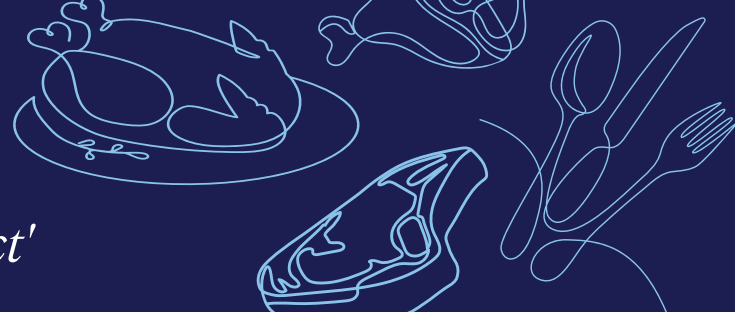




Nourishing Today
Sustaining Tomorrow

What They Are Saying: Sen. Schumer's *'Family Grocery and Farmer Relief Act'*



Producers, Packers, Economists and More Agree: The recently introduced "Family Grocery and Farmer Relief Act" will cause chaos across the entire meat supply chain and will likely send prices for consumers skyrocketing. Here's what the experts are saying:



In a scathing opinion entitled, "[The dumbest way to lower beef prices. Breaking up meatpacking companies would make steak even more expensive](#)," the Washington Post Editorial Board writes: "Yet it's not market consolidation or dastardly foreigners keeping prices high. Big companies, on average, sell at more competitive price points than a shopper could get directly from a farm."



"This is a horrible idea," said Derrell Peel, professor of agricultural economics at Oklahoma State University. "It will make prices for consumers go higher. It will make cattle prices ... go lower, and it will infinitely extend the amount of time it would take to rebuild this industry to get to a point where there would be larger supplies." Peel added: "There will be no winners in this, other than a bunch of lawyers. That's the bottom line." Agri-Pulse: "[Schumer, Senate Dems go after meat industry concentration](#)"



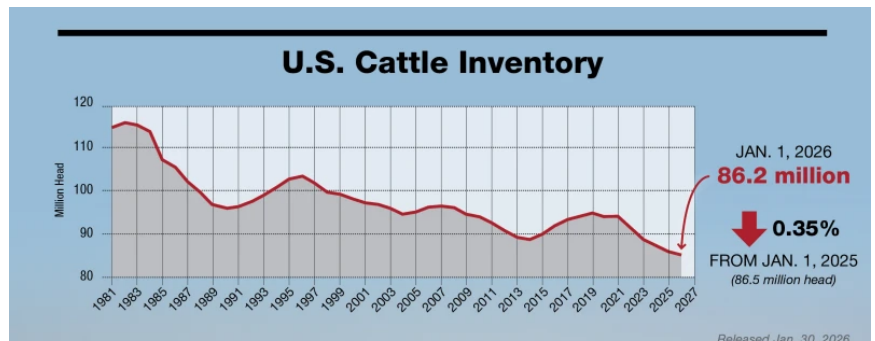
"[The] bill would only raise the cost of beef in grocery stores and lower the price of cattle – simultaneously squeezing consumers and ruining record markets for producers," says Ethan Lane, National Cattlemen's Beef Association (NCBA) senior vice president of government affairs. "U.S. cattle producers need access to adequate processing capacity to keep their operations running, and this bill would immediately create a processing bottleneck rivaling COVID-19-era processing disruptions. NCBA strongly opposes this anti-consumer and anti-producer legislation." Drovers: "[What is Sen. Schumer's Family Grocery and Farmer Relief Act?](#)"



Industry expert Nevil Speers says "higher beef prices are largely the result of improved demand (the signal is loud and clear) – not the packer squeezing margin out of the middle (for more see here). And meanwhile [consumers continue to prove their willingness to trade up when it comes to buying beef](#) (because [they like it!](#))." Beef Magazine: "[Schumer's Pretense of Knowledge](#)"

Supply and Demand Dynamics Remain the Biggest Reason for Higher Prices

- The cattle inventory contracted for the seventh consecutive year during 2025. The Cattle report estimated the number of cattle at 86.2 million head as of January 1, 2026, down from 86.5 million head the previous year and the lowest since 1951. – [USDA](#)
- "A long-running cattle shortage on American pastures, along with resilient consumer demand, are expected to keep beef prices elevated over the next few years." – [Wall Street Journal](#)
- "[T]he real solution is expanding supply, not fragmenting the industry ... the biggest driver of rising prices is that the U.S. has its smallest herd of cattle in 75 years while demand for red meat continues to rise." – [Washington Post](#)



