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Fairness for Small-Scale Farmers and Ranchers Act

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Section 2. Findings

Highlights that concentration in the food and agricultural economy is at an all-time high and that this trend impacts family farmers, but also food chain workers, the food supply, the environment, the collective public health and larger communities. Emphasizes that oligopolistic and monopsonistic buyers are incentivized to engage in unfair and discriminatory acts that cause small family farmers to receive less than a competitive price for their goods. Emphasizes the decline in family farms has caused the demise of rural economies and communities. Notes past congressional efforts to remediate market failure have been overturned for key commodities by oligopolistic conglomerates. Argues to restore competition in the agricultural economy, and to increase the bargaining power and enhance economic prospects for family farmers, the trend toward concentration must be reversed.

Section 3. Definitions

1. Defines "agricultural input supplier" as any person (excluding agricultural cooperatives) engaged in the business of selling any product to be used as an input for the production of any agricultural commodity. However, no person shall be considered an agricultural input supplier if sales of such products are for a value of less than $10 million per year.

2. Defines "broker" as any person engaged in the business of negotiating sales and purchases of any agricultural commodity in interstate or foreign commerce or on behalf of the vendor or the purchaser. No person shall be considered a broker if the only sales of such commodities are for a value less than $10 million.

3. Defines "commission merchant" as any person engaged in the business of receiving in interstate or foreign commerce any agricultural commodity for sale, on commission, or for or on behalf of another. No person should be considered a commission merchant if the only sales of such commodities are for a value less than $10 million per year.

4. Defines "dealer" as any person (excluding agricultural cooperatives) engaged in the business of buying, selling, or marketing agricultural commodities in interstate or foreign

commerce. No person can be considered a dealer with respect to sales or marketing of any agricultural commodity of that person's own raising or if the only sales of such commodities are for a value less than $10 million per year.

5. Defines "distributer" as any entity engaged in the business of distributing agricultural products form producers or manufacturers to consumers, restaurants, or retailers.

6. Defines "integrator" as an entity that that contracts with farmers for grower services to raise chickens or hogs to slaughter size and weight. The integrator owns the chickens or hogs, supplies the feed, slaughters, and further processes the poultry or pork.

7. Defines "processor" as any person (excluding agricultural cooperatives) engaged in the business of handling, preparing, or manufacturing (including slaughtering and food and beverage manufacturing) of an agricultural commodity, or the products of such agricultural commodity, for sale or marketing for human consumption. No person should be considered a processor if the only sales of such products are for a value less than $10 million per year.

8. Defines "retailer" as any person (excluding agricultural cooperatives, cooperative retailers, and cooperative distributers) licensed as a retailer under the Perishable Agriculture Commodities Act of 1930. No person shall be considered a retailer if the only sales of such products are for a value less than $10 million per year.

Title I — Moratorium on Large Agribusiness, Good and Beverage Manufacturing, and Grocery Retail Mergers

Section 101 – Moratorium on Large Agribusiness, Good and Beverage Manufacturing, and Grocery Retail Mergers

(a) Establishes the moratorium is effective the date this legislation is enacted or after the reviews in Section 102 are completed. Establishes the exception that the Secretary has waiver authority over this section –
   (1) Prohibits agribusinesses with annual net sales or total assets of more than $222 million from merging or acquiring, directly or indirectly, with another agribusiness with annual net sales or total assets of more than $22 million. Prohibits agribusinesses with annual net sales or total assets of more than $22 million from merging or acquiring, directly or indirectly, another agribusiness with annual net sales or total assets of more than $222 million, if the acquiring agribusiness holds:
      (i) 15% or more of the voting securities or assets of the acquired agribusiness, or
      (ii) holds an aggregate total amount of the voting securities and assets of the acquired person in excess of $21 million. This prohibition is effective until comprehensive legislation is enacted to address market concentration in the food and agricultural sector.
   2) Establishes the date referred to in this section is the effective date of comprehensive legislation is enacted or after the date when the reviews in section 102(a) are completed–

(A) for addressing the problem of market concentration in the food and agricultural sector; and
(B) that ends the prohibition under paragraph (1).

