

September 4, 2019

The Honorable Greg Ibach  
Under Secretary  
U.S. Department of Agriculture  
1400 Independence Avenue SW  
Washington, DC 20250

Dear Under Secretary Ibach:

Farm Bureau greatly appreciates the recent announcement by the Secretary of Agriculture directing USDA's Packers and Stockyards Division to launch an investigation into the recent beef pricing margins to determine if there is any evidence of price manipulations, collusion, or other unfair practices. This is welcome news. Over the last several weeks, however, we have continued to hear from concerned Farm Bureau members and state Farm Bureau leaders, asking that USDA continue to monitor the lingering effects on the fed cattle and live cattle markets due to the Aug. 9, 2019, fire at the Tyson beef packing plant in Holcomb County, Kansas.

We concur with this perspective and wish to underscore that, immediately following the tragic event, cattle markets incurred increased volatility and experienced significant downward pressure on prices, as one would expect after such an event. At the same time, the boxed beef cutout value skyrocketed, leading to the highest live-to-cutout spread since data collection began in 1991. Even as we approach three weeks removed from the event, volatility persists in the market. As many of our members look to market and deliver cattle to feedlots, this increased volatility continues to create uncertainty in the marketplace, making crucial risk management decisions even more difficult.

We strongly encourage that USDA, through the Packers and Stockyards Division, use its authority to monitor the markets to prevent unfair practices, as well as to provide all grading and auditing services necessary at surrounding plants to support the increased demand and capacity at those facilities. The diligence USDA has shown thus far is encouraging, and we fully support your continued monitoring of the situation.

Sincerely,



Zippy Duvall  
President