

United States Senate

WASHINGTON, DC 20510

March 20, 2020

The Honorable Sonny Perdue
Secretary of Agriculture
U.S. Department of Agriculture
1400 Independence Avenue, SW
Washington, DC 20250

Dear Secretary Perdue,

We appreciate the emergency measures you have employed in response to the COVID-19 outbreak. We are concerned about the impact the outbreak is having on cattle markets. It is important that we act quickly to provide assistance to cattlemen in these unprecedented times without unnecessarily intruding into the markets. We urge you to use your authorities under the Commodity Credit Corporation (CCC) Charter Act to make a one-time emergency payment to help beef cattle producers during this crisis.

We propose making this emergency payment to producers on a per head basis using a payment rate applied to the fair market value of the cattle as determined by the USDA Chief Economist. The payment method ought to be structured to reflect programs previously administered by USDA, such as the Livestock Indemnity Program, Livestock Forage Disaster Program or Market Facilitation Program. We believe using an existing USDA program as a template gives USDA the ability to quickly and efficiently make funds available to beef cattle producers in response to the COVID-19 outbreak.

We understand that program integrity is paramount. The level of verification required for a producer to receive an emergency payment ought to be similar to the requirements under existing programs, including providing documentation of ownership of the cattle in question on a specified date. We also expect for you to establish program parameters and adjust the payment factor to both meet the current needs of the beef cattle industry and fit into budget constraints.

Cattlemen across the nation are independent by nature and strongly support free market principles. If structured correctly, these emergency payments will inject capital into the beef industry while not causing distortions in the market. Further, making a payment on a per head basis is equitable to producers, benefits all segments of the beef industry, and is readily achievable by USDA.

As COVID-19 wreaks havoc on markets, we must strongly support cattlemen across the country by making this emergency payment. We stand ready to assist you as you continue to serve beef producers grappling with the market consequences of the COVID-19 outbreak.

Sincerely,

Jerry Moran
United States Senator

Kyrsten Sinema
United States Senator

John Hoeven
United States Senator

Deb Fischer
United States Senator

Kevin Cramer
United States Senator

John Boozman
United States Senator

John Cornyn
United States Senator

Roy Blunt
United States Senator