

FOOD AND AGRICULTURE POLICY PLATFORM FOR CANDIDATES, WRITTEN BY FARMERS FOR FARMERS

A guide to fighting monopoly power and building fair, competitive markets

As a nonpartisan, farmer-led organization, **Farm Action Fund** is dedicated to developing and advancing bold solutions to stop corporate monopolies and build fair competition in rural America. In order to advance our vision of a fair, sustainable, and healthy food system that empowers farmers, ranchers, and rural communities to feed their neighbors, **Farm Action Fund** has developed the following policy recommendations.

We have organized our recommendations into two pillars: *Leveling the Playing Field* and *Rebuilding a Food System that Benefits All.*

We encourage all candidates to consider adopting these policies within their agriculture and food platforms.

Farm Action Fund is not endorsing candidates at this time. We are providing this platform and encouraging candidates to adopt these policies.

Pillar 1: Leveling the Playing Field for Farmers and Ranchers

A food system controlled by corporate behemoths poses both a food and national security threat. This pillar focuses on enforcement opportunities that will level the playing field so that everyone has a fair chance to succeed.

- <u>Stop foreign, corporate, and billionaire investors</u> from snapping up farmland, driving up land prices to levels at which farmers cannot compete, and ultimately giving corporations and foreign entities unprecedented amounts of control over the U.S. food supply.
- <u>Strengthen the Packers and Stockyards Act</u> so that it can once again protect farmers and ranchers from unfair and anticompetitive practices by large meatpacking and poultry processing corporations.
- Farmers must have the right to repair farm equipment. Invigorate rural economies and save farmers time and money by wrenching back the right of farmers and independent repair shops to repair farm equipment a right which has been severely restricted by dominant equipment manufacturers like John Deere.
- <u>Reform USDA's checkoff programs</u> to restore them to their original purpose: a collective tool for product research and promotion. Prevent the USDA from awarding these farmer-funded tax dollars to industry lobbying organizations.
- <u>Enforce truth in labeling</u> to stop corporations from greenwashing their products and exploiting markets developed by independent farmers.

Pillar 2: Rebuilding a Food System that Benefits All

In order to have a resilient and just food system we need to rebuild from the bottom up. This pillar focuses on strategic recommendations along the food supply chain that will better support farmers, empower workers, and secure consumers a safe and reliable food supply.

- <u>Increase and improve access to farm production tools.</u> Farmers need to have fair access to risk management tools, credit, and land.
- <u>Make smart investments in smaller meatpacking plants.</u> With so few slaughter and processing plants, farmers and ranchers are limited in where they can take their animals for slaughter and the prices they are able to get.
- Implement values-aligned government food purchasing. The U.S. government is a major purchaser of food. The USDA must change its procurement policies to prioritize local and regional producers instead of the world's largest food corporations.

ACTIONABLE STEPS FOR ELECTED OFFICIALS

Pillar 1: Leveling the Playing Field

Stop Foreign, Corporate, and Billionaire Farmland Ownership

Farmland ownership has long been a source of wealth and power in rural America. However, as large corporations and billionaires continue to gobble up agricultural land as part of their investment strategies, family farmers are forced out of business and rural communities are hollowed out. The number of institutionally owned properties rose threefold from 2009 to 2022, and the market value of that property increased from less than \$2 billion dollars to over \$14 billion in the same time period. By late 2019, foreign investors held an interest in almost 35.2 million acres of U.S. farmland. That's an area larger than the state of New York. In the past 17 years alone, foreign farmland holdings have doubled in the U.S. and the trend is showing no signs of slowing.

- Federal
 - Pass the <u>Farmland for Farmers Act</u>, which would address rising rates of corporate farmland investment by limiting future ownership and leasing by corporate investors to ensure that U.S. farmland stays in the hands of farmers.
 - Commit resources to empower USDA to hold foreign entities accountable. The Agriculture Foreign Investment Disclosure Act requires foreign interests to register their farmland purchases with USDA, but the USDA has admitted they do not have the staff and resources needed to properly monitor the program.
- State/Local
 - Pass legislation that limits ownership and leasing of farmland by corporate investors. Kansas, Missouri, Nebraska, Oklahoma, and South Dakota all ban corporations from holding a title for farmland, but all of these states have exceptions written into their laws. States and local elected officials should look to the language in the <u>Farmland for Farmers Act</u> and adopt similar legislation in their own regions.
 - **Ban or restrict foreign ownership of farmland**. 22 states have passed rules to regulate foreign ownership of farmland.

