

The Cattlemen's Newsletter

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Inside this issue

CEO speaks to California	2
3 rd Annual Caldwell Fundraiser	2
President Speaks on M-COOL	3
Animal ID Key Issue in N.M.	3
Korea to Resume Beef Imports	3
Court Favors Creekstone	3
Neb. Raises Fire Relief Funds	4
OIE Changes Risk Definitions	4
Atypical BSE Brings Questions	5
Producers Pleased with OIE	6
Mark Your Calendar	6
USA FREE Scholarship	7
P&S Administrator Chosen	7
Breach in U.K. BSE Rules	8
RFD-TV on June 19th	8

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Cattle Producers Appeal Judge's Decision

BILLINGS, MONT. (June 6, 2006) R-CALF USA on Monday filed a notice of appeal in U.S. District Court – District of Montana of an April decision by District Judge Richard F. Cebull that denied the organization's request for a permanent injunction against the U.S. Department of Agriculture's (USDA's) Final Rule. The Final Rule allows imports of cattle under 30 months of age and beef products from cattle younger than 30 months of age into the United States from Canada, a country affected by bovine spongiform encephalopathy (BSE).

"We remain frustrated that there has never been full consideration of the merits of our case," said R-CALF USA President and Region V Director Chuck Kiker. "The (U.S.) 9th Circuit Court of Appeals ruled in July 2005 that USDA should be given deference in this matter, but there's never been an evaluation of all of the evidence, by either the 9th Circuit or the District Court.

"R-CALF wants the opportunity not only to make certain that USDA's decision-making on this Final Rule gets a thorough review because the agency has continued to make inconsistent statements about BSE risks, but also to make certain that we have the chance to lay out scientific evidence by nationally recognized experts and government agencies," Kiker continued. "We believe the public deserves a full assessment of whether USDA's assumptions were reasonable and whether the agency's decision was explained adequately, and we do not believe the 9th Circuit intended to, or legally could, preclude that from happening.

"We're hoping the 9th Circuit will remand the case back down to Judge Cebull so he can make a decision on the merits of the case," Kiker continued. "Then we'll proceed from there."

Background: A preliminary injunction, granted to R-CALF USA by the District Court in March 2005, was reversed in July 2005 by a three-judge panel at the U.S. 9th Circuit Court of Appeals. R-CALF USA then asked the District Court to hear argument on its pending motion for summary judgment, but instead Cebull decided, in effect, that the 9th Circuit already had decided the merits of the case. In his April 2006 decision, Cebull said his "hands were tied" and that the 9th Circuit had instructed him to 'abide by this deferential standard,' and 'respect the agency's judgment and expertise.'"

Producers Pleased Mexican Cattle Imports Postponed

BILLINGS, MONT. (May 18, 2006) R-CALF USA always has maintained the U.S. Department of Agriculture (USDA) should keep domestic import standards high to prevent the introduction of foreign animal diseases (FADs), and this organizational philosophy also includes the prevention of potential introduction of foreign parasites.

"R-CALF applauds USDA for heeding advice from the Texas Animal Health Commission (TAHC) that recommended standards should not be relaxed in regard to imports of Mexican cattle from areas of Mexico infested with fever ticks," said R-CALF USA President and Region V Director Chuck Kiker. "This will help keep fever ticks from encroaching any farther into Texas than the border area already affected."

USDA's Animal and Plant Health Inspection Service (APHIS) had proposed to eliminate the prohibition on entry of Mexican cattle exposed to or infested with fever ticks, or exposed to tick-borne diseases, into areas of Texas that had been quarantined due to fever tick problems. In January, R-CALF USA asked USDA to withdraw the proposed

rule and to conduct a full risk/cost analysis of the proposed rule before any further weakening of cattle import standards from fever tick-infested areas in Mexico was considered. R-CALF USA also expressed concern that lowering U.S. import standards under present circumstances could jeopardize the health of the U.S. cattle herd and negatively affect the U.S. cattle industry.

"Recently, R-CALF received a letter from USDA indicating that APHIS was indeed withdrawing its proposed rule on this matter, and that the agency would initiate a risk assessment before deciding what future regulatory action to take," Kiker explained. "R-CALF is pleased with the decision and agrees that more needs to be known about importing at-risk cattle from Mexico. We also appreciate USDA's decision in this regard to protect the herd health of the U.S. cattle industry, and look forward to working with USDA on other matters related to cattle health."

Kiker also acknowledged the efforts of TAHC's executive director Bob Hillman, DVM, and his analysis and leadership on addressing this

proposed rule.

"R-CALF was very pleased to learn that APHIS agreed with Dr. Hillman's recommendation and chose to stop any further action on this matter pending a more thorough review of potential risks," Kiker said.

The proposed rule would also have added San Luis, Ariz., as a new port of entry into the U.S. for Mexican cattle.

"Opening San Luis as a new port would primarily have benefited only a small number of cattle producers, brokers and dealers in both countries, and information on the costs to operate San Luis as a new port wasn't included in the proposed rule, there is concern that the costs to run such a facility might outweigh the benefits."

Members of the Independent Cattlemen's Association of Texas (ICA), an R-CALF affiliate organization, also were pleased to learn of USDA's decision to hold off on Mexican cattle imports.

(Continued on page 7)

CEO Speaks to California Cattle Producers

LE GRAND, CALIF. (May 25, 2006) Members of the Merced-Mariposa Cattlemen's Association (MMCA), an affiliate organization of R-CALF USA, recently heard from R-CALF USA CEO Bill Bullard at its spring tour.

