



COVID-19 and the Montana Rancher

Right now we are living through extraordinary times. Our leaders have taken extraordinary efforts that are affecting every citizen of the USA. The fact that the packers are taking advantage of the consumer and the producer is ordinary but the fact that they admit it in a letter to the Whitehouse is extraordinary. Tyson has reacted to pressure and offered a \$5 premium on live cattle they are already buying at a \$30 discount. It is time that we take extraordinary measures to stop the packers from price gouging.

Even the NCBA, who represents the Beef Packers, admitted in a letter to the Whitehouse that the Packers are taking advantage of the crisis to drop to the livestock producer and increase the price to the consumers.

Quote from the NCBA letter: "COVID-19 is sending shockwaves throughout the global economy. The domestic beef supply remains steady while retail demand and boxed beef prices are increasing, yet the panic has resulted in a free-fall for cattle markets with cash prices steadily decreasing. Due to this disparity, NCBA has requested that the packing industry act in good faith, aggressively participating in the cash market with bids based on the increased cutout value rather than the futures, as well as increased participation in the Fed Cattle Exchange to provide further confidence to the producer segment of our industry."

Obviously, if the producer gets less and the consumer pays more there is price gouging in the middle. Americans were rightfully outraged by individuals that purchased excessive amounts of sanitizer in order to profit personally. We should be more outraged by corporate greed in our food industry. We are all worried about food security in these difficult times and something needs to be done to turn the spotlight on this industry. There should also be an emergency declaration forcing corporations to stop price gouging their suppliers and consumers.

If the packers were buying cattle based on their cut out value, we would not have a problem today. Monopolies need to be investigated and regulated.

Senator John Tester just released information about a ranch relief bill to address some of the issues.

"Following an unprecedented drop in cattle prices as a result of the 2019 novel coronavirus (COVID-19) pandemic and continued market consolidation, U.S. Senator Jon Tester is introducing bipartisan legislation that would provide much-needed relief to Montana cattle producers. Tester's bipartisan rancher relief bill will use federal funds to bring security to small-scale cow/calf and independent operators by setting up a price

support program that pays the difference between the Economic Research Service's projected prices and the actual sale price of livestock. This program would cap at sales of 10,000 head, preventing major feeders from disproportionately benefiting over independent producers.”

Senator Steve Daines sent a letter calling on the Department of Justice (DOJ) to investigate the ongoing allegations of price-fixing and market manipulation within the cattle market and the beef meatpacking industry.

"At a time when cattle producers are seeing record losses and bankruptcies, now exacerbated by the COVID-19, compared to the shelf price of meat at record highs - these margins fail to make sense.”

This message very simple. The packers are price gouging. They are selling beef to consumers at a higher price and paying less to the producer. The American consumers should understand this and should be outraged by the price they are paying at the supermarket. We all need to reach out to the American consumers to help them understand how this pricing scheme affects Montana families, along with the cattle ranchers in Montana.