

**R-CALF USA** 

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May 19, 2020

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

Dear Mr. President:

On behalf of America's independent cattle ranchers, we applaud your suggestion to discontinue live cattle imports. Imported live cattle have long suppressed opportunities for aspiring ranchers to enter the ranching industry and have long undercut domestic cattle prices, resulting in reduced opportunities for independent cattle ranchers to remain profitable.

In recent weeks the COVID-19 pandemic reduced slaughter capacity in U.S. packing plants. This reduced capacity prevented many domestic cattle producers from accessing their market with their slaughter-ready cattle. In other words, American ranchers had cattle to sell but no market to sell into. However, while American ranchers were blocked from their own market, the packers and importers nevertheless continued importing tens of thousands of foreign live cattle each week. These live cattle imports continue to displace American cattle ranchers' access to their own market even in this time of national crisis. This is unconscionable.

For many years live cattle imports have undercut domestic cattle prices, thus depriving American cattle ranchers the opportunity to earn a competitive income from the marketplace. In a recent U.S. International Trade Commission hearing, meatpackers revealed that relatively small numbers of live cattle imports can have a disastrous affect on American cattle ranchers' profitability.

The meatpackers testified that the Northwest region imports 227K head of Canadian fat cattle each year representing 19% of that region's processing capacity. They also testified an additional 55K Canadian feeder cattle were imported annually into that region, representing 8% of the region's packing capacity. During the hearing, the National Cattlemen's Beef Association testified that these live cattle imports helped their feedlots and packing facilities run at optimal levels.

However, these annual live cattle imports significantly reduced profit opportunities for American ranchers. Data show that 34% of the Northwest's cattle ranches and 12% of the Northwest's beef cows were eliminated just since 1994. Thus, the facts show that the 282,000 annual live cattle imports (fat cattle and feeder cattle) from Canada effectively displaced about 180,000 head of beef cows and 18,831 cattle ranches, and that was just in the Northwest.

Mr. President, your suggestion to halt live cattle imports from Canada and Mexico is both sound and justified. Neither Canada nor Mexico have treated the United States fairly in the free trade Mr. Donald J. Trump, President May 19, 2020 Page 2

agreement we have had with them since 1994. They have consistently exploited the agreement to achieve a persistent trade surplus in the trade of cattle and beef and they have both circumvented the ruling of our U.S. appellate court and exploited the dysfunctional World Trade Organization (WTO) to effectively deprive American consumers of their right to know where their beef was born, raised, and harvested. This they accomplished by pursuing a WTO complaint against the United States' mandatory country-of-origin labeling (COOL) law even after our U.S. appellate court ruled the COOL law complied with our U.S. Constitution.

Ending live cattle imports will help reverse the ongoing contraction of America's ranching industry. Please let me know if there is any additional information my organization can provide.

Sincerely,

Bill Bullard, CEO 406-670-8157

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Cc: The Honorable Sonny Perdue, Secretary of Agriculture