"In 2003, four years after R-CALF USA was formed, producers began receiving historically high prices for their cattle," Bullard said. "Higher cattle prices led to economic revitalization for producers and rural areas with sales of cash cattle and calves \$7.4 billion higher in 2003 than in 2002, and \$9.2 billion higher in 2004 than 2002.

"The increase in prices during a time when exports were at, or near, zero shows how important the domestic market is to the domestic producer, as well as the impact that cattle imports – especially live cattle imports – have on the market," Bullard continued. "Producers have now learned they were not told the truth in the late 1990s and early this decade when retail prices were improving, but live cattle prices were not.

"Producers were told they were over-producing, that the poultry and hog industries would eat their lunch if they were to receive higher cattle prices, and they were also told to simply tighten their belts," he explained. "But all the while,

up until 2003, the packers were interfering with the competitive marketplace.

"They had introduced new tools in the industry to enable them to capture the consumer demand signals that should have been driving live-cattle prices higher, and they were satisfying increased consumer demand with imported cattle, captive-supply cattle and imported beef," noted Bullard. "We can choose to remain silent while the packers continue to replace domestic production with imported beef and cattle and let the packers control our prices with captive supplies, or, we can choose to take steps to rebuild our U.S. cattle industry and compete for our share of the consumers' beef dollar and our share of the domestic beef market.

"Those steps include implementing Mandatory Country-of-Origin Labeling (M-COOL) and taking away the packers' pricing advantage by disallowing packers' unlimited access to captive-supply cattle, such as packer-owned cattle," Bullard said. "Also, we must build safeguards within trade agreements to recognize the perishable and cyclical nature of our product and we must maintain the most stringent health and safety import standards."

MMCA President Gene Roberts noted that

the meeting raised awareness of R-CALF USA among California cattle producers.

"Those who attended realized that R-CALF is helping the grassroots people," said Roberts, of Atwater. "Bill cleared up some of the confusion about USDA's proposed National Animal Identification System (NAIS).

"Questions centered on Mandatory COOL and why it hasn't been implemented, and what it would take to implement the law," he said. "The price effects due to the closing and reopening of the Canadian border were also a huge issue."

MMCA Director John Gurr, of Merced, said he enjoyed how Bullard presented the packers' perspective so producers could see their motives.

"We want Mandatory COOL implemented," Gurr commented. "We are against Animal ID because the government is placing the burden on the cattlemen and asking for too much personal information."

The meal was sponsored by AgriLabs Territory Manager Scott Koehn, of Merced, Cattlemen's Livestock Market, located in Galt, and Producers Livestock Marketing Association, located in Madera.

Contributors at 3rd Annual Caldwell Fund-Raiser Give More Than \$39,000

CALDWELL, IDAHO (May 23, 2006) More than \$39,000 was raised at the third annual fund-raiser hosted by Treasure Valley Livestock Auction and the Oregon Livestock Producers Association (OLPA), an affiliate organization of R-CALF USA.

R-CALF USA Co-Founder and Past President Leo McDonnell thanked participants not only for their financial support over the years, but also for working to make certain M-COOL was passed in the 2002 Farm Bill, and also for working to make sure special rules to define cattle and beef as perishable and cyclical products were included in the Australian Free Trade Agreement (FTA).

"Thank you for your support to improve market transparency, not only for prices, but also for demand," McDonnell said. "Also for your support of our recent injunction against USDA to prevent liberalization of our import standards below internationally practiced standards for countries such as Canada, that are known to have cattle infected with BSE that were born after the implementation of the Canadian feed ban.

"Can you imagine where our U.S. cattle markets would be today if it weren't for obstructionist actions by USDA and some industry groups that blocked packers from voluntarily testing for BSE," he asked. "And where our U.S. cattle markets would be today if these same groups had not lobbied to liberalize trade standards by locking open the U.S. market while we remain shut out of most of our export markets? These actions have had a

tremendously negative impact on your livelihoods."

Treasure Valley Livestock Auction generously donated half of the day's commission to R-CALF USA. For the past three years, owners Ron Davison and Bill Davison have donated their facilities, time and money for the event.

"We're very happy to see the level of support producers showed for R-CALF," said Ron Davison. "We're proud to stand up and support our producers, as well as R-CALF, which has helped our business."

R-CALF USA National Membership Co-Chair Margene Eiguren, of Jordan Valley, Ore., organized and also spoke at the event. She also serves as secretary for OLPA, which donated a portion of its proceeds to the Rancher-2-Rancher Relief Fund, established by R-CALF USA and the Independent Cattlemen's Association of Texas (ICA), to assist Texas Panhandle ranchers who suffered damages from recent wildfires. ICA also is an R-CALF USA affiliate organization.

"While U.S. cattle producers were under-producing beef by three billion pounds in 2005, USDA was reporting Canadian imports as U.S. domestic production to show we were meeting U.S. beef demand," Eiguren said. "R-CALF is the only cattle organization addressing this issue that involves the difference between production and consumption numbers.

"R-CALF is working to implement M-COOL and enforce the Packers and Stockyards Act of

1921 so packers cannot continue to have unjust access to captive-supply cattle and drive down domestic live cattle prices," she continued. "R-CALF is also working to harmonize import standards upward so the U.S. won't become a dumping ground for product other countries don't want and to ensure the USDA doesn't implement a mandatory Animal ID program which will negatively impact U.S. cattle producers."

LU Ranching Co. donated the calf for the rollover auction that kicked off the fund-raising events. The ranch, located in Jordan Valley, Ore., is owned by Bill and Nita Lowry and Tim and Rosemary Lowry.

