

# The Cattlemen's Newsletter

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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.

## A Message from the President *By R. M. Thornsberry, DVM*

What better way to destroy the strongest voice the U.S. cattle industry ever had than to destroy it from within? This question has recently become relevant to R-CALF USA members.

R-CALF USA has grown at a phenomenal rate, both in terms of membership numbers and influence. In a matter of just a few years, R-CALF USA catapulted itself to a prominent position within the power circle of the U.S. beef industry. The reason for this phenomenal growth was that R-CALF USA put its members' money where its mouth was—it said it would fight for the interests of independent cattle producers, and it did just that.

But an organization like R-CALF USA doesn't just step into the beef industry power circle without creating a long list of opponents. After all, no one within the traditional beef industry power circle wanted to share their power and influence with another organization, especially not a new upstart organization like R-CALF USA that objected to the status quo and advocated major industry reforms for the benefit of producers.

The stakes couldn't be higher. The congressional reforms that R-CALF USA is aggressively pursuing would result in a larger share of the over \$70 billion that consumers annually spend on beef flowing back into the hands of the foundation of the U.S. beef industry—into the hands of live cattle producers. This outcome explains why there is such strong opposition from the rest of the beef industry to reforms like country of origin labeling, limiting packer ownership of livestock, limiting captive supplies, and the many other pro-competition reforms that R-CALF USA is aggressively pursuing.

It takes tremendous strength and resolve to withstand the mounting pressures from opponents who want R-CALF USA to surrender to what they call the "industry norm." It takes even more strength and resolve to also aggressively advance our member-directed policies while simultaneously withstanding this persistent, external pressure. The strength and resolve demonstrated by R-CALF USA exists only because of the support its 15,000 members provide through their membership dues, contributions,

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## Court Limits Deference of USDA; Creekstone Farms Can Test for BSE

WASHINGTON, D.C. (March 29, 2007) R-CALF USA was pleased to learn that a federal district court has ruled that the U.S. Department of Agriculture's (USDA's) action of prohibiting Creekstone Farms Premium Beef (Creekstone) from voluntarily testing cattle for bovine spongiform encephalopathy (BSE) is unlawful. Unless USDA appeals the decision, Creekstone can start testing for the disease on June 1.

"We are pleased that the judicial branch of our government is helping to maintain the accountability of this agency," said R-CALF USA President/Region VI Director Max Thornsberry, a Missouri veterinarian. "We stood by Creekstone's entrepreneurial spirit then, and we do so now because Creekstone can now lead the beef-processing industry into a new era – one that's predicated on meeting the needs and wants of its customers.

"In April 2004, R-CALF USA wrote to then-Agriculture Secretary Ann Veneman in support of Creekstone's request to voluntarily test for BSE because Creekstone was responding to its cus-

tomers' requests – primarily from the Japanese government," he noted. "Had USDA granted Creekstone's request – which obviously was a reasonable, efficient and timely solution for resuming export trade with Japan – then perhaps our Asian export markets would've agreed to accept more U.S. product.

"As it stands now, it appears Japan and South Korea feel uncomfortable with the agency's obstinate tactics, and the resulting situation – age limits on beef, rejections of entire shipments of beef, and difficult trade negotiations – could have been avoided altogether," Thornsberry pointed out.

"USDA should never have attempted to use its regulatory authority to hamstring market competition, particularly in this instance, because Creekstone intends to use identical BSE-testing procedures currently used by USDA," he said. "R-CALF stands by its original position that USDA's actions shielded the less innovative, less nimble and less responsive beef processors from the competitive capacity of cutting-edge processors like Creekstone."

The court's memorandum states in part: "... should a reviewing court determine that BSE could be detected in slaughter-age cattle, as is suggested by evidence...and the more extensive testing conducted by other countries, let it be noted that the government cannot have it both ways: the test kits cannot be both 'used for treatment' and 'worthless.' If USDA's surveillance testing helps 'manage' the disease by providing information about the prevalence of BSE and contributing to the knowledge of the disease..., then so might the more extensive testing proposed by Creekstone..."

Also, the court rejected USDA's argument that private testing somehow would interfere with the agency's BSE surveillance program.

R-CALF USA policy – established by membership in 2005 – states that the organization shall encourage USDA to allow voluntary BSE testing of cattle born and raised in the U.S. by USDA-inspected beef processing facilities.

R-CALF USA continues to support mandatory country-of-origin labeling to provide important infor-

*(Continued on page 8)*

## Call to Action: COOL *A message from Bill Bullard, CEO*

Mandatory Country of Origin Labeling (COOL) is within our grasp. After waiting five years since COOL was passed into law, we now have a Congress that appears willing to finally implement it. But it won't happen without a real fight because the meatpackers, processors, and retailers who purchase lower cost imported cattle and beef and then sell their imported product to unsuspecting consumers who think it was produced from U.S. cattle do not want to lose their ill-gained economic advantage in the U.S. beef market.

We can overcome the lobbying advantage presently enjoyed by the more affluent beef industry trade associations that successfully delayed COOL implementation for the past five years. Perhaps the best way to explain how we can overcome their advantage is to relay a true story that occurred during the final days before the passage of COOL in the 2002 Farm Bill.

