 Tennessee Farm Bureau Federation
 Texas Agricultural Cooperative Council
 Texas Cotton Growers Cooperative Association
 Texas Farm Bureau
 Texas Organic Cotton Marketing Cooperative
 TS Designs
 U.S. Fashion Industry Association
 Under Armour
 United Agricultural Cooperative, Inc.
 United Dairymen of Arizona
 Victoria's Secret & Co.
 Virginia Cotton Growers Association
 Virginia Farm Bureau Federation
 zkano socks



119TH CONGRESS
1ST SESSION

S. 3068

To require original equipment manufacturers to make available certain documentation, parts, software, and tools with respect to farm equipment, and for other purposes.

IN THE SENATE OF THE UNITED STATES

OCTOBER 28, 2025

Mr. WELCH (for himself, Mr. FETTERMAN, and Ms. WARREN) introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

A BILL

To require original equipment manufacturers to make available certain documentation, parts, software, and tools with respect to farm equipment, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Freedom for Agricul-
5 tural Repair and Maintenance Act” or the “FARM Act”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act:

8 (1) **AUTHORIZED REPAIR PROVIDER.**—The term
9 “authorized repair provider”—

1 (A) means, with respect to farm equipment
2 of an original equipment manufacturer, a per-
3 son that has an arrangement with an OEM
4 under which the OEM grants such person a li-
5 cense to use a trade name, service mark, or
6 other proprietary identifier for the purposes of
7 offering diagnosis, maintenance, or repair serv-
8 ices for the farm equipment on behalf of such
9 person or the OEM; and

10 (B) includes, with respect to farm equip-
11 ment, an OEM who offers diagnosis, mainte-
12 nance, or repair services for the farm equip-
13 ment that the OEM manufactures or offers for
14 sale.

15 (2) COMMONLY AVAILABLE.—The term “com-
16 monly available” means any item that is commer-
17 cially available for purchase from more than a single
18 seller and is not solely made available by an OEM
19 for use on such OEM’s products.

20 (3) DOCUMENTATION.—The term “documenta-
21 tion” means any manual, diagram, reporting output,
22 service code description, schematic, library of diag-
23 nosed issues, software bill of material, or other guid-
24 ance or information used in effecting the services of
25 diagnosis, maintenance, or repair of farm equipment.

1 (4) FARM EQUIPMENT.—The term “farm equip-
2 ment” means equipment that is designed primarily
3 for use in a farm operation, including any combine,
4 tractor, sprayer, pivot, implement, or attachment, in-
5 cluding attachments and repair parts thereof used in
6 the planting, cultivating, irrigating, harvesting, or
7 ranching of agricultural products, excluding self-pro-
8 pelled machines designed primarily for the transpor-
9 tation of persons or property on a street or highway.

10 (5) FARM EQUIPMENT DATA.—The term “farm
11 equipment data” means transmitted or compiled in-
12 formation arising from the operation of farm equip-
13 ment or any part of farm equipment.

14 (6) FAIR AND REASONABLE TERMS.—The term
15 “fair and reasonable terms” means a part, tool, soft-
16 ware, or documentation that is made available either
17 directly from an OEM or through an authorized re-
18 pair provider and, with respect to a part, tool, soft-
19 ware, or documentation, the following:

20 (A) PARTS.—For parts, the following:

21 (i) COSTS.—Costs that are fair to
22 both parties, considering the agreed-upon
23 conditions, promised quality, and timeli-
24 ness of delivery.

25 (ii) TERMS.—Terms that—

1 (I) do not impose on an owner or
2 an independent repair provider any
3 substantial obligation to use or any
4 restriction on the use of the part to
5 diagnose, maintain, upgrade, repro-
6 gram, or repair farm equipment sold,
7 leased, or otherwise supplied by the
8 manufacturer, including a condition
9 that the owner or independent repair
10 provider become an authorized repair
11 provider of the manufacturer, or a re-
12 quirement that a part be registered,
13 paired with, or approved by the manu-
14 facturer or an authorized repair pro-
15 vider before such part is operational;
16 and

17 (II) prohibit a manufacturer
18 from imposing any additional cost or
19 burden that is not reasonably nec-
20 essary or is designed to be an impedi-
21 ment on the owner or independent re-
22 pair provider.

23 (B) TOOLS.—For tools, the following:

24 (i) COSTS FOR EQUIPMENT OWN-
25 ERS.—No charge for the tool, except for a

1 case in which a tool is requested in phys-
2 ical form, a charge may be included for the
3 reasonable actual costs of preparing and
4 sending the tool.

5 (ii) COSTS FOR INDEPENDENT REPAIR
6 PROVIDERS.—Costs that are equivalent to
7 the lowest actual cost for which the manu-
8 facturer offers the tool to an authorized re-
9 pair provider, including any discount, re-
10 bate, or other financial incentive offered to
11 an authorized repair provider.

12 (iii) TERMS.—Terms that—

13 (I) are equivalent to the most fa-
14 vorable terms under which a manufac-
15 turer offers the tools to an authorized
16 repair provider, including the methods
17 and timeliness of delivery of the tools;

18 (II) do not impose on an owner
19 or an independent repair provider any
20 substantial obligation to use or any
21 restriction on the use of the tool to di-
22 agnose, maintain, upgrade, repro-
23 gram, or repair farm equipment sold,
24 leased, or otherwise supplied by the
25 manufacturer, including a condition

1 that the owner or independent repair
2 provider become an authorized repair
3 provider of the manufacturer, that the
4 owner or independent repair provider
5 have internet access to use the tool, or
6 a requirement that a tool be reg-
7 istered, paired with, or approved by
8 the manufacturer or an authorized re-
9 pair provider before such part or tool
10 is operational; and

11 (III) prohibit a manufacturer
12 from imposing any additional cost or
13 burden that is not reasonably nec-
14 essary or is designed to be an impedi-
15 ment on the owner or independent re-
16 pair provider.

17 (C) DOCUMENTATION.—For documenta-
18 tion, the following:

19 (i) COSTS.—No charge for the docu-
20 mentation, except for a case in which docu-
21 mentation is requested in physical printed
22 form, a charge may be included for the
23 reasonable actual costs of preparing and
24 sending the copy.

1 (ii) TERMS.—Terms that are equiva-
2 lent to the most favorable terms under
3 which a manufacturer offers the docu-
4 mentation to an authorized repair provider,
5 including the methods and timeliness of
6 delivery of the part, tool, software, or doc-
7 umentation.

8 (7) FIRMWARE.—The term “firmware” means a
9 software program or set of instructions programmed
10 on farm equipment, or on a part for such equip-
11 ment, to allow the equipment or part to commu-
12 nicate within a networked product or system or with
13 other computer hardware, including any relevant
14 patch or fix made by the OEM of such equipment
15 or part.

16 (8) INDEPENDENT REPAIR PROVIDER.—The
17 term “independent repair provider” means, with re-
18 spect to farm equipment, a person who—

19 (A) is not an authorized repair provider of
20 the farm equipment; and

21 (B) provides diagnosis, maintenance, or re-
22 pair services for the farm equipment.

23 (9) MAINTENANCE.—The term “maintenance”
24 has the meaning given such term in section 117(d)
25 of title 17, United States Code.

1 (10) ORIGINAL EQUIPMENT MANUFACTURER;
2 OEM.—The term “original equipment manufacturer”
3 or “OEM” means any person that manufactures
4 farm equipment and sells, leases, or otherwise sup-
5 plies such farm equipment to any other person.

6 (11) OWNER.—The term “owner” means any
7 person that owns or leases farm equipment other
8 than the OEM of such farm equipment.

9 (12) PART.—The term “part” means any com-
10 ponent or subcomponent of farm equipment that is
11 sold, supplied, or otherwise made available by an
12 OEM for purposes of maintaining, repairing, or di-
13 agnosing such farm equipment.

14 (13) REPAIR.—The term “repair” has the
15 meaning given such term in section 117(d) of title
16 17, United States Code.

17 (14) SOFTWARE BILL OF MATERIAL.—The term
18 “software bill of material” means a formal record
19 containing the details and supply chain relationships
20 of various components used in building software.

21 (15) TOOL.—The term “tool” means any soft-
22 ware program (including any software update),
23 hardware implement, or other apparatus used for re-
24 pair-related diagnostic testing, maintenance, or re-
25 pair of farm equipment, including software or any

1 other mechanism that provisions the farm equip-
2 ment, programs the farm equipment, pairs a new
3 part, calibrates functionality, or performs any other
4 function required to bring the equipment back to
5 fully functional condition.

6 (16) TRADE SECRET.—The term “trade secret”
7 has the meaning given such term in section 1839 of
8 title 18, United States Code.

9 **SEC. 3. REQUIREMENTS FOR OEMS.**

10 (a) IN GENERAL.—An original equipment manufac-
11 turer shall make available, on fair and reasonable terms—

12 (1) to any owner or independent repair pro-
13 vider, any documentation, part, software, firmware,
14 or tool intended for use in order to diagnose, main-
15 tain, upgrade, reprogram, or repair farm equipment;
16 and

17 (2) to the owner or with the authorization of
18 the owner to an independent repair provider, any
19 farm equipment data generated by the farm equip-
20 ment of the owner.

21 (b) DISABLING SECURITY FUNCTIONS.—An OEM
22 shall make available to any owner or independent repair
23 provider, on fair and reasonable terms, any documenta-
24 tion, part, software, or tool required to disable or enable

1 a technological protection measure or other security-re-
2 lated function of farm equipment.

3 (c) INTERACTION WITH COPYRIGHT LAWS.—

4 (1) IN GENERAL.—Notwithstanding section
5 1201(a) of title 17, United States Code, a person
6 may circumvent a technological measure that effec-
7 tively controls access to a work protected under such
8 title in connection with an activity protected under
9 this Act if the purpose of such circumvention is—

10 (A) to diagnose, maintain, upgrade, reprogram, or repair farm equipment;

11 (B) to the extent not provided for in sec-
12 tion 1201(f) of title 17, United States Code, to
13 enable interoperability with any computer pro-
14 gram contained in and that controls the func-
15 tioning of farm equipment or any product used
16 to diagnose, maintain, upgrade, reprogram, or
17 repair farm equipment;

18 (C) to the extent not provided for in sub-
19 sections (g) and (j) of section 1201 of title 17,
20 United States Code, to conduct security re-
21 search relating to farm equipment; or

22 (D) to enable non-infringing modifications
23 of any computer program contained in and that
24 controls the functioning of farm equipment or
25

1 any device used to diagnose, maintain, upgrade,
2 reprogram, or repair farm equipment.

3 (2) ACCESS TO CIRCUMVENTION TECH-
4 NOLOGIES.—Notwithstanding subsection (a) or (b)
5 of section 1201 of title 17, United States Code, a
6 person may, for the purposes described in paragraph
7 (1), manufacture, import, offer to the public, pro-
8 vide, or otherwise traffic in any technology, product,
9 service, device, component, or part thereof that is
10 primarily designed or produced for the purpose of or
11 use in circumventing—

12 (A) a technological measure that effectively
13 controls access to a work protected under such
14 title; or

15 (B) any protection afforded by a techno-
16 logical measure that effectively protects a right
17 of a copyright owner under such title in a work
18 or a portion thereof.

19 (d) ENSURING COMMON AVAILABILITY.—

20 (1) IN GENERAL.—An OEM that stops offering
21 any documentation, part, software, or tool to any
22 authorized repair provider, independent repair pro-
23 vider, or equipment owner shall be subject to civil
24 penalties under section 4(c).

1 (2) REPLACEMENT.—An OEM shall ensure
2 that any part required by the OEM’s farm equip-
3 ment can be replaced without causing damage to the
4 equipment using—

5 (A) a commonly available tool; or

6 (B) a tool that is not commonly available
7 that is made available to owners or independent
8 repair providers by the OEM on fair and rea-
9 sonable terms.

10 **SEC. 4. ENFORCEMENT.**

11 (a) UNFAIR OR DECEPTIVE ACTS OR PRACTICES.—
12 A violation of section 3 or a regulation promulgated under
13 this Act shall be treated as a violation of a rule defining
14 an unfair or deceptive act or practice under section
15 18(a)(1)(B) of the Federal Trade Commission Act (15
16 U.S.C. 57a(a)(1)(B)).

17 (b) POWERS OF THE COMMISSION.—

18 (1) IN GENERAL.—The Commission shall en-
19 force this Act and any regulations promulgated
20 under this Act in the same manner, by the same
21 means, and with the same jurisdiction, powers, and
22 duties as though all applicable terms and provisions
23 of the Federal Trade Commission Act (15 U.S.C. 41
24 et seq.) were incorporated into and made a part of
25 this Act.

1 (2) PRIVILEGES AND IMMUNITIES.—Subject to
2 subsection (c), any person who violates section 3 or
3 a regulation promulgated under this Act shall be
4 subject to the penalties and entitled to the privileges
5 and immunities provided in the Federal Trade Com-
6 mission Act (15 U.S.C. 41 et seq.).

7 (3) AUTHORITY PRESERVED.—Nothing in this
8 Act shall be construed to limit the authority of the
9 Commission under any other provision of law.