"The reason we support R-CALF and will continue to support it is because the organization is working on the issues that are critical to our survival as ranchers," said Bill Lowry. "Some of those critical issues include fair trade instead of free trade, Mandatory COOL, and working to ensure the U.S. maintains its high health and safety import standards."

Other livestock donors included: Lequerica Bros.; Fred J. and Kristie Eiguren; Branch Keyhole Ranch; Jerry and Linda Miller; Grenke Bros.; and Richard and Margene Eiguren.

Dinner was cooked by Sabino de la Concepcion and Bennie Goitiandia. A silent auction for business certificates and a live auction for various items also contributed to the money raised.

President, Region V Director Speaks About Mandatory COOL

MADISONVILLE, TEXAS (May 16, 2006) R-CALF USA President and Region V Director Chuck Kiker, of Beaumont, Texas, recently spoke to area cattle producers about the necessity of enforcing the Packers and Stockyards Act of 1921, implementation of the Mandatory Country-of-Origin Labeling (M-COOL) law passed in the 2002 Farm Bill, and various trade issues.

"To ensure competitive markets, we must get Congress to make the USDA enforce the Packers and Stockyards Act," said Kiker. "Prices will continue to fall if we let the packers manipulate the markets with their captive supplies and lack of mandatory price reporting.

"We must also give U.S. producers the ability to differentiate their product with M-COOL in the domestic and world market," he continued. "This will inhibit the packers from being able to leverage down U.S. cattle prices with supplies of imported cattle."

Bill Hyman, executive director for the Independent Cattlemen's Association of Texas (ICA), also spoke at the meeting. ICA is an affiliate or-

ganization of R-CALF USA. Hyman noted the interest local ranchers had in USDA's proposed National Animal Identification System, and the fact that very few of them support a mandatory system. Producers also were curious why Mandatory COOL has not yet been implemented.

"The local ranchers were quick to realize and appreciate the work that ICA and R-CALF have accomplished for the cow/calf producer," said Hyman. "Based upon remarks heard after the meeting, it is obvious those ranchers recognize the necessity of having an organizational voice to carry forth their concerns on both state and national issues."

Charlie Cotten, of Madisonville, helped facilitate the meeting. He commented that having Kiker, a fellow producer directly affected by price changes, speak about what is happening in the cattle industry is more significant to producers than a speaker, such as an economist, would have been.

"Chuck spoke about issues that many producers do not consider, such as Mandatory COOL,

and what the price of fat cattle do to overall market prices," said Cotten. "He also addressed the proposed Animal ID system.

"Chuck pointed out that once certain people have premise identification information, then they will have that information for good," Cotten continued. "The equipment and paperwork for the program will have to be paid for by those using it, meaning the producers and sale barns."

Another organizer, Kevin Parrack, of Madisonville, said Madison County was an excellent location to host the meeting because it is home to the most mother cows per acre for any Texas county. The event took place at Madison County Livestock Exchange.

"It was amazing to hear the numbers of Canadian cattle coming across the border while they still have mad cow disease," Parrack commented. "Mr. Kiker also explained how Japan has placed very stringent import standards on the United States, but not on certain other countries."

Animal ID is Key Issue at New Mexico Meeting

ELIDA, N.M. (May 5, 2006) R-CALF USA Southeastern Field Representative John West spoke about current U.S. cattle industry issues, including the proposed National Animal Identification System (NAIS), during a recent seminar in Elida, sponsored by Good's Feed and Supply.

"R-CALF will continue to work with the USDA to ensure that any national Animal ID system will not burden producers and will be an economically viable market-driven system, not a federally mandated program," said West. "New Mexico cattle producers already have an excellent Animal ID system with traceback features in their brand program, and I agree with them, that if it's not broken, don't fix it."

Billy Frank Good, owner of Good's Feed and Supply, facilitated the meeting. He mentioned that New Mexico cattle producers do not want any kind of mandatory Animal ID system imposed upon them.

"Animal ID will not be practical on ranches," he commented. "The equipment is very expensive, and the paperwork is too burdensome. Besides, we already have a brand program in place for tracking purposes, so why should we need anything else?"

Jarrold Johnson, of Tatum, noted that Animal ID is a critical issue in the industry today.

"It appears that the information gathered for the animal identification system will only give packers more information about producers' operations," Johnson said. "The focus of the program seems to be shifting away from ensuring food safety to giving the packers what they want.

"If Animal ID is made mandatory, we will be one step closer to vertical integration, and the producer will no longer be independent," he said.

Korea to Resume U.S. Beef Imports Next Month

(May 30, 2006) South Korea will resume imports of American beef next month, months later than initially planned. Park Hyun-chool, head of the Agriculture Ministry's livestock bureau said Monday that Korea has completed inspecting 37 meat processing plants in the U.S. that wish to export beef. Now agriculture officials will make the final call on which American beef processing facilities will be allowed to sell their meat. The announcement is scheduled to be made on June 7.

Once the third-largest export market for U.S. beef, Korea banned all beef imports from there in late 2003 after a case of BSE was detected. That

ban will be partially lifted to allow boneless beef imports to resume, but processed beef and cattle bones -- including popular ribs -- will not qualify.

The Agriculture Ministry dispatched eight inspectors from Seoul for two weeks earlier this month to check safety standards at meat processing facilities across the American heartland. Some of them, the livestock bureau chief says, use the same equipment to saw cuts of beef from cattle over and under 30 months old, and they will not qualify under the safety rules since Korea only imports beef from younger cattle.