In April 2002, the Chairman of the House Agriculture Committee was against COOL. For several days I was unsuccessful in even gaining access to his committee staff members to discuss R-CALF USA's reasons for supporting COOL. Finally, and not without help from many R-CALF USA members, one of the Chairman's staff members agreed to a meeting. The first question the staff member asked was "So, how many members

does R-CALF USA have anyway?" I replied, "About 6,000." The staff member then said, "Yep, and every one of them has sent me an e-mail."

That's the story. And this same story was repeated in congressional office after office as I followed up with our members' calls, e-mails, and faxes made to their respective members of Congress. When members of Congress began receiving hundreds of personal contacts from their constituents, they listened. And, COOL was passed into law.

Today we have three distinct advantages over what we had in 2002. First, COOL is already passed into law; it only needs to be implemented. Second, we're not in the final days of deliberations on COOL; we want it implemented by September 30, 2007. Third, we have almost three times the members today than we had in 2002; we now have the potential to generate 15,000 calls rather than 6,000.

When the full strength of R-CALF USA is demonstrated by every member generating calls and letters to their members of Congress, we will see the timely implementation of COOL. To maximize our effectiveness, we need to be targeted. And, the most urgent target right now is the entire U.S. House of Representatives and the Chairman and Ranking Member of the U.S. House Agricul-

ture Committee. We'll save our COOL contacts to the U.S. Senate for later.

The most effective means of getting your message across to your U.S. Representative is to first make a phone call to their office and ask for the staff member who handles agriculture issues. If the staff member is unavailable, first ask for a fax number or e-mail address that you can use to send a message before the receptionist transfers you to the staff member's voice-mail. Once you have the fax number or e-mail address, go ahead and leave a message on the phone that would go something like this: "Hello, this is (your name) and I'm from (your town). I'm calling to visit with you about implementing country of origin labeling as quickly as possible. I will also be sending you a fax or e-mail and would like to visit with you personally about this. My phone number is: (your number). Thank you."

You can reach any of you U.S. Representative and Senators by calling the Capitol Switchboard at 202-224-3121 and asking for your Representative or Senator by name.

*(Continued on page 4)*

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

## Cattle Producers Welcome Growing Opposition to USDA's Proposed OTM Rule

**WASHINGTON, D.C. (March 29, 2007)** Cattle producers are pleased that a bipartisan group of 13 U.S. Representatives wrote a letter earlier this month to oppose the U.S. Department of Agriculture's (USDA's) proposed rule (Rule 2) that would permit live Canadian cattle born after March 1, 1999, to be imported into the United States.

The group sent a formal letter to Agriculture Secretary Mike Johanns March 12. Authors of the letter to USDA were: Rep. Leonard Boswell, D-Iowa; Rep. Rick Larsen, D-Wash; Rep. Randy Kuhl, R-N.Y.; Rep. Devin Nunes, R-Calif.; Rep. John Salazar, D-Colo.; Rep. John McHugh, R-N.Y.; Rep. Kevin McCarthy, R-Calif; Rep. Mario Diaz-Balart, R-Fla.; Rep. Cathy McMorris Rodgers, R-Wash.; Rep. Carolyn Kilpatrick, D-Mich.; Rep. Dennis Rehberg, R-Mont.; Rep. John Spratt, D-S.C.; Rep. Bob Filner, D-Calif.

The letter stated in part that if Canadian cattle born on or after March 1, 1999, are allowed to reside in the U.S., then "any of those cattle later testing positive for BSE would have severely detrimental effects on our cattle and dairy industries within the United States..."

"We must ensure that we protect the United States food supply and continue to give safety assurances to our trading partners," the letter continued. "We are concerned about the potential

implications this change may have. We therefore urge the USDA to not finalize the proposed regulations allowing importation of cattle from Canada for breeding or herd replacement purposes, and that a thorough re-evaluation be conducted."

Also, Rep. Stephanie Herseth, D-S.D., had requested – as had R-CALF USA and others – that the comment period on this proposed rule be extended for 60 days, but USDA granted none of those requests, keeping the March 12 deadline for public comments intact.

Additionally, Consumers Union, the non-profit membership organization that publishes the widely read Consumers Reports, submitted to USDA a petition – signed by 17,655 citizens representing every state in the union – against Rule 2, stating in part that USDA "should prohibit imports of Canadian cattle until better safeguards are in place in the US to protect the human food supply from mad cow disease. Canada appears to have a significant problem with mad cow disease. The USDA's plan to reopen the border to older cattle and to blood products and intestines is simply not cautious enough."

In early February, a bipartisan group of four U.S. Senators sent a letter to USDA in opposition to Rule 2, stating that "expanding Canadian cattle imports increases the possibility that a future case

of BSE in a Canadian animal may be found in the United States." The letter was sent by Sen. Byron Dorgan, D-N.D., Sen. Jeff Bingaman, D-N.M., Sen. Mike Enzi, R-Wyo., and Sen. John Thune, R-S.D.

"R-CALF thanks these Representatives, Senators, and citizens for stepping to the plate to protect the interests of independent U.S. cattle producers and U.S. consumers, and we encourage other members of Congress to follow this lead in urging USDA to withdraw this proposed rule at once," said R-CALF USA President and Region VI Director Max Thornsberry, a veterinarian who also chairs the R-CALF USA Animal Health Committee.

Thornsberry explained that in 2006, R-CALF USA's membership had voted overwhelmingly to challenge and stop USDA from allowing the importation of beef products from cattle older than 30 months of age, as well as the importation of live cattle over 30 months of age, from Japan or any other BSE-affected country.