Strengthen the Packers and Stockyards Act

More than 100 years ago, the U.S. passed the <u>Packers & Stockyards Act (P&S Act)</u> to protect farmers and ranchers from concentrated, abusive monopoly power in the livestock industry. The P&S Act successfully leveled the economic playing field for decades, but the erosion of its power by courts in the 1980s has allowed corporations to gain unprecedented control over meat and poultry markets. The Obama administration promised to strengthen the P&S Act, but failed. The Biden administration promised to strengthen it, too, but has not yet delivered. America's livestock and poultry producers need policy makers who will finally stand up for their rights.

TAKE ACTION

- Federal
 - Clarify harm to competition: Currently, producers who have been harmed by unfair practices must prove harm to the entire industry: a prohibitively high burden of proof that protects corporate monopolies from legal action. USDA or Congress must clarify that farmers do not need to demonstrate sector-wide harm in order to bring legal action for market abuses.
 - **Ban the poultry tournament system:** USDA or Congress must ban the poultry tournament system, a corrupt and abusive scheme in which contract poultry farmers must compete against each other for the price they will be paid for raising poultry.
- State/Local
 - Pass legislation that grants state attorneys general the authority to enforce the P&S Act. State laws should be extended to provide state attorneys general the authority to bring legal action against abusive meatpacking corporations for violations of those actions set out in sections 202(a) and 202(b) of the P&S Act.

Agricultural Right to Repair

Multinational farm equipment manufacturers like John Deere are imposing severe restrictions on who can repair the products they sell. Prevented from fixing their own tractors, farmers are often forced into long equipment transports and wait-times for repairs. This can result in losses of tens or even hundreds of thousands of dollars in potential yields. Equipment manufacturers are also crushing independent repair shops and critically harming once-vibrant rural economies by forbidding everyone except a few authorized dealers from accessing necessary diagnostic tools. Restoring the right to repair will help reclaim the spirit of self-sufficiency and innovation in rural America.

TAKE ACTION

- Federal
 - Pass Agriculture Right to Repair legislation: The <u>Agriculture Right to Repair</u> <u>Act</u> would require equipment manufacturers to make available the documentation, parts, software, and tools that enable farmers and independent businesses to repair equipment.
 - Federal Trade Commission (FTC) investigation and action: Farm Action and other farm groups filed a petition seeking an FTC investigation into John Deere's practices. An FTC investigation would have the authority to subpoena Deere's records and executives. If the FTC determines that Deere has violated antitrust laws, it can order the manufacturer to cease withholding information, obtain a federal injunction declaring their practices unlawful and prohibiting them from continuing to restrict repairs, and even obtain monetary penalties.
- State/Local
 - Pass Agriculture Right to Repair legislation: Colorado has already passed Agriculture Right to Repair legislation, and 19 other states (AK, DE, FL, GA, HI, IA, IL, ME, MD, MI, MO, MN, MT, NJ, OH, SD, TX, WV, and VT) have introduced similar legislation.

Reform USDA's Checkoff Programs

Famous promotional campaigns like "Beef. It's What's for Dinner" and "Pork. The Other White Meat" are the product of government-mandated checkoff programs. Started as a way for farmers to voluntarily pool their money to boost the overall sales of their products, checkoff programs are now funded through mandatory fees that U.S. farmers, ranchers, and producers pay every time they sell any of 22 commodities, including beef, pork, milk, corn, and soybeans. Due to decades of lax oversight by the USDA, checkoff programs are shrouded in secrecy while funneling farmers' tax dollars to trade and lobbying organizations — representing the world's largest meatpackers and grain traders — which promote policies that benefit large monopolies and harm family farmers and ranchers.

