



Arkansas Cattlemen's Association

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April 7, 2020

The Honorable Asa Hutchinson
Governor of Arkansas
State Capitol Room 250
500 Woodlane Street
Little Rock, AR 72201

Dear Governor Hutchinson:

On behalf of the Arkansas Cattlemen's Association (ACA), representing over 8,650 cattle producers and their families located across the state of Arkansas, I would like to express our appreciation for your leadership during the COVID-19 outbreak. Your calm, yet resolute manner, has brought comfort and strength to the people of Arkansas. We continue to keep you and your staff in our prayers during this difficult time.

I write today to request your assistance for the cattle producers of Arkansas. On Monday, March 16, 2020, the cattle markets, more specifically the commodities and futures boards, showed a significant flaw in functionality. As boxed beef prices soared over \$16 dollars per hundred weight, from \$208.14 to \$224.36, the commodity market for feeder calves plunged limit down from \$114.48 per hundred weight to \$109.98. This is a serious issue. As cattle futures plummeted, cattle producers across our state, and the nation, saw their equity evaporate within minutes. Though cattle futures have recovered a small amount, they still lag far behind the Livestock Marketing Information Center's (LMIC) price projections. As January 7, 2020, LMIC projected that feeder cattle would be valued at \$145.50 per hundred weight. This loss of equity and continue depressed prices will undoubtedly have serious repercussions for producers and will reverberate through the industry for a significant time.

To assist with these devastating losses, in the recently approved Coronavirus Aid, Relief, and Economic Security (CARES) Act, Congress included \$9.5 billion designated to assist livestock producers, specialty crop producers, and local food systems. Given this assistance to provide some relief during the COVID-19 disaster, we would respectfully request your administration make these disaster assistance payments to livestock producers tax free under A.C.A. § 26-51-314. At this current time, eligibility guidelines have not been identified and it is also unclear how these payments will be distributed. However, we know this assistance will be necessary to livestock producers.

Once again, on behalf of the ACA thank you for your leadership during these difficult times. If the ACA, or I, may be of assistance to you or your administration please do not hesitate to contact me. Thank you for your time and consideration of this matter.

Sincerely,

Cody Burkham
Executive Vice President
Arkansas Cattlemen's Association

CC: Larry Walther, Director Department of Finance and Administration
Wes Ward, Arkansas Secretary of Agriculture