10 (c) ADDITIONAL PENALTIES AND AUTHORITY.—In
11 addition to the authority and penalties provided in the
12 Federal Trade Commission Act (15 U.S.C. 41 et seq.),
13 an OEM who violates section 3(d)(1) shall be subject to
14 a civil penalty—

15 (1) for the first violation, in an amount of
16 \$1,000 for each day such OEM was in violation;

17 (2) for the second violation, in an amount of
18 \$2,000 for each day such OEM was in violation; and

19 (3) for the third and subsequent violations, in
20 an amount of \$5,000 for each day such OEM was
21 in violation.

22 **SEC. 5. RULEMAKING.**

23 (a) IN GENERAL.—The Commission shall promulgate
24 rules as may be necessary to carry out this Act in accord-
25 ance with section 553 of title 5, United States Code.

1 (b) CLEAN AIR ACT.—The Commission shall promul-
2 gate rules that are consistent with the Clean Air Act (42
3 U.S.C. 7401 et seq.) and any related regulation, including
4 paragraphs (1) and (6) of section 1068.101(b) of title 40,
5 Code of Federal Regulations (or a successor regulation).

6 **SEC. 6. LIMITATIONS.**

7 Nothing in this Act may be construed—

8 (1) to require an OEM to divulge trade secrets
9 to an owner or an independent service provider, ex-
10 cept as necessary to provide access to repair mate-
11 rial or process on fair and reasonable terms, con-
12 sistent with this Act;

13 (2) to alter the terms of an agreement between
14 an OEM and an authorized repair provider, except
15 with respect to any provision of such an agreement
16 that would limit the obligations of an OEM under
17 this Act;

18 (3) to require an authorized repair provider to
19 make any documentation, part, or tool for farm
20 equipment made by an OEM with which the author-
21 ized repair provider does not have an arrangement
22 described in section 2(1);

23 (4) to require an OEM to provide any part or
24 equipment solely used in the development of their
25 products; or

1 (5) to allow—

2 (A) any modification that permanently de-
3 activates a safety notification system when farm
4 equipment is being repaired;

5 (B) access to any function of a tool that
6 enables the owner or independent repair pro-
7 vider to change the settings of farm equipment
8 so as to bring the equipment permanently out
9 of compliance with any applicable safety or
10 emissions laws;

11 (C) any violation of emissions laws or
12 copyright laws; or

13 (D) any other illegal modification activi-
14 ties.

○

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS**

STATE OF NEW JERSEY, <i>et al.</i> ,	)	
	)	
Plaintiffs,	)	
	)	Civil Action No. 25-11816-IT
v.	)	
	)	
U.S. OFFICE OF MANAGEMENT	)	
AND BUDGET, <i>et al.</i> ,	)	
	)	
Defendants.	)	

**BRIEF OF 13 MEMBERS OF CONGRESS AS *AMICI CURIAE* IN SUPPORT OF
PLAINTIFFS' PARTIAL MOTION FOR SUMMARY JUDGMENT¹**

Joshua D. Schnell*
Samuel Van Kopp*
Cordatis LLP
1011 Arlington Boulevard
Suite 375
Arlington, VA 22209
(202) 342-2550
jschnell@cordatislaw.com
svankopp@cordatislaw.com

Krista Oehlke (BBO# 707566)
Perry Law
445 Park Avenue, 7th Floor
New York, NY 10022
(212) 213-3070
koehlke@danyaperrylaw.com

*Admitted *Pro Hac Vice*

Dated: September 18, 2025

Counsel for Amici Curiae 13 Members of Congress

¹ The Court granted *Amici* leave to file this brief on September 15, 2025 (ECF 93).

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	)	
Defendants.	)	
	)	

INTEREST OF *AMICI CURIAE*

Amici curiae are thirteen Members of Congress—six Senators and seven Members of the House of Representatives. As Members of Congress, *Amici* have a strong interest in protecting Congress’s exclusive authority over legislation and appropriations. As Members with constituents who benefit from U.S. Department of Agriculture (USDA) programs, *Amici* support USDA programs that alleviate food insecurity and support small farmers and rural communities. *Amici* have an interest in this litigation because plaintiffs are challenging, among other things, defendants’ termination of USDA programs benefiting the states and districts they represent.

The thirteen *Amici curiae* Members are as follows:

U.S. Senator John Fetterman	U.S. Representative Chrissy Houlahan
U.S. Senator Amy Klobuchar	U.S. Representative Angie Craig

¹ The Court granted *Amici* leave to file this brief on September 15, 2025 (ECF 93). No counsel for any party authored this brief in whole or in part, and no party or their counsel funded this brief.

U.S. Representative Mary Gay Scanlon

U.S. Representative Chris Deluzio

U.S. Representative Dwight Evans

U.S. Senator Adam Schiff

U.S. Representative Madeleine Dean

U.S. Senator Chris Van Hollen

U.S. Senator Ben Ray Luján

U.S. Senator Cory Booker

U.S. Senator Peter Welch

INTRODUCTION

Under the United States Constitution, Congress has the exclusive authority to legislate and appropriate. In this capacity, Congress has passed laws and appropriated funds for critical financial assistance programs that are implemented by virtually every federal agency. These programs fund research, schools, hospitals, healthcare, national security, rural communities, food banks, and many other congressionally mandated programs. Shortly after President Trump took office, however, federal agencies began arbitrarily terminating billions of dollars from these programs. To effectuate the terminations, the agencies relied on 2 C.F.R. § 200.340(a)(4), which is a subsection of a regulation buried deep in the Code of Federal Regulations. Under this subsection, federal agencies (many of whom are defendants in this case) argue that they can unilaterally terminate *any* federal financial assistance agreement based on purported “changes in program goals or agency priorities.” But federal agencies cannot use regulations to infringe on Congress’s authority to legislate and appropriate. The Court should therefore rule that defendants cannot use section 200.340(a)(4) to avoid statutory mandates, congressional policy directives, and appropriations laws.

ARGUMENT²

I. The Constitution requires federal agencies to follow statutory mandates and congressional policy directives

“Under Article II of the Constitution and relevant Supreme Court precedents, the President must follow statutory mandates so long as there is appropriated money available and the President has no constitutional objection to the statute.” *In re Aiken Cnty.*, 725 F.3d 255, 259 (D.C. Cir. 2013). In the D.C. Circuit’s *Aiken* decision, Supreme Court Justice Brett Kavanaugh (then serving as a circuit court judge) explained that it is a “settled, bedrock principle[] of constitutional law” that neither the President nor his “subordinate executive agencies” may “decline to follow a statutory mandate or prohibition simply because of policy objections.” *Id.*; *see also* U.S. Const. art. I, §§ 1, 9, cl. 7; U.S. Const. art. II, § 3. And this is no small matter. In reaching his *Aiken* holding, Justice Kavanaugh concluded that our constitutional system of government could fail if courts do not enforce the bedrock principle that the President cannot disregard statutory mandates and congressional policy directives:

This case has serious implications for our constitutional structure. It is no overstatement to say that our constitutional system of separation of powers would be significantly altered if we were to allow executive and independent agencies to disregard federal law in the manner asserted in this case by the Nuclear Regulatory Commission. Our decision today rests on the constitutional authority of Congress, and the respect that the Executive and the Judiciary properly owe to Congress in the circumstances here.

Id. at 266-67. “[A]bsent a lack of funds or a claim of unconstitutionality that has not been rejected by final Court order, the Executive must abide by statutory mandates and prohibitions.” *Id.* at 259.

² *Amici* support plaintiffs’ other arguments regarding defendants’ unlawful conduct, but this brief only addresses defendants’ violations of statutory mandates, congressional policy directives, and appropriations laws.

Just as importantly, “agencies are creatures of statute” and “possess only the authority that Congress has provided.” *Nat’l Fed’n of Indep. Bus. v. Dep’t of Lab., Occupational Safety & Health Admin.*, 595 U.S. 109, 117 (2022). An agency therefore “‘literally has no power to act’—including under its regulations—unless and until Congress authorizes it to do so by statute.” *Fed. Election Comm’n v. Cruz*, 596 U.S. 289, 301 (2022) (citations omitted). This rule “recognize[s] Madison’s teaching that the greatest security against tyranny—the accumulation of excessive authority in a single Branch—lies not in a hermetic division among the Branches, but in a carefully crafted system of checked and balanced power within each Branch.” *Mistretta v. United States*, 488 U.S. 361, 381 (1989).³ The Constitution’s exclusive grant of legislative authority to Congress prohibits federal agencies from ignoring statutory mandates and congressional policy directives.

Further, the Constitution’s “Take Care” Clause requires that the President “shall take Care that the Laws be faithfully executed.” U.S. Const. art. II, § 3. This “constitutional duty” to faithfully execute the law “does not permit the President to refrain from executing laws duly enacted by the Congress as those laws are construed by the judiciary.” *Nat’l Treasury Emps. Union v. Nixon*, 492 F.2d 587, 604 (D.C. Cir. 1974). Instead, when the President acts, his power “must stem either from an act of Congress or from the Constitution itself.” *Youngstown Sheet & Tube Co. v. Sawyer*, 343 U.S. 579, 585 (1952).

II. Federal agencies cannot use 2 C.F.R. § 200.340(a)(4) to avoid statutory mandates and congressional policy directives

The Court should grant plaintiffs’ motion for partial summary judgment by ruling that defendants cannot use 2 C.F.R. § 200.340(a)(4) to terminate grants in violation of statutory mandates

³ See also *Wash. Airports Auth. v. Citizens for Abatement of Aircraft Noise, Inc.*, 501 U.S. 252, 273 (1991) (“Time and again we have reaffirmed the importance in our constitutional scheme of the separation of governmental powers into the three coordinate branches.”) (cleaned up).

and congressional policy directives.⁴ Under section 200.340(a)(4), defendants can terminate a grant “pursuant to the terms and conditions of the Federal award, *including, to the extent authorized by law, if an award no longer effectuates the program goals or agency priorities.*” (emphasis added). Nothing in this regulatory provision authorizes federal agencies to terminate grants that are otherwise required by statutory mandates or congressional policy directives.

To the contrary, defendants’ section 200.340(a)(4) terminations are unlawful if they conflict with statutory mandates or congressional policy directives. This conclusion is consistent with longstanding Supreme Court precedent, which holds that courts “must reject administrative constructions of [a] statute, whether reached by adjudication or by rule-making, that are inconsistent with the statutory mandate or that frustrate the policy that Congress sought to implement.” *Fed. Election Comm’n v. Dem. Sen. Campaign Comm.*, 454 U.S. 27, 32, (1981) (citing *SEC v. Sloan*, 436 U.S. 103, 118 (1978); *FMC v. Seatrain Lines, Inc.*, 411 U.S. 726, 745–746 (1973); *Volkswagenwerk v. FMC*, 390 U.S. 261, 272 (1968); *NLRB v. Brown*, 380 U.S. 278, 291 (1965)). In other words, “[r]eviewing courts are not obliged to stand aside and rubberstamp their affirmance of administrative decisions that they deem inconsistent with a statutory mandate or that frustrate the congressional policy underlying a statute.” *NLRB*, 380 U.S. at 291; *see In re Aiken Cnty.*, 725 F.3d at 259 (ruling agencies cannot “decline to follow a statutory mandate or prohibition simply because of policy objections.”). This Court should therefore rule that defendants cannot use section 200.340(a)(4) in violation of statutory mandates and congressional policy directives.

⁴ For simplicity, this brief uses “grants” as a catch-all term that encompasses grants, cooperative agreements, and the other types of federal financial assistance agreements at issue in this case.

III. The Constitution gives Congress the exclusive authority to appropriate funds

The Constitution's Appropriations Clause gives Congress the exclusive authority to appropriate funds for use by the Executive Branch: "No Money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law." U.S. CONST. art. I, § 9, cl. 7. "Textually, the command is unmistakable—'no money can be paid out of the Treasury unless it has been appropriated by an act of Congress.'" *Consumer Fin. Prot. Bureau v. Cmty. Fin. Servs. Ass'n of Am., Ltd.*, 601 U.S. 416, 425, (2024) (quoting *Cincinnati Soap Co. v. United States*, 301 U.S. 308, 321 (1937)). The Appropriations Clause therefore gives Congress "exclusive power over the federal purse." *Dep't of Navy v. FLRA*, 665 F.3d 1339, 1346 (D.C. Cir. 2012) (citation omitted); see *Office of Personnel Mgmt. v. Richmond*, 496 U.S. 414, 424 (1990) ("Money may be paid out only through an appropriation made by law; in other words, the payment of money from the Treasury must be authorized by a statute.").

