

The Honorable Sonny Perdue, Secretary of Agriculture
Office of the Secretary
Jamie L. Whitten Federal Building
1400 Independence Avenue, SW, Room 200-A
Washington, DC 20250

June 24, 2020

Dear Secretary Perdue:

We write to provide feedback on USDA's Coronavirus Food Assistance Program (CFAP). We greatly appreciate the help this program has brought to the nation's cattle producers thus far. Unfortunately, the initial tranche is not a sufficient tool for many producers, particularly those who did not sell cattle prior to April 15. We would like to work together to rectify this.

The Livestock Marketing Association (LMA) is the national trade organization of livestock auction markets from across the United States. Our livestock auction markets are a vital part of rural communities, using competitive auction to sell livestock for farmers and ranchers. LMA's more than 800 members includes more than 75 percent of regularly selling auction markets across the United States, serving hundreds of thousands of farmers and ranchers. In this role, we have a close connection to how the cattle markets are affecting producers and ways in which the CFAP can live up to its full potential.

To be clear, the assistance provided to livestock producers through the CFAP program is greatly appreciated. However, the use of the April 15 cutoff date within the program picks winners and losers in a way that in many situations is unrelated to the market conditions experienced by COVID-19.

On the front end, some producers who are eligible for the higher payments sold cattle in late January or early February when cattle markets were healthy. On the other side of the spectrum, producers who did not market cattle during the drops experienced in March and early April, holding out for better market conditions, and those who would have naturally sold cattle later in the Spring ended up losing money on the cattle and only being eligible for a \$33/head inventory payment.

We recognize this program was developed under budgetary constraints. We also realize that simplicity of administrating the program impacts the ways in which it could have been set up. Our hope is that as additional funds become available, through the Commodity Credit Corporation or other means, priority is given to increasing the payments made to those livestock producers who sold after April 15. Additionally, we recognize that the full effects of COVID-19 on the cattle market are still playing out and hope this will also be taken into account. LMA stands ready to assist in these efforts, including working with Congress to ensure USDA has the necessary funds to build on this important program.

Sincerely,



Tom Frey, President
Livestock Marketing Association