"It is encouraging to see that so many members of Congress and consumers share and understand the legitimate concerns of America's farmers and ranchers," he said.

Note: To view a copy of the Representatives' letter, the Senators' letter, Herseth's request for an extension, and Consumer Union's petition, please visit the "BSE-Litigation" link at [www.r-calfusa.com](http://www.r-calfusa.com).

## Group Questions USDA Enforcement Actions

**Billings, Mont. (April 13, 2007)** R-CALF USA is seeking information from the U.S. Department of Agriculture (USDA) on why it appears that agency officials describe incomplete paperwork on perhaps hundreds of imported Canadian cattle as "minor record-keeping problems," yet initiate enforcement action against a U.S. cattle producer, claiming animals were transported in interstate commerce without a valid health certificate.

The U.S. producer in question is Darol Dickinson, owner of Dickinson Cattle Co. in Barnesville, Ohio. The event in question is the transport of a 6-year-old Texas Longhorn cow and a bull calf from Oklahoma to Ohio in January 2006. The veterinary health certificate – issued by the Oklahoma Department of Agriculture – states the identity of the pair as "Rosey Bark-B" and "Bull Calf at side" on the form under "EARTAG NO. OR OTHER OFFICIAL IDENTIFICATION, NAME OR DESCRIPTION."

USDA correspondence to Dickinson dated Feb. 26, 2007, from the Investigative and Enforcement Services (IES) branch of USDA's Animal and Plant Health Inspection Service (APHIS) states that Dickinson transported the pair without a valid health certificate because "the consignee portion of the health certificate was incomplete and no official identification was listed for the cow." The IES correspondence instructs Dickinson that he can waive his right to a hearing and settle the matter by paying a \$1,250 penalty by March 26, 2007. If Dickinson does not request a hearing or pay the fine by said date, the IES letter states that litigation will result, and furthermore, "...The penalty offered in this Stipulation is not relevant to the sanctions APHIS may seek, or that will be assessed after issuance of a formal complaint..."

Dickinson maintains that all charges are false for the following reasons:

1. The animals were transported with an official Oklahoma State Health Certificate of Inspec-

tion prepared and signed by a USDA-licensed Oklahoma State Veterinarian.

2. Information for the Consignee portion of the health certificate was indeed complete for a resident of a small rural village.
3. All official identification for the cow was provided exactly as required by the printed form issued by the Oklahoma Department of Agriculture.
4. He relied on the USDA-licensed professional to properly execute the government form in its entirety.
5. The truck driver who transported the animals stopped at every port-of-entry crossing in every state required by law during the legal transport of these cattle.
6. The truck driver is not a USDA-licensed professional, and therefore, unable to evaluate the official veterinary health certificate for errors.

"Apparently, USDA doesn't think the veterinarian who filled out the health certificate for these animals did so in a way USDA considers to be correct," said R-CALF USA President/Region VI Director Max Thornsberry, a Missouri veterinarian who also chairs the R-CALF USA Animal Health Committee. "We have written a letter to Agriculture Secretary Mike Johanns protesting that fine, particularly drawing attention to USDA's comment that all the cattle coming in from Canada without proper paperwork was a simple, minor paperwork infraction."

R-CALF USA sent the letter to Johanns on March 23, 2007, requesting that the fine be immediately rescinded, but has received no response from Johanns or any other USDA representative.

"USDA's citation against Dickinson Cattle Company appears to be discriminatory, based on recent statements to the media by APHIS officials regarding the insignificance of improper documen-

tation accompanying imported Canadian cattle," Thornsberry continued. "It appears APHIS is holding Dickinson Cattle Company to a much higher standard than it holds individuals or entities that authorize the transport of imported Canadian cattle, and this is patently wrong."

On Feb. 23, 2007, the *Chicago Tribune* published an article by Washington Bureau Reporter Steve Hedges, with the headline "USDA: Mistakes tracing Canadian cattle are 'minor'". The piece quoted APHIS spokesperson Andrea McNally as characterizing problems with the documentation of imported Canadian cattle as only "minor record-keeping problems."

"If that's USDA's position, then the citation issued to Dickinson for transporting U.S. cattle within the United States is wholly unjustified and discriminatory," Thornsberry asserted. "Based on our understanding of the circumstances, Dickinson's documentation was in substantial compliance, if not complete compliance, with APHIS rules and regulations. R-CALF USA is requesting that USDA take steps to ensure that U.S. cattle producers are not discriminated against by being held to a higher standard than that imposed on individuals or entities handling imported cattle."

"This heavy-handed USDA enforcement action focuses *only* on whether *an animal identification number* was included in the documentation – it had *nothing* to do with the health of the animals in question," Thornsberry concluded. "R-CALF USA is concerned that this situation may be indicative of the control USDA intends to exercise over U.S. cattle producers under its proposed National Animal Identification System. If this is the case, then the U.S. cattle industry would be subjected to an unacceptable level of regulatory control by USDA."

Note: To view R-CALF USA's letter, the veterinary health certificate, USDA's correspondence to Dickinson and other supporting documents, visit the "Animal Health" link at [www.r-calfusa.com](http://www.r-calfusa.com).

