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***NEBRASKA TAXPAYERS FOR FREEDOM* ISSUE PAPER:**

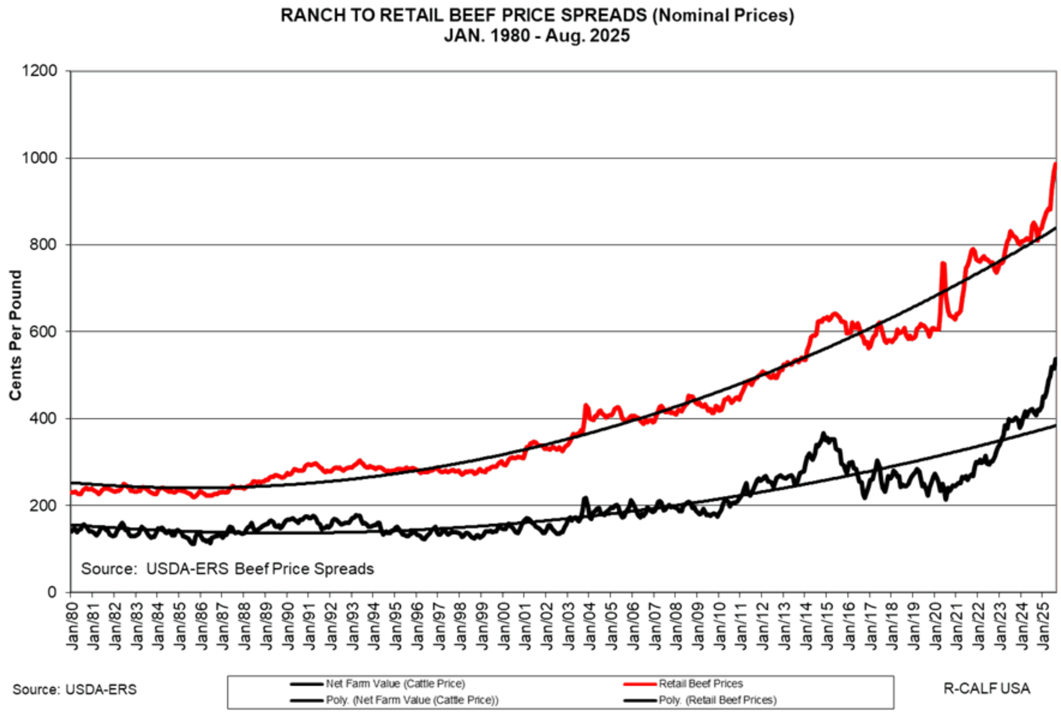
SOLUTIONS TO SOLVE THE HIGH PRICES FOR BEEF PROBLEM.

BACKGROUND. Nebraskans shopping at local grocery stores suffer sticker shock when they see the price of beef products. Nebraskans dining out at local restaurants show surprise when viewing the higher-priced menu items for beef meals. Restaurant owners wince at having to raise these prices because of their own higher costs. Nebraska farmers becoming frustrated and angry at the lower market prices they receive for cattle. Overall, NE citizens are angry about beef prices. Ground beef hit a record $5.98 a pound in May, according to the Consumer Price Index. Shoppers paid on average a record $6.32 a pound for ground beef in August, according to the U.S. Bureau of Labor Statistics. Beef and veal prices rose 8.6% from last year, compared to 2.9% for food prices overall. More pain coming for consumers, because the U.S. Agriculture Dept. (USDA) forecasts total U.S. beef supplies dropping further in 2026.

