



National Bison Association

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June 22, 2020

Director, SND, FSA
U.S. Department of Agriculture
1400 Independence Avenue SW
Stop 0522
Washington, DC 20250-0522

RE: Docket ID: FSA-2020-0004

Dear Friends:

The National Bison Association presents the following market information as sufficient evidence to qualify U.S. bison producers as eligible recipients for assistance under the Coronavirus Food Assistance Program (CFAP).

Per the requirements in the Notice of Funding Availability issued on May 22, 2020, we are submitting information documenting that bison producers have suffered more than a 5% loss in prices and incomes between January and April 2020, and face additional losses because of COVID-19.

As noted in the NOFA, information should document:

- The price received per unit of measure sold the week of January 13 through January 17, 2020, (or if not available, the nearest to this date);
- the basis for the determination of this price;
- the price received per unit of measure sold the week of April 6 through April 10, 2020, (or if not available, the nearest date to this); and
- the basis for the determination of this price.

This requirement creates an extremely difficult standard for quantifying the COVID-19 impact throughout the bison business. Unlike mainstream commodities, bison are not widely traded on a daily, weekly, or even monthly basis. Furthermore, a significant number of U.S. bison producers have connected with their customers through farm-direct channels including farmers' markets, on-farm stores, distribution to local restaurants and retail stores and other means. The impact on those distribution and marketing systems cannot be fully measured by an economic snapshot that focuses solely on the period between mid-January and mid-April.

Nevertheless, information in this submission documents the direct impact suffered by bison producers during the required time period. That information also serves as a type of canary in the coal mine, exposing the explosive impacts felt beyond mid-April. For that reason, we are supplying additional information documenting the long-term COVID-related disruptions being experienced throughout all levels of our business.

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Summary

Between June 8 and June 18, the National Bison Association conducted two on-line surveys among its producer members.

One survey was conducted among producers who sold or purchased stocker/feeder bison (400 lb. – 800 lb.) between January and April 2020. The 43 producers responding to that survey provided data documenting that between January and April 2020:

- bull prices declined by a weighted average of 37%;
- heifer prices declined by a weighted average of 25%; and
- the cost of feeding bison in finishing facilities increased by an average of 12%.

A second survey was conducted among the association's farm-direct marketers. Forty nine producers from 24 states responded to that survey. Results gleaned from that survey included:

- 85% of producers marketing to restaurants and other foodservice clients experienced more than a 20% decline in sales;
- 86% of the producers who are engaged in live animal sales experienced price declines exceeding 10%, and 62% of the respondents saw price declines exceeding 20%.
- Although the farmers' market season had not fully started during the January-April timeframe, 63% of the producers responding to the survey anticipate that sales and incomes will drop more than 20% this season.
- While 25% of the respondents operating on-farm stores reported an increase in business this year, 31% reported no change in business, and 44% reported sales declines of at least 10 percent.
- The lack of available slaughter capacity is exacerbating the disruption by forcing producers to retain animals longer, and by denying them the ability to process salable product.

Additionally, the National Bison Association earlier this month conducted its twice yearly survey of commercial bison processors and marketers. The association has conducted this survey since 2013. Although commercial marketers are not part of the CFAP assistance program, information provided through that survey provides valuable information regarding how market forces are affecting the live animal market, and—by extension—bison ranchers throughout the country.

That survey found:

- 71% of the marketers now report that the supply of finished bison has increased by 10% over the past several months;
- The same number of marketers (71%) predict that there will be an increase in the number of slaughter-ready bison available in the next six months;
- The “sustainable” carcass price for finished bison will continue to be at least nine percent lower than in 2019; and
- 43% of the marketers are experiencing a significant increase in retail customers compared to foodservice. This is significant because restaurants have traditionally served as the outlet for high-value middle meats, while ground bison comprises more than 90% of the product sold in retail stores.