Courtesy of Arirang News (S. Korea)

Court Favors Creekstone in First Round of Trial

(May 31, 2006) Creekstone Farms scored its first victory in a lawsuit challenging USDA's decision to keep private companies from voluntarily testing cattle for bovine spongiform encephalopathy.

U.S. District Court Judge James Robertson set a schedule that allows Creekstone to file a motion for summary judgment by June 23 and USDA will have until Sept. 15 to respond, according to wire reports. This is an accelerated timeline compared to most trials.

The Arkansas City, Kansas-based meat-packer filed the suit in March. Creekstone is challenging USDA's claim that it has the legal authority to control access to and the use of the "test kits" needed to perform BSE testing. Over the past two years, USDA has repeatedly denied Creekstone's requests to conduct voluntary BSE testing.

"If BSE testing is an additional attribute that our customers want, free enterprise should allow us to provide this additional element. In a country where free enterprise, satisfying consumers, and building businesses through thoughtful marketing and innovation are encouraged, I find it very difficult to understand why our government would not be supportive of this important effort," says John Stewart, CEO and Founder of Creekstone Farms.

Courtesy of Farm Futures (part of the Farm Progress family of agricultural magazines and online ag news sites)

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Nebraska Sale Barns Jump-Start Monthly Fund-Raisers

BILLINGS, MONT. (May 11, 2006) Four Nebraska sale barns recently raised more than \$13,000 for R-CALF USA and Independent Cattlemen of Nebraska (ICON), an affiliate organization of R-CALF USA, as well as the Rancher-2-Rancher Relief Fund, established by R-CALF USA to assist Texas Panhandle ranchers who suffered damages as a result of the recent wildfires. Sale barn fund-raisers will be held across Nebraska throughout May to raise money for these organizations and the fund.

Tri-State Livestock Commission Co., in McCook, Neb., hosted the kickoff rollover auction with a calf donated by ICON Director John O'Dea, of McCook. Platte Valley Livestock, in Gering, Neb., also hosted a fund-raiser and generously donated the calf for the event. Ogallala Livestock Auction Market, in Ogallala, Neb., facilitated another rollover calf sale with a steer donated by Abbott Cattle Co., and Sheridan Livestock Auction Co., in Rushville, Neb., held the final fund-raiser for the week with a calf donated by Wayde and Sam Boldon, of Oglala, S.D.

"The fund-raiser proceeds showed the importance of our issues and our message by the way local producers and agribusinesses supported some of their own," said O'Dea.

R-CALF USA Texas Membership Chair Stay-

ton Weldon spoke in McCook about the current Texas drought and wildfire situation.

"Back in 1995, during the height of calving in a blizzard, 125 South Dakota cattle producers left their ranches and went to St. Louis to testify before USDA's Committee on Concentration in the Red Meat Packing Industry," Weldon recalled. "I figured if 125 producers from South Dakota could go to Missouri to help the independent cattle producer, I could come to Nebraska to help the producers in my area during this devastating drought."

R-CALF USA Wyoming Membership Chair Charlie Stevenson, of Wheatland, Wyo., said participants at the fund-raisers were very supportive and concerned about current industry issues.

"They wanted to know why Mandatory Country-of-Origin Labeling (M-COOL) could not be implemented if the proposed National Animal Identification System (NAIS) was going to be enforced," noted Stevenson. "Food safety was also a major concern among the producers."

R-CALF USA Director of Government Relations Jess Peterson spoke at a number of the sales, giving updates on R-CALF USA activities in Washington, D.C.

"We're making progress on Mandatory COOL with weekly strategy calls, as well as input from

AgWorks Solutions CEO Bill Hawks who was the immediate past USDA Under Secretary for Marketing and Regulatory Programs and who has partnered with former APHIS Administrator Valerie Regan, DVM," Peterson explained.

Ken Knuppe, a past president for the South Dakota Stockgrowers Association, explained during a speech in Rushville, Neb., that rollover auctions and annual membership dues are R-CALF USA's main source of income.

"R-CALF receives no government funds or other monies from large multinational corporations, so the only people that R-CALF needs to answer to are its members and no one else," said Knuppe, of Buffalo Gap, S.D. "That makes R-CALF truly a grassroots-driven organization.

"One of the best reasons to support R-CALF and its affiliates is the opportunity they provide to remain informed about current industry issues," Knuppe continued. "Also, they help educate government and others not involved in production agriculture on how things truly work in the real world of the cattle industry.

"Officials make decisions based on the information they receive, and it's up to us as an industry to make sure those officials have sufficient and correct information to make the right decision," he noted.

World Animal Health Body Changes Mad Cow Risk Definitions *Courtesy of Environmental News Service*

WASHINGTON, DC (May 31, 2006) Member countries of the World Organization for Animal Health (OIE) last week voted unanimously to revise the three definitions of risk categories for countries affected by mad cow disease, formally known as bovine spongiform encephalopathy (BSE).

The three definitions are - negligible risk, controlled risk, and undetermined risk of cattle being infected with the fatal brain-wasting disease.

Previously, a country that discovered a case of BSE had to wait seven years from the date of its latest discovery before being eligible to be classified as a "negligible risk" country, the category for countries with the least amount of risk from the disease.

Under these guidelines, the United States would have had to wait until the year 2013 to be classified as a negligible risk country after a veterinarian discovered a cow infected with the disease in Alabama in March, the third infected U.S. cow to be found.

Now, as a result of OIE's decision, countries work from the date of birth of the animal discovered to be infected with the BSE agent - misfolded proteins called prions.

The decision was made at the OIE's Annual General Session held in Paris from May 21 to 26.