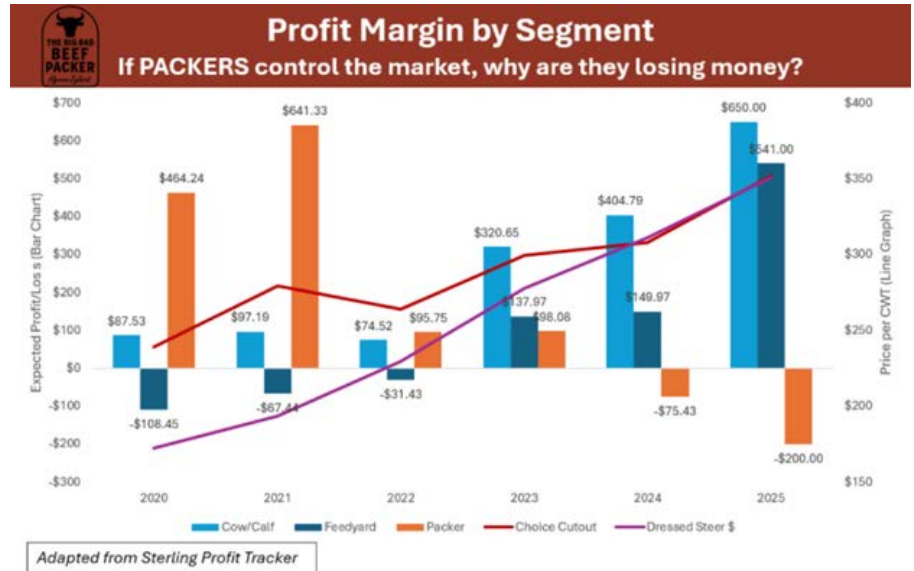


If Packers Control the Market, Why Do They Continue to Lose Money?

- "Here's the sober test: if packers set prices, you'd expect durable economic fingerprints: persistent supernormal profits, spreads that blow out and never normalize, loss years disappearing. Instead, what shows up historically is something less exciting, but accurate: Prices and spreads react to shocks and utilization."

"Margins fluctuate between profits and losses. Retail behaves differently because it's category - managed and sticky. That is not a moral defense of every behavior in the chain. It is an economic description of how a tight cattle cycle transmits. Breaking up the packing sector doesn't change the cycle. It changes the industry's ability to absorb it." **Hyrum Egbert, beef industry expert, ["You can't legislate the cattle cycle."](#)**

- "For 2025, my Sterling margin estimates indicated that beef packers had an average loss of \$138/head. Feedlots realized an average profit of \$498/head last year while cow-calf producers made \$897/head on cattle sales during 2025." **John Nalivka, Sterling Marketing Inc. President. Drivers: ["What is Sen. Schumer's Family Grocery and Farmer Relief Act?"](#)**

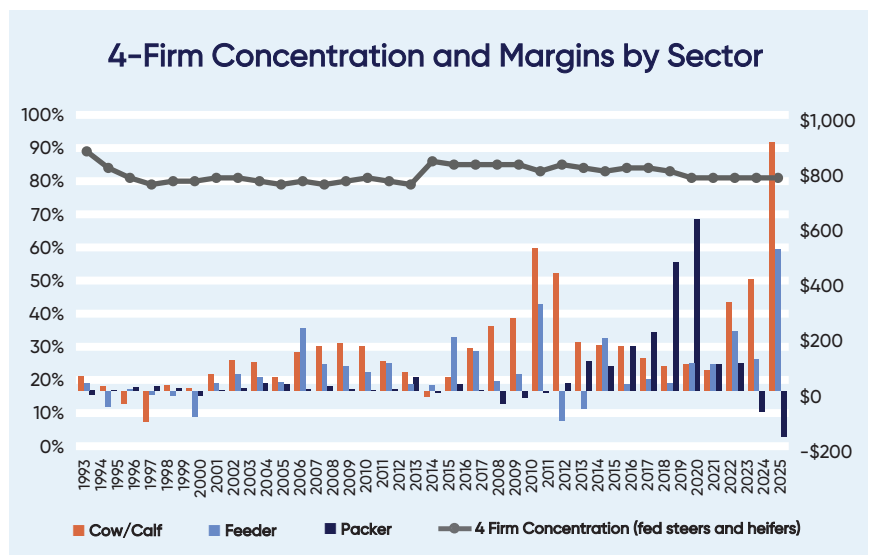


- "This proposal assumes there are well capitalized and capable buyers lining up to enter the meat and poultry business, and that with the flip of a switch production would simply continue. This is a dangerous fantasy – these facilities are expensive, hard to run efficiently and safely, and are part of a complex value chain." - **Julie Anna Potts, Meat Institute President and CEO**

Concentration Unchanged Over the Past 30 Years

Market concentration in the packing industry has been roughly unchanged in the last 30 years, yet the recent spike in beef prices coincides not with increased consolidation or better margins for packers, but with increased margins for ranchers and feeders.

- "That plan goes against the one thing that allows a company to compete, including meatpackers, and that is economies of scale," said **John Nalivka, Sterling Marketing Inc. President. Drivers: ["What is Sen. Schumer's Family Grocery and Farmer Relief Act?"](#)**



Source: USDA ERS