THE CAUSES. During the pandemic, ranchers reduced their herds because of problems obtaining feed and getting animals to market. There exist tighter cattle supplies as feed and labor costs continue to rise. Ranchers have culled more cows because of high costs, bringing the U.S. cattle herd as of July, 2025, to the lowest mid-year count on record since 1973. The herd now is the smallest since the early 1960s, while the U.S. population has increased by about 50%. By the beginning of 2025, the herd had dwindled to 86.7 million cattle, the smallest number since 1951, according to U.S. government data. Since 2017, the U.S. has lost over 17% of cattle ranches, more than 150,000 operations. The current high cost of beef is primarily driven by a significant supply shortage caused by multi-year droughts and high input costs that have forced ranchers to reduce their herds. With fewer cows, fewer calves, and fewer animals available for beef, supply is tight long before the packers take their cut. Tariffs threaten to push prices even higher. Tariffs that Pres. Trump imposed on Brazilian goods have slowed U.S. imports of Brazilian beef that mixed with U.S. supplies to make hamburger meat. The U.S. has shrunk its beef cow herd to such a low level that it no longer can produce enough beef to satisfy domestic demand. Decades of failed trade policies have allowed cheap, lower-quality imports to displace the domestic cow herd, driving hundreds of thousands of cattle farmers and ranchers and millions of domestic beef cows out of the domestic beef supply chain. Weather is now a factor. Beef prices have climbed to record highs after cattle ranchers slashed their herds because of a years-long drought in the western U.S. that dried up lands used for grazing and raised feeding costs. Years of drought shrank the national herd to the smallest since the 1950s, decreasing the amount of beef that ends up in the grocery store meat case. Supplies tightened further in 2025 after the USDA halted imports of Mexican livestock to keep out a damaging pest called screw worm spreading in Mexico. Mexican cattle formerly imported for fattening in U.S. feedlots and slaughtered in U.S. processing plants.

MONOPOLIES. National beef packers and beef retailers have concentrated to monopolistic levels, permitting them to interfere with competitive market forces. Over a generation ago, cattle producers received over 60% of the consumer beef dollar, and the packer and retailer received under 40%. At that time, consumer beef prices were affordable. Since that time, the packer and retailer share of the consumer beef dollar has grown disproportionately to the cattle producer share. By 2021, the allocation completely reversed, with packers and retailers receiving over 60% and producers receiving under 40% of the consumer beef dollar. Therefore, the monopolistic control by the concentrated beef packers and beef retailers, with their access to unlimited, cheaper imports, allows them to exploit producers at one end of the beef supply chain and consumers on the other end. The chart below clearly shows the long-term and growing disconnect between cattle prices and consumer beef prices.[1]

[1] R-CALF USA. Bill Bullard, Statement on Government Effort to Lower Beef Prices, Oct. 20, 2025.



THE RESULT. Restaurant owners and other businesses in the food industry look for alternatives, changing menus and recipes, using cheaper cuts, blending menu items, shrinking portions, and offering more chicken menu items. Walmart opened its first beef facility in Kansas, eliminating the middleman. This facility will process and distribute Angus beef obtained from Sustainable Beef LLC to 600 Midwest stores.[2] Recently, U.S. ranchers have begun taking initial steps to start rebuilding the herd. However, it takes about 2 years before beef output rises after they make the first efforts to expand, because that is how long it takes to raise full-grown cattle. Kansas State U. beef expert Dr. Jason Warner said that producers are balancing market opportunity with long-term management and costs. According to Warner, national trends indicate limited growth, and scale is essential when producers consider retaining more cows. "As herds get larger, we've got more economies of scale there and potentially, a greater potential impact of seeing an economic benefit there -- being able to keep those females back. Generally speaking, as we see it, relative to where our Cattle-on-Feed numbers have been and the proportion of females that we have that are in feed yards right now, you're just not seeing a lot of general signs right now." He added that producers should weigh their costs, land resources, and reproductive efficiency before making expansion decisions.