The General Session notably brings together representatives appointed by the governments of the 167 OIE member countries. Some 600 participants representing member countries and inter-governmental organizations such as the UN Food and Agriculture Organization, the World Health Organization, the World Bank and the World Trade Organization took part in the event.

Many U.S. cattlemen support the change because it more accurately reflects the scientific knowledge surrounding the disease.

"Scientists have determined that BSE is caused by feeding contaminated animal-based feed to cattle, and that cattle are most likely to become infected with BSE during the first year of their lives, so using the infected animal's birth date as a reference point allows countries to determine how recently contaminated feed may have been circulating within their feed system," said Bill Bullard, CEO of R-CALF USA, a cattle industry association.

BSE spreads from one animal to another by consumption of feed that contains nervous system tissue from an infected animal. The human form of the disease can be transmitted if a human being eats infected meat, or through blood transfusions.

In 1997 both the United States and Canada imposed bans on feeding animal protein such as meat and bone meal to cattle, but some cattlemen

say the bans have been unevenly enforced.

"OIE's decision also allows countries to determine how effective their feed bans have been in arresting the spread of BSE within their borders," Bullard said.

OIE is now saying countries with adequate testing programs that detect no cases in cattle born within the past 11 years should be considered as a negligible risk for BSE because there is no evidence the disease has been recycling in the feed supplies of those countries.

"By applying this new reference point to the United States, which has tested over 720,000 cattle since June 2004 and detected two BSE-infected animals born more than 10 years ago, the scientific evidence suggests that while the disease may have been prevalent before the U.S. implemented its 1997 feed ban, the fact that no cases have been detected in cattle born after the feed ban suggests that the U.S. has effectively halted the continued recycling of the BSE agent," Bullard said.

U.S. beef represents the single largest segment of American agriculture, accounting for roughly 20 cents of every agriculture dollar, and generating \$3 billion a year in export business.

Before the first U.S. cow tested positive for

(Continued on page 5)

Atypical BSE Brings Questions *By Chris Clayton, DTN Staff Reporter*

LONDON, England (May 31, 2006) Rare strains of bovine spongiform encephalopathy present the cattle industry and scientists with a host of new questions about mad cow disease, its transmission and whether the disease can appear spontaneously.

Unanswered questions about "atypical" cases of BSE may cause governments to delay plans to ease restrictions on feed use or higher levels of surveillance testing for BSE, scientists said this week at an international conference on BSE and related diseases outside London.

A French scientist presented data this week showing the two domestic U.S. cases of BSE were scientifically identical to a rare strain of the disease that has infected a small number of cattle in France, Germany, Poland and Sweden. Scientists in Europe have started to classify these cases as "atypical."

A USDA researcher said last year the Texas cow may be an atypical case after USDA's Inspector General ordered a retest on that animal that officials later classified as a "weak positive." USDA has not released any statements or information about the positive results of the Alabama cow or if the two cases appeared similar. Efforts by DTN to seek information from USDA officials about the atypical test results have been unsuccessful.

British veterinarian Danny Matthews, who has been at the epicenter of BSE detection and controls in England since the country's epidemic started 20 years ago, clearly struggles with the term "atypical," given that knowledge of BSE infectivity in general still remains relatively low.

"Atypical implies something is out of the norm and we don't know enough to say whether it's out of the norm or it's just something we haven't been able to detect until now," Matthews said.

New diagnostic tests are able to detect BSE at much lower levels of infectivity in cattle than in the past. That also translates into better testing for scrapie in sheep and chronic wasting disease in wild animals such as deer. That suggests these atypical cases may have been around all along.

"These may be animals that actually became infected later in life or at very low doses and we are just now able to detect them through testing," Matthews said. "We don't know if we gave brain material to another cattle if it would be infective or not."

The atypical cases raise questions about whether these strains are spontaneous in older cattle or if the animals were actually infected later in life. It's also possible the animals may have received very small doses of infected material or the epidemic started by feeding other cows infected material from one of a spontaneous case, Matthews said. That would result in permanent ruminant feed restrictions.

"If it is spontaneous, that is important because it may represent the origin of the epidemic or the origin of a future epidemic," he said.

The World Animal Health Organization, or OIE, has an ad hoc group working on atypical cases of BSE. Among the questions being examined is the impact such cases have on the diagnostic process and disease control. The OIE is raising the bar on any new confirmatory tests for BSE to ensure new tests would find the classical and atypical cases of the disease.

"We all realize there are more and more cases like these that are appearing," said Torsten Seuberlich, head of the Neurocentre Reference Laboratory for Transmissible Spongiform Encephalopathies in Switzerland.

Matthews said he fears countries may also use atypical cases to create draconian demands or measures given the very small amount of potential contamination risk.

"It's a fine line there for governments," he said. "You're damned if you do and damned if you don't."

Bovine spongiform encephalopathy is widely considered to spread from contaminated feed. The number of countries with infective cases has declined through tighter feed controls, and countries that implemented ruminant-to-ruminant feed bans before showing positive cases have had few infective cases, largely from animals born before the feed bans. Both of the U.S. cases were believed to be born before the U.S. implemented its feed ban in 1997.

Results from studies are being released on atypical cases just as European policymakers and scientists are beginning to ask if the diminished risk of BSE to cattle and the human variant of the disease -- Creutzfeldt-Jakob Disease -- would allow for loosening some of the controls such as testing volume or feed restrictions.

"How do these (atypical cases) change the potential human risk?" asked Philip Comer, a risk-management consultant who has worked with European food-safety experts. "At the moment, we really don't have any answers."

