June 13, 2022
(House Rules)

STATEMENT OF ADMINISTRATION POLICY
H.R. 7606 - Lower Food and Fuel Costs Act
(Rep. Spanberger, D-VA, and three co-sponsors)

The Administration supports House passage of H.R. 7606, the Lower Food and Fuel Costs Act, which would promote a more resilient food system with strengthened agriculture and food supply chains, greater biofuels infrastructure, and greater competition in the meat and poultry sectors to ensure access to fairer, better, and more competitive markets with more stable prices for consumers. This bipartisan legislation is an important step in ensuring that the U.S. builds on lessons learned from the COVID-19 pandemic and supply chain disruptions, while supporting American farmers to reduce their input costs and reduce energy usage.

Farmers today are squeezed between concentrated market power in the agricultural input industries, be it in seed, fertilizer, feed, or equipment suppliers, and concentrated market power in the channels for selling agricultural products. As a result, American farmers’ share of the value of their agricultural products has decreased and they often struggle to make sustainable returns. H.R. 7606 includes three separate measures that would help address these challenges. It would create a new office within the Department of Agriculture (USDA) with enhanced authorities to investigate meat packers and live poultry dealers accused of wrongdoing; establish a USDA-led task force to address supply chain resilience and crisis response; and establish additional loan programs at USDA for new and expanding meat processors to finance investment to drive competition within the meatpacking industry.

In addition, H.R. 7606 would help farmers implement nutrient management practices, while also supporting more efficient use of fertilizers. It would also expand loan programs for farmers to implement precision agriculture technologies. Furthermore, H.R. 7606 would expand the availability and use of low-carbon homegrown renewable biofuels to address rising costs due to Russia’s war in Ukraine by upgrading infrastructure to ensure that higher ethanol blends and other biofuels are more readily available across the country.

This legislation complements many of the actions already underway by the Administration to increase transparency and ensure fair and competitive markets for American agriculture producers and consumers and support sustainable farming. The Administration supports House passage of H.R. 7606 and looks forward to working with the Congress through the legislative process on these important issues.

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