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April 16, 2020

The Honorable William Barr U.S. Attorney General United States Department of Justice 950 Pennsylvania Ave, NW Washington, DC 20530

RE: Investigation into beef meatpacking margins

Dear Justice Barr,

The Illinois Beef Association is requesting the Department of Justice open an investigation of beef pricing margins that have that have continuously occurred overtime as highlighted by the recent extreme market shifts due to a packing plant fire in Holcomb, Kan., in August 2019 and more recently due to the COVID-19 pandemic. It is vital to the continuity of business for the production sector of the cattle industry that evidence of any fraudulent business practices within the beef meatpacking industry be identified and rectified.

COVID-19's impact on the cattle market has reignited concerns that surfaced following the 2019 beef packing plant fire. These concerns continue to focus on extreme market deteriorations that repeatedly take place for the production segments of the beef industry that are closely followed by rapid increases in boxed beef values. The repeat nature of these market reactions emphasizes how the production sector of the industry is exposed to the highest potential for risk with little to no leverage to change that risk position. Sharp increases in profits for meatpackers after repeated black swan events less than seven months apart within the cattle market highlight and emphasize this issue.

We understand and acknowledge that there is a pending USDA investigation into the market reactions that took place after the August 2019 Holcomb, Kan., plant fire. However, as our industry looks for clarity of business function moving forward, we firmly believe that the Department of Justice should lead this investigation and expand the scope to include both market events that continue to place undue financial burden for all cattle producers within the production side of the beef cattle industry.

Beef producers work tirelessly to support the viability of our rural communities and supply protein to consumers throughout the country. A strong supply chain requires all segments including producers, processors, and retailers to work together through mutually beneficial means. However, the current dynamic trends beef producers have experienced over the last eight months raises question about an open and fair marketplace and causes concern regarding the

ability to disrupt food security moving forward. If anti-competitive practices are at play in one segment, it risks pushing participants in other segments out of business. Illinois beef producers are seeking answers to questions regarding the dramatic spread between live cattle and boxed beef prices and if there is any illegal activity involved.

Sincerely,

Ruel "Buzz" Iliff

President

Illinois Beef Association

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CC:

Senator Dick Durbin

Senator Tammy Duckworth

Congressman Bobby Rush (IL-1)

Congresswoman Robin Kelly (IL-2)

Congressman Daniel Lipinski (IL-3)

Congressman Jesus 'Chuy' Garcia (IL-4)

Congressman Mike Quigley (IL-5)

Congressman Sean Casten (IL-6)

Congressman Danny Davis (IL-7)

Congressman Raja Krishnamoorthi (IL-8)

Congresswoman Jan Schakowsky (IL-9)

Congressman Brad Schneider (IL-10)

Congressman Bill Foster (IL-11)

Congressman Mike Bost (IL-12)

Congressman Rodney Davis (IL-13)

Congresswoman Lauren Underwood (IL-14)

Congressman John Shimkus (IL-15)

Congressman Adam Kinzinger (IL-16)

Congresswoman Cheri Bustos (IL-17)

Congressman Darin LaHood (IL-18)