Congress's "power over the purse may, in fact, be regarded as the most complete and effectual weapon with which any constitution can arm the immediate representatives of the people, for obtaining a redress of every grievance, and for carrying into effect every just and salutary measure." THE FEDERALIST NO. 58, at 359 (James Madison) (Clinton Rossiter ed., 1961). Put differently, "the Appropriations Clause is [] a bulwark of the Constitution's separation of powers among the three branches of the National Government." *FLRA*, 665 F.3d at 1347. And as then-Judge Kavanaugh concluded in the *FLRA* case, the Appropriations Clause "is particularly important as a restraint on Executive Branch officers: If not for the Appropriations Clause, 'the executive would possess an unbounded power over the public purse of the nation; and might apply all its monied resources at his pleasure.'" *Id.* (quoting 3 JOSEPH STORY, COMMENTARIES ON THE CONSTITUTION OF THE UNITED STATES § 1342, at 213–14 (1833)). When "the

decision to spend [is] determined by the Executive alone, without adequate control by the citizen's Representatives in Congress, liberty is threatened." *Clinton v. City of New York*, 524 U.S. 417, 451 (1998) (Kennedy, J., concurring).

To protect its power over the purse, Congress has enacted several "statutes [that] reinforce Congress's control over appropriated funds." *FLRA*, 665 F.3d at 1347. For example, the Purpose Statute "provides that appropriated funds may be applied only 'to the objects for which the appropriations were made.'" *Id.* (quoting 31 U.S.C. § 1301(a)). Similarly, the Anti-Deficiency Act "makes it unlawful for government officials to 'make or authorize an expenditure or obligation exceeding an amount available in an appropriation' or to involve the Federal Government 'in a contract or obligation for the payment of money before an appropriation is made unless authorized by law.'" *Id.* (quoting 31 U.S.C. § 1341(a)(1)(A)-(B)). And the Impoundment Control Act of 1974 (2 U.S.C. §§ 682-688) prohibits the President from refusing to spend appropriated funds.

IV. Federal agencies cannot use 2 C.F.R. § 200.340(a)(4) to withhold appropriated funds

The Court should grant plaintiffs' motion for partial summary judgment by ruling that defendants cannot use 2 C.F.R. § 200.340(a)(4) to avoid spending appropriated funds. It is axiomatic that the President cannot withhold appropriated funds based on priorities and policies that conflict with appropriations laws. *See, e.g., Hart's Case*, 16 Ct. Cl. 459, 484 (1880), *aff'd*, 118 U.S. 62 (1886) ("The absolute control of the moneys of the United States is in Congress, and Congress is responsible for its exercise of this great power only to the people."). Congress has codified this bedrock principle of constitutional law in at least two statutes. First, 31 U.S.C. § 1512 prohibits the President and other federal officials from refusing to spend appropriated funds *unless* Congress has approved the rescission of those funds. Second, the Impoundment Control Act provides that

the President can only impound—i.e., refuse to spend—appropriated funds *if* Congress agrees to rescind those funds within 45-days of a rescission request:

Any amount of budget authority proposed to be rescinded or that is to be reserved as set forth in such special message shall be made available for obligation unless, within the prescribed 45-day period, the Congress has completed action on a rescission bill rescinding all or part of the amount proposed to be rescinded or that is to be reserved. Funds made available for obligation under this procedure may not be proposed for rescission again.

2 U.S.C. § 683(b). Absent such a congressionally approved rescission, “the President and federal agencies may not ignore statutory mandates or prohibitions merely because of policy disagreement[s] with Congress.” *In re Aiken Cnty.*, 725 F.3d 255, 260 (D.C. Cir. 2013) (citing *Lincoln v. Vigil*, 508 U.S. 182, 193 (1993)). Put simply, “*even the President* does not have unilateral authority to refuse to spend [appropriated] funds.” *Id.* at n.1 (emphasis added).⁵ The Court should therefore rule that defendants cannot use section 200.340(a)(4) to terminate grants if doing so would violate appropriations laws.

V. Defendants’ unlawful use of 2 C.F.R. § 200.340(a)(4) is harming the States

If this Court allows federal agencies to use section 200.340(a)(4) to terminate grants in violation of statutory mandates, congressional policy directives, and appropriations laws, the plaintiff States (and all other American citizens) will face a hard truth: the federal government is no longer a reliable partner. To illustrate the destructive harm caused by the Administration’s arbitrary revocation of federal funds based on undefined and amorphous changes in “program goals and

⁵ See also Memorandum from William H. Rehnquist, Assistant Attorney General, Office of Legal Counsel, to Edward L. Morgan, Deputy Counsel to the President (Dec. 1, 1969), reprinted in *Executive Impoundment of Appropriated Funds: Hearings Before the Subcomm. on Separation of Powers of the S. Comm. on the Judiciary*, 92d Cong. 279, 282 (1971) (“With respect to the suggestion that the President has a constitutional power to decline to spend appropriated funds, we must conclude that existence of such a broad power is supported by neither reason nor precedent.”).

agency priorities,” the remainder of this brief explains how USDA’s unlawful use of section 200.340(a)(4) is harming American farmers, rural communities, and food insecure individuals throughout the Commonwealth of Pennsylvania and the rest of the country.

A. USDA’s unlawful use of 2 C.F.R. § 200.340(a)(4) is inflicting severe harm on farmers, ranchers, agricultural producers, and food insecure individuals

Unfortunately, USDA has not publicly released its list of programs that purportedly no longer effectuate program goals or agency priorities. Nor, to the knowledge of *Amici*, has USDA provided this list to Congress. The precise scope of USDA’s actions is therefore difficult to verify. Nevertheless, limited information provided to Congress indicates that USDA has terminated—or otherwise refused to fund—a number of congressionally mandated programs.

For example, the Regional Conservation Partnership Program (RCPP) is a mandatory Farm Bill Program administered by the Natural Resources Conservation Service. *See* Food Security Act of 1985, § 1271D(a), 16 U.S.C. § 3871d(a). In June 2025, USDA rescinded over \$1 billion in RCPP funding for Fiscal Year (FY) 2025.⁶ In its rescission letters, USDA encouraged organizations with rescinded FY 2025 awards to reapply for FY 2026 awards *when* USDA opened the FY 2026 application period. But weeks away from FY 2026, USDA has not opened the application period. Given the common knowledge within USDA and the conservation community that RCPP contracts can take more than a year to go from award to fully executed and signed agreement, USDA’s conduct indicates that it is refusing to implement the RCPP in violation of statutory mandates, congressional policy directives, and appropriations laws. *See* 16 U.S.C. § 3871d(a).

Obfuscating an already murky decision-making process, USDA rescinded several RCPP awards that were funded with Farm Bill appropriations by conflating those funds with a different

⁶ Chris Clayton, *USDA Cuts Hit RCPP Grant Projects*, DTN PROGRESSIVE FARMER, JULY 14, 2025, available at <https://tinyurl.com/mrc4xt8e>.

appropriation—the supplemental RCPP funding that Congress provided in the Inflation Reduction Act. USDA’s lack of clarity blindsided more than 60 organizations dedicated to conservation stewardship. And hundreds—if not thousands—of farmers and communities set to benefit from the RCPP are now far less likely to participate in future regional conservation projects. The same is true about participants in the Food for Progress and McGovern-Dole International Food for Education and Child Nutrition Programs who have been similarly harmed by USDA’s purported “changes in agency priorities” related to those international assistance programs.

Given USDA’s lack of transparency, the intended (and unintended) consequences of its unlawful actions are difficult to quantify. This is because Congress has directed USDA to implement so many vital programs for States, local governments, research and educational institutions, farmers, ranchers, other agricultural producers, and food insecure individuals. Nevertheless, the following non-exhaustive summary of those served by USDA programs demonstrates the harm that *Amici*’s constituents will suffer if the Court allows USDA (and the other defendants) to use section 200.340(a)(4) to violate statutory mandates, congressional policy directives, and appropriations laws:

- Over 3.4 million American farmers, ranchers, and stewards of 880 million acres of private farmland.⁷
- Approximately 18 million American households experiencing food insecurity, including the nearly 1 in 5 households with children who are food insecure.⁸

⁷ See NAT’L AGRIC. STATISTICS SERV., U.S. DEP’T OF AGRIC., 2022 CENSUS OF AGRICULTURE, SUMMARY AND STATE DATA, 3 tbl. 1; 57 tbl. 52 (2024), available at <https://tinyurl.com/37ecvsh5>.

⁸ MATTHEW P. RABBITT ET AL., ECON. RES. SERV., U.S. DEP’T OF AGRIC., HOUSEHOLD FOOD SECURITY IN THE UNITED STATES IN 2023, 8-10 (2024), available at <https://tinyurl.com/f4r4vy9t> (see 10 fig. 2, stating that 17.9% of households with children experienced food insecurity in 2023).

- Nearly 30 million students in approximately 94,000 elementary and secondary schools nationwide benefiting from the National School Lunch Program and School Breakfast Program.⁹
- Approximately 9.6 million families, individuals, trusts, estates, and family partnerships who control around 110 million hectares of forestland.¹⁰
- Over 10,000 scientists, experts, and educators at American land-grant universities who leverage millions of dollars in research grants from the National Institutes of Food & Agriculture to keep America at the forefront of food and agriculture-related challenges.
- Millions of Americans who access information and training from land-grant universities through the Cooperative Extension System's offices in or near 3,000 counties.¹¹
- Every rural community in need of support from USDA's more than 50 rural development programs for economic development, health care, broadband and telecommunications access, wastewater and water utilities infrastructure support, energy access, affordable housing, and community facilities development.¹²

Notwithstanding the above list, precisely accounting for the full scope of USDA's reach is nearly impossible, as participation in many programs fluctuates based on need—like nutrition assistance—or by choice—like conservation programs with voluntary enrollment. What *Amici* can say with certainty, however, is that USDA's congressionally mandated programs will fail if States and their residents can no longer depend on USDA as a reliable partner to support American

⁹ KARA CLIFFORD BILLINGS, Cong. Res. Serv., R48515, SCHOOL LUNCH AND BREAKFAST PARTICIPATION: A SNAPSHOT OF RECENT TRENDS (2025), available at <https://tinyurl.com/5t2xe4ph>.

¹⁰ Brett J. Butler et al., *Studies of Family Forest Owners in the USA: A Systematic Review of Literature from 2000 through 2019*, 22 SMALL-SCALE FORESTRY at 1 (2022), available at <https://tinyurl.com/fz9e8hny>.

¹¹ NAT'L INST. OF FOOD & AGRIC., U.S. DEP'T OF AGRIC., COOPERATIVE EXTENSION PROGRAM, Sep. 19, 2025, available at <https://tinyurl.com/nyxn9djv>.

¹² LISA S. BENSON ET AL., CONG. RES. SERV., RURAL DEFINITIONS USED FOR ELIGIBILITY REQUIREMENTS IN USDA RURAL DEVELOPMENT PROGRAMS (2023), available at <https://tinyurl.com/33yn-wvnc>; KATIE JONES & MAGGIE MCCARTY, CONG. RES. SERV. R47044, USDA RURAL HOUSING PROGRAMS: AN OVERVIEW (2022), available at <https://tinyurl.com/27wr3yx7>.

agriculture, defeat food insecurity, and help rural communities prosper. *Amici* cannot stress this point enough: USDA's success depends on its partnerships with agricultural producers and rural communities. These partners *will not* participate in USDA programs if federal agencies can disregard statutory mandates, congressional policy directives, and appropriations laws after every presidential election.

B. USDA's termination of the Local Food Purchase Assistance Cooperative Agreement Program shows the harm caused by USDA's unlawful use of 2 C.F.R. § 200.340(a)(4)

Under its Local Food Purchase Assistance Cooperative Agreement Program (LFPA), USDA provided Pennsylvania and other plaintiff States with funding to purchase and distribute local foods to underserved communities. *See* ECF 64, Am. Compl. ¶¶ 106-118. The general purposes of the LFPA Program were the bipartisan goals of defeating food insecurity and improving the resiliency of America's agricultural supply chains. *Id.* at ¶¶ 108-109. In early 2025, USDA informed Pennsylvania that it would be receiving an additional \$13 million in LFPA funds. In March 2025, however, USDA terminated its LFPA agreements with Pennsylvania and other plaintiff States by relying on 2 C.F.R. § 200.340(a)(4) to assert that the LFPA "no longer effectuates agency priorities." *See id.* at ¶ 110. USDA's assertion is astounding: Congress created USDA to, among other things, defeat food insecurity and improve the resiliency of domestic agricultural supply chains.

Moreover, USDA's actions since March 2025 demonstrate that the LFPA Program remains consistent with USDA's priorities. For example, in May 2025, Secretary of Agriculture Rollins declared that "[t]he first policy pillar of the *Make Agriculture Great Again Agenda* focuses on the

prosperity of small family farms, which are the heart of our communities and our nation.”¹³ And a key part of USDA’s plan to support small family farms is to “prioritize local farmers in institutional and public food procurement policies . . . with an emphasis on USDA nutrition programs.” *Id.* at 8. Yet two months earlier, USDA terminated the LFPA Program because it purportedly no longer effectuates agency priorities. *See* Am. Compl. ¶ 110.