## A Letter to the Membership

Dear R-CALF USA Members,

Recently, attempts have been made by R-CALF USA detractors to use our trademarked R-CALF USA logo and letterhead on materials that were intended to harm our organization. To address this unfortunate circumstance and to ensure that all official R-CALF USA materials are consistent, accurate, and appropriate, we must strengthen our organizational control over the use of our logo and all associated materials.

Our current Board-approved policy states that any use of these materials must be approved by the CEO before distribution.

To implement this policy in a manner that achieves the needed objective without slowing

down our volunteers' efforts to support and promote R-CALF USA, we ask that all volunteers follow the following procedures:

1. Before distributing or using any documents, banners, flyers, or other materials containing the R-CALF USA logo or letterhead that did not originate from the R-CALF USA headquarters, a copy of such materials shall be submitted to the R-CALF USA headquarters for approval. Headquarters will make every effort to reply to these requests within 24 hours.
2. If a video or audio recording is made of any R-CALF USA sponsored event by an R-CALF USA volunteer, or by a party secured by an R-

CALF USA volunteer, a copy of the audio or video shall be submitted to the R-CALF USA headquarters for approval prior to distribution. Headquarters will make every effort to review the audio or video within 72 hours.

3. If a fee is to be charged for any materials containing the R-CALF USA logo or letterhead, or for a video or audio recording of an R-CALF USA-sponsored event, the distribution of the materials and collection of fees must be handled by the R-CALF USA headquarters unless prior arrangements are made with the national headquarters.

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## Group Submits Extensive Comments Against USDA's Proposed OTM Rule

**BILLINGS, MONT. (March 23, 2007)** R-CALF USA submitted an 86-page document of comments urging the U.S. Department of Agriculture (USDA) to withdraw its proposed plan (Rule 2) to allow imports of Canadian cattle over 30 months (OTM) of age into the U.S., along with another 50 attachments totaling well over 1000 pages of evidence that show the agency would be acting prematurely if it chooses to go forward with the planned rulemaking.

In response to continued outbreaks of bovine spongiform encephalopathy (BSE) in Japan and Canada, as well as the inherently higher risk associated with older Canadian and Japanese cattle, R-CALF USA members in 2006 voted overwhelmingly to "take appropriate action to challenge and stop USDA from allowing the importation of beef products from cattle older than 30 months of age, as well as the importation of live cattle over 30 months of age, from Japan or any other BSE-affected country." R-CALF USA's extensive comments on Rule 2 reflect the organization's commitment to its membership-developed policies.

R-CALF USA initially requested that USDA extend the comment period on Rule 2 due to the February 2007 discovery of a BSE-infected Canadian bull born in 2000. R-CALF USA suggested USDA should wait until Canada completed its epidemiological investigation of the bull. USDA denied the request.

"We are disappointed that USDA appears to be in such a rush to proceed with its OTM rule that it won't even provide time to gather important scientific information so that a sound decision can be made," said R-CALF USA CEO Bill Bullard. "Quite simply, USDA did not expect Canada to detect multiple BSE-infected cattle born years after Canada implemented its feed ban, and it was inappropriate for the agency to deny our request for an extension of time pending the completion of the investigation into Canada's latest BSE case.

"We need to know if that animal was infected via cross-contamination, or more directly through prohibited feed," Bullard emphasized. "This is what the ongoing investigation may answer, and this answer is vital to determining why Canada's feed ban has not prevented the continued spread of BSE there. This is an important part of the overall analysis of Canada's BSE problem, and critical information for this rulemaking.

"In stark contradiction to earlier actions, USDA is now proposing to allow higher-risk animals from Canada into the United States, despite the fact that nothing has changed since USDA first said that the best way to protect our industry was not to allow higher-risk products into the U.S. in the first place," he pointed out. "USDA had a test that it had established to determine whether or not a country had adequate mitigation measures, and that test was whether or not animals were born

after the mitigation measures were put in place. Five of Canada's 10 native cases of BSE have been born after the 1997 implementation of its feed ban – clearly indicating that the feed ban did not stop the continued spread of BSE in the Canadian feed system, or, in the Canadian cattle herd."

Bullard said problems continue with Canada's feed ban, and thousands of Canadian cattle have recently been exposed to potentially contaminated feed. In November 2006, Canadian officials issued a recall of ruminant feed across Ontario and Quebec because of meat and bone meal contamination, and just a few weeks ago, nine Saskatchewan farms were quarantined because prohibited ruminant materials were found in feed distributed to these farms.

"USDA cannot continue to ignore Canada's growing problems with BSE and the lack of enforcement of its feed ban," Bullard said. "The problems are now known to be much worse and more widespread than USDA originally thought, and R-CALF hopes USDA will acknowledge the risks and withdraw the rule entirely. The U.S. still has export customers that are very concerned about the commingling of Canadian beef and cattle with U.S. beef and cattle, and we had better begin listening to what our customers are saying. Otherwise, our industry could be put in jeopardy, and this proposed rule does just that.

"R-CALF will continue its efforts with the Administration and with Congress to halt imports of older Canadian cattle, and we'll avoid litigation if at all possible," he continued. "However, R-CALF is prepared to take whatever legal and ethical steps are necessary to protect our industry from what we know to be an avoidable and unnecessary risk."

Bullard also noted that a bipartisan group of U.S. Senators sent a letter of concern about the proposed rule to Agriculture Secretary Mike Johanns, and that most participants at a recent Senate Commerce Subcommittee field hearing testified they were opposed to this rule. Additionally, a coalition of more than 100 agricultural groups sent a letter to Johanns to voice their opposition to Rule 2.

