

The Farm System Reform Act

The COVID-19 pandemic has exposed serious weaknesses in our food system. In particular the hyper consolidation of our livestock and meat industry led to a near collapse of the supply chain in the early days of the pandemic. Consumers found empty shelves at their grocery stores, meat processing facilities became dangerous COVID hot spots for workers, animals were cruelly killed, and farmers were left with no market for the livestock they produced. This broken system is not the result of inevitable market forces, but rather flows directly from the influence multinational meatpackers have over federal farm policy.

A handful of firms have come to dominate the processing of livestock and poultry. Many of these firms are vertically integrated, controlling successive stages of the food chain. These “integrators” contract with farmers to raise livestock or poultry for them. The integrators retain ownership of the animals, but the contract growers are forced to absorb the risks and the costs, often incurring large amounts of debt.

At the same time, independent farmers and ranchers have been forced to sell into ever more concentrated marketplaces that unfairly reduce the prices they receive for their livestock. The consolidation of buyers has resulted in dominant buyers engaging in predatory practices that artificially depress prices.

Making things worse, USDA currently allows beef and pork products that are shipped to the U.S. and processed or repackaged here to be labeled “product of U.S.A.,” even when the animal was raised in another country. This allows multinational meatpackers to pass their imported meat off as American, further eroding fair competition and preventing shoppers from supporting local rural communities.

Due in large part to federal policy, domestic agricultural operations have experienced a dramatic shift in model, structure, and method over the past seventy years. A fixture within these changing patterns of production is animal agricultural, which has largely converted from a diversified, pasture-based model to one in which food-producing animals are confined, concentrated, and fed within enclosed buildings or feedlots.

The scale, density, and practices associated with Large Concentrated Animal Feeding Operations (CAFOs) present a range of public health and environmental problems, including large volumes of untreated animal waste that threaten local water supplies, the release of air pollution that harms neighboring communities, and the generation and spread of antibiotic resistant bacteria. The American Public Health Association has [urged](#) federal, state, and local governments and public health agencies to impose a moratorium on new and expanding CAFOs.

These industry shifts have left farmers and ranchers facing desperate times as the farmer share of the consumer food dollar continues to decline. In recent years farmers have been dependent on billions of dollars in taxpayer support to even keep their farms operational, while giant meatpackers continue to post record profits.

Congress has the power and ability to create policy to revitalize independent family farms and rural communities. To level the playing field and create a more sustainable and humane system, the Farm System Restoration Act will:

- Place a moratorium on new and expanding Large CAFOs, and phase out Large CAFOs by 2040
- Hold corporate integrators responsible for pollution and other harm caused by CAFOs
- Create a \$100 Billion transition fund for farmers who want to escape the industrial livestock system
- Strengthen the Packers & Stockyards Act to protect family farmers and ranchers, including:
 - Prohibiting the use of unfair tournament or ranking systems for paying contract growers
 - Protecting livestock and poultry farmers from retaliation
 - Creating market transparency
 - Protecting farmers and ranchers from predatory purchasing practices
- Restore mandatory Country-of-Origin Labeling Requirements