Background Information

The U.S. bison business has grown significantly throughout the past two decades, but still operates as a niche within the agricultural economy. According to the U.S. Census of Agriculture, there were 183,780 bison on 1,775 private ranches and farms in 2017. This was an increase of 12% in the U.S. herd size since 2012.¹ Four states (SD, NE, MT, ID) account for more than half of the U.S. bison population, but commercial herds are located in every state, including at least two herds in Hawaii and one herd on Long Island, NY.²

According to USDA’s National Agricultural Statistics Service, 59,800 bison were commercially processed in 2019. A total of 54,300 animals were processed under USDA voluntary inspection, and 5,500 animals were processed under USDA-equivalent state

B.1.a. Percentage of operations by reason(s) bison were kept on the operation, and by size of operation:

Reason	Percent Operations									
	Size of Operation (number of bison)									
	Very small (1–9)		Small (10–24)		Medium (25–99)		Large (100 or more)		All operations	
Pct.	Std. error	Pct.	Std. error	Pct.	Std. error	Pct.	Std. error	Pct.	Std. error	
Bison cow-calf production (offspring intended for meat production)	41.0	(3.3)	79.0	(3.5)	90.3	(2.4)	92.1	(2.9)	69.3	(1.9)
Seedstock production (offspring intended for breeding purposes)	23.6	(2.8)	42.8	(4.3)	42.0	(3.9)	56.4	(5.3)	37.2	(2.0)
Backgrounding/stocking (young bison prepared for a feedlot)	1.2	(0.7)	6.5	(2.1)	15.6	(2.9)	44.1	(5.3)	12.2	(1.3)
Feedlot (bison from this or other operations being finished for slaughter)	4.2	(1.3)	12.6	(2.9)	18.3	(3.0)	47.1	(5.3)	15.8	(1.5)
Game ranch/hunting on this operation	5.0	(1.4)	10.5	(2.7)	9.7	(2.4)	15.4	(3.8)	8.9	(1.1)
Preparation/sale of byproducts (e.g., hides, skulls, horns, hair)	3.0	(1.1)	15.6	(3.1)	21.1	(3.2)	19.9	(4.3)	12.8	(1.4)
Conservation	10.8	(2.0)	15.4	(3.2)	16.3	(2.9)	19.2	(4.2)	14.4	(1.4)
Hobby/pasture pet	56.6	(3.3)	37.9	(4.2)	16.5	(3.0)	2.2	(1.6)	34.4	(1.9)
Agritourism/ecotourism	12.0	(2.2)	17.3	(3.3)	20.9	(3.2)	13.5	(3.7)	15.7	(1.5)
Other	12.1	(2.2)	4.6	(1.8)	3.1	(1.4)	4.6	(2.2)	7.1	(1.0)

Figure 1 Reasons for Bison Production. From *Bison 2014*, USDA APHIS

¹ USDA NASS (2017) U.S. Census of Agriculture. Table 23 Miscellaneous Livestock and Animal Specialties – Inventory and Sales: 2017 and 2012.

² Ibid

inspection programs.³ By comparison, this is roughly equivalent to half of the 119,000 head of beef cattle slaughtered on June 19, 2020⁴.

According to an epidemiological study conducted by USDA's Animal and Plant and Health Inspection Service (APHIS) between 2012 and 2014, "The bison industry is exceptionally diversified. Many operations participate in multiple aspects of the business."⁵ Figure 1 illustrates the diversity within the bison business.

This diversity and diversification create a significant challenge in providing industry-wide data documenting impact between mid-January and mid-April 2020.

Compounding that challenge is the fact that much of the economic activity in the bison industry occurs outside of the January-April time frame. Examples include:

- Nearly all bison calves are marketed between mid-October and February because the biology of bison evolved to calve between April and June. Bison producers have avoided disrupting that natural relationship between the animal and the environment.
- Farmers' markets provide significant sources of revenue in the U.S. bison business. Very few farmers' markets operate in the period from January through April. However, bison ranchers involved in farmers' markets build inventory during those months in preparation for the coming season. Now that farmers' markets are either cancelled for the 2020 season, operating on a call-ahead ordering system only, or opening on a very limited capacity virtually guarantees reduced sales opportunities, even as marketers have stockpiled their freezers in anticipation of the market season.
- Agritourism, likewise, is an important facet of many producers' business operations. Those activities occur largely in the spring through fall seasons. Plans for the 2020 agritourism season have been cancelled or sharply curtailed for many producers.