USDA’s termination of the LFPA Program has left farmers like veteran Jason Frye (owner of Pleasant Lane Farms in Latrobe, Pennsylvania) without the reliable income farmers need to sustain multi-year relationships with local food banks.¹⁴ According, to Mr. Frye, the LFPA Program benefited his veteran-owned farm in the following ways:

Pleasant Lane started working with Westmoreland Food Bank in 2020 as part of the USDA food box program, and since 2021, we’ve continued our relationship using PASS and LFPA funding for bi-monthly shipments to the food bank. We’ve started to produce and offer a wider variety of products as the food bank helps balance our production needs with our other customers and helps us ensure we have enough work to employ two full-time cheesemakers and three part-time packaging employees.

This relationship has helped create more predictable demand for our products,” Jason continued. “Our work with the food bank has given us flexibility to shift production capacity exclusively to food bank products when demand may be temporarily low and we may have had excess milk. The sales to the food bank on PASS and LFPA have helped us avoid food waste, while allowing us to work with more local suppliers for the packaging and logistics requirements for our organization. *Id.*

The Westmoreland Food Bank in Delmont, Pennsylvania has similarly suffered because of USDA’s termination of Pennsylvania’s LFPA Program:

Matty Tippet-Soto, Director of Warehouse Logistics for Westmoreland Food Bank, reflected, “The PASS and LFPA programs have had a huge impact on

¹³ U.S. DEP’T OF AGRIC., FARMERS FIRST; SMALL FAMILY FARMS POLICY AGENDA 3 (2025), *available at* <https://tinyurl.com/yc7nahcw>.

¹⁴ *Pleasant Lane Farms*, FEEDING PENNSYLVANIA, Feb. 24, 2025, <https://tinyurl.com/5y93b78c>.

our ability to provide our neighbors with locally sourced, nutritious foods. When the opportunity to use these funding streams to partner with Pleasant Lane came about, we knew we couldn't pass it up. It's really a full circle moment to be able to support a local family and veteran owned business, increase the amount of food that the food bank has access to and is able to distribute, and provide our neighbors with quality local dairy products. *Id.*

These LFPA Program benefits—which help achieve USDA's mission of defeating food insecurity and improving agricultural supply chains—are no longer available to Mr. Frye, Pleasant Lane Farms, and the Westmoreland Food Bank.

The unnecessary harm caused by USDA's unlawful termination of the LFPA Program is happening throughout the country. *See, e.g.*, ECF 64, Am. Compl. ¶¶ 111-118, 127-129. For example, in 2024, California distributed more than \$23 million in no longer available LFPA funds “to provide local healthy food and 18,647,546 meals to food-insecure Californians.”¹⁵ The impacts of these unlawful funding cuts are being unfairly absorbed by the very businesses USDA should be supporting. These businesses include Old Grove Orange—a California farm and food hub that relied on the LFPA Program to supply fresh produce to more than 45 school districts in the Greater Los Angeles basin:

Old Grove Orange operates as both a family farm and a food hub that coordinates with 28 farming families across San Bernardino and Riverside counties. Together, they supply produce to more than 45 school districts in the Greater Los Angeles Basin. Since 2005, 100% of their produce has been sold directly to K-12 school districts.

[The farmer and operator of Old Grove Orange] explained that this collaborative approach helps overcome barriers that would otherwise prevent small farms from accessing institutional markets.

“The average farm in San Bernardino County makes less than \$50,000. So 80% of farms in San Bernardino County make less than \$50,000 a year in sales,” she said. “And acreage wise, the vast majority are less than five acres.”

¹⁵ Kathrynne McCann, *How federal funding cuts are hitting Redlands farms and families*, COMMUNITY FORWARD REDLANDS, Apr. 8, 2025, available at <https://tinyurl.com/mr5hndmy>.

For these small producers, the federal programs provided crucial financial stability and market access. The cuts are especially devastating because farming requires long-term planning. *Id.*

Similarly, in the spring of 2025, Iowa lost roughly \$11.3 million in federal funding to support local food purchases through USDA's LFPA and Local Food for Schools Programs.¹⁶ Prior to these cuts, Iowa had used these programs to support approximately 300 farms who sent food to 135 Iowa school districts and 951 food distribution locations in 98 of the state's 99 counties.¹⁷ The timing of USDA's terminations left Iowa farmers blindsided at the start of planting season:

"Our farm has been supplying fresh, local meat through this program since it began," said Ryan Marquardt of Wild Rose Pastures in Van Meter. "We planned our 2025 production based on the promise of these programs continuing. Now, we have product in the pipeline with nowhere to sell it. LFPA allowed us to move remaining inventory efficiently, secure preorders for specialized products, and free up our limited time to focus on growing. With a couple thousand dollars in meat sales each year through LFPA, we've increased our gross farm sales by 50% over the last three years—money that goes right back into our local community."¹⁸

By increasing the production capacity of Iowa's local producers, these terminated USDA programs allowed organizations like Iowa Food Hub to partner with 140 producers and 40 schools to deliver local foods to families struggling to find enough to eat.¹⁹ Iowa Food Hub had scaled up its infrastructure to meet the expected demand from these programs in the coming year, and its

¹⁶ AGRIC. MARKETING SERV., U.S. DEP'T OF AGRIC., LFS, LFPA, AND LFPA PLUS AWARD TABLE (last updated December 9, 2024), available at <https://tinyurl.com/2p9n332j>.

¹⁷ Chris Clayton, Pushback Over Cutting Local Food Grants, DTN PROGRESSIVE FARMER, Mar. 17, 2025, available at <https://tinyurl.com/56k87yav>.

¹⁸ Press Release, Iowa Farmers Union, USDA Cancels Local Food Funding, Creating Uncertainty for Iowa Farmers and Food Hubs, Mar. 10, 2025, available at <https://tinyurl.com/mpsd93vb>.

¹⁹ Cami Koons, *USDA cuts programs bringing local food into schools, food banks*, IOWA CAPITAL DISPATCH, Mar. 11, 2025, available at <https://tinyurl.com/2kwcu79>.

general manager, Peter Kraus, noted the disconnect between the terminations and USDA's policy priorities:

"If they're looking for waste, there isn't any here," Kraus said, noting that funding goes to schools and food banks, then right back into the community. "If they're looking for 'America First,' local food is what 'America First' could look like." *Id.*

Jordan Scheibel, the owner of Middle Way Farm in Grinnell, Iowa, further explained how the terminations frustrated USDA's ability to meet its mission:

In many cases, it's not that Iowa's communities can't produce the food locally, it's that farmers cannot risk scaling up unless they know that what they grow can be sold. LFPA gives certainty to many growers. This funding being unceremoniously cut off hurts farmers, low-income households, and rural vitality with no discernible benefit. It's short-sighted and, in fact, wastes the effort and planning that has gone into the program up to this point. *Id.*

The harms caused by USDA's termination of the LFPA Program extend well beyond Iowa, California and Pennsylvania. For example, in early 2025, USDA promised Minnesota approximately \$4.7 million in additional LFPA funds. Following the inauguration, however, USDA reneged on this promise. Like those in Iowa, California and Pennsylvania, Minnesota farmers and food banks are paying a steep price for USDA's unlawful actions.²⁰

In sum, USDA's unlawful use of 2 C.F.R. § 200.340(a)(4) is inconsistent with the statutory mandates, congressional policy directives, and appropriations laws that require USDA to defeat food insecurity, support local farms, and increase the resiliency of agricultural supply chains. Making matters worse, USDA's unlawful conduct is harming farmers, food banks, and food insecure individuals across the country.

²⁰ Christopher Ingraham, *USDA cancels \$18 million in funding for school meals and food banks in Minnesota*, MINNESOTA REFORMER, Mar. 11, 2025, available at <https://tinyurl.com/y3uupj7k>.

CONCLUSION

As demonstrated in this brief, USDA and the other federal agency defendants cannot rely on 2 C.F.R. § 200.340(a)(4) to avoid statutory mandates, congressional policy directives, and appropriations laws. The Court should therefore grant plaintiffs' partial motion for summary judgment.

Respectfully submitted,

/s/ Joshua D. Schnell
Joshua D. Schnell*
Samuel Van Kopp*
Cordatis LLP
1011 Arlington Boulevard
Suite 375
Arlington, VA 22209
(202) 342-2550
jschnell@cordatislaw.com
svankopp@cordatislaw.com

/s/ Krista Oehlke
Krista Oehlke (BBO# 707566)
Perry Law
445 Park Avenue, 7th Floor
New York, NY 10022
Tel: (212) 213-3070
koehlke@danyaperrylaw.com

*Admitted *Pro Hac Vice*

Dated: September 18, 2025

Counsel for Amici Curiae 13 Members of Congress

CERTIFICATE OF SERVICE

I certify that on this 18th day of September 2025, a copy of the foregoing *Amici Curiae* Brief was served on the parties' counsel via the Court's ECF filing system.

/s/Joshua D. Schnell
Joshua D. Schnell*
Cordatis LLP
1011 Arlington Boulevard
Suite 375
Arlington, VA 22209
(202) 342-2550
jschnell@cordatislaw.com

*Admitted *Pro Hac Vice*

JOHN FETTERMAN
PENNSYLVANIA

United States Senate

WASHINGTON, DC 20510

<https://www.fetterman.senate.gov>

COMMITTEES:
AGRICULTURE, NUTRITION, AND FORESTRY
COMMERCE, SCIENCE, AND TRANSPORTATION
HOMELAND SECURITY
AND GOVERNMENTAL AFFAIRS

May 1, 2025

The Honorable Brooke Rollins
Secretary
U.S. Department of Agriculture
Washington, D.C. 20250

Dear Secretary Rollins,

Thank you for the work you've done for U.S. farmers, ranchers, and producers since February 13th, 2025. As we discussed when we met last December, I knew we would disagree in some areas, but I am encouraged by the way you've used your platform and voice to put producers first and support their livelihoods. That's why I am asking you to reinstate funding for two program that have been directly benefiting farmers: the Local Food Purchase Assistance Cooperative Agreement Program (LFPA) and the Emergency Food Assistance Program (TEFAP). Your department recently cancelled both the third round of LFPA funding and TEFAP purchases.

The Commonwealth of Pennsylvania (PA) has received nearly \$30 million through two rounds of LFPA funding (see Appendix A). Their allocation represents just 4% of the total LFPA amount, but the PA Department of Agriculture (PDA) has successfully leveraged this money to help farmers feed hungry Pennsylvanians. Of their allocation, PDA has purchased \$6.39 million in dairy products, \$5.09 million in eggs, \$4.46 million in meat and poultry products, and \$7.56 million in fresh produce, from a total of 189 independent farmers (see Appendix B). The funding has allowed the agricultural industry in PA to flourish (see Appendix C).

PDA also purchases TEFAP commodities—including fresh milk and canned/frozen vegetables—that are sourced from hundreds of local farms in PA. For example, PDA has told my staff that \$213,306.21 worth of dairy products from as many as 150-200 PA dairy farms was on order to be purchased, but recently cancelled. This cancellation of a contract throws my constituents into economic uncertainty, as input costs continue to rise and their supply chains become more volatile due to trade concerns.

While I appreciate that Section 32 purchases are making up for some of the value of the cancelled contracts, you must agree that Section 32 and TEFAP are separate programs serving distinct functions. Section 32 purchases serve a market stabilizing function, while TEFAP primarily serves hungry families. Though *both* programs support farmer livelihoods. The Section 32 purchases are also not a one-for-one replacement for the TEFAP purchases, and do not make farmers whole after their TEFAP contracts were cancelled.

Farmers—like all business owners—need certainty that the government will honor their contracts when they enter into business agreement with the USDA.

I appreciate our conversation on Tuesday, March 25, to discuss this issue. My staff was told by your team that the third round of LFPA (LFPA 25) was rescinded because PA does not need it. My staff was further told that PDA still had \$23 million left of unspent LFPA funds from the first two rounds, and later that number was updated to \$12 million by your staff. This is false, according to PDA's records, demonstrated by Appendix D, a claim receipt the PA Comptroller submitted for reimbursement. As you'll see, on March 27, PDA submitted a request for \$9,100,281.88. As the claim shows, they had already received \$17,859,688. Subtracting these two amounts from PA's total disbursement shows only \$2,964,640.12 left over. PDA affirms to my staff that they will spend this amount through July, and easily continue their implementation of this beneficial program with the third round of funding they deserve.

Further, I appreciate your response (see Appendix E) to Ranking Member Klobuchar's and my questions, along with our colleagues, about USDA actions under Executive Orders and Presidential Memoranda, dated April 3, 2025. In that response, however, you stated, "The Emergency Food Assistance Program (TEFAP) and all other nutrition programs have remained uninterrupted." This is inaccurate, as shown by USDA's demonstrated cancellation of TEFAP contracts. This decision interrupted PDA's operations and farmer incomes in my commonwealth. I ask that you honor the intent of your April 3rd letter by allowing PDA to fulfill these farmer contracts under TEFAP.

With this information in mind, no later than Friday, May 9, 2025, I ask that you 1) answer the following questions and 2) commit in writing to both disburse LFPA25 funds to PA and reinstate all of PDA's TEFAP contracts, as quickly as possible.