WRONG SOLUTION. Attempting to lower domestic beef prices by inviting additional imports will both exacerbate and accelerate the ongoing dismantling of the domestic beef supply chain. The Trump Administration suggestion to import more beef from Argentina to lower prices received sharp criticism from Midwestern cattle ranchers and Republican senators from farming states like NE. They argue that this decision would undercut domestic producers and fail to significantly lower consumer prices. Groups like the National Cattlemen's Beef Association (NCBA), which typically align with conservative principles, oppose this policy they see as interfering with the free market, attempts to artificially influence prices through imports. "That ultimately lowers the cattle price of our physical cattle as well, and that's pretty problematic," said Mark McHargue, president of the NE Farm Bureau. In times of extreme uncertainty in the farm economy, we should increase efforts to support American family farmers and ranchers.

THE BEST SOLUTIONS. The solution is rebuilding herds to meet domestic demand, restoring competition in meatpacking, enacting mandatory country-of-origin labeling so consumers know where their beef originates, and creating a fair marketplace that benefits both farmers/ranchers and consumers. Such action will incentivize our domestic industry to rebuild and expand to meet our U.S. national security interest of achieving self-reliance in beef

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[2] The Food Institute, Marcy Kreiter, Beef Prices Hit Record High, Restaurants Rethink Menus, July 14, 2025.

production and ensure that consumers pay a competition-driven, not the current monopolistic-driven, price for beef.[3] Farmers and ranchers are doing everything possible to provide a high-quality product to American consumers. They do not set the prices, the market sets prices. Thus, make it easier and more affordable for American ranchers to operate. In Nebraska, reform our broken property tax system to greatly benefit our farmers and ranchers. Reduce the cost of business inputs to help them become more profitable. Lowering fuel prices demonstrates how America First policies can benefit not only our farmers and ranchers but the entire food supply chain. For consumers, conservative approaches to high beef prices in the Midwest generally focus on increasing the beef supply through market-based solutions, deregulation, and supporting domestic production. These solutions have become a subject of recent political debate. Conservative strategies emphasize allowing the free market to function and provide incentives for producers to expand their herds naturally. Conservative policy supports the market role in incentivizing ranchers to rebuild their herds by retaining more cattle for breeding. NE Sen. Pete Ricketts has called for market-based solutions to encourage domestic beef production instead of relying on foreign imports. This action would increase the U.S. beef supply over time. Boost domestic and international demand, so that ranchers are not trapped in the boom/bust cycle that has defined past cattle markets.

TRUMP ADMIN POSITIVES. At the White House, Pres. Trump is working on steps to bring prices down. A new joint effort targeting antitrust enforcement in agriculture being considered, the agreement almost complete and will lead to lower beef prices. He aims to monitor market activity and ensure competition in key farm sectors, earning praise from cattle industry leaders. Litigation continuing to pursue antitrust activities in the hog, poultry, and beef industry. The Trump Justice Dept. has an ongoing investigation examining the conduct of the meatpackers to determine if they have violated antitrust laws since the COVID-19 outbreak in 2020. Ag Secretary Brooke Rollins confirms that the Administration is working to rebuild the U.S. cattle herd, which is now setting at a 70-year low. [4] The national herd is at this low point while consumer demand for beef has grown 9% over the past decade. The

USDA issued a press release announcing a number of actions to strengthen the American beef industry, reinforcing and prioritizing the American rancher critical role in our national security. Because increasing the size of the domestic herd takes time, the USDA is investing now to make these markets less volatile for ranchers over the long term and more affordable for consumers. The USDA immediately will expedite deregulatory reforms, boost processing capacity, push more locally-raised beef into schools, and work across government agencies to fix longstanding interfering barriers for ranchers like cumbersome grazing restrictions. The USDA, under the Trump Administration, now committed to providing beginning ranchers with increased access to capital and risk management tools to help stabilize the industry. Enforcing compliance of labeling claims for meat and poultry products bearing "Product of USA" claims and providing guidance and outreach to states to support state-based labeling programs. Effective January 1, 2026, federal inspection personnel will begin enforcing compliance on regulated products that bear voluntary "Product of USA," "Made in the USA," and other U.S.-origin claims before they may enter commerce. Regional webinars and guidance in late 2025, in partnership with states and farm groups, to support state and local labeling claims related to regulations. Only cattle born, raised, and slaughtered in the U.S. will become eligible to make U.S.-origin labeling claims, ensuring that premiums derived from those claims benefit only producers and processors utilizing American beef. Further adoption of state and local labeling claims could lead to additional premiums for those producers and processors providing high-quality, local beef products to American consumers. The EPA is promoting regulatory certainty and clarity for American ranchers by ensuring a clear, consistent, and conservative definition of "Waters for the United States" (WOTUS) under the Clean Water Act. In addition, the EPA has withdrawn a 2024 Biden-proposed rule that would have imposed expensive new wastewater discharge requirements for meat and poultry processing facilities. The EPA also has withdrawn the Effluent Limitations Guidelines and Standards (ELG) rule. This action will prevent $1.1 - $7.8 billion in future compliance costs, allowing the building of more meat and poultry processing facilities in America.

