

An R-CALF USA Publication

# Cattlemen's Newsletter

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## Appreciating the Senate's Dilemma *by Bill Bullard, R-CALF USA CEO*

Imagine you are a U.S. Senator.

On Monday, an American Meat Institute (AMI) lobbyist meets with you claiming to represent the interests of both livestock producers and meatpackers. The AMI lobbyist tells you the competition reforms proposed by R-CALF USA and other producer-oriented groups would actually hurt producers because the reforms would limit cattle marketing options.

On Tuesday, the lobbyist for the National Cattlemen's Beef Association (NCBA) – which, like the AMI, has meatpackers seated on its governing board – meets with you and reinforces the AMI's message. NCBA claims it is the largest representative of U.S. cattle producers. NCBA tells you that producers don't want the competition reforms proposed by R-CALF USA and other producer-oriented groups. NCBA claims these reforms would hurt producers by limiting the way that producers can market their cattle.

On Wednesday, the lobbyist for R-CALF USA meets with you and claims to be the only U.S. cattle-producer association representing only the interests of U.S. cattle producers – not the interests of meatpackers, as the other organizations do. The R-CALF USA lobbyist claims the highly concentrated meatpackers are abusing certain marketing options presently available to cattle producers, and this abuse is harming the entire U.S. live cattle industry.

The R-CALF USA lobbyist tells you that competition reforms are needed in the 2007 Farm Bill to put an end to the packers' abuse of certain marketing options.

So, Mr. or Mrs. U.S. Senator, how are you going to interpret the different messages you are hearing from the U.S. beef supply chain? And, how are you going to vote on the following competition reforms?

- The reform to ensure the Packers and Stockyards Act is properly enforced.
- The reform to make it easier for producers to prove unfair and deceptive practices under the Packers and Stockyards Act.
- The reform to address captive supply misuse by requiring a firm base price in all forward contracts.
- The reform that would prohibit the largest meatpackers from owning and feeding their own cattle.

Folks, this is the dilemma every member of the U.S. Senate now faces. The meatpackers and NCBA are fighting desperately to prevent the Senate from including these competition reforms in the 2007 Farm Bill. And, they have the advantage because when there appears to be disagreement within an industry, the safest thing for a Senator to do is to do nothing – which means no competition reforms.

To help the U.S. Senate understand why there is such a huge difference between R-CALF USA and NCBA and AMI over competition reforms, we must get down to the basics: At its basic level, the competition reforms developed by R-CALF USA members are solutions. And, these solutions presuppose that there is a problem for which a solution is needed. BINGO!

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### 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.

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The reason NCBA and AMI are fighting so hard to prevent R-CALF USA's solutions from being included in the 2007 Farm Bill is because, fundamentally, they don't believe there is a problem with the way the highly concentrated meatpackers procure their cattle. Fundamentally, this makes perfect sense – organizations like NCBA and AMI – that serve the interests of meatpackers – would not consider a marketing practice that lowers the price of live cattle to be a problem.

Our challenge is to help each of our Senators understand why it is in the self-interests of the meatpackers to ignore the problems within our marketplace. We will win our reforms when we convince the U.S. Senate that there is, indeed, a problem with marketing options that give meatpackers a pricing advantage over cattle. R-CALF USA needs your help to convince each of your Senators that:

*It is a problem* when packers can fill their entire week's supply needs during a bidding window that may last for less than one-hour and that usually occurs only at the end of the week.

*It is a problem* when packers use their captive supply cattle to stay out of the cash market for extended periods of time, causing the cash market to fall.

*It is a problem* when packers kill large vol-

umes of packer-owned cattle and successfully break up a domestic price rally driven by increased beef demand.

*It is a problem* when Congress finds that USDA has not been properly enforcing the Packers and Stockyards Act for nearly 10 years.

*It is a problem* when a jury finds that producers were harmed by more than \$1.2 billion dollars due to abusive marketing practices of a packer, and then the court decides to overturn the award based on a novel interpretation of what is actionable under the Packers and Stockyards Act.

*It is a problem* when packer-owned and packer-controlled fed cattle are used to drive fed cattle prices down, causing the prices for all classes of cattle, including calf prices, to fall.

It is up to us to each and every R-CALF USA member to inform their U.S. Senators that there are serious problems in the U.S. cattle market and that these serious problems can be solved with the market reforms supported by R-CALF USA.

Please call your U.S. Senators and help them understand why real cattle producers support competition reforms.

Visit [www.r-calfusa.com](http://www.r-calfusa.com) !