- 1) On what date did you—or an authorized staff—internally approve rescinding LFPA25 funds?
- 2) On what date did you—or an authorized staff—internally approve cancelling TEFAP contracts?
- 3) What is your justification—especially in light of evidence contradicting USDA's stated justification to my staff—for rescinding LFPA25 funds? Please provide all relevant internal communications, documents, and authority justifying this decision.
- 4) What is your justification for cancelling TEFAP contracts? Please provide all relevant internal communications, documents, and authority justifying this decision.
- 5) What plans exist to use the rescinded LFPA and cancelled TEFAP funds?
 - a. If such plans exist, has the money already been spent on those other plans?
 - b. Specifically, how much of the money has been spent on what other plans and programs?
 - c. Through what statutory authority did you move this money to other programs?

Thank you in advance for your helpful responses to my questions, and your continued commitment for our staffs to work together on this. I look forward to our

continued work to promote U.S. agricultural success, which LFPA and TEFAP contribute towards.

A handwritten signature in black ink, appearing to be 'John Fetterman', with a large loop at the start and a horizontal line extending to the right.

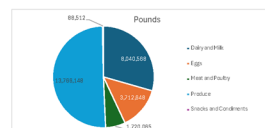
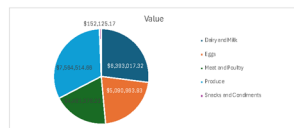
John Fetterman
U.S. Senator

[illegible]

LFPAYear 1/2/3 Report Materials

[illegible]

	<u>Value</u>	<u>Pounds</u>
Dairy and Milk	\$6,393,617.32	8,040,568
Eggs	\$5,090,983.93	3,712,048
Meat and Poultry	\$4,461,376.23	1,720,085
Produce	\$7,564,514.66	13,786,148
Snacks and Condiments	\$512,125.17	88,512
	<u>\$23,961,997.31</u>	<u>27,327,040</u>



Appendix C

LOCAL FOOD PURCHASE ASSISTANCE COOPERATIVE AGREEMENT PROGRAM (USDA)

SUPPORTING PENNSYLVANIA FARMERS, FOOD BANKS & FAMILIES

The Local Food Purchase Assistance Cooperative Agreement Program (LFPA) provides funding for states to purchase local foods to help support farmers and feed families. While increasing local food consumption, these funds help build and expand economic opportunities for farmers who operate small businesses, are just beginning, may not have access to limited resources.

**27.2 MILLION
POUNDS OF FOOD**



purchased from PA farmers
and producers via LFPA

EXPANDING MARKETS FOR PRODUCERS

The LFPA Program is designed to help farms and vendors of all sizes manage risk and create markets for new product, providing an economic safety net while vendors build their customer base. Additionally, vendors can work with food banks to plan for needed products for the upcoming season. As supply is available for the food bank, it can then be purchased using LFPA funds to be distributed locally.

**\$23.6 MILLION
DOLLARS INVESTED**



from LFPA in PA's food
and agricultural economy

INVESTING IN AGRICULTURE

Supporting local agriculture and small producers as well as food banks, Feeding Pennsylvania manages the program in collaboration with partners at the Pennsylvania Department of Agriculture and the U.S. Department of Agriculture. From August 2022 to February 2025, purchases made by food banks from producers via the LFPA program totaled more than \$23.6 million.

**22.6 MILLION
MEALS PROVIDED**

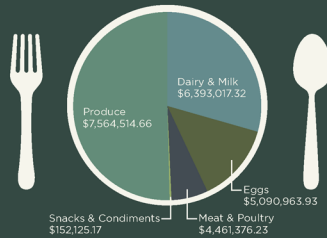


to more than 5.5 million
households throughout PA

IMPACTING COMMUNITIES

LFPA is designed to strengthen independent agribusinesses; over 89% of participating vendors are small businesses. LFPA vendors are passionate about supporting their communities, and many vendors choose to deliver directly to their local food pantries. Collectively, these pantries coordinate with over 2,000 distribution sites to provide food purchased through LFPA to Pennsylvanians facing hunger.

VALUE OF LFPA COMMODITIES



AIDING UNDER-RESOURCED AREAS

78% of locations in Pennsylvania that distribute food purchased by food banks through LFPA are located in under-resourced rural and densely populated urban areas.



All figures reference data collected between August 2022 and February 2025

LOCAL FOOD PURCHASE ASSISTANCE COOPERATIVE AGREEMENT PROGRAM (USDA)

PROVEN TO STRENGTHEN PA AGRIBUSINESSES

“

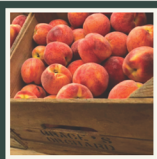

Think We Not Me Farming Program
 State College, Centre County

As an organization, Think We Not Me donated over 46,000 pounds of fresh produce in 2024 to over twenty local food banks and organizations that provide food for the food insecure. Probably one third of our budget includes reimbursement from the LFPA program through the Central Pennsylvania Food Bank. If we did not have this reimbursement to cover part of our expenses, we probably would only be able to donate half the amount of produce that we provide.

-Bill Zimmer, President

”

“


Brace's Orchard
 Dallas, Luzerne County

Our relationship with the Harry and Jeanette Weinberg NEPA Regional Food Bank has been a tremendous help for our business. Since LFPA funds have been available, we have worked together the past three seasons and look forward to continuing the relationship in 2025. The food bank places regular orders and purchases some extra skids when we have surplus. These orders help cover the costs for harvesting and storing produce throughout the winter and spring.

-Logan Brace, Owner and Ninth-Generation Farmer

”

“

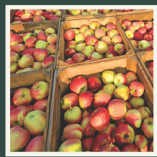

Backpack Yogurt (Country Foods)
 Mechanicsburg, Cumberland County

Working with the food banks through LFPA funding has provided a crucial opportunity for us to expand our reach and improve our production, allowing us to deliver high-quality dairy products to those in need. By partnering with food banks, Backpack Yogurt has been able to indirectly support over sixty small dairy farms in PA. The increased demand for our products has created a ripple effect, providing these farms with more consistent sales and enhancing their economic stability.

-Mike Baysal, Owner

”

“


John Schultz & Sons
 North East, Erie County

We are a sixth-generation family fruit farm. Our apples are grown, packed and delivered to folks within a 100-mile radius of our farm. We have supported our local food banks for decades and continue to see their needs grow as declining SNAP benefits and rising prices leave people in need of a helping hand. LFPA funding provides more locally sourced food to food banks while spending less on freight, warehousing and spoilage.

-Roger Schultz, Partner

”

Appendix D

Claim (CLM-144496)**Claim Information:**

1a. Request for Advance or Reimbursement
REIMBURSEMENT

1b. Type of Payment Requested:
PARTIAL

2. Basis of Request
ACCRUAL

3. Federal Sponsoring Agency and Organizational Element to Which This Report is Submitted
Agricultural Marketing Service

4. Federal Grant or Other Identifying Number Assigned by Federal Agency
AM22LFPAD0000C029

5. Partial Payment Request Number for this Request
#4

6. Employer Identification Number:

7. Recipient's Account or Identifying Number:
M42223

8. Period Covered By This Request
From **To**
7/1/24 3/27/25

9. Recipient Organization
Name: AGRICULTURE, PENNSYLVANIA
DEPARTMEN T OF
Number and Street: 2301 NORTH CAMERON STREET
City: HARRISBURG
State: PA
Zip: 17110-9408

10. Payee (Where check is to be sent if different than item 9)
Name:
Number and Street:
City:
State:
Zip:

Claim Amount:

11. Computation of Amount of Reimbursements/Advances Requested

Programs/ Functions/ Activities	As of Date	(a)	(b) Agency Calculations (For your reference only)	(c) Programs/ Functions/ Activities	Total
a. Total program outlays to date	3/27/25	\$15,182,027.06			\$15,182,027.06
b. Less: cumulative program income		\$0.00			\$0.00
c. Net program outlays (line a minus line b)		\$15,182,027.06			\$15,182,027.06
d. Estimated net cash outlays for advance period		\$0.00			
e. Total (sum of lines c & d)		\$15,182,027.06			\$15,182,027.06
f. Non-Federal share of amount on line e		\$0.00			\$0.00
g. Federal share of amount on line e		\$15,182,027.06			\$15,182,027.06
h. Federal payments previously requested		\$6,080,000.00	\$0.00		\$6,080,000.00
i. Federal share now requested (line g minus line h)		\$9,102,027.06			\$9,102,027.06
j. Advances required by month, when					

requested by Federal grantor agency for use in making prescheduled advances	1st month				
	2nd month				
	3rd month				

12. Alternate Computation for Advances Only

	Amount
a. Estimated Federal cash outlays that will be made during period covered by the advance	\$
b. Less: Estimated balance of Federal cash on hand as of beginning of advance period	\$
c. Amount requested (line a minus line b)	\$

13. Certification

I certify that to the best of my knowledge and belief the data on the reverse are correct and that all outlays were made in accordance with the grant conditions or other agreement and that payment is due and has not been previously requested.	SIGNATURE OR AUTHORIZED CERTIFYING OFFICIAL Alfredo Rivera	DATE REQUEST SUBMITTED 03/27/25
	TYPED OR PRINTED NAME OR TITLE Alfredo Rivera, Accountant 3	TELEPHONE (AREA CODE, NUMBER, EXTENSION) (717) 425-6777

14. Requested Amounts by Cost Element

Cost Element	Disbursed Amount	Open Balance	Direct Requested Amount	Indirect Requested Amount	Total Requested Amount
Personnel	\$0.00	\$0.00	---	---	\$0.00
Fringe Benefit	\$0.00	\$0.00	---	---	\$0.00
Equipment	\$0.00	\$0.00	---	---	\$0.00
Supplies	\$0.00	\$0.00	---	---	\$0.00
Contractual	\$0.00	\$0.00	---	---	\$0.00
Other	\$17,859,688.00	\$12,064,922.00	\$9,100,281.88	\$1,745.18	\$9,102,027.06
Travel	\$0.00	\$0.00	---	---	\$0.00
Total	\$17,859,688.00	\$12,064,922.00	\$9,100,281.88	\$1,745.18	\$9,102,027.06

Signature

Select a Partner by typing in the name of the individual in the box. Matching names will appear in a drop down box for your selection.

A Primary Certifying Official is a required Partner and notifications and work items will be sent to all listed Certifying Official.

Primary Certifying Official	Secondary Certifying Official
Alfredo Rivera	

Attachments

Title	Operator	Date/Time
ARPA Worksheet	PATRICK RUSSO	3/27/2025 2:09 PM

Comments

Comment	Commented By	Date/Time
Add attachment	Alfredo Rivera	3/27/25 2:02 PM

Appendix E



Secretary Brooke L. Rollins

Washington, D.C. 20250

April 3, 2025

THE HONORABLE AMY KLOBUCHAR
Ranking Member
Committee on Agriculture, Nutrition, and Forestry
United States Senate
 425 Dirksen Senate Office Building
 Washington, D.C. 20510

Dear Senator Klobuchar,

Thank you to you and your colleagues for your letter sent on February 5, 2025, to Acting Secretary Gary Washington regarding recent Executive Orders and Presidential Memoranda. As you know, the Acting Secretary responded February 7. Additionally, thank you for your subsequent letter on February 10. Today, I wanted to provide further insight as I approach my 50th day in office.

First, the U.S. Department of Agriculture (USDA) appreciates your commitment to farmers and ranchers. But as part of my responsibility during a transition, I undertook a substantive review of contracts, personnel, and spending.

I realize this review process has caused concern among producers and consumers who participate in longstanding USDA programs. However, as this review continues, program funding has been released. To date, funds have been released for the Environmental Quality Incentive Program (EQIP), the Conservation Stewardship Program (CSP), the Agricultural Conservation Easement Program (ACEP), the Dairy Business Innovation (DBI) Initiatives grant program, the Local Food Purchase Assistance (LFPA) Cooperative Agreement Program, Assisting Specialty Crop Exports (ASCE) initiative, the Land-Grant University Capacity grants, Market Access Program and Foreign Market Development, the Rural Energy for America Program (REAP), Empowering Rural America (New ERA) and Powering Affordable Clean Energy (PACE) programs.

It is also so important to note that programs like the Supplemental Nutrition Assistance Program (SNAP), The Emergency Food Assistance Program (TEFAP) and all other nutrition programs have remained uninterrupted. While the Biden Administration inflated statutory programs with Commodity Credit Corporation dollars without any plans for long-term solutions, and even in 2024, used the pandemic as a reason to make funding announcements, USDA will not lose focus on its mission of strengthening food security, supporting agricultural markets, and ensuring access to nutritious foods. For example, earlier this month, USDA released over half a billion in

previously obligated funds for local procurement programs to fulfill existing commitments and support ongoing local food purchases. Additionally, USDA recently announced \$261 million in available fruits, vegetables, and tree nuts, made possible through Section 32 purchases. These foods go directly to food banks and other charitable organizations. The Department will continue to use its procurement authority to support producers and consumers where appropriate, and with 16 nutrition programs under its purview, ensure families continue to have access to affordable and abundant food.

Each underscore the Trump Administration's commitment to rural communities, including the farmers, ranchers, and small businesses and their essential role in building a stronger, more resilient, and more secure America. As this review continues, I hope our staff can convene in regularly scheduled updates. Not only does that allow me to share information, but it allows us to collaborate.

