



June 24, 2019

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Packers and Stockyards Division, Fair Trade Practices Program, Agricultural Marketing Service
U.S. Department of Agriculture
1400 Independence Avenue SW, Room 2507, STOP 3601
Washington, DC 20250
Submitted via Federal eRulemaking Portal Only

Re: Feasibility Study on Livestock Dealer Statutory Trust, Document No. AMS–FTPP–19–0037

The American Sheep Industry Association (ASI) appreciates the opportunity to comment in support of the potential creation of a Dealer Statutory Trust. Since 1865, ASI has been the national trade organization representing the interests of the over 90,000 sheep ranchers located throughout the country who produce America's lamb and wool. ASI is a federation of forty-five state sheep associations representing a diverse industry. ASI stood with many others in advocating for this provision in the Agriculture Improvement Act of 2018, known commonly as the 2018 Farm Bill.

As current law does not adequately protect livestock producers against a dealer default, our members support the creation of a tool that would provide additional certainty to those who sell livestock. While default and bankruptcy claims are rare, the potential to wipe out an entire year's worth of income for a producer, or number of producers is very real. Unpaid sellers should be able to rely on prompt payment, reclaim livestock not paid for, or have priority to claim the proceeds for livestock subsequently sold. As sellers of a perishable commodity, often marketing only once per year, livestock producers are in a uniquely disadvantageous place in the event of a default without added protections.

As agricultural commodities continue to increase in value and margins in the agricultural economy remain a tight as ever, we believe that livestock sellers should be afforded a degree of certainty not only in the event of a default, but also to prevent a larger financial panic and protect market integrity nationwide in the event of an isolated incident. ASI believes that a dealer trust would be a valuable tool to achieve that goal.

Thank you for this opportunity to comment. ASI looks forward to reviewing the findings of the feasibility study and working with the USDA on this and any other efforts to ensure that our nation's sheep producers and all market participants are protected.

Sincerely,

A handwritten signature in cursive script that reads "Benny Cox".

President,
American Sheep Industry Association