USDA PLAN TO FORTIFY THE AMERICAN BEEF INDUSTRY: STRENGTHENING RANCHES, REBUILDING CAPACITY, AND LOWERING COSTS FOR CONSUMERS

CHALLENGE:

Since 2017, the U.S. has lost over 17% of cattle ranches, more than 150,000 operations. The national herd is at a 75-year low, while consumer demand for beef has grown ~9% over the past decade. Because herd rebuilding takes time, USDA is investing during the downturn so that the next upswing is less volatile for ranchers and more affordable for consumers.

PLAN:

This plan to fortify the American Beef Industry focuses on three coordinated priorities:

PROTECTING AND IMPROVING THE BUSINESS OF RANCHING:

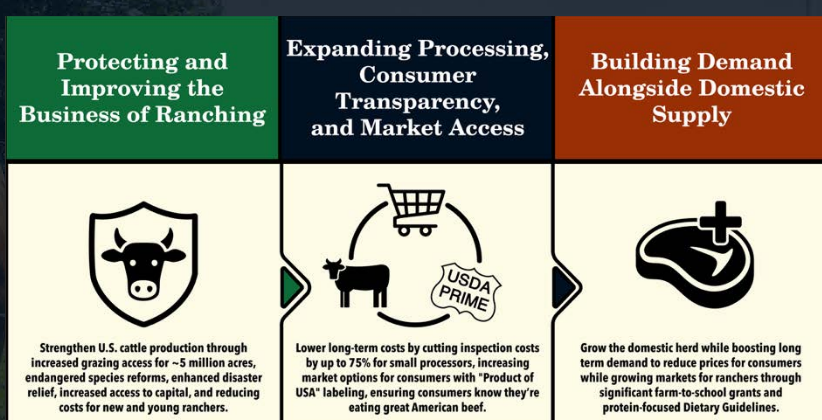
Strengthening the foundation of U.S. cattle production through endangered species reforms, enhanced disaster relief, increased grazing access, increased access to capital, and affordable risk management tools.

EXPANDING PROCESSING, CONSUMER TRANSPARENCY, AND MARKET ACCESS:

Lowering long-term costs, increasing marketing options, and ensuring consumers have clear, truthful information about American beef.

BUILDING DEMAND ALONGSIDE DOMESTIC SUPPLY:

Growing the domestic herd while boosting domestic and international demand so that ranchers are not trapped in the boom/bust cycle that has defined past cattle markets.



USDA

PROTECTING AND IMPROVING THE BUSINESS OF RANCHING:

Strengthen U.S. cattle production through endangered species reforms, enhanced disaster relief, increased grazing access, increased access to capital, and affordable risk management tools.

A. USDA–DOI GRAZING ACTION PLAN

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 approximately 240 million acres of rangelands across 28 states, supporting over 23,000 permittees and lessees. There are roughly 29,000 grazing allotments nationwide—about 10% (24 million acres) are currently vacant. Grazing on federal lands sustains rural economies, supporting 14,200 jobs and $645 million in GDP on USFS lands, and 35,000 jobs and $2.7 billion in output on BLM lands.

The plan will be launched via a Memorandum of Understanding (MOU) between USDA and DOI (anticipated announcement in November 2025), which will streamline and expand grazing on federal lands, elevate grazing as an Administration priority, and provide direct relief and support to America's ranchers.

The USDA–DOI Grazing Action Plan positions grazing as a central element of federal land management by expanding access, reducing barriers, modernizing processes, and elevating producer voices. These coordinated efforts will strengthen rancher resilience, support herd rebuilding, and maintain working rangelands as a vital part of America's agricultural and environmental fabric.

EXPANDING ACCESS: Prioritizing Vacant Allotments

i. **USDA Action:** USFS and BLM will jointly assess the viability of vacant grazing allotments and prioritize reopening them for permitted use, with a commitment to ensure no net loss of Animal Unit Months (AUMs) nationwide.
ii. **Implementation:** Conduct a comprehensive inventory of vacant allotments, access through expedited environmental and administrative review.
iii. **Result:** Increases rangeland availability, helps offset feed shortages, and expands opportunities for ranchers to rebuild herds without compromising resource stewardship.

ELIMINATING DELAYS: Streamlining Permitting and Authorizations

i. **USDA Action:** 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 (AOIs).
ii. **Implementation:** Develop a unified permitting framework that minimizes duplicative documentation. Create expedited pathways for renewals under categorical exclusions. Activate emergency authorities to provide relief following droughts, fires, or other natural disasters.
iii. **Result:** Reduces administrative burdens on producers, accelerates access to forage, and ensures ranchers have operational certainty during times of crisis.