My goals are many, including to make certain American agriculture remains the most competitive in the world. I also want to ensure we return the Department to one that puts farmers first and revitalizes rural America. And no matter the goal, each have one thing in common: to protect the food and national security of our great nation.

Please note a version of this letter will be shared with your colleagues. If you have further questions or concerns, please call me directly or have a member of your staff contact USDA's Office of Congressional Relations at (202) 720-7095 or ocr@usda.gov.

Sincerely,



Brooke L. Rollins
Secretary
U.S. Department of Agriculture

QUESTIONS AND ANSWERS

MARCH 10, 2026

U.S. Senate Committee on Agriculture, Nutrition, and Forestry
“Increasing Domestic Consumption of U.S.-Grown Agricultural Products”
 March 10, 2026
 Questions for the Record
Mr. Zippy Duvall

Senator Raphael Warnock

1. Heading into planting season, Georgia farmers are already seeing high input prices. As you know, the Middle East is a key supplier of fertilizers and fertilizer inputs. How will the conflict in Iran affect Georgia producers?
 - Georgia farmers are entering planting season at a time when fertilizer purchases are already underway, so disruptions in global supply chains can have immediate effects on both availability and price. This is especially important because producers have already seen sharp increases in urea prices alongside rising fuel costs, adding pressure ahead of spring fieldwork. Countries exposed to instability in the Persian Gulf account for nearly 49% of global urea exports and about 30% of ammonia exports, both essential nutrients for crop production, meaning tensions involving Iran can influence fertilizer markets worldwide.
 - Even though the United States does not rely heavily on direct fertilizer imports from the region, fertilizer markets are globally connected. When supplies tighten elsewhere, prices can rise for U.S. farmers as well. At a time when margins are already tight, higher fertilizer costs can affect application decisions, crop mix and overall planting risk for Georgia producers heading into the growing season. Additionally, farmers in the South and High Plains are less likely to pre-book fertilizer and may therefore be more exposed to disruptions from this conflict.
 - For these reasons, we have asked the White House to take several steps to maintain fertilizer availability during the spring planting season, including ensuring safe maritime transit through the Strait of Hormuz, addressing insurance barriers for fertilizer shipments, strengthening domestic transportation capacity and temporarily suspending countervailing duties on fertilizer imports. We are pleased with recent developments to waive the Jones Act, increasing our capacity to import more fertilizers, and look forward to future actions that will address fertilizer prices and availability. We are also urging Congress to provide additional market relief to address the impact of rising fuel and fertilizer prices on farm margins.
2. Access to fresh fruits and vegetables play an important role in improving health outcomes, especially for children. As you stated in the hearing, the vast majority of fruits and vegetables served in schools are foreign grown. How can we ensure that Georgia students have access to locally grown, healthy, and affordable produce?
 - Federal procurement is an established lever for reinforcing domestic production. In fiscal year 2025, federal agencies purchased approximately \$6.9 billion in U.S.-grown food and agricultural products. While this represents a small fraction of total consumption, it provides stable baseline demand in key sectors.

Strengthening oversight and enforcement of Buy American provisions in school meal programs, Department of War procurement, and nutrition programs can ensure that public dollars consistently reinforce domestic agriculture when practicable. Due to seasonality and U.S. agronomic conditions, domestic growers cannot meet 100% of public sector purchases, but federal policy should reflect a prioritization of domestically grown product at every possible opportunity.

- Current Buy American standards leave meaningful room for foreign sourcing and are inconsistently enforced. A “domestic” product may include as little as 51% U.S.-grown content, allowing nearly half of ingredients to be imported, with no consistent mechanism to verify sourcing. While exceptions are intended to be limited, they are widely used—of districts reporting exceptions, 94% used them for fruit and 55% for vegetables. Most cite limited domestic supply (88%) or higher U.S. prices (43%), with some reporting imported options costing nearly 30% less. Strengthening definitions, verification and accountability would better align procurement with the intent of supporting domestic producers.
- These policy prescriptions are predicated on sufficient domestic production to meet a significant proportion of domestic demand. U.S. agriculture has lost over 175,000 farms since 2017. In a struggling farm economy with soaring input costs across all farms, fruit and vegetable production bears disproportionate cost pressures. Labor expenses alone are roughly 7 to 8 times higher for specialty crop operations than the average U.S. farm (reaching about \$193,000 per operation in 2023 compared to roughly \$25,000 across all farms) and those costs are rising more rapidly as well. Fruits and vegetables are labor-intensive and still many years away from achieving the innovations needed to mechanize and automate in their production process like other commodities. As a result, in order to ensure locally grown, healthy and affordable produce is available for Georgia’s students, federal policy must address domestic production challenges, including but not limited to, our long neglected agricultural labor crisis.

Senator Adam Schiff

1. There have been reports that recent tension in Iran and the Middle East is impacting global food production. I am concerned that U.S. farmers heading into this planting season may experience the effects of tensions in the Middle East, particularly through disruptions to fertilizer and energy supplies. Are hostilities in the Middle East leading to uncertainty and/or rising input costs for American farmers?
 - Fertilizer and fuel are important inputs farmers rely on each spring, and both are closely tied to global markets. Fertilizer directly supports crop yields, while fuel powers fieldwork and the transportation systems that move inputs to farms. Recent tensions in the Middle East come at a time when farmers have already seen drastic increases in urea prices and higher fuel costs, adding pressure ahead of planting season. Countries exposed to instability in the Persian Gulf account for nearly 49% of global urea exports and about 30% of ammonia exports, both

essential nutrients for crop production. Even though the United States does not rely heavily on direct fertilizer imports from the region, disruptions there can tighten global supplies and raise prices paid by American farmers.

- At the same time, the Strait of Hormuz carries roughly 20% of global petroleum liquids consumption, meaning regional tensions can also push diesel prices higher and increase fertilizer production and transportation costs. Because fertilizer markets are globally integrated, volatility in this region creates uncertainty at exactly the point when many farmers are finalizing spring input decisions. For producers already facing tight margins, higher fertilizer prices can affect application rates, crop choices and overall risk heading into the growing season.
- For these reasons we have asked the White House to take several steps to maintain fertilizer availability during the spring planting season, including ensuring safe maritime transit through the Strait of Hormuz, addressing insurance barriers for fertilizer shipments, strengthening domestic transportation capacity and temporarily suspending countervailing duties on fertilizer imports. We are pleased with recent developments to waive the Jones Act, increasing our capacity to import more fertilizers, and look forward to future actions that will address fertilizer prices and availability. We are also urging Congress to provide additional market relief to address the impact of rising fuel and fertilizer prices on farm margins.

U.S. Senate Committee on Agriculture, Nutrition, and Forestry
Increasing Domestic Consumption of U.S.-Grown Agricultural Products

March 10, 2026

Questions for the Record

Mr. Matt Perdue

Senator John Fetterman

1. Mr. Perdue, I am a strong supporter of LFPA, and I appreciate that you shared support in your testimony. I've expressed my support with Secretary Rollins in written correspondence and several phone calls. I've also supported Pennsylvania and other states' effort to bring back LFPA through legal efforts. The 17-page letter I sent to the secretary and the amicus brief—signed by Ranking Member Klobuchar and several other committee members—I wrote in support of LFPA and other USDA programs are both included in the hearing record. Can you share more about how LFPA supported specific sectors of the agriculture industry, and how it can benefit farm stability?

LFPA was valuable to different types of farmers and ranchers across a wide variety of crops and livestock. USDA previously published program data broken down by different agricultural sectors but subsequently pulled that data from its website. Based on previously available data, we know that until the end of 2024 across all states, LFPA resulted in approximately 55 percent of expenditures on produce, 25 percent on meat and poultry, and the balance of expenditures on other products such as bread and grains, dairy, eggs, nuts and seeds, and other agricultural products. This breakdown by sectors was different in each state, reflecting the diversity of American agriculture. For example, in North Dakota, approximately 77 percent of food expenditures through LFPA were on meat and poultry products, which is consistent with anecdotal evidence that LFPA helped support expanded livestock processing in our region of the country. If all program data were made available, we could more comprehensively learn lessons from LFPA, which has been impactful in helping many farmers improve their bottom lines.

2. Mr. Perdue, I firmly believe that farmers should have the freedom to repair their own equipment or take their equipment to a local repair provider if they so choose, which is why I introduced the Freedom for Agricultural Repair and Maintenance (FARM) Act with Senators Welch and Warren. Even though this bill was referred to a different committee, its text is included in this hearing record. Farmers across the Commonwealth of Pennsylvania consistently share this perspective with me, and I know that National Farmers Union is supportive as well. Can you share the perspective of farmers in your state, such as:
 - a. What barriers do they face in fixing their own equipment?
 - b. What harm(s) to their operations could occur when repairs are not completed quickly?
 - c. How can bills like the FARM Act reduce costs and equipment down time?

Farmers often struggle to perform minor, routine repairs due to limited access to equipment software. Many machines rely on software and sensors that farmers cannot access or disable. This creates delays, as a single dealer may need to travel 50–100 miles to a farm just to reset a system or turn off a code.

To be clear, farmers are not seeking to perform major repairs, nor would most want to given the cost. This issue is about routine maintenance that producers should be able to handle themselves. Legislation such as the FARM Act would reduce both time and cost burdens associated with these basic repairs.

Senator Adam Schiff

1. There are bipartisan bills in both the House and Senate that would create permanent grant programs at USDA so that state and tribal governments can procure local foods from local farmers for distribution to hunger relief programs and schools. The Senate version of this bill was introduced by Senators Justice and Reed. How have federal efforts to advance distribution of local foods in institutional procurement programs created new domestic markets for farmers and vitalized local economies?

The Local Food Purchase Assistance (LFPA) and the Local Food for Schools (LFS) cooperative agreement programs, before being defunded in early 2025, reached farmers and communities across 50 states, the District of Columbia, 68 Tribes, and 3 territories. Under these programs, states, Tribes, and territories purchased approximately \$850 million worth of locally grown food from more than 15,000 farmers and ranchers. Together, these programs strengthened and diversified regional supply chains, stimulated an estimated more than \$1.6 billion in economic activity, and in some cases generated lasting market relationships among farmers, schools, distributors, and community food providers. These programs created stable, predictable demand for small and midsize producers and delivered nutritious food to communities across the country.

2. Improving plant-based food product supply chains is important to increasing consumer demand and the California economy. Currently, what is the most realistic pathway for a farmer to enter these supply chains? Would they start with crop rotations and local food channels, or attempt to enter into contracts tied to processors? What is preventing farmers from rotating more acres of crops like pulses, oats, and food-grade soy? Are there specific gaps in crop insurance, contract uncertainty, agronomy support, or local handling/processing? If so, what are they? In the same vein, Farmers Union represents farmers across the board. Some farmers hear “plant-based” and may think it’s a fleeting consumer trend rather than economic opportunity. What would it take for more farmers to capitalize on plant-based foods as a reliable, higher-margin market for U.S. crops?

For farmers, no matter the food supply chain, access to a viable market with a stable demand signal is fundamental. For many niche crops, barriers to getting started or expanding production include gaps in crop insurance, limited agronomic support, and a lack of nearby handling and/or processing infrastructure. It is also important for purchasing partners to build trust and to provide fair and transparent contract terms to farmers.

3. There have been reports that recent tension in Iran and the Middle East is impacting global food production. I am concerned that U.S. farmers heading into this planting season may experience the effects of tensions in the Middle East, particularly through disruptions to fertilizer and energy supplies. Are hostilities in the Middle East leading to uncertainty and/or rising input costs for American farmers?

Interruptions to oil shipments of oil or key agricultural inputs are adding further volatility to an already uncertain farm economy. Just as the lack of options in rail transportation affects the basis charged to family farmers in North Dakota, the lack of options in the fertilizer trade affects the price of our inputs.

U.S. Senate Committee on Agriculture, Nutrition, and Forestry
Increasing Domestic Consumption of U.S.-Grown Agricultural Products
March 10, 2026
Questions for the Record
Mr. Nathan Reed

Senator Raphael Warnock

- Georgia cotton production in 2025 was at [its lowest level](#) since 1993. This trend is expected to continue as growers nationwide have indicated that they plan on planting on planting less cotton in 2026. As growers in Georgia and across the nation continue to face low prices and high input costs, how can Congress help cotton farmers address these economic challenges and support the industry?

While the Farmer Bridge Assistance (FBA) provided by USDA helps mitigate these economic losses, more actions are needed for producers to endure the current cotton industry downturn. We appreciate and support the efforts of Chairman Boozman and Ranking Member Klobuchar in providing additional assistance to growers facing 2025 revenue losses.

Congress also needs to utilize available policy tools to boost demand for U.S. cotton. The Buying American Cotton Act, introduced in the Senate by Cindy Hyde-Smith, will encourage brands and retailers to source U.S.-grown cotton and U.S.-manufactured cotton products through a transferable tax credit.

The United States has a retail market for finished cotton goods equivalent to 20 million bales, but only about 4 million bales are sourced from U.S. cotton. BACA will change sourcing strategies for brands and retailers, which will increase demand for U.S. cotton, support cotton prices and reduce reliance on farm bill programs.

