May 1, 2020

This week President Donald Trump signed an executive order that instructs packing plants to remain open and employees of those plants to remain at work through the coronavirus pandemic. In response Nebraska Cattlemen stated the following:

"Nebraska Cattlemen recognizes the heroic efforts of the workers at processing plants to keep beef moving to American consumers during this difficult time. Nebraska’s economy is dependent upon agriculture, particularly red meat production. Shutting plants would deliver a staggering blow to the state’s economy, particularly in rural areas of the state where prolonged closures would devastate not only producers but the economy of the surrounding area. As livestock producers, we are extremely appreciative of the men and women who continue to show up each day keeping our country food secure. We are indebted to you. We'd also like to thank the Trump Administration for their assistance in delivering much needed testing, PPE and resources to help ensure worker safety and protection while keeping food supply channels functional."

COVID-19’s impact on the cattle market has reignited concerns that surfaced following the 2019 beef packing plant fire. These concerns continue to focus on extreme market deterioration that repeatedly take place for the production segments of the beef industry that are closely followed by rapid increases in boxed beef values. The repeat nature of these market reactions emphasizes how the production sector of the industry is exposed to the highest potential for risk with little to no leverage to change that risk position. Sharp increases in profits for meat packers after repeated black swan events less than seven months apart within the cattle market highlight and emphasize this issue. Cattle producers pride themselves as being independent business entities. As the packing and processing industry repeatedly takes advantage of these independent cattle producers, placing undue pressure on the production sector of the beef cattle industry, we fear a shift to production practices that mirror other protein industries could be inevitable. The shift could not be further from the goals of current stakeholders in the industry.

In response to the current situation Nebraska Cattlemen emphatically requested that the Department of Justice open an investigation of beef pricing margins that have resulted from recent extreme market shifts due to a packing plant fire in Holcomb, Kansas in August 2019 and more recently due to COVID-19. It is vital to the continuity of business for the production sector of the cattle industry that evidence of any fraudulent business practices within the beef meatpacking industry be identified and rectified.

Nebraska Cattlemen leadership and staff continue to work diligently on the ongoing COVID-19 implications in our industry. Be sure to check your email early next week for an update on all the actions NC has taken to this point and where we are at in the process.

Today Governor Ricketts declared May is Beef Month in Nebraska! Among all the frustrations and despair that we are facing lets rise up and celebrate what we fight for every day! Happy Beef Month to you all!
TWITTER: For market updates and tweets please consider following NC team member Jeff Stolle @JeffStolle