(b) Provides the Attorney General the authority to waive the moratorium only under extraordinary circumstances, such as insolvency or financial distress of the one of the parties.
(c) Exempts subsection (a) from the classes of transactions described in the Clayton Act.
(d) Prohibits the use of any other transaction or device to avoid the moratorium
(e) Requires the Attorney General to establish regulations for implementation.

Section 102 – Retroactive review of large agribusiness, food and beverage manufacturing, and grocery retail mergers.

(a) Requires the Department of Justice (DOJ) and the Federal Trade Commission (FTC) to review mergers in the agricultural sector approved since January 1, 2006, that were subject to a premerger notification and a waiting period.
(b) Requires the DOJ and the FTC to unwind mergers it has reviewed if the review determines the merger has materially harmed (1) competition, (2) farmers or ranchers, (3) workers, or (4) consumers.
(c) Provides the Attorney General the same investigative authority as the FTC.
(d) Authorizes $50 million in appropriations to the FTC and $50 million the Antitrust Division of the Department of Justice (DOJ) to carry out this section.
(e) Allows FTC and the Antitrust Division of the DOJ to use funds from fines, penalties, and settlements not returned to consumers for these operations.
(f) Provides additional appropriations necessary to carry out this section.

Title II – Farm System Reform

Section 201 – Local Agriculture Market Program

(a) Extends $50 million in funding for the Local Agriculture Market Program for fiscal years 2026 and 2027 and increases funding to$500 million for fiscal year 2028, which supports the development, coordination, and expansion of direct producer-to-consumer marketing; local and regional food markets and enterprises; and value-added agricultural products.

Section 202 – Restoration of mandatory country of origin labeling for beef and pork; inclusion of dairy products

(a) Defines key terms, such as “beef,” “dairy product,” and “pork.”
(b) Restores mandatory country of origin labeling for beef, pork, and dairy products. It requires retailers to designate the origin of dairy products by specifying the countries where the ingredients were produced or sourced, as well as the country where the product was processed. For dairy products produced exclusively in the United States, specifying the state, region, or locality of production is sufficient to indicate the country of origin as the United States.

Section 203 – Definition in Packers and Stockyards Act, 1921

Amends the Packers and Stockyards Act to provide new definitions. The changes include clarifying the scope of the Act, redefining terms related to poultry growing arrangements and caring for live poultry, specifying the criteria for "formula price," and defining "forward contract" as a contract for livestock purchase with a delivery date more than 7 days after the contract is made.

Section 204 – Unlawful Practices

(a) Amends Section 202 of the Packers and Stockyards Act by:
  - Defining key terms, such as “base price,” “cooperative association of producers,” “expected performance standard,” “independent contract producer,” “minimum price,” “performance-based incentive formula,” and “poultry production contract.”
  - Establishing what types of acts are unlawful for any packer or swine contractor or live poultry dealer to engage.
  - Addressing unfair and discriminatory practices, including refusal to provide relevant statistical information and retaliatory actions against livestock producers.
  - Addressing unreasonable preferences, advantages, prejudices, and disadvantages.
  - Specifying that in determining whether an act is unlawful, findings that the act adversely affected competition is not required.

(b) Establishes the effective date of the amendments in (a) is date of enactment of this Act.

Section 205 – Spot Market Purchases of Livestock by Packers

Amends Section 202 of the Packers and Stockyards Act by:

- Defining the requirements for a purchase and sale of livestock by a packer from a producer, including “base price,” “length of time to slaughter,” “competitive bidding at the time the sale is made,” and “inclusion of non-affiliated producers.”
- Establishing that covered packers must not slaughter less than the applicable percentage of the quantity sold through spot market sales from nonaffiliated producers.
- Defining applicable percentages as 50 percent or, in the case that a covered packer reported to the Secretary in the 2020 annual report that more than 60 percent of livestock were committed procurement livestock, the applicable percentage is the greater of:
  - The difference between the percentage of committed procurement livestock reported and 100 percent,
    - For the years of 2025 and 2026, 20 percent
    - For years of 2027 and 2028, 30 percent
    - For the years of 2029 and every year after, 50 percent.
- Establishing that this section does not preempt any requirement of a State or political subdivision of a State that requires a covered packer to purchase on the spot market a greater percentage of livestock purchased by the covered packer than is required in the section.