Right now every R-CALF USA member is needed to participate in a full-court press on the entire U.S. Senate. Here's what we need you to do:

1. Call both of your U.S. Senators' offices in Washington, D.C. (their numbers are in your August R-CALF USA *Cattlemen's Newsletter* or you can call the Capitol Switchboard at 202-224-3121 and ask for your Senators by name).
  - A. Ask to speak with your Senators' Agriculture Assistant. If they are not available, ask the receptionist if you can have their e-mail address and/or fax number so you can follow-up with a written message.
  - B. Leave a message with the Agriculture Assistant asking him or her to call you back. If the Agriculture Assistant is there, express your strong support for updating the Packers and Stockyard's Act, addressing captive supplies and limiting packer ownership of livestock.
2. After you have visited with the Agriculture Assistant, follow-up with a written e-mail or fax to your Senator. Contact R-CALF USA at 406-252-2516 for a sample letter. For those who feel so inclined, randomly select Senators from states where there is not likely to be large numbers of R-CALF USA members (such as states along the East Coast) and send them a fax as well.

## What the 9<sup>th</sup> Circuit Court of Appeals Decision Means to U.S. Cattle Producers

*by Max Thornsberry, DVM, President, R-CALF USA Board of Directors/R-CALF USA Region VI Director*

For the past three and a half years R-CALF USA has been on the front lines of what may prove to be a never-ending battle to ensure that border restrictions are adequate to protect the U.S. cattle herd against the introduction of foreign animal diseases. Two separate lawsuits were filed during this period against the U.S. Department of Agriculture's (USDA's) efforts to relax longstanding import restrictions for countries with bovine spongiform encephalopathy (BSE).

We won the first lawsuit hands down, winning an injunction against the USDA that protected our industry from higher-risk Canadian imports for over eight months. We experienced an early victory in our second lawsuit by winning a second injunction, this time against the implementation of USDA's Minimal-Risk Region Rule (Final Rule), which remained in effect for an additional five months. However, a three-judge panel of the 9<sup>th</sup> Circuit Court of Appeals (9<sup>th</sup> Circuit) has recently upheld the USDA's Final Rule, but not on grounds that the USDA's decision was correct.

Your R-CALF USA Board of Directors is still considering what steps it should take in light of this 9<sup>th</sup> Circuit decision, particularly since the 9<sup>th</sup> Circuit had chosen to focus on whether the USDA followed proper procedure when it established the Final Rule, not on whether the USDA's assumptions and predictions that underpinned the Final Rule were supported by the facts.

What is peculiar about this decision is that the 9<sup>th</sup> Circuit agreed with us that the Federal District Court, District of Montana (District Court) should have held a hearing and considered all of the additional evidence that we submitted during the summary judgment phase of our case before ruling against us back in April 2006. In fact, the issue of whether the District Court erred by not holding a hearing and not considering our additional evidence was the sole basis for our appeal to the 9<sup>th</sup> Circuit. We won that argument. But the victory proved hollow as the 9<sup>th</sup> Circuit decided to instantaneously rule on the merits of our case without remanding our case back to the District Court for the "hard look" that a case like this should have initially received during a District Court's summary judgment review.

What is also peculiar about this decision is that the 9<sup>th</sup> Circuit acknowledged that the increase in BSE cases in Canada and the numerous cases detected in Canadian cattle born after Canada's feed ban were cause for concern and raised questions regarding USDA's predictions. Yet, the 9<sup>th</sup> Circuit chose only to consider whether USDA had an explanation for its predictions, not on whether USDA's explanations were consistent with the facts.

The implication of the 9<sup>th</sup> Circuit's decision is that 1) it is acceptable for USDA to sanction the introduction of BSE into the United States if USDA concludes that trade benefits justify the risks; and 2) it is acceptable for USDA to claim that the risks are minimal even after actual experience disproves USDA's assumptions.

Neither of these conclusions should be acceptable to anyone who has a long-term interest in the U.S. cattle industry. That is why R-CALF USA will continue fighting against these conclusions in each of the three branches of government – executive, legislative, and judicial.

Thanks for your continued support!

### *Food for Thought...*

"I see in the near future a crisis approaching that unnerves me and cause me to tremble for safety of my country; corporations have been enthroned, an era of corruption in High Places will follow, and the Money Power of the country will endeavor to prolong its reign by working upon the prejudices of the People, until the wealth is aggregated in a few hands, and the Republic destroyed."

- ABRAHAM LINCOLN, letter to Col. William F. Elkins, Nov. 21, 1864

## Report: NIAA's ID-INFO EXPO 2007

by *Kenny Fox, R-CALF USA Animal ID Committee Chair and cattle producer*

The last week in August, on behalf of R-CALF USA, I attended the National Institute for Animal Agriculture's (NIAA's) annual ID-INFO EXPO in Kansas City, Mo. Participants predominantly were manufacturers of tags and technology equipment for electronic animal ID systems, USDA/APHIS personnel and state animal health officials.

