

CALL WITH SENATOR JON TESTER (D-MT)
THURSDAY, APRIL 29TH, 2021
8:00 – 8:15 AM CT

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Key Information and Issues

Senator Jon Tester is a member of the Senate Appropriations Subcommittee on Agriculture, Rural Development, and the Food and Drug Administration. He is Chair of the Committee on Veterans Affairs and the Appropriations Subcommittee on Defense. He also sits on the Senate Commerce Committee, Banking Committee, and Committee on Indian Affairs. He is an actively engaged organic farmer in Big Sandy, Montana. He and his wife farm 1,500 acres of pulses, wheat, and safflower.

Throughout the pandemic, Senator Tester faced significant pressure from cattlemen in-state to increase market transparency and equity. He promised to raise this issue with the new administration and we expect that to be the focus of this call. We have included a few other priority issues for the Senator in case he raises them.

- **Market Competition & Cattle Issues:** One of Senator Tester's priority issues is addressing cattle market transparency and fairness. Andy Green, OCR, and Senator Tester's staff met last week to discuss his priorities for market fairness.

Cattle Pricing. Senator Tester has been active in pushing for fair market conditions and transparency for Montana cattlemen. When COVID-19 shuttered meatpacking facilities and the price of live cattle dropped, Senator Tester vocally called for investigations into allegations of price manipulation in the cattle industry. Senator Tester joined a letter to former Attorney General Barr pressing him to investigate these allegations, and the investigation is currently underway at DOJ. USDA has been cooperative in providing data as requested by DOJ. Senator Tester is also pushing for meaningful industry reforms in the Livestock Mandatory Reporting Act reauthorization, which expires in September of this year. He is a lead Democrat on legislation that would mandate 50 percent of negotiated cattle transactions happen on the spot (cash) market to reduce meatpackers' purported leverage over formula pricing.

- **Pilgrim's Pride.** Pilgrim's Pride pleaded guilty to criminal price-fixing charges relating to the broiler business. In the Pilgrim's Pride case, the Plea Agreement provides for a \$100 million penalty, full cooperation by the company, and a commitment not to engage in further antitrust violations. However, the Plea Agreement did not set out any further punitive or remedial measures. Currently law gives USDA the authority to remove inspection services for entities that commit fraud, bribery, or extortion. The Department also has the authority to seek a settlement with Pilgrim's Pride to restructure and supervise the company. Senator Tester believes that Pilgrim's Pride could be used as the precedent for the

broader industry, and believes that the company should do more than simply pay a fine. (b) (5) Pre-decisional/Deliberative

[REDACTED]

- **Packers and Stockyards Act.** Senator Tester has been vocal in his opposition to the Trump-era Packers and Stockyards Act rule. He has led several letters, along with Senator Grassley, pushing for modifications to the rule. Specifically, he cares deeply about the provisions related to demonstrating harm across the entire sector and “sweetheart deals” between major meatpackers and select large livestock producers.
- **Country of Origin Labeling.** Senator Tester is a staunch advocate for mandatory COOL on beef. He was vocal during your previous term about the implementation and later repeal of COOL. He has introduced several resolutions to support mandatory COOL and raises the issue at most Appropriations hearings. He does not believe that a voluntary label, even an enhanced “Product of the USA” label, will be effective – that packers simply won’t use it and the net benefit for producers will be minimal. Senator Tester’s staff shared that FTC has said they are working on something to enforce a “Product of the USA” label.

(b) (5) Pre-decisional/Deliberative

- **Farm and Ranch Mental Health.** Senator Tester is has advocated for additional mental health resources for farmers and ranchers. During the Trump Administration trade war, reports of farmer suicides grew dramatically as people faced uncertain finances, social isolation, and low access to mental health resources. Last year, Senator Tester authored the Seeding Rural Resilience Act, which aims to tackle the mental health stigma in farming communities. This bill was signed into law in the FY21 National Defense Authorization Act (NDAA) legislation. The bill requires FSA, RMA, and NRCS to provide a voluntary suicide training to all farmer-facing employees who may deal with stressed individuals. (b) (5) Pre-decisional/Deliberative The bill also requires USDA to engage stakeholders and establish best practices for responding to farm and ranch mental stress, and also provides \$3 million for USDA and HHS to create a Public Service Announcement to destigmatize mental health care in the agricultural community.

