



Since 1894

April 21, 2020

The Honorable Sonny Perdue
Secretary of Agriculture
U.S. Department of Agriculture
1400 Independence Avenue NW
Washington, D.C. 20250

Dear Secretary Perdue:

The Kansas Livestock Association (KLA) appreciates your steadfast support of farmers and ranchers during these challenging times. Your announcement of the Coronavirus Food Assistance Program (CFAP) is welcome news for agriculture. The market impact and supply chain disruptions caused by COVID-19 have had a devastating impact on the economic stability of livestock producers.

While many details of CFAP are yet to be released, we are very concerned about reports indicating the program will have a payment limit of \$125,000 per commodity and \$250,000 per producer. We recognize the challenge of providing assistance to multiple segments of agriculture with limited funds. However, that payment limit represents a small percentage of the losses experienced by many livestock producers. It is particularly restrictive for Kansas livestock producers since our operational size tends to be larger than average.

Estimates developed for the National Cattlemen's Beef Association showed market losses of \$13.6 billion for cattle producers. Broken down by segment, losses were estimated at \$247.15 per head for cow-calf producers, \$159.98 per head for stocker operators, and \$205.96 per head for cattle feeders. We anticipate the payment limit will impact many Kansas stocker operators and most Kansas cattle feeders. At these levels, a feedyard with 606 head of feeder cattle will hit the payment limit cap of \$125,000. This size of a feedyard is not even counted for purposes of mandatory price reporting and represents a small portion of Kansas cattle feeders. For our dairy farmers, we have estimated a 300-cow dairy likely will be impacted by the payment limit. For the majority of our dairy operations, the payment limit represents less than 10% of their estimated losses.

Given that the CARES Act did not place a payment limit on the \$9.5 billion appropriated for livestock losses, KLA urges you to increase the payment limit included in CFAP to more appropriately reflect the losses experienced by all sectors of the cattle and dairy industry. At the current level, many operations will see only a small percentage of their market losses covered under the program. KLA has looked at alternatives to more proportionately distribute the \$5.1 billion set aside for the cattle industry and would urge your staff to contact KLA staff to discuss these alternatives before publishing an interim final rule.

Thank you for your continued support of U.S. agriculture and your consideration of this request.

Sincerely,

A handwritten signature in black ink that reads "Harry Moser". The signature is written in a cursive, flowing style.

Harry Moser
President

cc: The White House