"In essence, USDA's proposed OTM rule is inconsistent with Congress' mandate to USDA to prevent the introduction of BSE into the U.S., and the proposed rule also is contingent upon overly optimistic – if not altogether erroneous – assumptions regarding the effectiveness of existing BSE mitigation measures in Canada," Bullard said. "Implementation of this OTM rule would relegate the United States to the position of practicing the least restrictive BSE standards compared to all other BSE-affected countries.

"In addition, because Canada plans to upgrade its feed ban in July 2007 to begin meeting minimal international standards, the effect of the

OTM rule would be that the U.S. would have weaker BSE mitigation measures than Canada, while simultaneously assuming Canada's BSE risk right here in the United States," he noted. "It's also important to note that because of the loopholes identified in the U.S. feed ban, the U.S. does not have the protection needed to address the increased risk associated with Canada's older cattle population. Even though the FDA (Food and Drug Administration) has acknowledged inadequacies with the U.S. feed ban, no improvements have been made.

"It is our hope that the USDA will recognize that this OTM rule is premature, withdraw it, and then begin immediately to develop a comprehensive policy that protects our industry and the public from the importation of BSE and other foreign animal diseases," Bullard concluded.

Note: R-CALF USA's comments, along with the attachments, can be viewed at the "BSE-Litigation" link at [www.r-calfusa.com](http://www.r-calfusa.com). Please look forward to forthcoming information from an economics expert and a statistician regarding USDA's proposed rule. Those comments can be found in Attachment ZZ and Attachment TT, respectively.

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**A Call to Action: COOL...** (Continued from page 2)

You can reach the Chairman and Ranking Member of the U.S. House Agriculture Committee at:

Chairman Collin Peterson  
House Committee on Agriculture  
Phone: 202-225-2171  
Fax: 202-225-8510

Ranking Member Bob Goodlatte  
House Committee on Agriculture  
Phone: 202-225-0029  
Fax: 202-225-0917

Our goal is to have every R-CALF USA member contact their respective U.S. Representative and the Chairman and Ranking Member of the U.S. House Agriculture Committee.

COOL is the flagship issue for R-CALF USA. It's the issue that nearly every cattle producer perceives as important to our industry's success in the global marketplace. If R-CALF USA members rise to the challenge of demonstrating their widespread and solid support for COOL right now, while it's still early in the process, Congress will be even more willing to consider the other competition-related issues that R-CALF USA is pursuing. For this reason, it is imperative that we demonstrate R-CALF USA's full strength behind COOL, beginning right now!

Elsewhere in this newsletter will be COOL talking points you can use in your message to Congress. Good luck with your calls.

# Country of Origin Labeling (COOL) Myths and Facts

**Myth: There is not enough time to implement COOL by September 30, 2007.**

**Fact:** USDA has had five years to implement COOL. The USDA has already solicited public comments on its proposed COOL rule and all that remains is for the agency to publish a final rule to implement COOL. USDA did not publish a new and separate proposed rule to implement COOL for fish. Instead, USDA relied on previously submitted public comments and issued an interim final rule that greatly simplified the implementation of COOL for fish. The same process can now be used to implement COOL for beef and other commodities by September 30, 2007.

**Myth: The COOL law is unworkable and needs to be rewritten.**

**Fact:** The COOL law is workable. It is the proposed rule that USDA drafted to implement the COOL law that is unworkable. However, USDA later simplified its proposed rule and successfully implemented COOL for fish in April 2005. The same simplification steps used in the fish rule should now be used to successfully implement the COOL law for beef.

**Myth: Allowing beef from imported cattle**

**to bear the USA label will not reduce the benefit of COOL for U.S. cattle producers.**

**Fact:** If Congress allows beef from imported cattle to bear the USA label, the benefits of COOL to U.S. cattle producers would potentially be reduced by over one-third. During the year in which the U.S. imported record volumes of beef and cattle (2002), the U.S. imported 3.2 billion pounds of beef and 2.5 million head of cattle (the equivalent of another 1.9 billion pounds of beef). Thus, the U.S. imported a total of 5.1 billion pounds of beef in 2002, of which 1.9 billion pounds (over 1/3) was derived from imported cattle.

**Myth: Animal Identification is needed to implement COOL.**

**Fact:** Animal identification is not needed to implement COOL. All that is needed is the ability to identify the origins of the approximately 2.5 million cattle that are imported annually into the U.S. This ability already exists because USDA requires all cattle imported from Canada and Mexico to be permanently marked with their mark of origin (All Mexican cattle are either branded or affixed with a metal ear tag and all Canadian cattle are either branded or delivered to slaughterhouses in sealed

trucks). It is not practical nor cost effective to require 100 percent of the 97 million cattle in the U.S. to be subject to an animal identification system just to identify the less than 3 percent of annually imported cattle that are ineligible for the USA label (During the peak import year of 2002, the U.S. imported 2.5 million head of cattle from Canada and Mexico, representing less than 3 percent of the 97 million cattle in the U.S.). Using permanent markings on all imported cattle and presuming all unmarked cattle to be born and raised in the U.S. is the most accurate, practical, and cost-effective means of implementing COOL.