TRUMP DEREGULATION. A major component of conservative agricultural policy is deregulation to lower operating costs and ease expansion for producers and processors. Trump reducing regulations that increase costs for small meat processors will save the industry billions in compliance costs. Boosting meat processing capacity by making it easier and cheaper to build new, smaller-scale processing plants. Strengthening the foundation of U.S.

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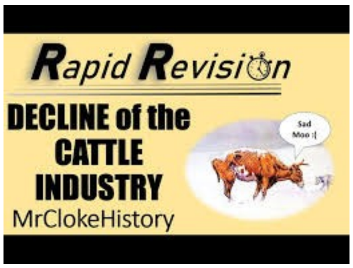
[3] R-CALF, news staff, Trump's claim to lower domestic beef prices comes at a cost says R-CALF's Bill Bullard, Oct. 17, 2025.
[4] RFD TV, news staff, DOJ, USDA Deal to Lower Beef Prices Nears as Administration Eyes Cattle Rebuild, Oct. 17, 2025.

cattle production through endangered species regulation reforms. A multi-agency Trump plan will increase expansion of grazing on federal lands to help increase the U.S. cattle supply. Grazing and rangeland management are central to the multiple-use missions of both the U.S. Forest Service (USFS) and the Bureau of Land Management (BLM). Together, the agencies administer about 240 million acres of rangelands across 28 states, supporting over 23,000 permits and leases. There are about 29,000 grazing allotments nationwide, but about 10% (24 million acres) are currently vacant. Grazing on federal lands sustains rural economies, supporting 14,200 jobs and $645 million in Gross Domestic Product on USFS lands, and 35,000 jobs and $2.7 billion in output on BLM lands. The plan will launch via a Memorandum of Understanding (MOU) between the USDA and Dept. of Interior (DOI), which will streamline and expand grazing on federal lands, elevate grazing as an Administration priority, and provide direct relief and support to American ranchers. The USDA–DOI Grazing Action Plan elevates grazing as a central element of federal land management by expanding access, reducing barriers, modernizing processes, and elevating producer voices. USFS and BLM jointly will assess the viability of vacant grazing allotments and prioritize opening them for permitted use. The plan increases rangeland availability, helps offset feed shortages, and expands opportunities for ranchers to rebuild herds without compromising resource stewardship. USFS and BLM will align regulations, modernize permitting guidance, and use new and existing authorities to reduce backlogs for permit renewals and annual operating instructions. The plan will develop a unified permitting framework that minimizes duplicative documentation and create expedited pathways for renewals. It will reduce administrative burdens on producers, accelerate access to forage, and ensure that ranchers have operational certainty during times of crisis. The proposal will expand targeted grazing as a vegetation management tool to control invasive species and reduce wildfire risk. Deregulation will reduce overtime and holiday inspection fees by 75% for very small processors and 30% for small processors, utilizing $20 million in unobligated funds from the Meat and Poultry Processing Expansion Program. By encouraging small processors to operate longer hours and expand their processing capacity, these establishments can help address the backlog that producers often face in bringing their livestock to slaughter, particularly in regions without large-scale processing plants.



