The Honorable Richard Shelby  
United States Senate  
304 Russell Senate Office Building  
Washington, DC 20515

The Honorable Doug Jones  
United States Senate  
326 Russell Senate Office Building  
Washington, DC 20515

March 20, 2020

Dear Senators Shelby and Jones,

As the full impact of the Coronavirus remains unknown, our priority remains on the cattle and beef industry. Understanding the current uncertainty of the pandemic, our associations recognize consumers are literally buying beef as quickly as it can be restocked in the grocery store. Our organization’s leadership and staff members are committed to finding solutions to assist current market disparities, as well as developing long-term strategies which increase transparency and reduce the volatility seen in the cattle markets.

On Monday March 16, 2020, the cattle market, more specifically the commodities and futures boards, showed a significant flaw in functionality. As boxed beef prices soared up over $16 dollars per hundred weight, from $208.14 to $224.36, the commodity market for feeder calves plunged limit down from $114.48 per hundred weight to $109.98. As cattle futures plummeted, cattle producers across our states and the nation saw their equity evaporate within minutes. This loss of equity will undoubtedly have serious repercussions for producers and will reverberate throughout the industry for a significant amount of time.

As our organizations explore every measure to ensure that the supply chain remains open for both cattle and boxed beef, we must address both short and long-term effects of these market conditions and correcting a significant flaw in functionality. We request the following items:

- As all industries monitor discrepancy in expected price discoveries, we request that you please support our concern by passing this on to Secretary of Agriculture Sonny Perdue. Laws are in place to ensure that this situation does not happen and we want to make sure that these laws are followed.

- While we are appreciative of the packing industry’s commitment to keep plants running, a solution in the short term is that meat packers could be aggressive in the cash market and base their bids on the increased cutout value we are seeing rather than the futures. This will help with market liquidity and transparency, thus helping bring some stability back to the cattle markets.

Further, packer participation in the weekly Fed Cattle Exchange is requested.

“The Qualified State Beef Council of Alabama”
to provide further confidence to the producer segment of our industry by providing transparency and price discovery.

- Emergency disaster assistance for our farm families as part of a stimulus package intended to help the nation weather the crisis. We request the replenishment of the Commodity Credit Corporation to issue additional Market Facilitation Program (MFP) payments to include cattle producers. Given this is unchartered water for cattle producers, we are working with state and national organizations and leading economists to determine the exact structure of these payments to be meaningful to the families we represent. Therefore, we are open to any alternative programs to accomplish the task.

- Flexibility and increased access to low and zero interest loans in order to remain viable and ensure that grocery store shelves remained stocked. We are encouraging USDA/FSA to expand availability of these loans, in addition to increasing flexibility of terms for existing loans.

We are appreciative of the swift efforts Congress is taking to assist all Americans. As cattlemen continue to produce beef for Americans in this time of uncertainty, we are confident that you will take into account the above-mentioned items as we navigate through the pandemic.

Sincerely,

Erin Beasley
Alabama Cattlemen’s Association

Arkansas Cattlemen’s Association
Florida Cattlemen’s Association
Georgia Cattlemen’s Association
Kentucky Cattlemen’s Association
Mississippi Cattlemen’s Association
North Carolina Cattlemen’s Association
South Carolina Cattlemen’s Association
Tennessee Cattlemen’s Association

CC:
Congressman Bradley Byrne (AL-1)
Congresswoman Martha Roby (AL-2)
Congressman Mike Rogers (AL-3)
Congressman Robert Aderholt (AL-4)
Congressman Mo Brooks (AL-5)
Congressman Gary Palmer (AL-6)
Congresswomen Terri Sewell (AL-7)