Ron Axelson with the Canadian Livestock Identification Agency asked for a show of hands to see how many in attendance were from organizations that make tags and technology equipment, state or federal agencies, and finally those from organizations that represent livestock producers, such as myself. It was interesting to note that there were only a half dozen hands belonging to livestock producers in the crowded room of approximately 400 people.

I felt the main emphasis was on value-added marketing rather than on animal health traceback systems, as was intended in the first place. "Buy my tags and technology equipment and you will automatically receive a premium for your cattle," seemed to be the constant mantra. While there have been a few instances where folks using electronic ID have received a premium for their cattle, it has not been widespread, and it remains to be seen if there really is any value added. I have not witnessed any premiums being paid for premises registered and RFID-tagged calves. In fact, I have seen many instances where folks who have not registered their premises or used RFID tags have received more money for their calves.

USDA-APHIS Deputy Administrator John Clifford, DVM, stated that the National Animal Identification System (NAIS) is strictly voluntary. Tell that to the 4-H youth at the Colorado State Fair whose animals had qualified for the 4-H sale! They were told they would not be able to sell their animals because they had not complied with the state fair rule requiring enrollment in the premises registration component of NAIS.

Premises registration was not required at the 2007 fair for breeding animals – only for animals that were to be slaughtered. It seems very odd that breeding animals were exempt when they would be most likely to spread a disease because they would go back to their respective premises. If the NAIS is an animal health traceback program, then why were breeding animals exempt? Looks to me like someone was singled out because they spoke up to oppose NAIS. Smells like coercion to me!!!

I liken the voluntary NAIS to the voluntary Army. Once one registers for either program, he or she is locked into the control of the government.

I posed this question to Dr. Clifford: "What is the disease in the United States that warrants the need for NAIS that our current systems of tracking cattle diseases cannot address?" He more or less sidestepped the issue and elaborated that in case of a foot-and-mouth disease (FMD) outbreak, they would be better served by the NAIS. I beg to differ. The incubation period for FMD is two days to 14 days, and three more days for APHIS to confirm. The way cattle move in commerce in the United States, in 24 hours FMD would be spread from one end of the U.S. and back. Tagging cattle and recording movement is not the way to fight an FMD outbreak. Stopping all movement and creating a perimeter around the infected animals and depopulating the inner circle while vaccinating the outer perimeter is the best way to combat FMD.

USDA has \$6 million to promote premises registration. USDA has signed cooperative agreements with the FFA, the American Angus association, the National Pork Producers Council, the National Milk Producers Federation, and the United States Animal Identification Organization to promote premises registration.

USDA Under Secretary Bruce Knight stated at the ID EXPO that those groups that have signed a cooperative agreement must meet their stated goals or they will not receive any money from the agency.

I have heard of reports where FFA instructors are coercing students to register their parents' premises or they will not be allowed to participate in FFA. This is absolutely the wrong approach to premises registration. If USDA had a national animal ID program that was worth a hoot, they would not have to sneak around to put it into effect.

USDA seems bent on relaxing the disease prevention measures at our borders, and instead, managing foreign animal diseases after they are already here. The money that has been spent on NAIS would go a lot further at protecting our borders instead of managing a disease after it is already here.

In conclusion, it appears to me that the best way to defeat this foolish burdensome NAIS is to just say NO!! Draw a line in the sand and refuse to register your premises.

## August 2007 Trip to Australia to Visit Sister Organization

by Joel Gill, R-CALF USA National Membership Committee Co-Chair, R-CALF USA Checkoff Committee Chair and cattle buyer

"G'Day," was the greeting on everyone's lips as I met each of the directors of R-CALF USA's sister organization, the Australian Beef Association (ABA), at its meeting before the annual convention, held Aug. 28, in Toowoomba, Queensland, Australia. The ABA was formed in 1997 to represent independent cattle producers across Australia in their fight to be heard by Parliament/Congress in their struggles against the forces of powerful abattoirs/packers, the Meat and Livestock Australia/CBB, and the cattle council/NCBA.

These men and women face the same struggles as R-CALF USA members do. They have stood strong with their one underpaid employee, Secretary Sally Black, as she worked to assist the unpaid board of 14 and the other willing volunteers to bring their membership to a little over 1,000. (With only 20 million people occupying a nation the size of the United States, ABA's 1,000 members is about the same as R-CALF USA's 15,000 in a nation of 300 million citizens.)

It was uncanny how our two sagas meshed so well. While each of our groups seem to face issues at home, it became glaringly clear that it was actually rampant free trade agreements and the international corporations' desires for the lowest-cost products that are our mutual foes.

