



**Iowa
Cattlemen's
Association**

March 19, 2020

The Honorable Charles Grassley
United States Senate
Washington, DC 20510

The Honorable Joni Ernst
United States Senate
Washington, DC 20510

Dear Senator Grassley and Senator Ernst,

While COVID-19 is affecting many people worldwide, our focus at the Iowa Cattlemen's Association is on how it has (and will continue to) affect Iowa's cattle producers. The short-term effects on the cattle markets have been extreme by all accounts, and the long-term effects are uncertain.

Iowa is a major beef producing state with over 25,000 beef producers and nearly 4 million head of cattle as of January 1, 2020. The beef cattle industry greatly contributes to Iowa's economy by generating approximately \$4 billion in cash receipts for cattle and calves, equal to nearly 15 percent of all Iowa agricultural cash receipts. Agriculture, including beef production, is the lifeblood of our state.

The COVID-19 national emergency has affected our U.S. cattle markets for several weeks now, most significantly between March 12, 2020 and March 18, 2020. According to U.S. Department of Agriculture reports, boxed beef cutout values added nearly \$40—rising to levels not seen since shortly after the Holcomb plant fire last August. While demand indicators currently appear strong, price support in the fed cattle trade and live cattle futures trade has drastically fallen. With live cattle futures experiencing sharp decline—hitting 10-year lows—and boxed beef on the rise, many Iowa cattlemen find themselves questioning how long they can weather the current losses. While the overall impact of COVID-19 on the beef cattle industry is unclear, it seems clear to producers that there is a stark contrast between their livelihoods as price-takers, and that of the price-makers.

For the sake of our beef producers, rural economies, and food security, it is of the utmost importance that all segments of the beef supply chain continue to operate as normally as possible. From feed supplies to harvest and processing, there are many factors required for the production of beef and the solvency of our industry.

As our government works to mitigate the issues caused by the COVID-19 outbreak, the Iowa Cattlemen's Association asks that the current and future needs of beef producers are taken into consideration. Specifically, we are requesting stimulus solutions to protect the long-term viability of our family-run operations, which support our local, state, and national economies. Furthermore, we encourage you to monitor market participation for anti-competitive practices (past and future) and we

look for your support of solutions that will improve transparency and price discovery for all in the U.S. cattle markets.

Thank you for your continued support of the beef cattle industry. As the COVID-19 outbreak continues to unfold, we stand ready to assist in any way possible.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard W. Godfrey". The signature is fluid and cursive, with a long horizontal stroke at the end.

Richard Godfrey
Iowa Cattlemen's Association President

CC:

The Honorable Sonny Perdue, Secretary, USDA
Representative Abby Finkenauer, IA-1
Representative Dave Loebsack, IA-2
Representative Cindy Axne, IA-3
Representative Steve King, IA-4