Senator Adam Schiff

- There have been reports that recent tension in Iran and the Middle East is impacting global food production. I am concerned that U.S. farmers heading into this planting season may experience the effects of tensions in the Middle East, particularly through disruptions to fertilizer and energy supplies. Are hostilities in the Middle East leading to uncertainty and/or rising input costs for American farmers?

Growers have experienced a rise in fertilizer and diesel costs since the closure of the Strait of Hormuz. Diesel prices have increased by \$1.20 per gallon, or 45%, since mid-February.

Certain fertilizer prices are also considerably higher. One of the most affected is urea, rising from \$450 per ton to over \$600 per ton as 40% of the world's urea supplies pass through the Strait.

The diesel and fertilizer price hikes only make an already tough production environment even more difficult, especially with cotton prices being well below input costs.

U.S. Senate Committee on Agriculture, Nutrition, and Forestry
Increasing Domestic Consumption of U.S.-Grown Agricultural Products

March 10, 2026

Questions for the Record

Mr. Jed Bower

Senator Adam Schiff

1. There have been reports that recent tension in Iran and the Middle East is impacting global food production. I am concerned that U.S. farmers heading into this planting season may experience the effects of tensions in the Middle East, particularly through disruptions to fertilizer and energy supplies. Are hostilities in the Middle East leading to uncertainty and/or rising input costs for American farmers?

Answer: American corn growers have been experiencing challenging economic conditions long before the conflict began, given the prolonged period of low commodity prices and high cost of inputs. As farmers are entering their fourth year of projected negative returns, additional uncertainty, due to disruptions from the conflict, compounds an already precarious economic situation.

American farmers source fertilizer (nitrogen, phosphate, and potash) domestically when possible but must turn to imports to meet their needs, and this is especially true for phosphate. The ongoing antidumping and countervailing duties resulting from the ITC investigation into phosphate imports from Morocco have been a key challenge to diversifying supply. As 40% of the United States's phosphate imports are sourced from Saudi Arabia, the closure at the Strait of Hormuz limits availability and the duties on Moroccan imports prevent farmers from having a safeguard against disruptions.

For nitrogen fertilizer, the majority of product used by U.S. farmers is produced from domestic sources. However, other countries rely on fertilizer production in the Middle East as 20% of the world's production is generated from this area of the world. With the Strait of Hormuz closure, increased demand on production causes upward pressure on prices, which has resulted in short term volatility and increases. Because fertilizer is a global commodity, market shocks in one region have a ripple effect nearly everywhere. Specifically, the nearby futures contract for urea delivery at the Port of New Orleans jumped \$128 per ton between February 27 and March 3, 2026, following the onset of the conflict. The future outlook for procuring necessary supplies is even more grim, with the May 2026 contract closing at \$681 per ton on March 19- an increase of \$276/ton (68%) since the end of February. These soaring prices for supplies on the global market are beginning to show up in force in the retail prices offered to farmers who still need to procure volumes for the impending planting season. The timing is critical as farmers head to their fields, with concerns about the affordability of the tools farmers need to be successful (particularly as

profit margins are projected to be negative-yet again) top of mind for continued viability of the family farm and rural America. That makes demand solutions, like the ones raised in the March 10th hearing, and solutions to address fertilizer supply chain constraints, important to improve both sides of farmers' balance sheets.

U.S. Senate Committee on Agriculture, Nutrition, and Forestry
Increasing Domestic Consumption of U.S.-Grown Agricultural Products

March 10, 2026

Questions for the Record

Mrs. Cathy Burns

Senator Raphael Warnock

Question:

Through the Emergency Food Assistance Program (TEFAP), the U.S. Department of Agriculture purchases food from farmers, and states later distribute that food to partners, like food banks, who feed our neighbors. While TEFAP provides around [20 percent](#) of the food that Feeding America food banks distribute, many struggle to meet increased demand. Some food banks in Georgia now serve [70 percent](#) more people monthly than they were just four years ago. How can TEFAP be used to boost support our farmers and boost domestic markets?

Response: Today, TEFAP typically offers five fresh produce items within their foods available list, despite hundreds of U.S. grown fresh produce items. There is also a fresh produce box option – though in our opinion it is underutilized due to TEFAP’s lowest-cost bid model that can exclude high-value specialty crops. To allow a broader range of farmers to provide those in need with fresh produce, we urge Congress to give states the option to allocate a percentage of the TEFAP commodity foods budget towards the USDA DoD Fresh Program. This system is how schools participating in the National School Lunch Program can use their entitlement dollars to access fresh produce from local suppliers. Utilizing USDA DoD Fresh could help emergency feeding sites access a wider variety of fresh produce, positively impacting both growers and those utilizing emergency feeding sites.

Senator John Fetterman

Question: Ms. Burns, as everyone on this committee should know by now, Pennsylvania is the leading state for mushroom production. Unfortunately, “cultivated” mushrooms were excluded from USDA’s recent specialty crop assistance payment. Can you explain how this distinction is both meaningless and harmful?

Response: The exclusion of mushrooms is both inconsistent with statute and harmful to those producers. Mushrooms are explicitly included in the statutory definition of specialty crops, and there is no meaningful basis to carve out “cultivated” mushrooms from that definition. This distinction is especially problematic because all commercially produced mushrooms in the United States are cultivated. In practice, this means the entire industry was excluded.

Mushroom growers have also proven they can participate in USDA programs. In past efforts like CFAP2 and other specialty crop assistance, they worked with FSA to report production using square footage and crop cycles instead of traditional acreage. They've consistently met program requirements and demonstrated their ability to document production and losses just like other specialty crop producers.

At the end of the day, this is a well-established, domestic agricultural sector that produces a highly perishable food product year-round for U.S. consumers. Excluding them based on how they are grown leaves out farmers who clearly meet both the intent and definition of specialty crop eligibility.

Senator Adam Schiff

Question 1: Specialty crops are of utmost importance to California's economy. Nearly half of the country's vegetables and over three-quarters of the country's fruits and nuts are grown in the state. They are also of critical importance to America as a nation. According to USDA's own research, 90 percent of Americans eat too few vegetables and 80 percent do not eat enough fruit based on the prior iteration of the Dietary Guidelines for Americans.

- a. Which USDA programs provide the best value in terms of addressing this issue?

Response:

There are four USDA programs that have been particularly successful at addressing fruit and vegetable consumption:

1. *School meal programs, including the School Breakfast Program and the National School Lunch Program. (For some children, especially those facing food insecurity, school meals can serve as their primary or only reliable source of consistent nutrition.)*
 - a. *School Breakfast Program: Over 15 million students participate in the school breakfast program daily, with schools providing more than 12 million breakfasts at no cost or a reduced cost. Schools must offer students 1 cup of fruit daily to meet the breakfast meal pattern. Schools also have the option to substitute vegetables for fruit.*
 - b. *National School Lunch Program: Nearly 30 million students participate in the school lunch program daily, with schools providing more than 21 million lunches at no cost. These meals must offer both a fruit and vegetable. That amounts to nearly 11 billion servings each year of produce, benefiting both health and the American farmer. Research has found that school meals are healthier than packed lunches from home, providing more fruits, vegetables, whole grains and dairy while containing fewer calories, unhealthy fats, and sugars.*
2. *The Supplemental Nutrition for Women, Infants and Children Program: The WIC program aims to provide about half of the recommended daily fruit and*

vegetable intake for children and adults, as suggested by the Dietary Guidelines for Americans. Even at this amount, participants in WIC have better health outcomes than their peers, such as fewer premature births, higher birth weights, reduced infant mortality, improved child nutrition, and better cognitive development. When USDA made cost-neutral updates to the food package to better align with the Dietary Guidelines in 2023 (based on National Academy of Sciences and Medicine report), fruit and vegetable consumption increased by nearly a quarter cup a day among young children. It also increased the varieties of fruits and purchased as well – from only 2 fruits and 2 vegetables before the benefit increase to 5 varieties of fruits and 4 varieties of vegetables after the increase. WIC shoppers' WIC-eligible fruit and vegetable purchases increased by \$12.4 per shopper per month after the increase also, which was \$9.30 more than non-WIC shoppers. Not only did the benefit increase improve consumption of fruits and vegetables, but it also had a positive economic benefit as well with one estimate finding that the increase resulted in \$75.1 million in additional fruit and vegetable sales each month nationwide.

3. *Gus Schumacher Nutrition Incentive Program: The GusNIP program funds projects to help SNAP participants purchase more fruits and vegetables through incentives. Participants in the program are eating more fruits and vegetables than the average American, including those not in SNAP. The program also improves food security and generates economic benefits for both farmers and retailers.*
4. *Fresh Fruit and Vegetable Program: FFVP provides free, fresh produce to children as a snack in participating, low-income elementary schools (pending funding availability). The fresh fruit or vegetables are served alongside nutrition education. Research has shown that the program increases fruit and vegetable consumption of about one-third cup per day, reduces plate waste of school meals, and is correlated with decreasing childhood obesity rates at a much more cost-effective rate compared to other childhood obesity reduction strategies.*

- b. What can Congress and USDA do to ensure consumers eat more fruits and vegetables and get the daily nutrition they need?

Congress and USDA should do the following to increase consumption of fruits and vegetables:

- 1) *Protect and fully fund the monthly fruit and vegetable benefit in the Special Supplemental Nutrition Program for Women, Infants and Children (WIC), including expediting efforts to allow WIC redemption online.*
- 2) *Increase fruit and vegetable access in the Supplemental Nutrition Assistance Program (SNAP) through produce incentives.*
- 3) *Ensure National School Lunch and Breakfast Program standards provide students with access to a wide variety of fresh fruits and vegetables.*

- 4) *Expand USDA's Fresh Fruit and Vegetable Program to more elementary schools around the country.*
- 5) *Expand USDA procurement of fresh produce and transition from lowest-cost bid to values-based procurement by leveraging the existing fresh produce supply chain.*
- 6) *Increase food bank access to fresh produce by allowing states the option to utilize 20% of their federal Emergency Feeding Assistance Program (TEFAP) allotment towards fresh produce via the USDA DoD Fresh Program.*
- 7) *Support transparent disclosure of "meaningful amounts" of fruits and vegetables in the Food & Drug Administration's (FDA) labeling reform efforts.*
- 8) *Establish Produce Prescriptions as a standard practice of clinical care covered in government health insurer systems, including Medicare, Medicaid, Indian Health Services, and Veterans Health Administration.*
- 9) *Make fruits and vegetables eligible purchases in Health Savings Accounts (HSA) and Flexible Spending Accounts.*

Question 2: The USDA Foods list currently includes only five fresh produce items. How can we ensure that individuals who rely on food banks to meet their nutrition needs have access to the full bounty of U.S.-grown fruits and vegetables?

Response: To allow a broader range of farmers to provide those in need with fresh produce, we urge Congress to give states the option to allocate a percentage of the TEFAP commodity foods budget towards the USDA DoD Fresh Program. This system is how schools participating in the National School Lunch Program can use their entitlement dollars to access fresh produce from local suppliers. Utilizing USDA DoD Fresh could help emergency feeding sites access a wider variety of fresh produce, positively impacting both growers and those utilizing emergency feeding sites. We encourage Congress to find the balance between meeting food banks' demand for additional food and providing a wider variety of fresh produce that acknowledges their market values.

Question 3: The way the federal government crafts supply- and demand-side policy related to fruits and vegetables directly impacts the health and security of our nation. According to a December 2024 GAO report, between Fiscal Years 2019 and 2023, USDA distributed \$161 billion in financial assistance to producers. A significant portion of that - \$122.9 billion – went to field crops, dairy, livestock, and poultry. A mere 5 percent - \$8.1 billion – went to specialty crops.

- a. What near-term actions, including disaster assistance, can Congress and USDA take to better support the specialty crop industry amidst a difficult farm economy?

Response: Economic and disaster assistance remain the top priority. Severe weather and ongoing economic pressures have caused devastating losses across the specialty crop sector. According to the University of Arkansas, growers experienced \$78.9

million in damage from a generational storm last April. More recently, a freeze in Florida resulted in \$2 billion in losses for specialty crop growers, according to the Florida Department of Agriculture and Consumer Services.

These challenges extend beyond the weather. American Farm Bureau Federation data from 2025 shows almond growers lost \$3.6 billion, apples \$1.4 billion, and potatoes over \$700 million due to high input costs and global market disruptions.

If we want to continue producing the healthy, nutritious foods Americans rely on, we must better support the farmers who grow them. 2026 is a pivotal year. With shrinking markets, rising production and borrowing costs, specialty crop growers need assistance just to make it to 2027.

This sector represents one-third of U.S. agriculture but receives only 5% of the support and that needs to change.

- b. What steps can USDA and Congress take to better focus attention and resources on specialty crops? What proposals should Congress consider in the Farm Bill on this topic?