One of the areas of concern these producers have is the unworkable nature of Australia's National Livestock Identification System (NLIS), which became mandatory three years ago. While not as comprehensive as our NAIS because NLIS covers only cattle, it was obvious that Australia's NLIS is a nightmarish system of Orwellian proportions. Besides the information put forward in the presentations during ABA's convention, discussions with individual ABA members brought home the message that the traceback system there is greatly flawed. Everyone had a story of varying tag retention rates in their animals – or beasts, as they call them. The few ABA members who stood up to the system by refusing to use the tags at first, told their tales of heavy fines levied and jail time threatened for non-compliance.

One of the ABA directors, Dr. Lee McNichol, a veterinarian, related how he had refused to use the tags and was fined \$1,000 (\$850 US), then spent another \$20,000 appealing his conviction only to lose in the end. He showed me sheet after sheet attributing individual cattle to his pic (premises number) that he did not own. The database had it wrong. When

McNichol questioned the compliance officer about this situation and pointed out the error, he was told that it was an administrative matter and could be quickly corrected as soon as the particular animals were moved or sold and thus rescanned. At that time, the administrator would know where the animals were actually located and a correction could occur. So much for accurate disease traceback.

Others told how the actual tag retention rate was around 70 percent to 82 percent – not anywhere close to the nearly 100 percent suggested by early data from U.S. animal identification projects as reported by USDA to U.S. producers about the effectiveness of the Australian system. Some of this excessive loss is due to poor application procedures of producers, but most is due to the net-type of fencing widely utilized by producers, which will snag and pull out the tags as the calves rub their heads in it. Far from receiving any kind of premium for participation, if tag replacement is needed, a new orange RFID tag will be inserted in the animal's ear. All cattle with these orange ear tags receive a discount at sale because they no longer qualify as having "guaranteed lifetime traceability". (The original tags are white.) These producers' experiences should give each of us in R-CALF USA a boost to help us continue to energize our fight against NAIS.

Now that Australia is three years into the program, the truth is coming out. While there, the Australian ag ministers said several times that this system was crucial for "Assuring our trading partners of age and source verification." What happened to health traceback?

During my one-week stay, a true health crisis did arise. Equine influenza was discovered, which brought all movement of horses nationwide to a complete halt, much as would happen in the U.S. if a case of foot-and-mouth disease were detected in cattle. Horse racing, the third largest industry in Australia, was delayed nationwide, but ultimately reopened everywhere except the states of Queensland and New South Wales, which are still counting the costs of the suspension in the tens of millions of dollars, not only to the racing industry, but to the smaller supporting industries as well. The culprits turned out to be two horses imported from Japan that were improperly inspected. Outside imports ruined an economically important national industry.

Can anyone say Canadian BSE?

## Report from Private Property Rights Committee

*By Kimmi Lewis, R-CALF USA Private Property Rights Committee Chair and cattle producer*

The R-CALF USA Private Property Rights Committee has worked very hard getting out information about the various cases of "takings" that seem to keep coming at us here in the United States. Idaho rancher Tim Lowry recently called to ask for our help in his continual battle with the federal government. Tim had gotten bucked off of a young horse and was hobbling around the house talking on the phone and trying to "round up" other ranchers to help him. I read the article on this man and his family many years ago and I'll never forget the look on their faces. The Stewards of the Range had gone to their aid many years ago, as well as other private property rights groups. I read the article and thought about the determination and grit the family must have had.

Our committee is full of talented and dedicated people with a desire to work hard and restore our rights. Harlan Hentges is a committee member from Oklahoma who also is an attorney. Below is what Harlan had to say about the Lowry case, which is known as the LU Ranch/Joyce Livestock:

"Through the years, U.S. governmental officials have claimed that the federal government owns the water rights on land covered by federally administered grazing allotments. Not so. The water rights belong to the ranchers who have put the water to beneficial use and have owned these water rights for decades. Through the years, overzealous governmental officials have abused their power and ignored ranchers' private property rights on the water. This abuse of power has been stopped, thanks to great sacrifice by two courageous ranching families who own LU Ranching Co. and Joyce Livestock Co. But the fight is not over. The ranch families are now trying to recover the cost of defending themselves.

"The United States sued LU Ranching and Joyce Livestock and challenged these ranchers' historic water rights for their ranching operations, which are located on federally administered grazing allotments. The ranchers had two choices: 1) give up their water rights to the United States, and therefore the viability of their ranches; or, 2) defend their historic family water rights against the United States, even though the cost of doing so would exceed the value of their ranches. These ranchers defended their water rights and prevailed. According to the Idaho Supreme Court's decision, the water rights belong to the ranchers. This was a great victory for these ranchers and other ranchers who are the target of the United States' government. The Idaho Supreme Court rejected each and every legal theory raised by the United States. Unfortunately, the Idaho Supreme Court held that the ranchers were not entitled to recover their attorney fees.

