

# United States Senate

WASHINGTON, DC 20510-4105

April 8, 2020

The Honorable Sonny Perdue  
Secretary  
U.S. Department of Agriculture  
1400 Independence Avenue, SW  
Washington, DC 20250

Dear Secretary Perdue,

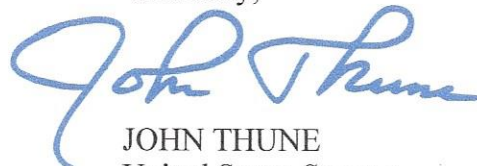
I write to follow up on our March 20, 2020, call to reiterate my concerns with the recent volatility in the cattle market during the COVID-19 pandemic and to request that the U.S. Department of Agriculture (USDA) take further action to ensure the integrity of the cattle market.

As you know, cattle producers continue to face significant market volatility due to the COVID-19 pandemic. In recent weeks, consumer demand for beef products in grocery stores has grown, which has led to increased boxed beef prices. However, cattle cash prices and futures have taken dramatic hits. During the same period, beef packer profit margins reached record highs of more than \$600 per head of cattle.<sup>1</sup>

This is the second time in less than a year that cattle producers have faced extreme volatility in the cattle market. I appreciated your decision to direct the USDA Packers and Stockyards Division to launch an investigation into beef pricing margins following the Holcomb, Kansas, Tyson beef processing plant fire in August 2019. I urge you to conclude this investigation as soon as possible. In addition, I request that the Packers and Stockyards Division investigate the cattle market volatility due to the COVID-19 pandemic.

It is critically important that the cattle market operate with transparency and integrity. Thank you for your work on behalf of U.S. agriculture and for your prompt consideration of these requests.

Sincerely,



JOHN THUNE  
United States Senator

1. <https://www.reuters.com/article/usa-livestock/livestock-cattle-close-limit-up-on-beef-demand-strong-packer-margins-idUSL1N2BH2ED>