Response: The Farm, Food, and National Security Act of 2026, recently passed out of the House Agriculture Committee, should move to the House floor for full consideration without delay. The bill includes several provisions that meaningfully strengthen support for specialty crops, including a Specialty Crop Emergency Assistance Framework (Sec. 1003), a specialty crop advisory committee to support RMA in improving insurance products (Sec. 11001), and the creation of a mechanization and automation research program under NIFA (Sec. 7305), among others. A Senate Farm Bill that reflects these priorities and advances them into law would mark a significant step forward in recognizing the essential role specialty crops play in feeding the nation and strengthening U.S. agriculture.

We look forward to working with USDA to implement these provisions once enacted and expect the Department to fully leverage the resources provided through the One Big Beautiful Bill. We understand that in the previous cycle, some research funding—particularly within USDA-ARS—was distributed in ways that created challenges for planning and execution, including partial or staggered allocations. Additionally, review timelines at NIFA for programs like the Specialty Crop Research Initiative did not proceed as typically anticipated in FY25. We are encouraged by USDA's continued focus on these programs and hope these challenges are resolved in FY26, particularly as the specialty crop research portfolio expands. We also encourage Congress, through its oversight role, to help ensure that appropriated resources are deployed efficiently and consistent with congressional intent.

As FNS updates its guidance following the release of the 2025-2030 Dietary Guidelines for Americans, USDA should maintain or expand the five vegetable subgroups to ensure children receive balanced, nutrient-dense meals. These

subgroups have long supported dietary diversity within Child Nutrition Programs and remain an important tool for delivering a well-rounded nutritional profile.

Question 4: California and its specialty crop industry have historically been excluded from equitable disaster relief. For instance, California was deemed ineligible to apply for USDA's block grants to states for disaster relief, of which funding was provided through the American Relief Act.

- a. How does specialty crop producers' difficulty accessing disaster relief impede their ability to provide fruits and vegetables to American and global consumers?

Response: Natural disasters can ruin yearly production and damage high-cost, long-lasting infrastructure. Many specialty crop varieties have plants or materials that last through years of growing seasons, so damage in one season can result in years of losses. Especially in difficult economic conditions like those currently facing growers, it can be next to impossible to replace high-value infrastructure without access to assistance. Even when limited assistance is available, it can be years before program details are ironed out to account for diverse specialty crop varieties. This directly depletes the ability of growers to put food on the tables of families around the globe. Ensuring that assistance programs are available to the entirety of specialty crop farmers, with timely roll outs and consideration of the diversity of the industry, allows farmers to rebuild after disasters and continue growing in difficult economic times.

- b. What are actions Congress and USDA can take to ensure that California and the specialty crop sector's farmers can access relief, whether that is for impacts of tariffs or natural disasters?

Response: Many specialty crop farmers lack access to traditional crop insurance and risk management tools. This makes access to assistance programs even more crucial, but also more difficult.

Assistance programs for specialty crops have historically excluded some sectors, like floriculture, horticulture, and mushrooms, despite facing similar natural and economic pressures. First, programs should ensure all industries have access to needed relief.

Because of the unique nature of specialty crops, the programs should be structured in a way that provides flexibility and workability for growers. The application process should be streamlined, with minimal paperwork, especially since lack of program access typically means specialty crop growers do not receive pre-filled applications like other industries.

Specialty crops are also high-value, and subsequently high costs to grow, so payment limits should reflect the higher capital costs of these industries with higher payment

limits. Due to data constraints and geographic diversity in costs, these programs should also focus on revenue protection, with options of base years for comparison.

Question 5: Is the \$1 billion that USDA announced at the end of 2025 for market disruptions for specialty crops adequate? What flexibility and functions should USDA consider as they design the rollout of this money for specialty crop growers to ensure they can easily and efficiently access this funding?

Response: Fresh produce farmers across the United States growing fruits, vegetables, tree nuts, and nursery and horticultural crops, need additional, targeted economic assistance.

They are facing a convergence of unprecedented challenges, including rising labor and input costs, lost domestic and export markets, and increasing pressure from unfair foreign competition.

Specialty crop operations contribute more than \$75 billion annually in cash receipts and represent over one-third of total U.S. crop sales, yet they received less than \$1 billion through the Assistance for Specialty Crop Farmers (ASCF) program under the \$12 billion Farmer Bridge Program.

The current commodity-specific, acreage-based payment structure is fundamentally unworkable for specialty crops. With hundreds of commercially grown varieties—each with distinct markets, pricing, production cycles, and risks—USDA does not have the data or administrative capacity to establish accurate, crop-by-crop payment rates at scale.

Congress should instead provide not less than \$5 billion in assistance structured around a grower's total; aggregate specialty crop receipts (sales/revenue, not acreage or individual commodity calculations. Payments should be based on producer self-attested revenue, with appropriate safeguards and post-payment verification, allowing USDA to deliver support quickly and efficiently without delaying implementation due to data limitations.

Question 6: USDA recently announced a Regenerative Agriculture Pilot Program. How are fresh produce growers embracing—or feeling incentivized to adopt—these types of production practices?

Response: Fresh produce growers have long been leaders in adopting regenerative and conservation-focused practices because their livelihoods depend on healthy soil, efficient water use, and resilient production systems. Across the specialty crop sector, growers are already implementing practices like cover cropping, reducing tillage where feasible, precision irrigation, integrated pest management, and soil health monitoring to improve productivity while protecting natural resources.

At the International Fresh Produce Association, we've prioritized sustainability and have been working closely with growers and the full supply chain to help scale these efforts. We've supported initiatives that expand access to conservation programs through USDA, helped

highlight science-based regenerative practices that work for specialty crop systems, and convened industry leaders to share best practices across regions and commodities.

With the right technical assistance, research investment, and market signals, these types of programs can help more growers adopt practices that strengthen soil health, improve resilience to weather extremes, and continue delivering the fruits and vegetables Americans depend on every day.

Question 7: There have been reports that recent tension in Iran and the Middle East is impacting global food production. I am concerned that U.S. farmers heading into this planting season may experience the effects of tensions in the Middle East, particularly through disruptions to fertilizer and energy supplies. Are hostilities in the Middle East leading to uncertainty and/or rising input costs for American farmers?

Response: Rising input costs have been a major burden for growers. Particularly in specialty crop industries where diverse commodities and geographical regions mean areas of the country are always in various production stages, having consistent supplies and pricing of inputs year round is essential. Before the closure of the Strait of Hormuz, total fertilizer costs for U.S. farmers were expected to be over 20% higher in 2026 than just five years ago. Nearly 20% of global petroleum liquids travel through the Strait of Hormuz, and these products are crucial to both transportation and the development of fertilizer. Fertilizer and fuel costs were both forecast to decrease in 2026, but external pressures are likely to weaken this projection.

Other critical fertilizer components are also commonly sourced from the Middle East. Nearly 49% of global urea exports, the most commonly used nitrogen fertilizer in the world, come from countries affected by the conflict. This has caused Urea futures to rise to over \$600 per ton, a rise of over \$200 in just two months ago. Ammonia, phosphates and sulfur are all also crucial farming inputs largely sourced from the Middle East which are likely to face backlogs in supply if the closure of the Strait continues.

From a revenue perspective, over \$1.8 billion of U.S. fresh produce, including fruits, vegetables, tree nuts and cut flowers, were exported to countries in the Middle East in 2025. This accounts for over 10% of total combined U.S. exports of these products. That included over \$200 million in exports in March alone last year. As the conflict persists, avenues for these products will continue to be strained, impacting revenue opportunities for U.S. growers in addition to pressuring their input expenses and availability.

U.S. Senate Committee on Agriculture, Nutrition, and Forestry
Increasing Domestic Consumption of U.S.-Grown Agricultural Products
 March 10, 2026
 Questions for the Record
Mr. Scott Metzger

Senator Adam Schiff

1. Food-grade soy is a different product than crush. What would it take to expand U.S. capacity for tofu, soy milk, or food ingredients (e.g., identity-preserved handling, contracting, regional processing, standards)? Are growers seeing premiums for food-grade and specialty soy sufficient to justify the switch? If not, what policy or market structure would make those premiums bankable?

Demand for plant-based foods is growing, but it has not been as robust as once expected. A 2021 Bloomberg Intelligence report predicted the plant-based food market will exceed \$162 billion within the next decade, growing over 450%. However, recent analyses by Future Market Insights and MMR Statistics have dramatically revised the expected market to around \$50 billion by 2036. Premiums are regional and depend on a variety of factors, not limited to domestic indicators; trade issues also affect premium rates. Other concerns depend on soybean variety and regional pest pressures.

ASA supports the increased use of soy in foods and beverages, including foods used in federal nutrition programs, to provide consumers with more plant-based alternatives. As interest in soy-based products grows, soybean growers will be ready to meet demand, backed by ongoing investments in agricultural research.

Continued research is essential to developing high yielding, non-GMO soybean varieties with enhanced traits such as higher protein and sugar content. These advancements are made possible through initiatives like the Agriculture Advanced Research and Development Authority (AGARDA), which focuses on long-term, high-risk agricultural challenges. Additional investments in key areas such as fertilizer and nutrient management, as well as soil health, further strengthen growers' ability to meet future market needs.

2. Produce is central to health outcomes, and plant-based proteins are increasingly part of dietary guidance and consumer demand. Where can these sectors collaborate to create stronger farm profitability (joint value chain infrastructure, joint marketing, or joint procurement)? What would it look like to build a 'plant-forward' procurement pipeline where institutions buy U.S.-grown produce + U.S.-grown plant proteins together — and what federal changes would make that easier? Could produce growers benefit from rotations or intercropping with pulses/small grains that support soil health and farm

economics? Do we need USDA research and extension to help farmers adopt those systems without added risk?

Nutrition science increasingly shows that plant-based foods and proteins support healthier diets. The 2025–2030 Dietary Guidelines for Americans, for example, recognize soy as a valuable protein source comparable to animal proteins. While overall demand for plant-based proteins has grown more slowly than projected in 2021, key food programs continue to rely on U.S.-grown soybeans. Food for Peace, the United States' primary international food assistance program, uses these commodities to support vulnerable populations worldwide. Programs such as Food for Peace and BioPreferred (for non-food uses) play an essential role in opening new markets and creating stable pipelines for U.S. agricultural products.

Although ASA does not represent produce or pulse/small-grain growers, soybean farmers remain committed to improving their productivity and sustainability. Conservation crop rotation is one strategy growers use to meet conservation goals and enhance soil health. Many soybean farmers plant pulses as cover crops to reduce erosion and weed suppression.

3. What would an effective extension model look like to expand the production of plant-based inputs? Do we need county agents trained on pulses/oats, on-farm demonstration networks, processor-led trainings, or USDA-supported peer-to-peer grower networks? If Congress could fund one missing link that would raise farmgate prices in your region, what would it be? (e.g. cleaning/splitting, milling, protein fractionation, storage/handling, or aggregation)

ASA represents an oilseed crop and is less familiar with how county agents are trained on pulses or oats. Still, soybean growers appreciate that the United States benefits from world-class research institutions that support agriculture. When developing conservation plans, producers frequently rely on land-grant university extension services and other trusted technical advisors. ASA supports legislation such as the TSP Access Act, which would help ensure growers can connect with the technical expertise they need.

Beyond the BioPreferred program, which will help create new markets for soybeans, biofuels programs and expanded crush capacity are essential for driving demand. Clear guidance in the Clean Fuel Production Credit (45Z), paired with strong renewable volume obligations (RVOs), will bolster demand for soy-based biofuels. This increased demand will encourage additional domestic crush capacity, strengthening markets at home and with close trading partners like Canada.

4. There have been reports that recent tension in Iran and the Middle East is impacting global food production. I am concerned that U.S. farmers heading into this planting

season may experience the effects of tensions in the Middle East, particularly through disruptions to fertilizer and energy supplies. Are hostilities in the Middle East leading to uncertainty and/or rising input costs for American farmers?

The recent military action in the Middle East is creating uncertainty for U.S. farmers. While the Strait of Hormuz is not a major shipping lane for U.S. commodities, the Gulf states are major producers of critical fertilizers that farmers rely on for crop nutrients. While many U.S. fertilizer dealers have secured initial supplies ahead of planting season, uncertainty surrounding global supply chains and subsequent pricing is growing. Natural gas is the main cost driver for ammonia production – a key component of all nitrogen fertilizers as well as combined phosphate fertilizers like MAP and DAP. Since the conflict began, impacts on both natural gas prices and supply for ammonia production in the Middle East have been acute. Further, 35-40% of the world's urea production is in the Middle East, and Iran serves as the second largest exporter globally.

Since countervailing duties were introduced on Russian and Moroccan phosphate imports in 2021, Saudi Arabia, the world's third largest phosphate producer, has become the largest supplier of U.S. phosphate imports. Most of Saudi Arabia's phosphate production is shipped out of the Persian Gulf via the Strait of Hormuz. ASA is calling on the administration to alleviate this pressure by removing the countervailing duty (CVD) on Moroccan phosphate imports. According to research conducted by the Agriculture and Food Policy Center at Texas A&M, the CVD on imports of phosphate from Morocco increased fertilizer costs for U.S. farmers by \$6.9 billion between 2021 & 2025. Removing that CVD would provide relief to U.S. farmers as ongoing tensions in the Middle East place additional pressure on global fertilizer supply chains.