



National Cattlemen's  
Beef Association

March 18, 2020

Ms. Julie Anna Potts  
Chief Executive Officer  
North American Meat Institute  
1150 Connecticut Ave., NW  
Washington, DC 20036

Dear Ms. Potts:

The current COVID-19/Coronavirus pandemic is sending shockwaves through the global economy. The panic has resulted in a free-fall for cattle markets. Restaurant demand has decreased due to closures and consumers staying at home. However, we have seen an incredible increase in retail demand to take up that slack. The price of boxed beef continues to increase, but cash price for cattle has taken a significant hit. To make matters worse, it seems the CME Group's cattle futures products are falling victim to the overall market panic, invalidating them as a price discovery tool during this crisis. This is a national emergency that is impacting every American. It will have a lasting impact on America's cattle producers, your suppliers, unless something changes immediately.

Therefore, the National Cattlemen's Beef Association (NCBA) is asking your members to be aggressive in the cash market and base their bids on the increased cutout value we are seeing rather than the futures. This will help with market liquidity and transparency, thus helping bring some stability back to the cattle markets. We ask that your members participate in the weekly Fed Cattle Exchange to provide further confidence to the producer segment of our industry by providing transparency and price discovery. Finally, we ask you actively communicate your actions with NCBA and allow us to communicate those actions to the full beef community.

We are appreciative of your members' commitment to keep plants running. We will continue to work with USDA to ensure they provide the inspectors and graders to keep the beef supply moving. Any plant shutdown or slowdown will further compound the economic impact to feeders, stockers, and cow/calf producers. We will also help to fight any attempt to restrict interstate commerce that would impact the flow of cattle and beef. This is a national emergency where we all play a role in providing food security for the nation. In order to maintain our respective roles in the supply chain, each segment requires financial stability. We need to work together to demonstrate what can be done to put food on the plate and provide certainty to America's cattle producers.

Sincerely,

A handwritten signature in black ink, appearing to read "W. Colin Woodall", written over a light blue horizontal line.

Colin Woodall  
Chief Executive Officer