- Federal
 - Pass the Opportunities for Fairness in Farming (OFF) Act: More than <u>60 farm</u> <u>organizations</u> are calling for Congress to include the bipartisan <u>Opportunities</u> <u>for Fairness in Farming Act</u> in the upcoming Farm Bill. This legislation would prohibit checkoff programs from contracting with organizations that lobby on agricultural issues (with an exception for institutions of higher education, such

as our land grant colleges and universities), require transparency through the publication of checkoff program budgets and expenditures, and require periodic audits by the USDA Inspector General.

- State/Local
 - States must audit state level checkoff boards: Recently, the North Dakota State Auditor's office caught the North Dakota Soybean Council's illegal use of federal soybean checkoff funds to lobby on agriculture policy. States need to conduct such audits of all checkoff programs regularly, to ensure checkoff funds are not being misused.

Truth in Labeling

Food labels are a critical component of our food economy. Often the only form of communication between farmers and consumers, labels affect farmers' ability to earn a fair price for their products. Americans prefer to buy from nearby farmers using sustainable practices, so transparent labels also encourage the growth of resilient local and regional food systems. Labels should always be truthful and verifiable in the claims they make, or they undermine their entire purpose. Yet all too often, global corporations use misleading labels and claims to sell generic or imported products at a premium.

- Federal
 - Reinstate Mandatory Country of Origin Labeling (MCOOL): MCOOL was a federal law that required all meat labels to disclose the country where the animals were born, raised, and slaughtered, but this law was rolled back for beef and pork in 2015. This opened the door for multinational corporations to steal market opportunities from U.S. farmers and ranchers by passing off their lower-quality, imported products as U.S.-produced. The United States Trade Representative should develop and implement a plan to reinstate MCOOL for beef and pork. The bipartisan <u>American Beef Labeling Act</u> would reinstate MCOOL for beef.
- State/Local
 - **State Attorneys General must enforce consumer protection:** State AGs should take action under their consumer protection statutes to enforce truth in labeling laws, protecting differentiated market opportunities for farmers.

ACTIONABLE STEPS FOR ELECTED OFFICIALS

Pillar 2: Rebuilding a Food System that Benefits All

Increase and Improve Access to Farm Production Tools for Diverse, Organic, Specialty Crop, and Limited-Resource Producers

Farming is a business, and like any other business requires certain tools to be successful. As it stands, access to some important tools — such as risk management and access to land or capital — is not fair for all farmers.

Farmers growing animal feed crops, such as corn and soybeans, currently have far better access to risk-management tools than those growing food crops like fruits, vegetables, legumes, and whole grains. Such imbalances drive farmers toward certain crops and production models, resulting in the growing agricultural trade deficit and dependence on foreign countries to feed our population. Other critical tools for farming, such as land and credit access, are out of reach for many underserved populations, contributing to a range of trends from the rising median age of farmers to the decreasing diversity of farmscapes.

- Federal
 - Improve the Whole Farm Revenue Protection Program: The introduction of the Whole Farm Revenue Protection and Micro Farm programs in 2018 made tremendous strides toward better crop insurance for farmers producing a diverse array of food for their communities. There are important changes to the program, however, that will make it even more effective. The Whole Farm Revenue Protection Program Improvement Act would increase the program's accessibility by reducing the paperwork burden it puts on producers, raising the maximum insurable revenue cap so that more producers can take advantage of the program, and making other targeted changes to strengthen and streamline the program.
 - Restructure Approved Insurance Provider (AIP) agents' compensation: The Insuring Fairness for Family Farmers Act would introduce important changes to how AIP agents are compensated, incentivizing the sale of smaller and more diverse policies. In the current system, larger and less-complex policies are more financially lucrative to agents.

- Rein in excessive spending: The <u>Assisting Family Farmers through Insurance</u> <u>Reform Measures Act</u> would address waste and abuse in our crop insurance program by introducing essential payment limits that allow a greater diversity of farmers to benefit from federal subsidies, lowering agents' guaranteed rate of return, excluding any operations with adjusted gross income limits greater than \$250,000 from qualifying for federal subsidies, and making other important changes to crop insurance to ensure our farm safety net actually keeps farmers on their land.
- **Pass the** <u>Increasing Land Access, Security, and Opportunities Act</u>: This bill addresses land access, market access, and capital access issues that under-served farmers, including beginning and young farmers, face while trying to start up their farming operations. The bill would make funding available to help farmers acquire land, make site improvements, and access training and technical assistance. It would also provide funding for nonprofits, local governments and tribal governments that focus on strengthening land, capital and market access for historically underserved farmers.

