



Secretary Brooke L. Rollins

Washington, D.C. 20250

July 21, 2025

The Honorable Glenn “GT” Thompson
Chairman
Committee on Agriculture
United States House of Representatives
1301 Longworth House Office Building
Washington, D.C. 20515

Dear Chairman Thompson,

Thank you for your July 18, 2025, letter regarding the United States Department of Agriculture’s (USDA, “the Department”) research on the economic impacts of California’s Proposition 12 (“Prop 12”) on both California pork consumers and pork producers across the United States. I appreciate your attention to this issue and your commitment to understanding the policy’s far-reaching implications and its impact on the resiliency of our food system.

In response to your request, I have directed USDA’s Economic Research Service (ERS) and Office of the Chief Economist (OCE) to update their previous research on the economic landscape surrounding Prop 12 since its implementation on January 1, 2024.

In the interim, below is a summary of findings, to date.

Impact on U.S. Pork Producers

Prop 12 requires all pork sold in California—regardless of where it is produced in the United States—to come from breeding pigs housed in systems that provide a minimum of 24 square feet per sow and allow the animals to turn around freely. This requirement comes amid the fact that over 95 percent of the pork consumed in California is shipped to the State. Not surprisingly, this requirement has contributed to cost increases within the domestic supply chain.

- According to ERS estimates (April 2025), approximately **27 percent of U.S. pork producers** have made or are making investments to comply with Prop 12 housing requirements.
- The average capital cost of retrofitting or rebuilding facilities to meet Prop 12 standards is estimated at **\$3,500 to \$4,500 per sow**, depending on region, existing infrastructure, and scale of operation.
- Compliance costs disproportionately affect **small and mid-sized producers**, who face tighter margins and less access to capital. As of the first quarter of 2025, **12 percent of**

small pork operations (defined as <500 sows) have exited the market or shifted production away from breeding, citing regulatory uncertainty and high transition costs.

Effect on California Pork Consumers

California represents approximately **13 percent of total U.S. pork consumption**. Since the enactment of Prop 12:

- Per ERS Retail Meat Price Data (June 2025), retail pork prices in California have increased by **18.7 percent year-over-year**, compared to a **6.3 percent increase nationwide** over the same period.
- The average price of pork loin in California increased from **\$4.12 per pound in December 2023 to \$4.89 per pound in June 2025**, with more significant increases observed in some cuts, such as bacon.
- A recent USDA consumer affordability study (May 2025) found that **low-income households in California reduced pork purchases by 22 percent**, indicating price increases are affecting food access and affordability for economically vulnerable populations.

Interstate Commerce and Market Fragmentation

Prop 12 has led to partial segmentation in the national pork market:

- Packers and processors now routinely **segregate compliant and non-compliant pork** through dedicated supply chains. According to industry data, about **35 percent of federally inspected slaughterhouses** have systems in place to handle Prop 12-compliant product.
- ERS modeling suggests that such segmentation may increase transaction and distribution costs by **\$0.07 to \$0.11 per pound** on compliant pork, compounding inflationary pressure.

The Department continues to assess long-term implications for interstate trade, including potential precedent for similar state-level laws in other agricultural sectors. Additionally, USDA will continue to monitor Prop 12's economic effects and will prepare a report with more recent data. Meanwhile, I will ensure the Department provides transparent, data-driven insights to inform policymakers and protect the integrity of the U.S. agricultural system.

As I stated when I visited your Committee earlier this year, I am committed to working with Congress to find a fix for Prop 12, and the economic issues it has created. One state should not have the authority to dictate terms to another state, especially when producers know best how to care for their animals. It is critical Congress and USDA work together to safeguard producers and consumers to ensure Prop 12 and similar laws at the whims of a small minority in one state do not create economic hardship.

Thank you again for your leadership and partnership on this important issue. Please do not hesitate to request further briefings or data requests by having a member of your staff contact the USDA Office of Congressional Relations at (202) 720-7095.

Sincerely,

A handwritten signature in black ink, appearing to read "Brooke L. Rollins". The signature is fluid and cursive, with the first name "Brooke" being more prominent and the last name "Rollins" following in a similar style.

Brooke L. Rollins
Secretary
U.S. Department of Agriculture