"The ranchers' claims for attorney fees is based on the Equal Access to Justice Act, 28 U.S.C. § 2412 (2000) (EAJA), which states:

'Except as otherwise specifically provided by statute, a court shall award to a prevailing party other than the United States fees and other expenses, in addition to any costs awarded pursuant to subsection (a), incurred by that party in any civil action (other than cases sounding in tort), including proceedings for judicial review of agency action, brought by or against the United States in any court having jurisdiction of that action, unless the court finds that the position of the United States was substantially justified or that special circumstances make an award unjust.'

"Based on this statute, Joyce Livestock and LU Ranching have appealed the Idaho Supreme Court's decision to the Supreme Court of the United States. A Supreme Court decision in favor of Joyce and LU would be a great benefit to other ranchers and any other person trying to protect their rights against the U.S. government."

R-CALF supports the efforts of these ranchers.

The R-CALF USA Private Property Rights Committee unanimously voted to help the Lowry's in their expensive legal battle. The Committee asked the Board of Directors to send between \$500 and \$1,000 in support. At the summer board retreat in Billings, R-CALF USA directors unanimously voted to send \$1,000 to help the Lowry's with this case. We must help our neighbors and be good neighbors. It is great to see R-CALF USA support these ranchers.

## Op-Ed: COOL Supporters Defend Legislation

by Mike Schultz, R-CALF USA COOL Committee Chair and cattle producer

Note: The following op-ed was published on Monday, August 13, in the *High Plains Journal*. To view the study, "Country-of-Origin: A Legal and Economic Analysis", referred to below visit [www.r-calfusa.com](http://www.r-calfusa.com) and click on the Country-of-Origin Labeling link.

Dear Editor:

I had a friend tell me, if we always respond, it takes away valuable time that could be used for a better cause, but there are always exceptions like this. As a founder of the Kansas Cattlemen's Association in 1998 and having been an original member of R-CALF, I really disagree with your statements (You asked for it, July 30, page 4-B).

I serve on the KCA Board of Directors and as R-CALF USA COOL Committee Chair. I am proud that we now have passed a starting point with COOL, by the House of Representatives.

I just wanted to share with you a few comments of mine and also I attached a study you forgot to mention in your article in order to be fair. The document "Legal and economic analysis on country-of-origin labeling" of which evidently you have never read, was written by some of the best educational ag professionals and ag lawyers in the country. You should take time and read it. They provided it for the whole industry to use, not just for any one segment of the beef and cattle industry. We did not hire them to write it just to our liking. Can you say that about the others that were written?

As for mandatory country-of-origin Labeling (MCOOL) you probably don't realize that our consumers want this? USA livestock producers want this as a marketing tool and to provide our consumers as well as others with a choice. If you still don't believe that MCOOL has merit, please call or contact Lou Dobbs from CNN and debate the issue with him publicly on TV. Just before the vote last week many legislators and "other" organizational leaders who have the mindset like you wouldn't accept his offer and do it publicly.

Why do you and others work so hard to destroy a marketing tool for USA producers and keep giving an unfair advantage to importers and packers who sell under the guise of the USDA label as origin?

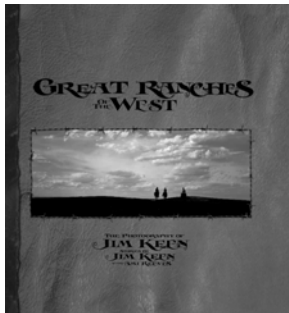
By the way if labeling wasn't a good idea why don't you go after the packers as well as others who put their names on their businesses, branded programs, product labels, trucks, advertising, literature, letterheads and paychecks? Why do they or others put any label anywhere? It looks to me as though the cost is already there! I personally have our businesses named for promotion and identity. A few more lines does not cost any more than a single sentence.

Labeling without a doubt will be advantageous to producers and consumers. As for food safety, it at least gives consumers the right to choose and if the industries in our business don't deliver, is it our fault? We worked to get it done right!

One thing you could go after and do some good on, is work on term limits for legislators! I bet you can find support for this.

Mike Schultz, Brewster, Kan.

### R-CALF USA Fund-Raiser: Great Ranches of the West



R-CALF USA is pleased to announce a new fund-raiser in partnership with longtime supporter Jim Keen, an award-winning photographer and filmmaker who has just released his latest book *Great Ranches of the West*, which features an eye-opening and heart-touching portrait of a culture, people and industry in great danger of being lost.

Several R-CALF USA members are featured in this 208-page, 12 x11 coffee table book that was five years in the making. The book features 30 ranches in 17 states and sells for \$49.95. Keen has generously offered to give R-CALF USA 25 percent of each sale. You can order the book by calling 1-800-363-5336, or by visiting

[www.greatrancheswest.com](http://www.greatrancheswest.com). Be sure to identify yourself as an R-CALF USA member!

