National Farmers Union

Testimony of

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"Increasing Demand and Opportunities for Homegrown Products Here and Abroad"

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Thank you, Chairman Thompson, Ranking Member Craig, and members of the committee, for the opportunity to testify today on increasing demand and opportunities for domestically produced agricultural products at home and abroad.

My name is Chad Franke, and I serve as president of Rocky Mountain Farmers Union (RMFU). RMFU represents 14,000 family farmers and ranchers across Wyoming, Colorado, and New Mexico. I also serve as a board member of National Farmers Union (NFU).

I was born and raised as the fifth generation on a dryland farm and ranch in Northeastern Colorado, which remains in the family. My wife and I built a farrow-to-finish Berkshire pork operation near Denver, selling directly to consumers and to niche markets, as well as a feed mill selling to small producers. Five years ago, we closed the feed mill and sold the farm, settling near Lander, Wyoming.

Family farmers and ranchers need markets that work, not just temporary assistance. Building market demand is essential, but it must be part of a broader strategy to improve farm profitability. While Congress should pursue policies that expand market opportunities – domestically and internationally – this alone will not improve profitability if farmers cannot capture value from increased demand. Moreover, corporate concentration in agricultural markets facilitates anticompetitive practices that can freeze out new entrants and sideline new investment that would support expanded demand and new market opportunities for farmers.

The Farm Economy Remains Under Significant Strain

Farmers and ranchers continue to face significant economic challenges. Commodity prices remain below the cost of production for many producers. Input costs remain elevated; the U.S. Department of Agriculture (USDA) forecasts total production expenses will increase in 2026 by more than $20 billion, a 4.5 percent increase over 2025. Farm debt is at historically high levels. USDA forecasts both net farm income and net cash farm income will decline in 2026, even as federal support payments increase substantially.[1]

Congress has repeatedly needed to step in with supplemental assistance programs because existing farm policy is failing to address the underlying causes of farm income instability. Since 2016, the federal government has provided more than $100 billion in emergency economic and disaster assistance in addition to existing farm programs.[2] While

[1] USDA Economic Research Service (ERS), "Farm Sector Income & Finances – Farm Sector Income Forecast," Updated 9/3/2026, Accessed 9/11/2026, https://www.ers.usda.gov/topics/farm-economy/farm-sector-income-finances/farm-sector-income-forecast.
[2] USDA, ERS, "Farm Sector Income & Finances - Farm Sector Income Forecast," https://www.ers.usda.gov/topics/farm-economy/farm-sector-income-finances/farm-sector-income-forecast.

that assistance has been important, it is not a substitute for markets and policies that allow farmers and ranchers to earn a living from the marketplace.

Fair and Competitive Markets Are a Prerequisite for Increasing Demand and Opportunities for Homegrown Products

The problem with corporate consolidation in agricultural markets

For family farmers to earn a fair return from the market, they need markets that are competitive and fair. But 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[3]), food manufacturing, wholesale distribution, food service, and grocery retail.[4] The small number of large, consolidated firms in the middle of the agricultural supply chain wield immense market power.[5]

High levels of concentration throughout the food supply chain drive down farmers' share of the retail food dollar while raising input costs for farmers and prices for consumers. Today, farmers and ranchers on average receive only 11.8 cents of every dollar that consumers spend on food, which remains near historic lows.[6]

Lack of fair and competitive markets can dampen opportunities to help strengthen new demand. For example, I recently engaged with a colleague about building a USDA processing facility to process approximately 200 head of cattle per day for a source-verified, state-branded beef product for wholesale markets. At current market prices, the multi-million-dollar investment to build this facility would be justified for both consumers and producers. But I doubt the facility will ever be built because of instability in the marketplace, driven by the dominant processors that control the market.