In England, 2006 marks the 20th year since diagnosing the first cases of BSE in cattle. It also marks 10 years since British public health officials linked BSE to variant Creutzfeldt-Jakob Disease, a terminal disease that has infected more than 160 people in that country.

"Clearly, BSE should progress toward extinction if some of the controls are maintained, unless these atypical cases really are spontaneous, and we really need to prove that is the case or isn't," Matthews said.

Debby Reynolds, chief veterinary officer for the United Kingdom's Department for the Environ-

ment, Food and Rural Affairs, said while discussing the future of diseases such as BSE that more research must be conducted on atypical cases to determine what are they and how are they spread, if at all. They could be spontaneous, but there is little certainty in that argument, she said.

"I've heard scientists make the case for both sides of the argument," Reynolds said.

Regardless of the theories, groups such as the OIE are focusing less energy on BSE because of the reduced number of cases globally, particularly in Europe. Tightened feed bans and testing are working. Experts at an annual review of the OIE's annual health code last week took less time debating BSE changes than in any other year.

"Finally, it looks like we are going to spend less time on BSE and move on to other issues," said Alex Thiemann, a former USDA researcher now serving as president of the OIE's Terrestrial Animal Health Code Commission.

OIE changes... (Continued from page 4)

BSE in Washington state in 2003, Japan was the number one importer of U.S. beef and Korea was third.

Japan and Korea immediately closed their borders and trade negotiations have been delicate since. In December of 2005, Japan reopened imports of U.S. beef but soon closed trade again after a box of meat was found to be contaminated. Korea has offered to accept boneless beef but the U.S. continues to push for full market access for all U.S. beef products.

With the exception of the temporary trade with Japan earlier this year, these markets have been closed for more than 29 months.

On May 25, thirty-one U.S. senators sent letters to the Prime Minister of Japan and the Ambassador of Korea asserting that U.S. beef is safe and urging them to resume trade in U.S. beef products.

The senators urged Japan to resume trade before Prime Minister Junichiro Koizumi's visit to the United States scheduled for June.

The senators signed a similar letter requesting the Republic of Korea to reopen its market prior to negotiations on a Free Trade Agreement with the United States.

The letter to the Ambassador of Korea Han Sung Joo says, "Many American cattle and beef groups have emphasized the importance of regaining full access to the Korean market as part of any free trade agreement. We believe that it would be essentially impossible to garner the necessary support for a free trade agreement with Korea if it does not include access for all beef and beef products, including bone-in and offals."

(Continued on page 8)

Producers Pleased with OIE Change to BSE Regulations; Canada Still Poses Significant Disease Risk

BILLINGS, MONT. (May 30, 2006) R-CALF USA was pleased to learn that member countries of the World Organization for Animal Health (OIE) last week voted unanimously to revise the three definitions of risk categories for countries affected by bovine spongiform encephalopathy (BSE): negligible, controlled, and undetermined.

Previously, a country that discovered a case of BSE had to wait seven years from the date of its latest discovery before being eligible to be classified as a "negligible risk" country, the category for countries with the least amount of risk from the disease.

Under these guidelines, the U.S. would have had to wait until the year 2013 to be classified as a negligible risk country after the March 2006 discovery of a BSE-infected cow in Alabama.

Now, as a result of OIE's decision, countries work from the date of birth of the animal discovered to be infected with the BSE agent – a significant change that more accurately reflects the scientific knowledge surrounding the disease.

"Scientists have determined that BSE is caused by feeding contaminated animal-based feed to cattle, and that cattle are most likely to become infected with BSE during the first year of their lives, so using the infected animal's birth date as a reference point allows countries to determine how recently contaminated feed may have been circulating within their feed system," explained R-CALF USA CEO Bill Bullard. "OIE's decision also allows countries to determine how effective their feed bans have been in arresting the spread of BSE within their borders.

"OIE is now saying countries with adequate testing programs that detect no cases in cattle born within the past 11 years should be considered as a negligible risk for BSE because there is no evidence the disease has been recycling in the feed supplies of those countries," Bullard continued.

"By applying this new reference point to the United States, which has tested over 720,000 cattle since June 2004 and detected two BSE-infected animals born more than 10 years ago, the scientific evidence suggests that while the disease may have been prevalent before the U.S. implemented its 1997 feed ban, the fact that no cases have been detected in cattle born after the feed ban suggests that the U.S. has effectively halted the continued recycling of the BSE agent," Bullard said. "The risk in Canada, however, is inherently greater given this new standard.

"Of the six BSE cases detected in Canada after testing less than 110,000 cattle since 2004, half of Canada's BSE cases were born after the 1997 implementation of its feed ban, which suggests a continuing BSE problem in that country,"

Bullard explained. "Canada will have to wait until the year 2011 before OIE would even consider placing that country in the negligible-risk category.

"This suggests that the United States needs to rethink its trading position with Canada if the U.S. intends to restore confidence in the minds of international export customers," Bullard continued. "It is irrational for the U.S. to continue commingling Canadian beef and Canadian cattle with U.S. beef and U.S. cattle when the rest of the world knows that Canada has an inherently higher risk for BSE. The U.S. is presently accepting Canadian beef products and cattle into the United States that U.S. export customers will not accept.

"For example, the countries of Japan, Mexico, Philippines, Taiwan, Egypt, and Hong Kong will not accept any ground beef from BSE-affected countries," Bullard said. "Yet, not only is the U.S. allowing Canadian ground beef into the United States, but the U.S. also is allowing in imports of Canadian cattle that are eventually made into ground beef. It is clear, that for more than two years, this practice has complicated the reopening of U.S. export markets and is hurting the financial viability of the U.S. cattle industry."