ELEVATING RURAL AMERICANS: Giving Ranchers a Voice

i. **USDA and DOI Action:** Strengthen engagement and mutual understanding between federal agencies and grazing communities through structured listening, learning, and on-the-ground collaboration.
ii. **Implementation:** Host regional meetings to identify producer priorities and locally led rangeland health solutions. Train line officers and range staff on practical ranch operations to bridge the gap between policy and field realities. Establish a liaison for every wildfire incident that may affect permitted grazing to ensure timely coordination and recovery.
iii. **Result:** Builds trust between agencies and producers, embeds local expertise in policy execution, and ensures grazing interests are represented during emergency response and land-use planning.

MAXIMIZING FLEXIBILITIES: Keeping Working Lands Working

i. **USDA and DOI Action:** Promote innovative grazing management tools and outcome-based practices to sustain ecological health while reducing costs for ranchers.
ii. **Implementation:** Expand targeted grazing as a vegetation management tool to control invasive species and reduce wildfire risk. Allow outcome-based grazing agreements to tailor stocking rates and timing to local conditions. Pilot and scale virtual fencing and other precision-management technologies to lower labor costs and improve herd distribution.

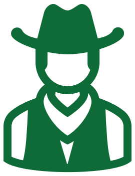
Result: Enhances rangeland resilience, increases operational flexibility, and lowers production costs, keeping federal working lands in productive use.

IMPROVING COORDINATION: Aligning Agencies to Better Serve Ranchers

i. **USDA Action:** Establish formal inter-agency coordination through the upcoming USDA–DOI MOU to align policies, procedures, and communication for ranchers who operate across administrative boundaries.

ii. **Implementation:** Create a joint customer interface for grazing permit holders with unified contact points, guidance, and forms. Develop shared staffing models and communication protocols to ensure consistent policy interpretation.

iii. **Result:** Provides ranchers with a one-stop experience when engaging with federal agencies, reduces bureaucratic friction, and strengthens cross-boundary management consistency.



B. PREDATOR MANAGEMENT AND ESA REFORM

i. **USDA and DOI Action:** 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 in Arizona, New Mexico, and other states.

ii. **Implementation:** USDA APHIS and DOI FWS will collaborate and work with relevant state agencies to develop new standards of evidence for predations of livestock.

iii. **Result:** Increased coordination across government that allows for a complete and timely response after predations to livestock.

C. ENHANCED DISASTER AND PREDATION SUPPORT

i. **USDA Action:** FSA is enacting OBBBA provisions that better protect ranchers from the devastating economic impacts of natural disasters and protected species predation.

ii. **Implementation:** Improving the Livestock Indemnity Program (LIP) and Livestock Forage Program (LFP) to offer higher and earlier payment rates to producers. Including coverage for unborn livestock in the LIP program and increasing the coverage to 100% of the market value for livestock that are killed by predation.

iii. **<u>Result:</u>** Disaster frequency and intensity raise income volatility; timely indemnities help prevent forced liquidation in drought and fire years and in areas of high predation.

D. MAKING RISK PROTECTION TOOLS MORE AFFORDABLE AND PRIORITIZING NEW AND BEGINNING RANCHERS

i. **<u>USDA Action:</u>** RMA has expanded the beginning farmer definition from 5 years to 10 years. USDA has also enhanced the premium subsidy of 15 percentage points, additional subsidy for the first two years, 13 percentage points for the third year, 11 percentage points for the fourth year, and 10 percentage points for years five through ten.

ii. **<u>Implementation:</u>** Producers benefit from this enhancement right now when buying new policies. USDA is currently identifying producers who may fall into this expanded category and is working directly with agents to ensure those policyholders receive maximum benefits.

iii. **<u>Result:</u>** Decreased overhead and decreased risk for the population of producers who are most inclined to invest in their herd. Increased participation in risk management products reduces financial volatility in cattle markets, allowing all ranchers to better manage their busines

E. INCREASING VETERAN OWNED AND OPERATED RANCHES

i. **USDA Action:** NIFA will prioritize grant applications in the Enhancing Agricultural Opportunities for Military Veterans (AgVets) program that support veterans interested in entering ranching.
ii. **Implementation:** Starting with the Request for Applications (RFA) for AgVets in FY2026, NIFA will include language encouraging applicants to promote outreach and education focused on ranching.
iii. **Result:** The AgVets program is designed to increase the number of military veterans gaining knowledge and skills through comprehensive, hands-on and immersive model farm and ranch programs offered regionally that lead to successful careers in the food and agricultural sector. By prioritizing ranching, USDA will work to increase the number of veteran owned and operated ranches.

