



March 31, 2020

The Honorable Sonny Perdue
Secretary of Agriculture
U.S. Department of Agriculture
1400 Independence Avenue, S.W.
Washington, D.C. 20250

Dear Secretary Perdue:

On behalf of the Texas and Southwestern Cattle Raisers Association (TSCRA) and our more than 17,500 members, we would like to thank you and your staff for your tremendous efforts to support American agriculture during the COVID-19 pandemic. From FSIS's promise to keep meat inspectors and graders on the job to FSA's extension of low- and no-interest loans, the actions undertaken by USDA over recent weeks have been vital to the survival of countless agricultural operations.

As you know, cattle producers believe in a hand up, not a hand-out. Many TSCRA members have expressed that they would prefer a market-based approach rather than assistance from the federal government for market losses due to the COVID-19 crisis.

TSCRA has and will always remain fiercely committed to the free-market principles on which our nation and industry were built. As such, we are keenly aware that the quickest and best way to assist cattle producers is through market-based solutions. Many TSCRA members feel that the most pressing priority is the need to address the dramatic losses cattle producers are experiencing due to the discrepancy between beef cutout and live cattle prices. These losses have not been due to a lack of consumer demand, which has skyrocketed as consumers prepare for the worst-case scenario. Unfortunately, this increase in demand has not yet benefited cow-calf producers.

Thanks to your work and the efforts of many in the cattle industry, several packers have increased their price offerings. We applaud these actions, but others must join them. To protect the sustainability of America's beef supply, we respectfully encourage you to continue promoting and monitoring these actions to ensure proper price discovery throughout the beef supply chain.

That being said, TSCRA recognizes that some cow-calf producers may choose to apply for assistance. Therefore, we took the unprecedented step of supporting the most recent legislation passed by Congress and signed by the President.

As USDA deliberates how this assistance will be delivered, TSCRA respectfully requests that cow-calf producers receive equitable consideration given that we have no ongoing federal assistance programs. TSCRA would also ask that existing programs and delivery mechanisms be utilized if possible, to avoid the creation of any new and permanent government programs for the cattle industry.

The cattle industry can only succeed if cow-calf producers can stay in business and continue to provide a dependable live cattle supply. Likewise, for the cattle industry to be able to meet consumer demand, the entire industry needs to succeed. We must continue to work as an industry to meet the beef demand from consumers and address our own market volatility challenges without burdening taxpayers. That is how we weather this crisis and provide long term stability for our national beef supply.

Please know that TSCRA stands ready to assist in any way possible to accomplish these goals and provide for the continued success of TSCRA members and the rest of America's cattle producers.

Sincerely,

Robert E. McKnight, Jr.
President

G. Hughes Abell
First Vice President

Arthur Uhl, III
Second Vice President