



MISSISSIPPI FARM BUREAU® FEDERATION

The Voice of Agriculture®

Mike McCormick
President

June 24, 2019

S. Brett Offutt, Chief Legal Officer/ Policy Advisor
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

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

Dear Mr. Offutt:

On behalf of the members of Mississippi Farm Bureau Federation, I am writing to provide comments regarding the development of a Livestock Dealer Statutory Trust Study authorized by the 2018 Farm Bill. Farm Bureau members would like to commend USDA for the study, and we would like to convey our support for a Livestock Dealer Statutory Trust.

We firmly believe the current law regarding buyer default should be enhanced to better protect sellers of livestock. Current law prioritizes the lender when a dealer defaults, leaving the seller of the livestock unpaid, with little recourse even with current bonding requirements. A Livestock Dealer Statutory Trust could serve as an effective tool to improve the recovery of the sellers' interest in the case of a livestock dealer payment default.

The establishment of a Livestock Dealer Statutory Trust would provide unpaid cash sellers priority in either livestock or the proceeds from the sale of livestock. In the event of a dealer default, typically the original seller has no legal ability to reclaim livestock because the dealer's lender takes priority over assets. This leaves unpaid sellers with only one option for recovery, a claim on the dealer's bond.

In summary, we urge USDA to expedite and prioritize the feasibility study on the creation of a Livestock Dealer Statutory Trust. We believe a dealer trust is a much-needed safety net in the industry to better protect sellers of livestock.

We appreciate the opportunity to provide comments on this important issue.

Sincerely,

A handwritten signature in black ink that reads "Mike McCormick". The signature is written in a cursive, flowing style.

Mike McCormick
President