9/6/2019

An open letter to Donald J. Trump:

Mr. President:

It is with great and serious urgency that I write this letter and hope that it finds its way to you.

I am a 45- year-old cattleman, a rancher in the great-plains of America. My love for this land runs deep in my veins and my passion for the cattle business, even deeper. I came back to the family ranching operation in 1996, after receiving a degree in Agriculture, at the request of my father. He, along with my mother, built this operation from the ground up and although hard work led to great success, failure was not uncommon. They did, however, manage to raise a family on the land they love.

Sir, we are in trouble. The urgency in the ranching community is dire. People are going broke and this year looks to be worse than ever. As you well know there are many factors in agriculture that must be dealt with on a daily basis. Weather, predation, livestock and crop health, attacks from anti-agriculture groups and the list goes on and on. Those factors are inherent in our business and are dealt with as they come, that is nothing new or unusual. We have also long-dealt with volatile commodity markets. However, the current market system is so blatantly out of control that we must find balance again or there will not be a single family on the land in the short term. Please consider the following:

1. The beef industry is run and controlled by four major beef packing companies. JBS, National/Marfrig, Tyson and Cargill. These four entities, two of which are foreign owned, have monopolized the beef industry to the point of absolute corruption. The lack of competition that exists across the industry has resulted in the inability to negotiate beef cattle trade by the producer. Because this industry is based upon timing and perishability, producers are now forced to "take what they can get" for their commodity.

   The industry is so captured by the packers that a fire in a beef packing plant in Garden City, KS on August 9, 2019 caused panic in the cash and futures market. This resulted in a three-day loss of 10-18 dollars per CWT (closing in on $100.00 per head value).

   For my small operation, that short-term event created a six-digit value loss. That's a catastrophic event for any small business.

   This, coupled with the market crash of 2015 and again in April of 2019, has created a monumental (maybe impossible) task of recovery. It is a fact, that after the recent Tyson fire, producer AND wholesaler/retailer margins decreased substantially while packer margins increased to well over $500.00 per head.

   Sir, the mission statement of The Packers and Stockyards Act of 1921 says, "To protect fair trade practices, financial integrity, and competitive markets for livestock, meats, and poultry." With all due respect sir, if capitalizing on a crashed market on the producer end

while increasing prices on the consumer end (due to a small fire) is considered a fair-trade practice, then my parents failed in my raising.

Mr. President, we must break up these food monopolies and enforce anti-trust laws.

We are no longer surviving on the capitalistic virtue of supply and demand, for which rural America supported you! We are now taking what they give us and hope it's enough. Please help!

2. On August 2, 2019, with the NCBA leadership at your side, you signed a beef trade agreement with the EU. Again, on August 24, 2019 you announced a restructuring of framework between the USA and Japan on beef trade. NCBA represents less than 3% of actual beef producers across the United States. Less than 3% are trying to set the tone for the rest of us. It was very unsettling to see those folks celebrating a "win" that has no actual teeth. Without Country of Origin Labeling (COOL), these trade agreements Have. No. Teeth and there is no guarantee the meat being exported will be USA product.

   At the same time China showed signs of trade renegotiation. Normally, reports on such positive events would be called "market movers." Yet, no upward trend in market position ever took place. We must reinstate COOL in the US marketing system.

   No doubt, COOL is a hot-button issue. I find it highly ironic, if not hypocritical, that any beef statesmen who stands against COOL in America, is celebrating beef trade with Japan while looking at his or her USA born, raised and harvested product sitting on a shelf in that country bearing the USA label.

   American producers and foreign consumers know we have the best, cleanest and safest beef product on earth. Yet within our own borders it is opposed by NCBA leadership and some membership because it is deemed "too expensive," or they believe producers must pander to the WTO and its members. Since when does the USA lose its sovereignty to the WTO?

   The real reason, however, is that those who oppose COOL are sitting in influential positions that enable the importation of lower quality, cheaper beef to be co-mingled with the USA beef supply, thereby increasing beef packer margins. It's a pay-to-play mindset.

   More importantly, I believe that COOL is a liberty issue. The implementation of COOL allowed the consumer the LIBERTY to choose the product they wanted and overwhelmingly the AMERICAN consumer purchased beef with the Product of the USA label. Conversely, the lack of COOL eliminated the producers LIBERTY to market their product as superior.

   Again, I find it ironic that country labeling is required on all products in the USA except for beef and pork. Proof of more control up the supply chain. Sir, even the markets realize that COOL is essential as the market crash of 2015 was, in part, a direct result of the dismantling of mandatory COOL.

As the consideration of USMCA approaches I ask you and your colleagues to deeply consider mandatory COOL.

Mr. President, we are fighting for our lives here. Attacks on the beef industry from environmental, animal rights and anti-agriculture groups are around every turn. The American producer is faced with increased overhead, daily bills are trending upward and health care costs sky-rocketing. This, along with normal trials in agriculture risk-taking have created a mental health crisis that we have not seen in generations.

Sir, your presidency won on the AMERICA FIRST policy. You promised to help revitalize farms and ranches across America, which earned you great respect and support by producers, but we have a crisis in the farm and ranchlands of America that needs to be addressed now!

A few entities should not have the power to control the greatest industry on earth. An industry that won the west and made American exceptionalism truly exceptional. Help us, help you to MAKE AMERICA GREAT AGAIN.

DEMAND USA BEEF!

Respectfully,

Shad Sullivan, American Beef Producer