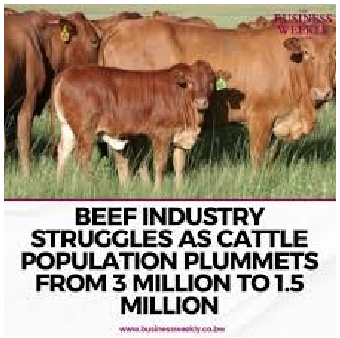
PREDATOR MANAGEMENT. DOI will collaborate with USDA to develop new standards of evidence for compensating ranchers for predations by wolves, bears, coyotes, and other species that prey on livestock. Both agencies will collaborate and work with relevant state agencies to develop new standards of evidence for predations of livestock. Improving the Livestock Indemnity Program (LIP) and Livestock Forage Program will offer higher and earlier payment rates to producers. The plan will include coverage for unborn livestock in the LIP program and increase the coverage to 100% of the market value for livestock killed by predators.

INCREASING VETERAN OWNED AND OPERATED RANCHES. Pres. Trump will prioritize grant applications in the Enhancing Agricultural Opportunities for Military Veterans (AgVets) program that support veterans interested in entering ranching. Starting with the Request for Applications (RFA) for AgVets in FY 2026, the program will include language encouraging applicants to consider ranching. The AgVets program designed to increase the number of military veterans gaining knowledge and skills through comprehensive, immersive model farm and ranch programs offered regionally that lead to successful careers in the agricultural and ranching sector.

INCREASING MARKETING OPTIONS FOR RANCHERS. The Trump USDA will announce a 4th round of grant funding through the Meat and Poultry Processing Expansion Program (MPPEP) to support small processors, with a focus on promoting local supply chains. Grants will total up to $2 million per award, to allow up to $25 million in guaranteed loans to increase local beef processing capacity. The Small Business Administration will prioritize small, low-interest loans to new, small meat and poultry processors to help offset start-up costs and bring new processing capacity to the marketplace. Eligible processors can apply for the program in early 2026. Grant applicants then reviewed, with grant funds announced in 2026. As many as 50 small meat processors across the country could receive funding to diversify the beef supply chain and open local market opportunities. USDA will strategically direct funding to areas that lack local processing but have a demand for these smaller processors.

EXPAND BEEF FOR STUDENTS. The Trump USDA will encourage schools, sponsors, and institutions participating in the USDA Child Nutrition Programs (CNP) to source and serve locally-grown foods, including beef, in program meals. USDA is also accepting applications for the FY 2026 Patrick Leahy Farm to School Grant

Program to support planning, developing, and implementing farm to school programs, to encourage CNP operators to purchase locally-grown and locally-raised ag products to the maximum extent practicable. The dept. has accepted applications to fund innovative farm to school projects ranging from $100,000 to $500,000, for a total of up to $18 million. Awards expected within 3–6 months. These efforts will improve access to local foods, including high-quality meat, for American students, and will improve child health and nutrition and reinvigorate American livestock producers. This program will serve as the foundation for multiple feeding programs, including school breakfast and lunch meals and meals served to U.S. military personnel.[5]



TAKE ACTION NOW. Nebraska is a leader in the national beef industry, and Nebraskans must lobby our elected officials to protect, support, and enhance this state industry. Though the Trump Administration is misguided in its attempt to import additional beef products to stabilize the market, it is promoting many programs through federal departments and agencies to bolster and advance the domestic beef industry. Using the information above, lobby our 2 senators and your congressman to continue to oppose beef imports and instead promote federal legislation mirroring Trump Administration executive actions that will preserve and advance national and NE ranching and beef marketing industries. Email netaxpayers@gmail.com for congressional contact information and join our NTF *President Watch Project.*

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[5] USDA plan to fortify the U.S. Beef Industry.