Make Smart Investments in Smaller Meatpacking Plants

Rampant consolidation and vertical integration across the food and farm system has disrupted critical infrastructure, leaving farmers unable to get their products from farm to market. To build a more resilient and decentralized food system, we need to shift government spending to strategic investments in local and regional processing and distribution.

With just four corporations controlling 85% of beef processing, 67% of pork processing, and 60% of chicken processing, consolidation in meatpacking has pushed out nearly all the smaller independent meat processing facilities. With so few remaining slaughter and processing plants, farmers and ranchers are limited in where they can take their animals for slaughter and the prices they are able to get. We need to make smart investments in meatpacking that will help us create a more fair and resilient food supply chain.

- Federal
 - **Pass the bipartisan** <u>Strengthening Local Processing Act</u>: This legislation would enable small-scale meat processing plants to grow and expand with a scale-appropriate approach. By investing in small-scale processing through targeted technical assistance, increased USDA cost-shares, and grant

opportunities — this bill would help secure more meatpacking options for independent farmers.

- Support investments in meatpacking with smart procurement policy: The Strengthening Local Meat Economies Act would require USDA to direct at least 20% of its procurement dollars towards local processors, instead of purchasing millions of dollars from multinational conglomerates like JBS, Tyson, Smithfield, and Perdue. It would also create a Digital Livestock Exchange Platform to facilitate market access for producers.
- State/Local
 - *Make strategic investments in local meat processing facilities* to support farmers, ranchers, and rural economies.
 - **Protect these investments with smart procurement policy**: Until more regionalized markets are established, government agencies must use their procurement power to support these investments or these smaller plants will inevitably fail. Creating purchasing targets/set-asides, which require local governments to direct their meat purchases to smaller, independent meatpackers, is one way to effectively protect these investments.

Implement Values-Aligned Government Food Purchasing

Today, rampant consolidation has closed off many traditional market access points to independent farmers and ranchers. While we work to build up more regional distribution systems and reintroduce competition into our markets, we must protect these investments by using federal and state procurement power to support independent farmers.

The U.S. government is a major purchaser of food. Today, the bulk of those taxpayer funds are directed to the world's largest and most abusive food corporations. The USDA must change its procurement policies to prioritize purchases from local and regional producers, along with other values that bolster a stronger, more resilient food system.

- Federal
 - Create set-asides in federal procurement policy for values-based purchasing (such as local, organic, regenerative, new and beginning farmers, etc.). The EFFECTIVE Food Procurement Act would leverage billions of dollars of food spending by USDA to help build a more just, healthy, and sustainable food system. This bill directs USDA to shift toward values-aligned food procurement.

- Pass the <u>Agricultural Worker Justice Act</u>. This bill would use the federal government's enormous purchasing power to champion high-road labor practices and wages, workers' rights, and local procurement.
- Increase investment in programs that facilitate partnership opportunities between local governments and institutional buyers and farmers: Programs like USDA's Local Food Purchase Assistance Cooperative Agreement Plan (LFPA), USDA's Local Foods for Schools Cooperative Agreement Program (LFS), and USDA DoD Fresh Fruit and Vegetable Program (FFVP) have been highly effective tools for engaging states and local governments in bolstering regional food systems. USDA's Gus Schumacher Nutrition Incentive Program (GusNIP) provides produce prescriptions and incentives to income-eligible consumers to increase their purchases of fruits and vegetables. If tied directly to local purchasing practices, GusNIP also has a tremendous capacity to simultaneously improve health outcomes in local communities and stimulate local economies.
- State/Local
 - **Create set-asides in government procurement policy** for values-based purchasing (such as local, organic, regenerative, new and beginning farmers, etc.).