Note: The December COVID relief package, the Consolidated Appropriations Act, included \$28 million for grants to State departments of agriculture to expand or sustain existing farm stress assistance programs. Montana Department of Agriculture has not

previously had a farm stress assistance program, so they may not be eligible for this funding.

- **New Markets for State-Inspected Meat and Poultry Act.** Senator Tester is a cosponsor of Senator Rounds' legislation to allow state-inspected meat and poultry packing facilities to ship product interstate. Currently, only federally inspected facilities are permitted to ship product interstate. He believes that state-inspected meat processing facilities, which are subject to very similar inspection standards as federal facilities, should be allowed to ship meat interstate. (b) (5) Pre-decisional/Deliberative

- **WHIP+/QLA.** Senator Tester supported the provision that created the Wildfire and Hurricane Indemnity Program Plus (WHIP+) in the 2019 supplemental appropriations legislation. The program was intended to support producers affected by natural disasters in 2018 and 2019, primarily hurricanes and floods. When Northern Plains farmers were impacted by excessive moisture and quality loss, Senator Tester pushed for the expansion of WHIP+ to cover these indemnities and appropriated an additional \$1.5 billion in the FY20 omnibus spending bill (along with Senator Hoeven.) Because the new authority deviated from the original intent of WHIP+, the previous Administration chose to create a new program, the Quality Loss Adjustment (QLA) program.

QLA was announced in January 2021. As producers began to sign up for the program, it became apparent that several wheat and barley farmers had visually identified their grain as feed wheat because the quality losses were so extreme and failed to properly document verifiable grading factors. QLA requires quality loss documentation, so these producers were not eligible for indemnity payments. Montana and North Dakota producers raised this issue with USDA, (b) (5) Pre-decisional/Deliberative

Senator Tester will likely ask about timeline for WHIP+ and QLA payments. (b) (5) Pre-decisional/Deliberative

- **Genetically Modified Organisms.** Senator Tester is an organic farmer and has strong opinions about the labeling of GMO products. In your previous term, AMS issued a draft rule to revisit bioengineered food labeling. Senator Tester strongly opposed many provisions of the rule, including the substitution of a label for a QR code, and the exemption of highly refined products that did not have detectable modified genetic material. (b) (5) Pre-decisional/Deliberative

Notable Legislation and Votes

- Co-leads legislation to implement a mandatory minimum of live cattle transactions that must happen on the spot market. The Grassley/Tester bill, often referred to as the 50-14

proposal, would set a 50 percent mandatory threshold for cash cattle purchases. This bill was recently reintroduced.

- Introduced the Rural Equal Aid Act of 2020. The bill would require USDA to pay the principal, interest, and any fees for USDA RD loan programs for six months, similar to COVID relief provided to SBA programs in 2020.
- Introduced a resolution reaffirming support for mandatory COOL for beef and pork.
- Introduced the Seeding Rural Resilience Act of 2019. The bill would require USDA to implement voluntary suicide prevention training across FPAC, require the Department to create best practices for stakeholders, and create a \$3 million PSA campaign to destigmatize seeking mental health care in the agricultural community. The bill was signed into law as part of the FY21 NDAA.
- Introduced the Chronic Wasting Disease Management Act of 2019. The bill would provide \$25 million in grants for USDA to combat CWD.

Biography

- Born: August 21, 1956 in Havre, Montana
- Education: University of Providence (Great Falls), BA in music
- Previous Experience: Farmer, music teacher, President of the Montana State Senate (2004-2006)
- Elected to the U.S. Senate in 2006 with 49% of the vote
 - Re-elected to the U.S. Senate in 2018 with 50.3% of the vote.

District-Specific Facts

- PVI Score: R+11
- Ethnicity: White (Non-Hispanic) (86%), Hispanic or Latino (4%), and Native American (6%), and Multiracial (Non-Hispanic) (2%), Multiracial (3%).
- Median Household Income: \$57,153
- Poverty Rate: 12.7%
- Unemployment Rate: 4% (March 2021)
- Number of Farms & Ranches: 27,048 operations
- Land in Farms: 58.1 million acres
- Average Size of Farm: 2,149 acres
- Farm-Related Income Per Farm: \$28,828
- Top Commodities: Wheat, lentils, chickpeas, barley, cattle