## Communications Corral

by Shae Dodson, R-CALF USA Communications Coordinator

Associated Press writer Dirk Lammer went to see R-CALF USA Trade Committee Chair and Past Region VII Director Eric Nelson to find out why our organization is so staunchly calling for competition reforms in the 2007 Farm Bill. Lammer's article, titled "Family ranchers fighting growing meatpacking industry," takes a hard look at the gross consolidation of the meatpacking industry in the United States. AP Writer Mary Clare Jalonick contributed to the piece.

This article was picked up by publications far and wide, including the *Argus Leader*, *Forbes*, *Money Central*, the *LA Times*, *ABC News*, the *Omaha World-Herald*, the *Great Falls Tribune*, the *Fort Dodge Messenger*, the *Fargo Forum*, *Capital Press*, *Ag Weekly*, just to mention a few.

Nelson also was featured by AP and ABC News in an Aug. 29 story about ethanol byproducts and how they benefit farmers and ranchers. Nelson operates two feedlots in western Iowa and buys modified wet distillers grains to use in about 30 percent of his rations. He says it "smells good and looks like something you'd put on your breakfast cereal," and that the cattle seem to like it as well.

KCID's Dan Skelton grabbed sound bites from Nelson after his Sept. 6 testimony on China before the International Trade Commission, as did many other farm radio stations. R-CALF USA was the only agriculture entity represented during this hearing. Missy Ryan, agricultural trade correspondent for Reuters, also featured Nelson and R-CALF USA in a story about China's growing cattle and beef industry and that country's currency manipulation.

R-CALF USA President/Region VI Director Max Thornsberry, a Missouri veterinarian, spoke at the Wyoming State Fair where he provided Northern Ag Network's Kristi Pettis with an in-depth interview.

R-CALF USA Animal ID Committee Chair Kenny Fox was featured on *The Derry Brownfield Show* on Aug. 30 while attending the National Institute of Animal Agriculture's annual ID-INFO EXPO in Kansas City, Mo. *DTN* and *Rural Vermont* featured Fox in print articles, and on Sept. 4, Fox made a live radio appearance with Zeb Bell during a segment of Bell's *On the Ranch* program.

R-CALF USA COOL Committee Chair Mike Schultz was able to get a letter to the editor published in the Aug. 13 edition of *High Plains Journal*, a publication usually not friendly to us. (see page 7)

A big thanks to KSIR-AM 1010, a 25,000-watt station based in Fort Morgan, Colo., which features R-CALF USA on the second Monday of each month at 7:05 a.m. Mountain Time.

Other radio appearances included WNAX, the Farm and Ranch Market Network, WDWS, the Western Kansas Radio Network, the Goetz Farm Radio Network, Brownfield Ag Network, the Voice of Southwest Agriculture Radio Network, KZEN, American Ag Network, the Mid-America Ag Network, the Clear Channel Ag Radio Networks, WKZO, KWOA, Northwest Ag Information Network, KLGR Radio, KMON, KFLP, The Price Discovery Report, KXXX, KNEB, Radio Oklahoma Network, Red River Farm Network, KOEL, KWBE, KFYZ, WMBD-WIRL, Kansas Ag Network, KBHB, Western Agri-Radio Networks, BARN, Plains Radio Network, KWYR, KGFY, KVSH, KBRX, KSEL, KXLO, and many others.

Additional print interviews included *Ag News at a Glance*, the *Pennsylvania Farm News*, *Inside U.S. Trade*, *AgriNews*, *Wyoming Livestock Journal*, *AgWeek*; the *Central Valley Business Times* in San Francisco; *Supermarket News*, *Western Livestock Reporter*, and several others.

Also, we are trying to encourage members to use our Web site more frequently ([www.r-calfusa.com](http://www.r-calfusa.com)), especially if you don't have e-mail. Please visit the "News Releases" link on the left-hand menu to find out how R-CALF USA is responding to important industry issues. Just below that is the "In the News" link where we post news articles or broadcasts that feature various R-CALF USA leaders. In the near future, we also will be posting video, so check back frequently.

Remember, we communicate with our members primarily via e-mail, so if you are not currently receiving electronic correspondence from us on a regular basis, please call the office to give us your e-mail address.

In the next newsletter, I'll highlight the tried-and-true supporters who are banding together to help sponsor *The Weekly Roundup from R-CALF USA* at radio stations in their listening areas. If you're interested in sponsoring the show in your market, give me a call.

We love to hear from our members, so call us any time!

## An Open Letter to the U.S. Cattle Industry:

By H. Jay Platt, R-CALF USA Region IV Director and cow-calf producer

Sharon McDonald, wife of former R-CALF USA director Dennis McDonald, and former member Judie Manuel have been submitting letters to various publications that mislead readers by asserting that litigation against former directors and members has absolutely no basis, that the lawsuits are frivolous and wasting producer dollars.

