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February 26, 2004

The Honorable Ann Veneman
Secretary
United States Department of Agriculture
1400 Independence Ave., SW
Washington, DC 20250

Sent Via Fax and E-mail

Dear Secretary Veneman,

The Ranchers-Cattlemen Action Legal Fund - United Stockgrowers of America (R-CALF USA) is a non-profit association representing over 52,000 cattle producers, 8400 of which are voluntary, dues-paying R-CALF USA members and over 43,000 are members of R-CALF USA's 58 affiliated cattle and ranching associations.

R-CALF USA is disappointed that the USDA has failed to exercise its influence for the benefit of U.S. cattle producers by either negotiating a reopening of U.S. export markets or by closing U.S. borders, particularly to countries like Canada and Mexico which are so blatantly demonstrating their contempt for the wellbeing of the U.S. cattle industry by importing beef and/or cattle into the U.S. while simultaneously prohibiting U.S. beef exports. To further add insult to injury, Mexico continues to import beef from Canada, a country known to have BSE circulating within its cattle herd, while refusing beef from the U.S., a country which still meets the OIE criteria of a BSE Provisionally Free country. Canada, the country which imported the BSE agent into the U.S., prohibits U.S. exports while continuing to export volumes of beef into the U.S. even though Canada is the only North American country to have BSE in its native herd. An examination of Canadian import data shows that since the USDA partially lifted the ban on beef imports in September, beef imports from Canada were nearly 10 percent higher from Sept. - Nov. 2003 than in the same period in 2002. It's unclear why USDA has taken a position on accepting Canadian beef while the majority of international markets have not accepted such standards. Such policy makes the U.S. the dumping grounds for Canadian beef.

United States cattle producers are further disappointed that the USDA is not working to distinguish the United States cattle herd from the cattle herds of Canada or Mexico and, instead, is working aggressively to force the U.S. cattle industry to share both the liabilities and burdens of the Canadian cattle industry

by characterizing our herd as a “North American Cattle Herd.” As a direct result, the global reputation of the U.S. cattle industry has been unnecessarily tarnished. The United State’s effort to restore its lost beef markets to Japan, South Korea, Canada, Mexico, the Caribbean, and Russia should not be tied to these countries’ willingness to accept imported Canadian beef. The USDA has an affirmative duty to represent the interests of the U.S. cattle industry and U.S. consumers first. We implore you to begin exercising that duty.

The USDA has consistently ignored the requests and suggestions of the United States live cattle industry to bolster our U.S. cattle herd’s resistance to the introduction of foreign animal diseases and to strengthen our ability to respond to a disease should an outbreak occur. USDA has ignored such suggestions and requests to the detriment of the economic viability of the U.S. live cattle industry. On behalf of the United States live cattle industry, we made the following requests:

On May 23, 3003, following Canada’s first indigenous case of BSE, we asked you to work cooperatively with the United States Customs and Border Protection to require all imported cattle, including cattle imported from Canada, to be permanently marked with a mark of origin so these animals could be readily identified in the event of a foreign animal disease outbreak. Our request was ignored.

On August 19, 2003, we asked you to not unilaterally abandon the United States long-standing and scientifically validated policy of prohibiting imports from countries known to have BSE as such abandonment would subject the United States cattle herd to greater risk. We asked you to maintain import restrictions pending a scientific review, the implementation of country of origin labeling, and the negotiation of a reciprocal agreement with our trading partners. Our requests were ignored.

On October 6, 2003, following Japan’s announcement that it had diagnosed BSE in a 23-month old animal, we asked you to suspend all beef imports from Canada, which imports were derived from animals under 30 months of age. Our request was ignored.

On October 10, 2003, we asked you to reconsider your current exception to the law prohibiting the importation of ruminants and ruminant products from a country with a confirmed case of BSE in a native animal pending a labeling requirement for all Canadian beef and a thorough scientific risk assessment that addresses the Canadian BSE case and the more recent BSE case in Japan. Our request was ignored.

On December 23, 2003, the day you announced that a BSE-infected cow was discovered in the United States, we asked you to take steps to mitigate the likely adverse impacts of a presumed BSE-positive cow by immediately closing the United States border to all imports of live cattle, beef, and both raw and manufactured livestock feed until the circumstances surrounding this suspected case are fully disclosed and understood. Our request was ignored.

On February 2, 2004, we informed you of the financial losses borne by U.S. producers resulting from the January 12, 2004, implementation of the “mouthing rule” and we asked you to

reconsider this rule and to establish a compensation program for producers who suffer financially as a result of this rule. Our request was ignored.

Had the USDA been responsive to the foregoing cattle industry requests, our industry would have avoided the precarious financial condition it is presently in. We certainly would not be stockpiling price-depressing beef intended for export; our trading partners would not likely have accused the United States of doing too little to address the BSE threat; our cattle prices would not likely have fallen the nearly 20 percent our industry has experienced since December 23, 2003; and U.S. producers would not likely be experiencing the economic losses they are presently suffering.

We are now asking that you work to differentiate the U.S. cattle herd from the herds of Mexico and Canada. It is imperative that we reduce the heightened risk associated with the Canadian cattle presently residing in the United States. Your international BSE review team identified these cattle as constituting a high risk population of cattle. To accomplish this, the USDA should cooperate with each state's animal health agencies. We are convinced that the United States will significantly reduce its risk of introducing BSE by aggressively working to identify all imported animals, and subsequently marking these animals as imports so they can be tested for BSE at the point of slaughter. We understand that animal health officials in the state of North Dakota have already identified the cattle imported into that state over the past 10 years. Such action to minimize the risk associated with imported cattle will go a long way toward instilling renewed confidence in our trading partners that the United States is serious about maintaining the reputation of its domestic cattle herd.

Please let us know how we can assist in this critically important effort.

Sincerely,

A handwritten signature in blue ink that reads "Leo R. McDonnell, Jr." The signature is written in a cursive, flowing style.

Leo McDonnell, Jr.
President

CC: Members of Congress