

Haverlah Ranch

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Shannon Hamm
U.S. Department of Agriculture
1400 Independence Avenue ,SW
STOP 3601
Washington, D.C. 20250-3601

Dear Mr. Hamm,

I will be unable to attend your forum on captive supplies of cattle by the four large packers, therefore, my comment by letter.

If you have watched the live cattle market over the past year it should be quite apparent to you that they very definitely are keeping the prices down. There is no oversupply of meat since it is all being sold and at spectacular profits to both the packers and grocery stores and the cow-calf producers bottom line is being squeezed tighter and tighter.

The packers own over 40% of the cattle they slaughter and this is negative in two ways:

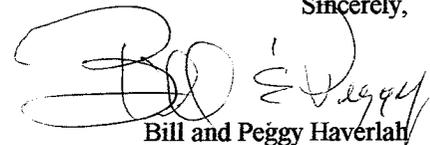
The first is the feedlot managers are afraid to argue too hard for higher prices for fear the packers will discontinue feeding with them or not show up to buy cattle for a two and three week period which spells "ruination".

The second is if they dislike the asking prices of feeders they call on greater numbers of their captives for a couple of weeks and let the feeders sweat blood and watch their showlists cost ever higher feeding costs, plus suffering price discount for over finished cattle and for too heavy cattle.

Another thing is for certain on this issue the NCBA does not represent the views of us smaller producers, especially in the cow-calf producing business or the ranchers that run stocker cattle on their ranches to get the extra gain before they enter the feed lot. The NCBA rules severely limit the voice of the small independent rancher and several of the state organizations are going to withdraw support for them at their next annual meeting.

How do the packers all buy their weekly needs in a 30 minute period in one day and all at the same price and not be guilty of collusion and a definite violation of existing anti-trust laws? Your department is doing a terrible job on this issue!

Sincerely,



Bill and Peggy Haverlah

cc: Phil Bidegain
Karen Cowan
Bob Frost