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Mark Your Calendar

Upcoming Meetings and Events in Your Area

June 12, 2006

Pickens, Miss. - R-CALF USA Southeastern Field Coordinator John West will speak on issues affecting the U.S. cattle industry during a Holmes County Cattlemen's Association meeting at 6 p.m., Monday, June 12, at the Homeplace Restaurant in Pickens, Miss., located just off of Interstate 55 at Exit 144. The Mississippi Livestock Marketing Association will sponsor the meal. There is no need to RSVP.

For more information, please contact Joel Gill, R-CALF USA Mississippi Membership Chair, at 601-613-1235.

June 13, 2006

Britton, S.D. - R-CALF USA CEO Bill Bullard will give an update on the organization's activities at 6:30 p.m., Tuesday, June 13, at the Fort Sisseton State Park South Barracks, near Britton, S.D., during a South Dakota Stockgrowers Association (SDSGA) meeting. SDSGA is an R-CALF USA affiliate organization.

A barbeque, sponsored by SDSGA and local businesses, will kick off the meeting. There is no need to RSVP.

For more information, please call Wayne Nelson, SDSGA Region 2 Vice President, at 605-448-8166 or Carrie Stadheim, SDSGA Executive Director, at 605-342-0429.

June 15, 2006

San Antonio, Texas - R-CALF USA President and Region V Director Chuck Kiker will give an update on the organization's activities during the Independent Cattlemen's Association of Texas (ICA) 32nd Convention at 10 a.m., Thursday, June 15, in El Tropicano Riverwalk Hotel's Santa Fe Room in

San Antonio, Texas. ICA is an R-CALF USA affiliate organization.

For registration/hotel information, contact ICA at 512-620-0162.

Valentine, Neb. - R-CALF USA Director of Government Relations Jess Peterson will give an update on the organization's activities and the U.S. cattle industry at 1 p.m., Thursday, June 15, at Valentine Rural High School in Valentine, Neb., during the Independent Cattlemen of Nebraska's (ICON) first convention. ICON is an R-CALF USA affiliate organization.

Contact ICON at 308-282-2826 to register for the convention, which will cost \$25 per person through today, and \$35 per person afterward. The banquet costs \$15 per person.

For more information, please contact Chris Abbott, R-CALF USA Neb. Membership Chair, ICON Pres., at 308-282-2826.

July 12, 2006

Reno, Nev. - Make your plans now to attend R-CALF USA's Region IV Meeting to be held at 5:00 p.m. PDT on Wednesday, July 12 in the Exposition Hall located downstairs in the Silver Legacy Hotel at 407 N. Virginia Street in Reno, Nevada.

Bring your neighbor to meet with and listen to R-CALF USA leaders such as Region IV Director Jon Wooster, President Chuck Kiker, C.E.O. Bill Bullard, and Director of Government Relations Jess Peterson speak about the critical issues facing your industry at the national level.

Special room rates are available at \$59.00 plus tax per night, call 1-800-687-8733 before June 9 and use the group code WVM706. Please note that after June 9 the room rates will start at \$99.99 plus tax. We will see you there!

USA FREE Scholarship Foundation Accepting Applications - Deadline July 1, 2006

United Stockgrowers of America Foundation for Research, Education, and Endowment (USA FREE) is accepting scholarship applications for the Leo and Sam McDonnell Scholarship Foundation. This scholarship has been named in tribute to Leo and Sam McDonnell, and their legendary leadership in R-CALF United Stockgrowers of America (R-CALF USA).

Scholarship applications will be accepted from graduating high school seniors or students currently attending an eligible post secondary institution. The applicant or an immediate family member must be an R-CALF USA member in good standing. Finalists must be available for an interview, either on-sight or by phone, with the selection committee. Four \$2500 scholarships will be awarded.

The 2007 scholarship deadline is July 1, 2006. All applications for the Leo and Sam McDonnell Scholarship Foundation must be post marked no later than July 1, 2006. Please visit www.r-calfusa.com and click on "USA FREE" to download a printer-friendly version of this scholarship application. Return complete application to: Leo and Sam McDonnell Scholarship Foundation, R-CALF USA, P.O. Box 30715, Billings, MT 59107.

For more information, please call 406-252-2516 or e-mail usafree@r-calfusa.com.

Packers and Stockyards Program Deputy Administrator Chosen

WASHINGTON, D.C., (May 24, 2006) Grain Inspection, Packers and Stockyards Administrator (GIPSA) James E. Link today announced the selection of Alan Christian as Deputy Administrator of the Packers and Stockyards Program (P&SP).

"I'm thrilled to have Alan Christian join the GIPSA team. He is a committed public servant with an invaluable working knowledge of investigative processes," said Link. "Alan's leadership and management experience within the Department will be a tremendous asset to GIPSA and the organizational changes the Agency will be undertaking in response to the recent OIG report."

Christian currently serves as the Director of Investigative and Enforcement Services with the USDA's Animal and Plant Health Inspection Service (APHIS). Formerly, Christian was a Regional Director for APHIS' Regulatory Enforcement Program and a Senior Investigator with APHIS Veterinary Services.

Christian earned a Bachelor of Arts in Zoology from The University of South Florida in Tampa, Florida, and a Master of Science in Biology from Worcester State College in Worcester, Massachusetts.

GIPSA's Packers and Stockyards Program protects the integrity of the livestock, meat, and poultry markets for the benefit of American Agriculture. P&SP administers the Packers and Stockyards (P&S) Act of 1921. In the words of the Congress, the purpose of the P&S Act is "to assure fair competition and fair trade practices, to safeguard farmers and ranchers. . .to protect consumers. . .and to protect members of the livestock, meat, and poultry industries from unfair, deceptive, unjustly discriminatory and monopolistic practices. . . ." P&SP's major enforcement areas are payment protection, unfair, deceptive, and fraudulent practices, and competition.

