March 18, 2020

United States President Donald J. Trump
The White House
1600 Pennsylvania Ave., NW
Washington, DC  20500

Dear President Trump,

America faces a potentially catastrophic disease-related crisis. You are taking unprecedented action to head it off. Thank you.

America’s largest segment of Agriculture – the U.S. live cattle industry, is in a catastrophic crisis already, and has been since 2015. We pray for your attention.

Since you took office, America’s cattle farmers and ranchers’ average incomes have been slashed ~20% compared to the previous 5-year average, while multinational beef packers’ income increased ~80% (using cattle prices and packer margins, respectively, as proxies for income), and consumer beef prices increased ~6%.

Today, beef packers are buying cattle from America’s cattle farmers and ranchers for the same price they paid a decade ago – when consumers were paying ~25% less than they pay today for beef. This means America’s cattle farmers and ranchers on one end of the food supply chain and consumers on the other are being severely exploited. This has gone unabated for years.

Now, the coronavirus upheaval has intensely worsened the financial and economic conditions of America’s cattle farmers and ranchers. Many will not make loan payment deadlines and many of those will not survive without immediate intervention.

As your effective preemptive steps are doing today, we tried for over a decade to head-off our industry’s catastrophic crisis. We tried implementing preemptive measures to reform harmful trade policies, restore mandatory origin labels on beef so consumers could support America’s cattle producers, restrict unfair and anticompetitive packer buying practices, preserve our industry’s price discovery market, and prevent our industry from importing high-risk cattle and beef from countries with highly contagious foreign animal diseases – the recent decision allowing the importation of raw beef from disease-affected Brazil (e.g., the highly contagious foot-and-mouth disease) is but one illustration of this problem.

Unfortunately, decision makers have been disinclined to support any of these important reforms. So here we are. Mired in a catastrophic crisis. Our entire industry, along with all of Rural America it supports, needs your immediate attention.
We urge you to consider the following five emergency stopgap measures to help America’s cattle producers survive this ongoing crisis. We also add two additional requests that, with Congress’ help, will provide America’s cattle farmers and ranchers what they really need to remain successful—a fully competitive marketplace and the tool they need to compete within it.

Emergency Stopgap Measures:

1. Direct lenders to grant emergency extensions of loan repayment deadlines and provide essential emergency operating funds.
2. Grant federal capital gains tax relief for farmers selling land, cattle, and equipment to remedy their current financial plights.
3. Eliminate the red tape that prevents state-inspected beef plants from selling beef across state lines to increase competition for cattle and eliminate the current bottleneck in beef distribution to consumers.
4. Suspend the decision to allow raw beef from disease-affected Brazil.
5. Direct the U.S. Department of Justice to immediately investigate the cause of this week’s inexplicable market volatility marked by severely depressed cattle prices and skyrocketing wholesale beef prices.

The Real Relief America’s Cattle Industry Needs:

1. Place immediate limits on the percentage of cattle that packers can procure through arrangements that both circumvent and undermine the competitive cash market (to preserve the integrity of our industry’s nearly destroyed price discovery market, which, importantly, informs our industry’s futures market).

2. Require all beef sold in America to be distinguished as to where the animal from which it was derived was born, raised, and harvested so American consumers can put American cattle producers First and choose to purchase safe, wholesome, exclusively American beef.

When the pandemic you are fighting subsides, and after you have implemented at least some emergency measures to prevent the collapse of America’s live cattle industry as we know it today, please know that I would greatly appreciate a brief face-to-face meeting with you to concisely discuss the fundamental needs of the U.S. live cattle industry.

Sincerely,

Bill Bullard, CEO
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Cc: The Honorable Sonny Perdue, Secretary of Agriculture