No organization is without occasional problems and disagreements. Normally, their letters should not merit a response; however, R-CALF has had major impacts for producers with its positions on BSE, the Canadian border, and in its role in resolving the problems with COOL – placing it back on track as originally intended: the labeling of foreign cattle/products as such, and not the costly, surrogate program for domestic Animal ID, which COOL had become.

The livestock industry should therefore be informed as to the nature of the lawsuits. It should also be aware of the fact that R-CALF was granted a Temporary Restraining Order (TRO) in May. Courts do not grant TROs on claims which are totally lacking in basis as Mrs. McDonald and Mrs. Manuel assert to be the case.

One lawsuit has settled. It involved ownership of the R-CALF USA magazine, which was in dispute. The settlement established that R-CALF owns the magazine.

The remaining lawsuit addresses questions of confidentiality and nondisclosure. Directors, past and present, of any nonprofit organization owe that organization a legal fiduciary duty of loyalty and confidentiality, regardless of whether they agree

with all positions taken by that organization.

In order to enhance efficiency, a confidential study was commissioned pursuant to which a number of R-CALF staff, directors, and officers were interviewed, with the understanding that they could respond openly and frankly as answers were confidential. That study was leaked and even appeared on the Internet.

Certain R-CALF documents were turned over to a law firm, one of whose members was former General Counsel for USDA and who was adversarial to R-CALF's interests on both BSE and COOL.

Additionally, one of the defendants had in his possession an R-CALF computer that was not returned until Aug. 30. This individual resigned in February. Various other documents such as membership lists also are in the possession of one or more of the defendants.

R-CALF's board demonstrated integrity and loyalty by seeking to prevent the dissemination of confidential materials, especially those relating to interviews with employees. Indeed, the argument could be made that the board was under an affirmative duty to act as it did to protect employees and preserve confidential information.

In short, one lawsuit has been settled in R-CALF's favor and the remaining lawsuit seeks 1) the return of its property, including all lists and documents, and 2) the prohibition of further dissemination of R-CALF lists, documents, and information by the defendants.

# The Weekly Roundup

with **R-CALF USA**

Now posted at [www.r-calfusa.com](http://www.r-calfusa.com) every Friday afternoon, *The Weekly Roundup* from R-CALF USA. Tune in each week to hear a 3-minute interview with various R-CALF USA leaders on our organization's issues. If your local radio station isn't airing the *Roundup* yet, contact Communications Coordinator Shae Dodson at 406-672-8969 with the station's call letters and any other contact information so she can pitch the program. If you're interested in partnering with fellow R-CALF USA members to sponsor the show, call Shae!



## Mark Your Calendar: Upcoming Meetings & Events

### **FRIDAY, OCT. 12 – CHINOOK, MONT.**

R-CALF USA CEO Bill Bullard will speak at 1 p.m. MDT, Friday, Oct. 12, at Bear Paw Livestock Commission Company in Chinook, Mont., during a rollover calf sale fund-raiser for R-CALF USA. R-CALF USA member Arnold Hokanson will donate a registered Hereford heifer calf to be auctioned off. Also, a 525-page paperback book, *The Uncertainties of Life*, will be auctioned off with proceeds to go to R-CALF USA.

### **SUNDAY, NOV. 11, 2007—LOUISVILLE, KY.**

R-CALF USA will host a regional meeting in Louisville, Ky., at 4 p.m. on Sunday, Nov. 11, in the King William Room at the Executive West Hotel, located at 830 Phillips Lane, in Louisville, Ky. The event is free and open to the public. For more information, contact R-CALF USA at 406-252-2516.

### **SATURDAY, NOV. 17 – BISMARCK, ND**

R-CALF USA CEO Bill Bullard is scheduled to speak Saturday, Nov. 17, during the Independent Beef Association of North Dakota's (I-BAND) convention at the AmVets Post 9 Club located at 2402 Railroad Avenue in Bismarck, N.D. The event is open to the public. I-BAND is an R-CALF USA affiliate organization. For more information, contact I-BAND at 701-422-3396.

### **FRIDAY, JAN. 25, 2008 – HUTCHINSON, KAN.**

R-CALF USA CEO Bill Bullard is scheduled to speak Friday, Jan. 25, 2008, during the Kansas Cattlemen's Association's (KCA) convention at the Grand Prairie Hotel and Convention Center located at 1400 North Lorraine Street in Hutchinson, Kan. The event is open to the public. KCA is an R-CALF USA affiliate organization. For more information, contact KCA at 785-539-6014.

### **THURSDAY, FEB. 21 – FEB. 23, 2008 – OMAHA, NEB.**

"R-CALF USA: Fighting for the U.S. Cattle Producer's Prosperity – Together" is the theme for the 2008 R-CALF USA annual convention and trade show to be held at the Holiday Inn Omaha Convention Center, 3321 South 72nd Street, Omaha, Neb., Feb. 21-23, 2008. To reserve rooms, call 402-393-3950 and ask for the R-CALF USA group rate of \$96 per night. Attendee registration and details are forthcoming. For more information, contact R-CALF USA at 406-252-2516.