Documenting the COVID-19 Economic Impact

In addition to the factors listed above, the effort to document economic factors is compounded by the lack of public access to market data for the bison business. Bison are not regularly traded through sale barns, and there is no futures market for bison marketing. The major commercial bison auctions are conducted between October 15 and March 15 each year, so those sales do not offer any insight into the market disruption.

The USDA-housed data on the bison industry consists of:

- The USDA AMS Monthly Bison Report (Carcass and Cuts);

³ USDA NASS (2020) Data & Statistics, Quick Stats. <https://quickstats.nass.usda.gov/> (Note: because of the designation of bison as a nonamenable species, meat animals processed in state-inspected facilities can be marketed interstate).

⁴ USDA AMS(2020) National Daily Cattle & Beef Summary, Des Moines, IA, June 19. <https://www.ams.usda.gov/mnreports/lsddcbs.pdf>

⁵ USDA APHIS (2014)

- The USDA NASS database of weekly slaughter under federal inspection and monthly reporting under non-federal inspection;
- USDA Census of Agriculture; and
- *Bison 2014*, USDA APHIS National Animal Health Monitoring System report on health and Management Practices on U.S. Ranches-Bison Operations, 2014.

None of these reports provide significant market information on live bison prices or the economic activities in the bison business.

The National Bison Association, therefore, conducted a series of on-line surveys June 1 and June 18 to document the COVID-19 economic impact. The surveys include:

Producer Survey

This survey was distributed to the National Bison Association membership and contained four categories of questions.

1. Did you buy/sell 400-800 lb. bison in January, February, March and April 2020?
2. If yes, how many bulls and heifers were marketed in each of those months?
3. What was the price/lb. received for the bulls and heifers marketed each month?
4. What was the cost/animal/day for feed in January and in April?

Forty two producers responded to the survey, and one additional producer supplied information via phone. Responses from two producers were not tabulated because they provided only the total price paid per animal, without specifying the weight of the animals bought or sold.

The information from this survey is included as Attachment A with these comments.

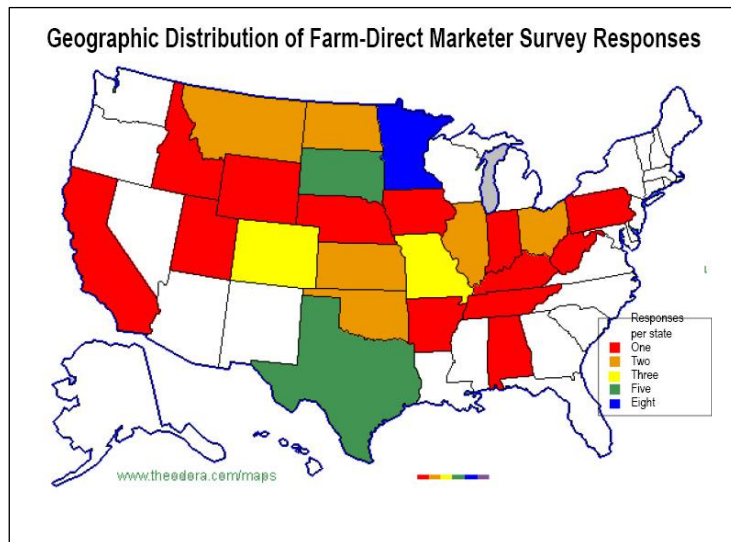
Farm-Direct Marketer Survey

Also distributed to the National Bison Association membership, this survey had 5 questions:

1. What percentage of your 2019 income came from the following sources?
 - Farmers' Markets
 - On-Farm Store
 - On-Line/Mail Order Sales
 - Restaurants/Foodservice
 - Retail Stores
 - Agritourism (excluding hunts)
 - Hunts
 - Food Truck
 - Live Animal Sales.
2. How do you project your revenue in each of these categories to compare in 2020 (this was multiple choice)?