Four companies, two of which are foreign-owned, control 85 percent of the beef market and have a well-documented history of anti-competitive practices. The administration's temporary expansion of the tariff-rate quota for lean beef trimming by 300,000 metric tons shows another way the market is subject to unpredictable shifts that benefit large

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[3] USDA, Packers & Stockyards Division, Annual Reports, https://www.ams.usda.gov/reports/psd-annual-reports.
[4] 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.
[5] 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/.
[6] USDA, ERS, "Farms received 11.8 cents per dollar spent on domestically produced foot in 2024," https://www.ers.usda.gov/data-products/charts-of-note/114074.

companies, not family farmers and ranchers. Lack of true market competition dampens opportunities for homegrown products.

Farmers Union is also a strong proponent of cooperative development. Development of agricultural cooperatives should create new opportunities for homegrown products, but lack of competitive markets creates barriers to cooperative development. RMFU's Cooperative Development Center helps build member-owned cooperative enterprises by providing technical, financial, and educational support to family farmers, ranchers, and rural entrepreneurs. But in our work, we too often see market analyses that identify market stability as a risk to investment.

Solutions to corporate consolidation in agricultural markets

To address these market challenges, Congress should strengthen and protect the Packers and Stockyards Act, which remains one of the most important safeguards for livestock producers facing highly concentrated buyers. Efforts to weaken or roll back producer protections under the Packers and Stockyards Act should be rejected. USDA has proposed to rescind new rules that were written and finalized over the past several years that would strengthen the law, and the House Agriculture Appropriations Subcommittee is also proposing to rollback these rules.

Cattle producers also need accurate and transparent labels. Congress should reinstate mandatory country-of-origin labeling (COOL) for beef. American ranchers produce some of the highest-quality beef in the world, but current labeling policies prevent consumers from clearly distinguishing between beef raised in the United States and imported products that may only be processed domestically. The highly concentrated meatpacking sector can blend imported product into domestic supply chains while marketing beef as a "Product of the United States." This practice shortchanges American ranchers and creates confusion for consumers seeking to support domestic production. Reinstating COOL would provide greater transparency for consumers while ensuring domestic producers receive proper recognition in the marketplace.

But all farmers and ranchers, not just livestock producers, face uncompetitive market conditions. Congress should address consolidation in the agricultural economy by strengthening antitrust enforcement and ensuring federal competition laws are vigorously enforced. Farmers and ranchers also deserve the right to repair the equipment they own. Agricultural equipment manufacturers have unlawfully restricted repairs, resulting in increased costs for farmers and reduced operational flexibility.

Increasing demand and opportunity for homegrown products is essential, but not as meaningful when producers lack access to fair and competitive markets.

Strengthening Local and Regional Agricultural Markets is a Key Opportunity for Homegrown Products

Local and regional food systems provide a critical pathway for strengthening demand and opportunities for homegrown agricultural products.

When consumers, schools, food banks, and other institutions purchase food from local and regional producers, more of those food dollars remain in rural communities. These relationships can create new, and more stable markets for producers while also improving food system resilience and strengthening connections between farmers and consumers within our communities.

Until recently, initiatives such as the Local Food Purchase Assistance (LFPA) and Local Food for Schools (LFS) cooperative agreement programs demonstrated the effectiveness of these initiatives. These programs helped schools, food banks, tribes, and other organizations purchase products directly from local producers while strengthening local and regional supply chains. LFPA and LFS generated at least $850 million worth of additional revenue for 15,000 farmers from local grown food and stimulated nearly $1.6 billion in additional economic activity.[7]

The cancellation of these programs by USDA was devastating for many producers. RMFU has members who produce local fruits and vegetables in all three of our states. In response to LFPA and FLS, these members ramped up production and made new investments in equipment and the supply chain so that they could provide healthy food to their communities. When the programs were canceled in the spring of 2025, farmers were forced to destroy their products or sell them at a loss, since most existing institutional wholesale markets for fruits and vegetables are heavily consolidated, much like the market for beef.

