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June 13, 2007

Mr. J. Patrick Boyle
President and CEO
American Meat Institute

Dear Mr. Boyle:

Your letter to me bearing today's date constitutes a scheme by the American Meat Institute (AMI) to intentionally cause the distribution of false, misleading, and deceptive information to U.S. cattle producers, assert jurisdiction and authority over U.S. Government procedures and practices to which neither the American Meat Institute (AMI) nor the meatpacking industry is entitled, and to coerce and threaten U.S. producers into incurring costs that are neither necessary nor required by any statute, rule, or regulation presently in force.

These wrongful acts are actionable under the Packers and Stockyards Act that prohibits U.S. meatpackers from engaging in any unfair, unjustly discriminatory, and deceptive practices against U.S. cattle producers.

This letter is intended to advise you that R-CALF USA will file formal complaints, on behalf of its cattle-producing members, with the Grain Inspection Packers and Stockyards Administration (GIPSA) against the AMI and any meatpacker that follows through with your list of recommendations that would deceive, mislead, coerce, and threaten U.S. cattle producers.

The proposed rule published by the Agricultural Marketing Service (AMS) in the *Federal Register* on Oct. 30, 2003 is not in force and has no effect and does not confer any rights or responsibilities upon any person presently engaged in the production of commodities covered by the country-of-origin labeling statute. Therefore, AMI's assertion that this proposed rule confers authority to AMI members to make demands of R-CALF USA members, or any other U.S. cattle producer, is false, misleading, deceitful, and otherwise not in accordance with the law.

In addition, you have misrepresented provisions within the country-of-origin labeling statute in order to unduly influence even your own members into making unauthorized demands upon cattle producers to protect themselves against an avoidable liability. Contrary to the representations in your letter, only retailers that *willfully* violate the country-of-origin statute, and then only those who fail to correct the violation after a 30-day notice period, would be subject to a fine of not more than \$10,000.

Not until the AMS publishes a final rule in the *Federal Register* to implement country-of-origin labeling would AMI know the requirements to be imposed on its members in order to

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comply with the country-of-origin labeling statute. It would be wholly irresponsible of you to use the market power held by your meatpacking members to effectively burden U.S. producers with your presumptions.

Mr. Boyle, R-CALF USA finds your list of recommendations to your members to be a deliberate attempt to use false and misleading information in order to cause the nationwide imposition of unauthorized demands upon U.S. cattle producers for the purpose of scaring them into supporting your industry segments' political agenda. R-CALF USA will aggressively pursue available remedies if you do not rescind your recommendations and advise your membership that they are not authorized to make such demands pursuant to the country-of-origin labeling statute.

Sincerely,

A handwritten signature in cursive script, appearing to read "Bill Bullard". The signature is written in black ink and is positioned below the word "Sincerely,".

Bill Bullard
CEO
R-CALF USA