



TEXAS DEPARTMENT OF AGRICULTURE
COMMISSIONER SID MILLER

May 7, 2020

RE: U.S. meat packers potential price fixing within the cattle industry

The Honorable William Barr
Attorney General
U.S. Department of Justice
850 Pennsylvania Ave NW
Washington DC 20530

Dear Attorney General Barr:

Texas farmers and ranchers, our nation's largest beef producers, are facing financial devastation due to low live beef prices when retail prices of beef are at an all-time high. Something just doesn't add up – and I am not just referring to the present difficulties caused by the COVID-19 virus. Feed and fuel prices are down, which should lead to lower production prices for beef, and, consequently, lower retail prices. Yet, retail beef prices remain high and our nation's cattle producers are not sharing in the profits.

When you look at the year-long cycle of farmers and ranchers maintaining a cow to produce a calf for the beef industry, we see long hours of hard labor, the demanding struggle against drought, flood, hurricanes, tornados, bitter cold and oppressive heat, disease, insects, predators, financing difficulties, arduous transportation requirements, mechanical breakdowns, the mental stresses of paying production and equipment loans, and the multitude of other expenses and trials involved in raising cattle. All of this, and more, is part of the life of a Texas farmer and rancher in the cattle business. This complicated and risky process depends on the sale of the calf crop developed over this year of toil. By contrast, U.S. meat packers have the animal in their possession a few hours and are making record profits. Somewhere, and somehow, the equities of the beef industry are being skewed, and its not in favor of the rancher.

Historically, live beef prices controlled the live beef futures trading. Today, that is reversed. Some investor, who has never laid a hand on a live calf, can dabble in the futures market and make or break some Texas cattle raiser working in the dust to vaccinate his or her cattle. I feel that other states and individuals have already outlined the legal and technical positions and arguments involving lack of competition, price-fixing, and antitrust, so I will not dwell on those matters

further. I have asked Texas Attorney General, Ken Paxton, to become involved in this problem, and I have every confidence that he, and his staff, will vigorously represent Texas farmers and ranchers.

Additionally, I am asking that you investigate the processes of pricing in the U.S. beef industry and see that the all parties in the industry are financially treated fairly.

Thank you for your dedication to justice and your attention to these matters. Please let me know if you have any questions

Sincerely,

A handwritten signature in blue ink, appearing to read "Sid Miller", with a long horizontal flourish extending to the left.

Sid Miller,
Commissioner
Texas Department of Agriculture

Cc: President Donald Trump
Texas Attorney General, Ken Paxton