EXPANDING PROCESSING, CONSUMER TRANSPARENCY, AND MARKETS FOR RANCHERS:

These investments will put American beef producers and processors first, expand marketing choices for ranchers, and ensure clear, truthful labeling for consumers.

A. PROTECT AND PROMOTE AMERICAN BEEF THROUGH TRANSPARENT LABELING

i. **USDA Action:** FSIS will begin enforcing compliance of labeling claims for meat and poultry products bearing “Product of USA” claims and will provide guidance and outreach to states to support state-based labeling programs.

ii. **Implementation:** Effective January 1, 2026, FSIS inspection personnel will begin enforcing compliance on FSIS-regulated products that bear voluntary “Product of USA,” “Made in the USA,” and other U.S.-origin claims before they may enter commerce. FSIS will conduct regional webinars and issue guidance in late 2025, in partnership with states and farm groups, to support state and local labeling claims related to FSIS regulations.

iii. **Result:** Only products that have been born, raised, and slaughtered in the United States will be eligible to make U.S.-origin labeling claims, ensuring any premiums derived from those claims only benefit 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.

B. PROMOTE FAIR AND TRANSPARENT BEEF MARKETS

i. **USDA Action:** USDA collects and publishes information on the marketing of cattle and beef products to provide a more transparent and resilient marketing system that benefits all stakeholders. This unbiased, free information supports producers in making informed marketing decisions to compete more effectively in the marketplace. USDA continues to seek out emerging technologies to maximize the efficiency of its service to ensure producers of all sizes can continue to easily find the information they require. USDA will continue to regularly monitor industry activities and conduct regulatory compliance to ensure that cattle markets remain open, transparent, and fair for all participants. USDA will work with DOJ as necessary.

ii. **Implementation:** USDA's Agricultural Marketing Service (AMS) will continue to make public cattle and beef market information under the Livestock Mandatory Reporting program and will make available the Cattle Contract Library and other reporting tools to ensure producers have clear, timely market information.

iii. **Result:** These coordinated actions help ensure that producers can competitively market products to support stable, affordable beef prices for consumers.

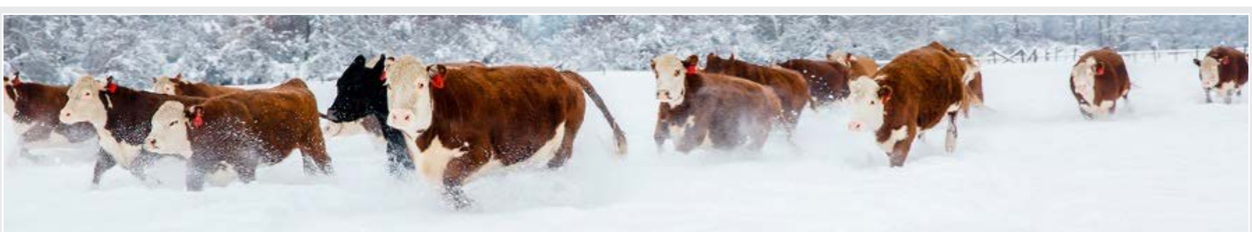
C. PROMOTING INNOVATION AND REDUCING COSTS FOR SMALL PROCESSORS

i. **USDA Action:** AMS will expand its remote grading program for beef, targeting small and medium processors that supply local and regional markets. AMS will also expand its Instrument Enhanced Grading program, which leverages camera technology to improve the consistency and accuracy of the AMS grading program and reduce staffing needs, bringing costs down for meat processors of all sizes.

ii. **Implementation:** These actions are ongoing, but USDA will begin to target messaging and announcements around new processing plants participating in either program.
iii. **Result:** Adds further efficiencies to the beef grading system and allows producers and processors of all sizes to access the USDA Grades, such as USDA Prime and USDA Choice, which consumers in the U.S. and around the world recognize as symbols of quality American beef.