*Every U.S. cattle producer should first call, and then follow-up with a written letter, each of their U.S. Senators and their U.S. representative to inform them that COOL should be implemented by September 30, 2007. In addition, members of Congress need to be informed that the arguments against the early implementation of COOL are baseless and are intended only to weaken the COOL law and delay its implementation. You can reach your members of Congress by calling the Capitol Switchboard at 202-224-3121 and asking for them by name.*

## A flawed study *An Op-Ed by Vice President Randy Stevenson*

The latest Livestock and Meat Marketing Study released by the Grain Inspection Packers and Stockyards Administration presented no surprises. It was just a new verse in the same song we have heard before. Even many of the conclusions reached, though unsupported by hard data, echo studies of the past.

Unfortunately, the study has been presented as an academic exercise, but it hardly meets academic standards.

For example, the study determines that one of the benefits of Alternative Marketing Agreements (AMAs) is that they provide for a reliable and consistent supply of quality cattle. This conclusion was reached without taking advantage of the great quantity of data the study contractors collected. It rests only on the opinions of interviewed market participants, not data analysis.

No study that fails use available data to prove a point can be taken seriously in the face of publicly available data that prove that the opposite is true. Using weekly data based on Mandatory Price Reporting (MPR) from April 2004 through January 2007, captive supply was 1.4 times more variable than supply from the cash market.

The study never addressed this discrepancy, nor even presented its own evidence that would prove or disprove one position or the other.

Another flaw in the study is the presentation of the economic benefit of AMAs. The study states: "Packers identified cost saving of \$0.40 per head

in reduced procurement cost." While this saving is miniscule – and once again not based on collected data – there is no balancing consideration of potential market distorting incentives of AMAs.

In any court where the "Rule of Reason" is properly applied, the benefit to one participant must be weighed against the harm to other participants, or to the market in general. The study only presented the benefit side of the question.

The study also failed to consider other methods that might accomplish the same goals that AMAs are said to attain. If a consistent supply of quality cattle is attainable through the cash market, then a weighing and balancing of market damaging considerations ought to be made against the supposed consistency benefit of AMAs.

The study also ignored any correlation versus causation problems.

For example, no econometric analysis was done to show the causal relationship between show list size and price. The conclusion reached was that a larger show list caused higher prices to be offered instead of higher prices causing larger show lists. Whatever conclusion is reached should be supported by proper econometric analysis.

It seems that because the study came to no conclusions that have not been seen before, either in the Sparks Study of 2002 or in the interim report for this study presented in August 2005 – neither of which offered analyzed data as evidence – that this study has conveniently omitted data analysis

that would have contradicted preconceived notions held long before this study was contracted.

Were this study to be presented in court as a witness, its credibility and reliability would be dubious. Therefore it should be rejected outright.

*Letter to the membership... (Continued from page 3)*

4. R-CALF USA does not typically pay for a recording of its sponsored events. If a volunteer desires to have R-CALF USA pay for a video or audio recording of an R-CALF USA sponsored event, please contact the national headquarters in advance of the event for approval to incur such costs on behalf of the organization.

The foregoing procedures should be sufficient to ensure the consistency and accuracy of R-CALF USA's official message and should remove any uncertainty regarding how approval can be obtained for incurring costs related to R-CALF USA events. Our overall goal is to continually strengthen R-CALF USA's reputation and image.

Thank you for your assistance,  
R-CALF USA CEO Bill Bullard

**Listen to The Weekly Roundup,  
our new radio program, at  
[www.r-calfusa.com!](http://www.r-calfusa.com)**

In the first part of this series, we discussed how to make the most of your in-person visit with your representatives. In this part, we'll discuss how to make your pen mightier than the sword. These recommendations hold true for postal mail, fax, and e-mail.

Your Representatives receive hundreds of pieces of mail every day. But there is much you can do to make your letter stand out from the crowd. The fact is personal, well-written letters do catch your Representatives' attention. And many personally written letters speaking in one voice can change the course of legislation.

**Dear So-and-So...**

It's usually best to send letters to the Representative from your local Congressional District or the Senators from your state. Your vote helps elect them—or not—and that fact alone carries a lot of weight. It also helps personalize your letter. If you know the Member or staff aide, say so at the start of your letter. That may alert the aide reading it to give it special attention.

On some issues R-CALF USA may ask you to contact a whole committee of members, some of whom will not be from your state. In these instances your letters will help demonstrate nationwide support or opposition for an issue the committee is considering.

**Short and sweet**

Your letter should address a single issue. Typed, one-page letters are best. Get to the point

and stay on topic. Some organizations offer post cards or form letters members can fill out and mail. Our experience has found that personal letters, written in your own words, have the most impact. Consider following this three paragraph structure.

In the opening paragraph, introduce yourself, your credentials, and why you are writing. Credentials aren't just titles and degrees. It means establishing that you have a special interest in a certain issue. For example, you might say, "I am a fourth generation cattle producer and look forward to passing my ranch to my children. Therefore, preserving and protecting the U.S. cattle industry is important to me."

If you are writing about a particular bill, use its House or Senate bill number and/or title. If you support a particular bill, say so. If you are writing in opposition, say so.

In the second paragraph discuss the issue and explain your position. Frame your discussion in a national, rather than a personal perspective. Cite relevant facts, avoiding emotionalism. This is good place to use the information you've learned from R-CALF USA fact sheets and member alerts. Relate the points of your message to your experience and/or the Member's committee assignments and/or constituents' interests. Include specific examples of how the measure would adversely affect you, and propose constructive alternatives.

