



2060 West Iles Avenue, Suite B  
Springfield, IL 62704  
217.787.4280  
[www.illinoisbeef.com](http://www.illinoisbeef.com)

The Honorable Dick Durbin  
United States Senate  
711 Hart Senate Office  
Washington, DC 20515

The Honorable Tammy Duckworth  
United States Senate  
Building 524 Hart Senate Office Building  
Washington, DC 20515

March 20, 2020

Dear Senators Durbin and Duckworth,

The Illinois Beef Association (IBA) applauds your efforts to mitigate the economic threats posed by the Coronavirus Disease (COVID-19) pandemic.

In Illinois, total output or sales generated from cattle production, processing and related industries totaled an estimated \$2.6 billion in 2019. The 18,066 cattle farms in our state are the lifeblood of our rural economies. As the full impact of COVID-19 remains unknown, the IBA's priority remains to keep the beef supply chain moving, preserve the viability of cattle markets, and mitigate the negative impact of COVID-19 on our nation's beef producers.

The market disruptions caused by COVID-19 have not been limited to the financial markets. Commodities, in both the futures and spot markets, have also experienced significant shocks, which have led to depressed prices for fat cattle, beef carcasses, and feeder cattle across the country. This price disturbance has created tremendous uncertainty in the cattle industry, and has come at a time when cattle producers are singularly focused on maintaining adequate supply to meat and food processors. As retail beef demand continues to soar in the wake of temporary restaurant closures, it is critical that cattle producers are empowered to maintain operational certainty as they work to ensure our nation's food security during this crisis. Our association recognizes consumers are purchasing beef as quickly as it can be restocked in grocery stores.

As our organization explores every measure to ensure that the supply chain remains open for both cattle and boxed beef, we must address both short and long-term effects of these market conditions. We request the following items:

- As all industries monitor discrepancy in expected price discoveries, we request that you please support our concern by passing this on to the Secretary of Agriculture Sonny Perdue. Laws are in place to ensure that this situation does not happen and we want to make sure those laws are upheld.
- While we are appreciative of the packing industry's commitment to keep plants running, a solution in the short term is that meat packers could be aggressive in the cash market and base their bids on the increase cutout value we are seeing rather than futures. This will help with

market liquidity and transparency, thus helping bring some stability back to the cattle markets. Further, packer participation in the weekly Fed Cattle Exchange is requested to provide further confidence to the producer segment of our industry by providing transparency and price discovery.

- Emergency disaster assistance for our farm families. It is imperative that a future stimulus package include a meaningful safeguard for our nation's beef producers during this public health emergency. To that end, IBA respectfully requests that Phase III, or any future deal, provide for a funding increase in the U.S. Department of Agriculture Commodity Credit Corporation (USDA - CCC) to issue additional Market Facilitation Program (MFP) payments to include cattle producers and feeders.
- Flexibility and increased access to low or zero interest loans in order to remain viable and ensure that grocery store shelves remain stocked. We are encouraging USDA/FDA to expand availability of these loans for cattle producers and feeders, in addition to increasing flexibility of terms for existing loans.

America's cattle-producing families are no stranger to market disruptions or financial hardships. Through this pandemic, they are continuing to work long hours to provide others with a safe and nutritious protein which can be easily prepared at home. In making these policy requests, our hope is that Congress will provide sufficient, one-time assistance to these producers so they can continue this vital work. IBA remains ready and willing to assist you in bringing that objective to fruition.

Sincerely,



Jill Johnson  
Executive Vice President  
Illinois Beef Association

CC:

*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)*