Further information on the Packers and Stockyards Program is available at archive.gipsa.usda.gov. *GIPSA News Release*

Mexican cattle... (Continued from page 1)

"The fever tick infestation continues to create problems for ranchers in that area," noted ICA Executive Director Bill Hyman. "We were proud to stand up with the Texas Animal Health Commission to protect the health of our cattle in South Texas."

Our Mission

R-CALF USA's mission is to represent the U.S. cattle industry in trade and marketing issues to ensure the continued profitability and viability of independent U.S. cattle producers.

Become a member or recruit a friend!

Do you own cattle? Yes No

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Visa _____ MC _____ Exp. Date _____

Signature _____

- Voting members must own cattle. Annual voting dues are \$50.00 per year per member (one member/one vote).
- Associate members do not own cattle and do not have voting rights.

Please mail application and dues (check, money order, or credit card information) to the address below. Contributions or gifts to R-CALF USA are not tax deductible as charitable contributions. However, they may be tax deductible as ordinary and necessary business expenses.

Recruited by _____

R-CALF United Stockgrowers of America

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Phone: 406-252-2516, Fax: 406-252-3176



The Cattleman's Newsletter

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U.K BSE Rules Breach Investigated

(May 16, 2006) The British Meat Hygiene Service has launched a full investigation into how spinal cord was left in a beef carcass sent to a cutting plant in Northern Ireland. The piece of spinal cord was found in a carcass quarter of an over 30-month-old animal slaughtered at the Pickstock (Ashby) slaughterhouse in England—a violation of bovine spongiform encephalopathy-prevention regulations.

The carcass that had been given an official health mark was sent to Vanstar Meats in Northern Ireland as part of a consignment of 208 fresh quarter carcasses slaughtered in the United Kingdom.

The discovery of spinal cord in the carcass is a breach of the BSE-specified risk material regulations and the carcass should not have been approved at the slaughterhouse. The British Food Standards Agency said that no blame was attached to Vanstar Meats over the incident.

The remainder of the consignment was checked and found to be clear of SRM. The affected quarter has been detained. Because the breach occurred at a plant in England, the MHS has launched a full investigation into the incident.

Courtesy of MeatNews.com.

R-CALF USA on RFD-TV

The fourth episode of "R-CALF USA Live" will be broadcast at 8 p.m. EDT on Monday, June 19th, on the RFD-TV Network. Viewers can call in with questions about the domestic cattle industry during the second half of the show when an 800 number will be posted at the bottom of the screen. Tune in to Channel 9409 on the DISH Network, or Channel 379 on DIRECTV.

OIE changes... (Continued from page 5)

Prior to the embargoes, Japan and Korea were the number one and three international markets for American beef and beef products, respectively.

The senators also pointed out that many American cattle producers and processors have urged Congress to consider trade retaliations if the embargos are not lifted.

Senator Jim Talent, a Missouri Republican and a member of the Senate Agriculture Committee, signed the letters. "We've been patient working with Japan and Korea for years and their prohibition of American beef is unfounded. It is time for these countries to lift their unwanted embargoes on our beef," he said.

"The cattle industry is extremely frustrated with the ongoing ban on safe beef from the United States into Japan and Korea," said Brent Bryant, Missouri Cattleman's Association executive vice president. "These two countries were some of our best customers prior to this unwarranted ban. We thank Senator Talent and his colleagues for continuing to provide the appropriate pressure on Japanese and Korean officials."

R-CALF views the OIE's new standard as support for the organization's position that the risk of mad cow disease in Canadian beef is greater than the risk of disease in U.S. beef.

"Of the six BSE cases detected in Canada after testing less than 110,000 cattle since 2004, half of Canada's BSE cases were born after the 1997 implementation of its feed ban, which suggests a continuing BSE problem in that country," Bullard said.

"Canada will have to wait until the year 2011 before OIE would even consider placing that country in the negligible-risk category," he said.

The organization has been lobbying the U.S. Department of Agriculture for two years to reverse a decision that allows Canadian beef to be imported into the United States.

"It is irrational for the U.S. to continue comingling Canadian beef and Canadian cattle with U.S. beef and U.S. cattle when the rest of the world knows that Canada has an inherently higher risk for BSE. The U.S. is presently accepting Canadian beef products and cattle into the United States that U.S. export customers will not accept.

"For example, the countries of Japan, Mexico, Philippines, Taiwan, Egypt, and Hong Kong will not accept any ground beef from BSE-affected countries," Bullard said. "Yet, not only is the U.S. allowing Canadian ground beef into the United States, but the U.S. also is allowing in imports of Canadian cattle that are eventually made into ground beef."

"This practice has complicated the reopening of U.S. export markets and is hurting the financial viability of the U.S. cattle industry," Bullard said.

Although five cases of mad cow disease have been found in Canada, most recently in April, the Canadian Food Inspection Agency says the safety of Canadian beef is not affected.

Even though the diseased animal, a six-year-old British Columbia dairy cow, developed BSE after the implementation of Canada's feed ban, the agency says Canadian beef is safe. Canada uses the same safety measures as the United States - removal of nervous system tissues plus the feed ban.

The agency says that because only five animals were found to have the disease out of the estimated 110,000 cattle tested and the age of the animals detected "supports the conclusion that the level of BSE in Canada is very low and declining."