In the last paragraph, request—not demand—a specific action. Thank the Member for his/her consideration of your views. Offer additional infor-

mation or assistance. Request a response.

**In closing**

Be sure to sign your letter and include a complete address. Anonymous letters go nowhere. Even in e-mail, include your correct name, address, phone number and e-mail address. If you don't include at least your name and address, you will not get a response.

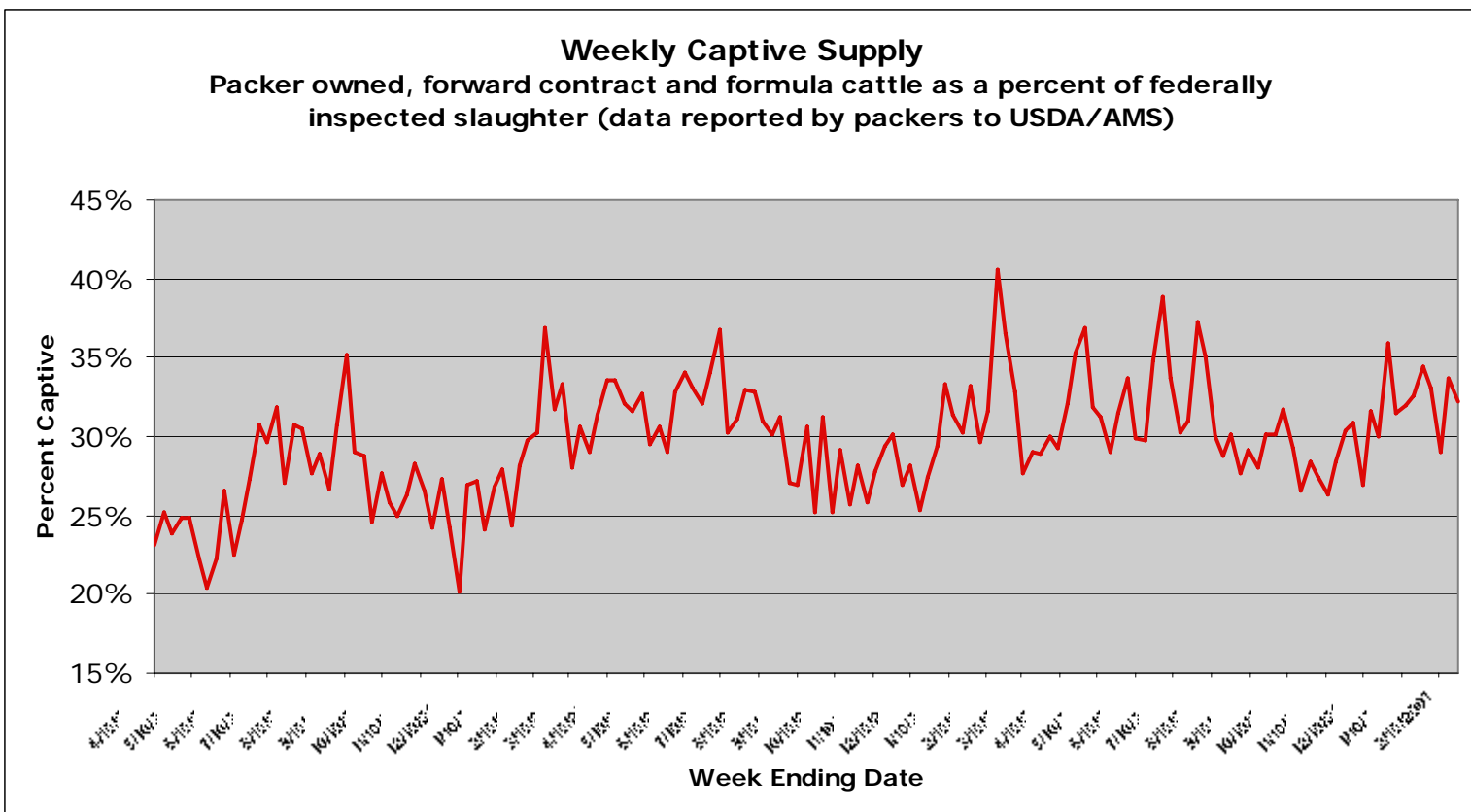
**Timing is everything**

A letter sent months before an issue is considered is likely to be forgotten; one sent after Congress acts is a missed opportunity. Due to increased security, first class postal mail—which usually takes two to three business days—can take as long as seven business days to reach your representative. Plan ahead! You can find your legislator's mailing address by searching the House or Senate websites.

If you wish to send your letter by fax, you can look up your legislator's fax number at the House or Senate websites or call the R-CALF USA national office.

E-mail is an effective way to send you letter as well, but it requires a little more work than just clicking 'send'. Call your legislator's office and ask to speak with the staffer who works on your issue/bill/industry. This is a great opportunity to introduce yourself by phone and request a *personal e-mail address*. Many legislators list a general e-mail address on their websites, receiving hundreds

*(Continued on page 8)*



and, most importantly, through their annual votes on membership policies that reaffirm the importance of these reforms to the U.S. live cattle industry.