D. REDUCE OVERTIME AND HOLIDAY INSPECTION FEES FOR SMALL PROCESSORS

i. **USDA Action:** FSIS will reduce the costs of overtime and holiday inspection for small and very small meat, poultry, and egg product establishments.
ii. **Implementation:** For FY2026, FSIS will temporarily reduce overtime and holiday inspection fees by 75% for very small processors and 30% for small processors, utilizing $20 million in de-obligated funds from the Meat and Poultry Processing Expansion Program. FSIS will begin implementing fee reductions in early 2026, which can be retroactive to October 1, 2025.
iii. **Result:** By incentivizing 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 establishments.



E. ENHANCE LOCAL PROCESSING, INCREASING MARKETING OPTIONS FOR RANCHERS AND CONSUMERS

i. **USDA Action:** RBCS will announce a fourth 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 would total up to $2 million per award.
ii. **USDA Action:** RBCS will prioritize beef processor applications within USDA's Guaranteed Business and Industry Loan Program to allow up to a $25 million guaranteed loan to increase local beef processing capacity.
iii. **SBA Action:** SBA 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.
iv. **Implementation:** RBCS will publish a NOFO in late 2025 creating a grant application window for a fourth round of MPPEP. Eligible processors would apply for the program in early 2026. Grant applicants would be reviewed by RBCS, with grant funds announced in Q2 of 2026.
v. **Result:** 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 have a lack of local processing but have a demand for these smaller processors.

F. ENHANCING ACCESS TO FEEDER CATTLE DATA

i. **USDA Action:** AMS will pilot new technology that will assess feeder cattle against USDA standards using LiDAR technology.
ii. **Implementation:** Using vision and AI-based technologies, pilots will begin in early 2026. USDA AMS will partner with livestock auction markets to ensure the technology works in real life settings and accurately applies USDA's standards, which serve as the industry's common language of trade.

iii. **Result:** Expands the availability of market and price information on feeder cattle at auction barns, feeding more data into existing USDA information systems to improve transparency and ultimately help producers realize the maximum value of their cattle.

G. ADVANCING DEREGULATORY REFORMS UNDER THE CLEAN WATER ACT TO STRENGTHEN THE U.S. BEEF SUPPLY AND U.S. PROCESSING

i. **EPA Action:** The EPA is promoting regulatory certainty and clarity for America's ranchers by ensuring a clear, consistent, and durable definition of "Waters for the United States" (WOTUS) under the Clean Water Act. In addition to that action, the EPA has withdrawn a 2024 proposed rule that would have imposed costly new wastewater discharge requirements for meat and poultry processing facilities.
ii. **Implementation:** EPA has already taken action on the WOTUS definition and has withdrawn the Effluent Limitations Guidelines and Standards (ELG) rule.
iii. **Results:** This action will prevent $1.1 B to $7.8 B in future compliance costs, allowing more meat and poultry processing facilities to be built in America.

BUILD DEMAND ALONGSIDE DOMESTIC SUPPLY:

By increasing domestic and international demand in tandem with domestic supply, the Trump Administration will lessen the volatility of the boom/bust cycle.

A. EXPAND ACCESS TO LOCALLY RAISED BEEF FOR AMERICAN STUDENTS

i. **USDA Action:** USDA FNS is encouraging schools, sponsors, and institutions participating in any USDA Child Nutrition Programs (CNP) to source and serve locally grown foods, including beef, in program meals. FNS is also accepting applications for the FY2026 Patrick Leahy Farm to School Grant Program to support planning, developing, and implementing farm to school programs.

ii. **Implementation:** FNS issued a memo on May 6, 2025, to encourage CNP operators to purchase locally grown and locally raised agricultural products to the maximum extent practicable. Beginning September 10, FNS 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. These applications will be accepted until December 5, and awards are expected within 3–6 months afterward.

iii. **Result:** 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 by better connecting them with USDA's Child Nutrition Programs.

B. ENSURE SCIENCE-BASED DIETARY GUIDELINES FOR AMERICANS

i. **USDA Action:** Together with HHS, ensure the 2025–2030 Dietary Guidelines for Americans (DGA) reflect sound science and practical advice for the American family, including encouraging protein as the foundation for every meal.
ii. **Implementation:** The DGA will be released no later than December 31, 2025.
iii. **Result:** The DGA will serve as the foundation to multiple feeding programs, including school breakfast and lunch, the Supplemental Nutrition Assistance Program (SNAP), Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), as well as what is served to U.S. servicemen and women, and as to how agencies such as the Food and Drug Administration (FDA) label packaged foods.