**If you would like to host an R-CALF USA calf sale  
fund-raiser in your area call 406-252-2516!**

## **USDA Announces Sign-Up Dates for New Livestock Disaster Programs**

USDA announced sign-up dates for the new Livestock Compensation Program (LCP) and the Livestock Indemnity Program (LIP). Eligible livestock producers can apply to receive benefits under the LCP and LIP beginning Sept. 10, 2007.

LCP and LIP compensate livestock producers for feed losses occurring between Jan. 1, 2005, and Feb. 28, 2007, due to a natural disaster. Livestock producers may elect to receive compensation for calendar year 2007 grazing season losses that are attributable to wildfire natural disasters occurring

during the applicable period as determined by the Secretary of Agriculture. Producers incurring a loss in more than one of the 2005, 2006 or 2007 calendar years must choose only one year for which they want to apply for benefits.

More information about LCP and LIP is available in a fact sheet titled, Agricultural Assistance Act of 2007, found on FSA's Web site, <http://www.fsa.usda.gov>; click on Disaster Assistance Programs. USDA's Farm Service Agency (FSA) is charged with administering the programs.

**We need your help to recruit members! Tear off this page and give it to a neighbor, friend or relative who is not already an R-CALF USA member and encourage them to join.**

Dear U.S. Cattle Producer,

There's no other way to put this. Your cattle industry needs your help right now! I'm asking you to invest at least \$100 of the increased value your cattle have brought since 2004 – the year R-CALF USA began challenging USDA's systematic relaxation of U.S. import standards.

Beginning soon after September 2007, USDA plans to begin allowing older Canadian cattle, over 30 months of age, into the United States. This action is being taken while:

- The U.S. Centers for Disease Control found that Canadian cattle are 26 times more likely to have bovine spongiform encephalopathy (BSE) than U.S. cattle.
- Canada, in limited testing, found seven BSE cases since January of last year alone, five of which were born years after the date of Canada's feed ban.
- The World Organization for Animal Health (OIE) has concluded that USDA's limited ban on the use of cattle protein in animal feed is not adequate to prevent the likely spread of BSE to other cattle.
- Yet, USDA proposes to allow the importation of all Canadian cattle born after March 1, 1999, which is estimated to bring over 600,000 head of older Canadian cattle a year into the United States. USDA estimates that as many as 19 BSE-infected Canadian cattle could be imported over the next 20 years.
- The U.S. experience, when a single Canadian-origin cow was found to have BSE in Washington State in 2003, shows that the introduction of BSE into the U.S. cattle herd cost the U.S. beef industry many billions of dollars.

The risk to business and consumers is unacceptable. The U.S. does not need to import older Canadian cattle under the present, inadequate BSE protections.

USDA is proceeding in the absence of science. It is making the U.S. a dumping ground for beef that our export customers won't accept. This beef will not be labeled, so consumers cannot choose to buy U.S. beef. This will devalue your U.S. cattle.

R-CALF USA is the only national cattle-producer association fighting to ensure that the U.S. maintains adequate border restrictions to protect against the introduction of foreign animal diseases. Since 2004, R-CALF USA has won two court-ordered injunctions that protected the U.S. cattle herd from the risk of BSE introduction for 15 months. The fight is far from over and now USDA is planning to expose the U.S. herd to an even greater risk.

We need your financial support so R-CALF USA can win the fight to strengthen our border restrictions against countries with ongoing disease problems. If we don't stand up for our industry, no one else will.

I'm asking every cattle producer to contribute \$100 or more to the R-CALF USA Legal Fund. You can hold us accountable for the use of your hard-earned money as we will provide you with a one-year membership to R-CALF USA with your investment – so you'll be kept up-to-date on our progress.

With your help, we will win this fight! R-CALF USA doesn't receive Checkoff dollars or corporate contributions. R-CALF USA's funding comes from cattle producers like you who have decided it's time the interests of independent cattle producers were properly represented. I hope you'll agree and send in the completed membership application from the back of this page along with \$100 today!

Sincerely,

Bill Bullard, R-CALF USA CEO



Voting members must own cattle.  
Annual voting dues are \$50 per year  
per members (one member/one vote).

Associate members do not own  
cattle and do not have voting rights.

Please mail application and dues  
(cash, check, money order, or credit  
card information) to the address below.

Contributions or gifts to R-CALF USA  
are not tax deductible as charitable con-  
tributions. However, they may be tax  
deductible as ordinary and necessary  
business expenses.

## R-CALF USA

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*Sign Up A New Member!*



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