Section 206 – Investigation of Live Poultry Dealers

(a) Amends Sections 203, 204, and 205 of the Packers and Stockyards Act, 1921 to include live poultry dealers.

(b) Amends Section 408 of the Packers and Stockyards Act, to include authority to request temporary injunctions or restraining orders related to poultry care.

(c) Modifies violations by live poultry dealers.

Section 207 – Ensuring Fair Practices in Agriculture

Requires the Secretary of Agriculture, within 30 days of enactment, to implement without amendment the final rule "Unfair Practices and Undue Preferences in Violation of the Packers and Stockyards Act," to crack down on unfair and anti-competitive business practices from big meat and poultry processors by finalizing the Farmer Fair Practice rule, also known as the GIPSA rule.

Section 208 – Award of Attorney Fees

Amends Section 204 of the Packers and Stockyards Act, 1921, to include a provision stating that the court must award a reasonable attorney's fee as part of the costs to a prevailing plaintiff in a civil action.

Section 209 – Review and Report on Fragility and National Security in the Food System

(a) Requires GAO to conduct and submit a report to Congress on the fragility of our nation's food system with respect to meat and poultry.

(b) Requires the report include analysis of the following: the reach of corporate consolidation in the food and agriculture supply chain, the effects of corporate consolidation of supply chains on consumers, the environment, biodiversity, politics, the extent to which USDA rules and regulations designed for large agribusinesses are applied to small and medium agribusinesses and what can be done to change these rules to benefit small and medium farms, the effects of the COVID-19 pandemic on agriculture exports and prices paid to farmers and consumers, federal support for agriculture corporations, the extent breaking up large meat packers would increase food system resiliency.

(c) Defines the term "covered establishment."

Section 210 – Technical Amendments

(a) Section 203 of the Packers and Stockyards Act, 1921 is amended to replace pronouns with "the Secretary" and "the charges" and require the Secretary to state their findings, while Section 204 is amended to replace pronouns with "the packer, live poultry dealer, or swine contractor" and "the officers, directors, agents, and employees of the packer, live poultry dealer, or swine packer."

Title III — Providing Resources for Beginning, Retiring, and Socially Disadvantaged Farmers and Ranchers

Section 301 – Reauthorization and increased funding for outreach and assistance for socially disadvantaged farmers and ranchers and veteran farmers and ranchers.

(a) Appropriates $100 million for each of the fiscal years 2026 through 2030 for outreach and assistance to social disadvantaged farmers and veteran farmers.

(b) Authorizes appropriations of $100 million for each of the fiscal years 2026 through 2030 for outreach and assistance to social disadvantaged farmers and veteran farmers.

Title IV — Livestock, dairy, and poultry supply chain infrastructure

Section 401 – Livestock, dairy, and poultry supply chain infrastructure grants and loans.

(a) Amends the Consolidated Farm and Rural Development Act by

- Authorizing the Secretary to provide grants or insure loans under any of the programs authorized in the Agricultural Marketing Act of 1946 or the Rural Electrification Act of 1936, as the Secretary determines to be appropriate, to assist farmers and rural businesses and cooperatives maintain or increase the production, aggregation, processing, distribution, and marketing of nice, or regionally marketed agricultural products.
- Requiring the Secretary to give priority to grants or loans that will help increase or enhance the availability and distribution of small processing facilities.
- Defining the term "small processing facility".

Section 402 – Pilot program for increased accessibility to inspection and technical assistance for eligible processing facilities

(a) Creates a 5-year pilot program to increase the number of small processing meat centers by expanding the number of available processing inspectors, providing technical assistance, and onsite inspection for eligible processing facilities.

(a) Requires the Secretary to determine the appropriate professional experience for inspectors, with a focus on individuals with expertise in veterinary medicine, public health, food service management, and animal science.

(b) Defines key terms, such as "eligible processing facility" and "labor peace agreement."