3. In a few words, describe the economic impact you are experiencing in each applicable category because of COVID-19.
4. Please provide any additional information regarding the impact that COVID-19 is having on your business operation.
5. In which state is your ranch/business located?

Forty-nine producers in 24 states responded to this survey. Nine surveys were partially discounted because the percentages reported in response to question No. 1 exceeded 100%.



The summary of that survey is included with these comments at Attachment B.

Commercial Marketers' Survey

The National Bison Association has been conducting a twice-yearly survey of the major commercial marketers since 2013. This latest survey was conducted in early June.

This 32-question survey tracks multiple categories, including consumer demand trends, availability of slaughter animals, inventory build-up, channel distribution, competitive forces, and several other factors.

Although CFAP assistance is not designed to be available for processors and marketers, some information from that survey is included here to substantiate market forces.

Survey Results and Analysis

Producer Survey

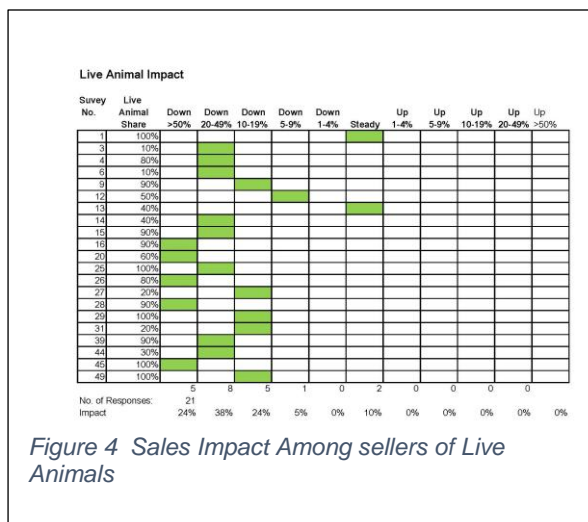
The 41 producers whose information was tabulated (two responses were disqualified because respondents did not list prices per lb.) bought or sold a total of 2,773 bulls and 1,959 heifers weighing between 400 lbs. and 800 lbs. between January and April 2020.

calculation of revenue from individual sources exceeded 100%. However, the responses provided under the request for general comments were included in our analysis. Here are some key findings.

Live Animal Sales

As noted in USDA APHIS' *Bison 2014* analysis, live animal sales comprise a significant share of the annual revenue for farm-direct marketers. This includes both animals sold to fellow producers for finishing, as well as animals sold directly to consumers for processing into freezer-ready product.

More than 80% of the qualified producers responding to the survey reported that live animal prices were down at least 20% during the past four months, and 62% reported that prices had dropped more than 20%.



The bottleneck in processing capacity was identified as a major factor in this decline.

Although the survey did not ask about the difficulty in scheduling animals for processing, nearly 25% of the respondents stated that the backlog in processing capacity created a serious threat for their economic viability. Here is a compilation of those comments, as listed in Attachment B.

State	Comment
TN	Cannot get animals processed anywhere. Could sell product, just am unable to get it.
MN	Getting animals scheduled with local USDA plant due to the shutdown of large plants. Understandably they are assisting area large production hog farmers.
OH	VERY difficult to get processing appointment. Our processor is making appointments for March 2021. I have several animals to be harvested this year so we are on the wait list.
IL	Our processing is backed up and can't get market ready animals processed.
IN	Scheduling process dates has become a significant issue. Once our current stock of meat dwindles, we're concerned about our ability to restock and keep providing for our accounts because of the lack of processing dates and options available in our area.
TX	We have been unable to secure any processing dates because our meat processor is not accepting animals to kill. Our sales are 90% direct farm-to-customer.
KY	On-farm store completely closed due to meat processors closed and schedules backed up until 2021.
CO	Lack of USDA processors, for the smaller ranches.....no meat to sell, because we cannot get animals in ANYWHERE.
PA	Our butcher is very behind schedule due to COVID.
MN	It has backlogged animal sales going to the processor so I have to feed them longer with no idea when they can get processed.

