



NATIONAL CATTLEMEN'S BEEF ASSOCIATION

1301 Pennsylvania Ave., NW, Suite #300 • Washington, DC 20004 • 202-347-0228 • Fax 202-638-0607

December 21, 2010

The Honorable Karen Mills
Administrator
United States Small Business Administration
409 3rd St, SW, Suite 7000
Washington, DC 20416

Dear Administrator Mills:

Segments of America's cattle industry are currently suffering economic hardship due to the bankruptcy of Eastern Livestock Company, LLC, based in New Albany, Indiana. Eastern Livestock bought and sold cattle across 11 states in the mid-south, mid-west, and western parts of the United States. According to USDA, on or about November 3rd, Eastern Livestock began issuing unfunded checks to cattle producers and livestock market operators for livestock Eastern had purchased in varying markets. It is estimated that Eastern Livestock Company may owe cattle producers up to \$130 million, in addition to disrupting the movement of cattle across the country.

At present, Eastern Livestock Company, LLC, is going through bankruptcy proceedings, however, we have cattle producers and livestock market operators across the country that have still not received any sort of payment for their cattle. The bond, as required by the U.S. Department of Agriculture's Grain Inspection, Packers and Stockyards Administration, was nearly \$800,000, but this was woefully inadequate to cover its obligations. Many of our members will have to shut down or begin selling land and assets to cover their liabilities if they do not get some financial relief soon.

Therefore, of behalf of the over 130,000 direct and affiliated members of the National Cattlemen's Beef Association (NCBA) we ask that you provide us with a list of SBA loan programs that may help our members make it into the new year. Short-term, low-interest, and/or government-backed loan programs will go a long way in helping provide our cattle producers and livestock market operators with the financing they need to save their family farms and market operations. In addition, we ask that you work with us to expedite applications made for these programs.

Please provide any help or counsel you may have to us as soon as you can. Thank you for your help in this dire financial situation.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Foglesong", with a long, sweeping underline.

Steve Foglesong
President

AMERICA'S CATTLE INDUSTRY

Denver

Washington D.C.

Chicago



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December 21, 2010

The Honorable Tom Vilsack
Secretary
United States Department of Agriculture
1400 Independence Ave, SW, Room 200-A
Washington, DC 20250

Dear Secretary Vilsack:

Segments of America's cattle industry are currently suffering economic hardship due to the bankruptcy of Eastern Livestock Company, LLC, based in New Albany, Indiana. As you know, Eastern Livestock bought and sold cattle across 11 states in the mid-south, mid-west, and western parts of the United States. According to USDA, on or about November 3rd, Eastern Livestock began issuing unfunded checks to cattle producers and livestock market operators for livestock Eastern had purchased in varying markets. It is estimated that Eastern Livestock Company may owe cattle producers up to \$130 million, in addition to disrupting the movement of cattle across the country.

At present, Eastern Livestock Company, LLC, is going through bankruptcy proceedings, however, we have cattle producers and livestock market operators across the country that have still not received any sort of payment for their cattle. The bond required by the Grain Inspection, Packers and Stockyards Administration was nearly \$800,000, but this was woefully inadequate to cover Eastern's obligations. Due to non-payment of cattle, many of our members have told us they will have to shut down or begin selling land and assets to cover their liabilities if they do not get some financial relief soon.

Therefore, of behalf of the over 130,000 direct and affiliated members of the National Cattlemen's Beef Association (NCBA) we ask that USDA provide emergency access to short-term, low-interest, and/or government-backed loan programs to help provide our cattle producers and livestock market operators with the financing they need to save their family farms and market operations. In addition, we ask that you work with us to expedite applications made for these programs.

We look forward to hearing back from you soon on how USDA can help these producers impacted by the Eastern Livestock bankruptcy. Thank you for your help in this dire financial situation.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Foglesong", with a long, sweeping underline.

Steve Foglesong
President

cc: The Honorable Ed Avalos – Under Secretary for Marketing and Regulatory Programs
The Honorable Jim Miller – Under Secretary for Farm and Foreign Agricultural Services

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