

April 16, 2024

The Honorable Dr. Chavonda Jacobs-Young
Under Secretary for Research, Education, and Economics, U.S. Department of Agriculture
200A Whitten Building
1400 Independence Avenue, S.W.
Washington, D.C. 20250

Dear Under Secretary Jacobs-Young:

On behalf of Farm Bureau members across the country, I would like to express our disappointment in the National Agricultural Statistics Service's decision to cancel its July cattle inventory survey, as well as county-level estimates for crops and livestock and the objective yield survey for cotton.

The Objective Yield Survey for cotton is a critical indicator of the U.S. cotton harvest, and its elimination may increase the level of uncertainty throughout the summer and early fall for cotton markets, to the detriment of growers, ginners and every other participant in the cotton supply chain.

County crop and livestock production and yield estimates are foundational data for markets and particularly for the sort of research that agriculture relies on. For example, the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs now use yield data from crop insurance programs to set historical baselines (which is good), but the crop insurance products themselves are built on the NASS county yield and production numbers.

Eliminating county-level yield and production data for crops and livestock will also severely impact research from our landgrant institutions and only place the U.S. farther behind its trade competitors. Recent [research](#) by USDA's Economic Research Service showed that the U.S. trails its global competitors in public agricultural research.

Perhaps the most glaring loss of all is the July Cattle report. While USDA has [prioritized efforts to improve transparency in cattle markets](#), which AFBF has largely supported, just one day after USDA participated in an "enforcers summit" to proclaim its dedication to market fairness and transparency in its new Packers and Stockyards rules, NASS cancelled one of the very tentpoles of cattle market transparency. This decision to cancel the Cattle Inventory Survey runs counter to previous commitments to improve fair, competitive and transparent markets.

Farmers are price takers not price makers. For livestock producers this means that packers compensate producers based on market conditions (supply and demand) and the farmer can only hope for a fair and competitive market. Market transparency is essential in a cattle market where four companies control 85% of the market. Farm Bureau applauded USDA when it launched the Cattle Contract Library Pilot Program on Jan. 31, 2023, and as the department has taken other steps to make livestock and poultry markets more open. After taking such positive steps forward, discontinuing this reporting would reverse recent gains toward market transparency.

NASS' two reports regarding the total U.S. cattle inventory, published on Jan. 31 and in late July, give farmers, ranchers, researchers and other data users a full picture of supplies in the U.S. cattle sector at the beginning and in the middle of each year. This allows for a fair assessment of the cattle market for the next six months. Eliminating the mid-year report puts the market in the dark for the second half of the year, removes market transparency and increases market volatility. Data will only be available to those who can afford to collect it, further threatening competition in the packing sector.

Removing transparency and increasing market volatility may put current farmers out of business and prevent new farmers from entering. Following three consecutive drought years, the U.S. cattle inventory is currently at a 73-year low (something we know thanks to the Cattle Report). The drought, combined with rising input costs and inflation, left many to make the decision to sell animals that would otherwise be kept to rebuild cattle herds. With interest expenses up 43% in the last year, the cost of credit has expanded to record levels. If trends continue, the threat of losing global market share in the beef industry only increases. This level of uncertainty is why cattle farmers in particular need these numbers to make informed decisions.

The American Farm Bureau Federation urges you and the Department to reconsider the decision to discontinue this critical reporting.

Sincerely,

A handwritten signature in black ink that reads "Zippy Duvall". The signature is written in a cursive, flowing style with a large initial "Z".

Zippy Duvall
President