WY	We are having difficulty with the availability and service of our animal processor due to COVID-19.
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Restaurant/Foodservice Sales

Among farm-direct marketers, this category provides perhaps the most measurable impact during the period from January – April 2020. Although foodservice sales of bison tend to be weighted more heavily during the summer seasons of May-September, a reasonable amount of sales occur during the January-April timeframe. Marketers in this segment report a significant loss of revenue during that time.

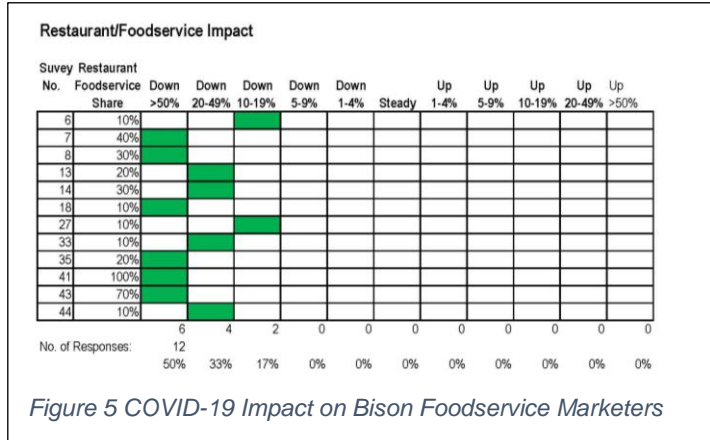


Figure 5 COVID-19 Impact on Bison Foodservice Marketers

Fully 83% of the farm-direct marketers with customers in the restaurant and other foodservice sectors reported sales declines exceeding 20%, and 50% reported that sales and revenue had dropped by 50%.

Farmers' Markets

The economic impact imposed upon producers relying on farmers' markets as an income source is very difficult to gauge during the January-April timeframe because the vast majority of farmers' markets (particularly in regions in which significant bison production occurs) do not open until after mid-April. The June 2020 survey requested that participants project the difference in anticipated 2020 revenues compared to the revenues actually received in 2019.

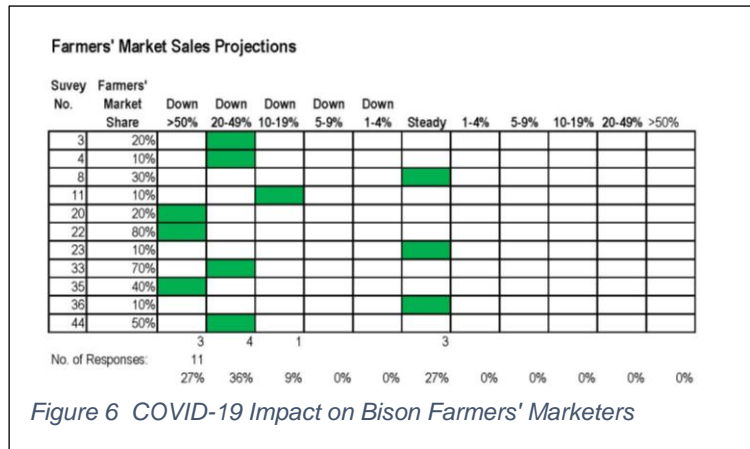


Figure 6 COVID-19 Impact on Bison Farmers' Markets

Summary and Conclusion

Although the U.S. bison business does not rank as a mainstream commodity, it has emerged over the past two decades as a vibrant sector in the alternative agricultural arena.

However, the devastating impacts resulting from the COVID-19 pandemic are undercutting the pillars that have enabled bison producers and marketers to thrive.

The data provided in these comments clearly demonstrate that bison producers of all sizes, and engaged in nearly all aspects of the business, have experienced economic losses exceeding

5% between January 2020 and April 2020. These producers need to have access to an equivalent level of assistance as that which is being provided to cattle, dairy and lamb producers.

The National Bison Association is willing to respond to USDA questions, and to provide any additional information as needed, to verify the impact that COVID-19 is creating within the bison business.