



October 5, 2017

The Honorable Roger Marshall, M.D.
United States House of Representatives
312 Cannon House Office Building
Washington, D.C. 20515

Dear Rep. Marshall:

The U.S. Cattlemen's Association writes in support of the amendment of the Packers and Stockyards Act to include essential protections afforded by the Dealer Statutory Trust. We applaud your leadership of legislation in the House of Representatives to protect America's unpaid farmers and ranchers who have borne the burden of an unjust law for too long.

The livestock industry and the agricultural way of life were founded on the promise provided by a handshake and an individual's good word. Unfortunately, when a livestock dealer defaults on payment and/or goes bankrupt, an unfair law oftentimes leaves livestock producers, farmers, and auction markets unpaid. The slight modification to the Packers and Stockyards Act provided by the creation of a Dealer Statutory Trust would give unpaid cash sellers of livestock first priority to recover the livestock and funds to which they should be entitled. Perhaps the greatest benefit of a Dealer Statutory Trust would also be the protection afforded to these small businesses against the catastrophic impacts of preferential transfer in bankruptcy.

As you know, the vitality of rural communities like those you represent in Kansas's Big First depends in large part on the long-term viability of businesses within those communities. In the livestock selling context, every player, whether it be a producer, a farmer, an auction market, or a dealer has a lender with whom they do business. Protecting the financial wellbeing of all industry stakeholders via the creation of a Dealer Statutory Trust will allow for the heritage of the livestock business to live on for generations.

The Dealer Statutory Trust is the most feasible solution and USCA supports the effort to amend the Packers and Stockyards Act to include it. The creation of the Trust would be budget neutral and would not require additional government oversight. A Dealer Statutory Trust would not impact the day-to-day business of a dealer or the individuals with which that dealer trades. A Dealer Statutory Trust would instead provide a low impact, pro-business safeguard to those farmers and ranchers most vulnerable to the effects of a dealer default.

Thank you for your support.

Sincerely,

A handwritten signature in cursive script that reads "Kenny Graner".

Kenny Graner
President, U.S. Cattlemen's Association