



Small Family Farmer and Rancher Relief Act (H.R. 8590)

Chairman Scott's Small Family Farmer and Rancher Relief Act (H.R. 8590) supports the front end of the beef cattle supply chain, our nation's small, family ranchers. The bill takes a two-pillar approach - strengthening the safety net supporting our smallest cattle ranchers and helping them expand and diversify their marketing opportunities.

Currently, cattle farmers do not have an adequate safety net to protect against volatility in the marketplace—the improved safety net addresses that gap and helps small producers capture a fairer share of the food dollar. The second pillar of this legislation will connect small ranchers to help them market, improve, or differentiate their products. This ensures that small ranchers are not dependent upon a single option to sell their cattle or finished products.

By taking this two-pronged approach, this bill will provide security to ranchers and help them preserve their operations for future generations.

Pillar 1: Stronger Safety Net

- Chairman Scott's legislation will make the Livestock Risk Protection insurance program (LRP) work better for smaller producers by increasing the premium subsidy for ranchers who market 100 or less head of cattle per year. LRP is an effective insurance tool that can help small ranchers protect against volatility in the marketplace.
- Creation of the Beef Cattle Spread Coverage Program
 - The legislation will create a USDA indemnity program administered by the Farm Service Agency (FSA) that provides relief to small producers when the farmer's share of the retail dollar drops below 51.7 percent.
 - The indemnity rate is calculated based off the "spread" or difference between the price of fed beef cattle, the price of boxed beef sold at the wholesale level and the price of beef sold at retail.
 - This program will provide small producers with protection against significant swings in the difference between cattle prices, wholesale beef prices, and retail prices.
- Outreach and Education
 - The legislation will provide resources to USDA's Risk Management Agency and Farm Service Agency to educate producers and insurance agents on the utility of the livestock insurance programs and the safety net program. This will make existing insurance products more accessible and will facilitate enrollment in the new program.

Pillar 2: Increased Competition and Market Access

- The legislation will create a Small Rancher Market Access competitive grant program. Administered by the Agricultural Marketing Service (AMS), this program will help small producers, cooperatives of small producers, or other eligible organizations aggregate, add value, and market meat and meat products to local and regional markets with a focus on direct-to-consumer and direct-to-institution sales.
- By connecting small ranchers with new and diversified marketing options, this bill will help increase profitability and inject more competition into the supply chain.
- Eligible entities include groups of small cattle producers (average of 100 head or fewer) cooperatives with a majority of members under a certain size, non-profits or Land Grant Universities with experience working with small sized cattle producers, Tribal governments, food hubs, or CSAs.
- The program eligibility will prioritize underserved and limited resource producers.
- This piece of the legislation will also provide AMS with resources to educate farmers on how to best apply for and leverage these new programs.