Congress should permanently authorize and adequately fund local and regional food procurement programs. We are glad to see permanent authorizations included in both House and Senate versions of the farm bill, and the mandatory funding that was added during the Senate Agriculture Committee farm bill markup in August. Congress should also continue to support farm-to-school, farm-to-institution, and similar initiatives that create reliable domestic demand while keeping food dollars circulating in local economies. These efforts should be made more permanent and stable. When the rug is pulled out from under

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[7] NFU press release, "Coalition Urges Congress to Bolster Domestic Markets, Fund Local and Regional Food Procurement in Farmer Relief Package," April 15, 2026, https://nfu.org/news/coalition-urges-congress-to-bolster-domestic-markets-fund-local-and-regional-food-procurement-in-farmer-relief-package/.

producers, it dampens confidence in investing in the future, which is needed for the development of new or expanded markets.

Renewable Fuels Present a Reliable Domestic Market

Renewable fuels create dependable domestic demand for agricultural commodities, and there is room for expansion. Congress should secure permanent, nationwide, year-round access to E15 to bolster a critical domestic market for corn. The House passed a provision to allow nationwide year-round sales of E15, and the Senate Agriculture Committee is negotiating similar language in its farm bill draft. Congress should also continue to consider high-level ethanol blends, such as E30.

Moreover, stability and predictability in the Renewable Fuel Standard (RFS) are critical for farmers, who depend on strong renewable fuel markets when making long-term production and investment decisions. If EPA grants Small Refinery Exemptions (SREs), the associated volumes should be fully reallocated to preserve the demand established under the RFS rather than reducing overall renewable fuel obligations. Doing so supports demand, rural jobs, biofuel investment, and the economic health of farming communities.

Pair Demand-Side Policies with Broader Farm Policy Reform

Even significant growth in domestic and international demand will not fully resolve the economic challenges facing family farmers and ranchers if farm policy remains unable to address chronic periods of oversupply, low prices, and rising production costs. We cannot continue to rely on temporary assistance.

An example of a tool that can help address this supply and demand challenge is the Inventory Management Soil Enhancement Tool, or IMSET[8], which Farmers Union developed. IMSET is a voluntary, flexible, farmer-focused risk management option that would allow producers of covered commodities to annually enroll up to twenty percent of their cropland into conserving use. In exchange, producers would receive enhanced support on their remaining acres.

Farmers would choose IMSET when commodity prices fall below the cost of production, reducing oversupply, strengthening prices, and decreasing reliance on emergency assistance programs. Economists have found that IMSET could strengthen risk

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[8] National Farmers Union, "Inventory Management Soil Enhancement Tool (IMSET), Fact Sheet," https://nfu.org/wp-content/uploads/2026/05/IMSET-Fact-Sheet-5.pdf.

management options for farmers while also reducing government expenditures under certain market conditions.[9]

Policy proposals like IMSET recognize that demand-side solutions, while important, are insufficient for improving farm profitability.

Strong Export Markets Are Also Important

Exports are critically important to American agriculture. Farmers and ranchers across the country depend on access to foreign markets for a significant share of their production. At the same time, producers face increasing uncertainty in global markets. Trade disruptions, retaliatory tariffs, and market instability have harmed agricultural producers and increased volatility. American farmers also face growing competition from other exporting nations that continue to expand their production and market share.

Congress and the administration should pursue stable, predictable trading relationships that reduce uncertainty and expand market access for American agricultural products. We should invest in export promotion and market development programs that help producers access new customers and strengthen relationships in existing markets.

While international markets are important, exports alone cannot solve the farm income challenges facing producers today. As global competition intensifies and market disruptions become more common, it is increasingly important that we also create strong domestic sources of demand.

Conclusion

Family farmers and ranchers are under immense economic strain. We have been struggling for years due to farm policy and corporate consolidation that prevents us from capturing the value we create. We are constantly seeking opportunities to generate new value, including the creation of new products and processing facilities, but there is often limited appetite because of unfair or unstable markets. Without action – whether legislative, executive, or judicial – to establish fair and competitive markets, the United States will continue to lose family farms and ranches, rural communities will decline, and consumers will be negatively impacted.

[9] Joe L. Outlaw and Bart L. Fischer, "Evaluating the Inventory Management Soil Enhancement Tool (IMSET) as an Enhancement to the Farm Safety Net," November 15, 2025, https://nfu.org/wp-content/uploads/2026/05/IMSET-Report-11-15-2025.pdf.