

You're Not Listening, It's A CRISIS!
July 6, 2021

It happened overnight. Over three-quarters of a million family-owned hog farmers woke up one morning, took their market-ready hogs to the auction yard, and the only buyer there made only one bid – a bid far below the farmers' cost of production. The buyer didn't have to make a second bid, because increased packer concentration combined with increased imports eliminated the competitive market for hogs. The competitive infrastructure for the U.S. hog industry was gone.

So the lender told the farmer and most of the farmers' neighbors to quit. The farmer quit along with many others. Soon main street businesses across rural America closed their doors too – there simply weren't enough customers left in many rural areas to sustain rural communities and businesses.

But don't take my word for how quickly the combination of meatpacker concentration and rising imports can destroy a vibrant U.S. livestock industry. In 2017 the U.S. Department of Agriculture issued its long-awaited *Changes in the U.S. Swine Industry* report that reveals 75% of American hog farmers were wiped out in two decades, and 54% of those were wiped off the map in rural America in just 7 years.

This same "purging" of America's hog farmers is accelerating right now in America's cattle industry. We're losing untold numbers of family-owned and -operated cattle farms and ranches right now.

America's ranchers have been suffering under depressed cattle prices for going on seven years, imports of foreign beef and cattle have been steadily increasing for the past five years, and all the while consumers have been forced to pay unheard of and record prices for beef.

This alone is destroying economic opportunities for America's ranchers and the communities they support. But it's much, much worse!

Based on July 1 data, much of the entire western half of the United States is suffering large areas of severe, extreme, or exceptional drought. That means there's little to no grass and little to no hay right in the heart of cattle country.

And that means cattle ranchers of all sizes are being forced to sell their cows in a depressed market. Their cows *are* their revenue source, without them many cattle ranchers can not and will not be able to pay their mortgages and other expenses.

America could literally lose hundreds of thousands more family-owned and -operated cattle ranches overnight. Not just because of the drought. Not just because of increased imports. And not just because of beef packer concentration.

No, we stand to lose young ranchers, middle-aged ranchers, and old ranchers alike because these three forces – packer concentration, imports, and drought - have all come together at the same time to obliterate their opportunities to continue producing the best beef in the world under the best of conditions.

The U.S. Senate Agriculture Committee finally held a hearing two weeks ago to address the U.S. cattle industry. They did this after all three of these insurmountable forces had been more than just obvious for years – in the case of beef packer concentration and increased imports – and for months – in the case of the drought.

But now, two weeks later, nothing! Not a single bill that the Senate Ag Committee has been sitting on for months has been voted upon.

It's been over a year that consumers went to their grocery store to find there was no beef for them to purchase for their families. And over a year ago that cattle imports were brought into the United States to displace the American cattle producers' access to their own domestic markets.

Congress is now hard at work on an infrastructure bill. They're working on spending billions or more to build infrastructure, including in rural America. But they're doing this while oblivious to the fact that the competitive infrastructure for the nation's largest segment of American agriculture – the U.S. cattle industry – is being destroyed.

Where are our elected officials? Why aren't they listening? Why haven't they done at least something, even if it they don't know exactly every step that needs to be done to address this colossal crisis.

This is a CRISIS that both Congress and the President must address immediately or America will wake up one morning and read in the paper how nothing was done while untold American cattle farmers and ranchers vanished.

Help us sound the alarm. Call all your members of Congress today and every day until they act. Reach them by calling 202-224-3121.

Tell them to immediately pass mandatory country of origin labeling for beef; to fix the broken cattle market with the Grassley/Tester bill; and tell them to figure out how to catch all the young ranchers exiting our industry before they get through the door forever.

Please go to our Website at www.r-calfusa.com to get more information, and to become a supporting member to help us preserve your U.S. cattle industry.