The external pressure to force R-CALF USA into conformity with the traditional beef industry power circle has been obvious. Scornful editorials by representatives of the American Meat Institute (AMI), disparaging statements by the National Cattlemen's Beef Association (NCBA), foreign governments, and the United States Department of Agriculture (USDA) were commonplace ever since R-CALF USA was formed. R-CALF USA members are well aware that the AMI, NCBA, Canadian government, and the USDA are all working against R-CALF USA in its effort to protect the U.S. cattle industry from the introduction of bovine spongiform encephalopathy (BSE) from Canada. These groups grew absolutely livid when R-CALF USA accomplished what many thought to be impossible. For many months R-CALF USA's court action blocked the USDA from allowing higher-risk Canadian cattle and beef products into the United States.

What has been far less obvious, however, was the internal pressure within R-CALF USA to achieve the same end—to force R-CALF USA into conformity and to force R-CALF USA to end its ongoing legal battle to protect the health and safety of the U.S. cattle industry. R-CALF USA kept its internal struggle private. It did not disclose that there was a minority faction working from within the organization trying to change R-CALF USA's direction. This minority faction was viewed as having only a healthy difference of opinion, not a motive of trying to fundamentally alter R-CALF USA's member-directed course of action. That is, until recently.

Recently, the R-CALF USA Board of Directors took corrective action in response to an attempt by the seated president to override the will of the majority. The Board of Directors voted to replace the seated president with me, their then vice-president. The Board of Directors did not remove any member of the Board of Directors at this time; it only changed its officers.

The events that followed this single corrective action, however, reveal that the motives behind the minority faction that had formed within R-CALF USA went well beyond any healthy difference of opinion. In what appears to be a planned action, three board members, thirteen volunteer committee chairs and state membership chairs, and three staff members resigned their R-CALF USA positions.

Members of this minority group immediately established an anti-R-CALF USA website where attacks against R-CALF USA flowed freely and anonymously. Like the AMI, NCBA, Canadian government, and USDA, the message from this group is that R-CALF USA should not be involved in litigation against the USDA. It is now clear that the motive of this minority group was to fundamentally alter R-CALF USA's member-directed course of action.

Given R-CALF USA's strong and continually rising prominence within the beef industry power circle, and given all that is at stake, R-CALF USA must be ever vigilant to the possibility that those who have been unsuccessful at destroying R-CALF USA using external pressure will attempt to destroy R-CALF USA from within. After all, what better way to destroy the strongest voice the U.S. cattle industry ever had than to destroy it from within?

R-CALF USA has successfully warded off this recent effort to distract the organization away from carrying out its member-directed policies. As President of the R-CALF USA Board of Directors, I have been holding regional meetings across the country to address member questions and to affirm R-CALF USA's commitment to its members: R-CALF USA will continue to aggressively pursue its member policies, period.

With your continued support, R-CALF USA will successfully do just that.

Have a productive and profitable spring season.

### Food for Thought...

"Saying goodbye doesn't mean anything. It's the time we spent together that matters, not how we left it." ~ *Trey Parker and Matt Stone, South Park, Tweek Vs. Craig, 1999*

## Become a member or recruit a friend!

Do you own cattle?      Yes                      No

R-CALF USA Membership  
1 year                      \$ 50.00/member \_\_\_\_\_  
3 years                      \$140.00/member \_\_\_\_\_

Name \_\_\_\_\_

Company \_\_\_\_\_

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City \_\_\_\_\_

State \_\_\_\_\_ Zip \_\_\_\_\_

County \_\_\_\_\_

Phone \_\_\_\_\_

Fax \_\_\_\_\_

E-mail \_\_\_\_\_

Credit Card # \_\_\_\_\_

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**  
P.O. Box 30715, Billings, MT 59107  
Phone: 406-252-2516, Fax: 406-252-3176



*The Cattlemen's Newsletter*

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## USA FREE Presents

### ***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). It is our hope future generations of cattle producers will follow in the footsteps of R-CALF USA's great leaders. With our sights set on the future, we would like to encourage and assist our future leaders achieve their educational goals. Purchase your 22.5"x 30" edition of "Guardians of the Next Generation," a pencil sketch print by Don Greytak.

Artist Proofs (will feature your brand)	\$1,000.00
Limited Edition Prints	\$150.00

All print proceeds benefit The Leo and Sam McDonnell Scholarship Foundation. Make your check payable to USA FREE and send to: R-CALF USA, Attn: Scholarship Print Fund, PO Box 30715, Billings, MT 59107.

#### *Grassroots lobbying... (Continued from page 6)*

of messages each day. Make sure your e-mail gets the attention it deserves by placing it in the hands a real person who is working on your issue.

#### **Follow up**

Write back! React to the Member's response. Follow up your Congressman's response (or lack thereof) with another brief letter, regardless of the position they have taken. If your Member agrees with you, send a letter of thanks for his or her stand. If your Member disagrees with your position, reply with a brief letter quoting the section of his letter with which you take issue, restate your position, and supply individual additional evidence to support it. Maintain an extended, informed dialogue with your Congressman.

We must hold our officials accountable if we expect our issues to receive the attention they deserve. Not only should we correct them when Congress takes a path we don't want, but we should also thank them when they get it right. Send a congratulatory note when they do something that merits approval.

#### *Creekstone... (Continued from page 1)*

mation to consumers, and we support efforts to continue to the high level of consumer confidence in the U.S. food supply. R-CALF USA also supports an expanded testing program for identification of BSE and elimination of any animals so infected from the food supply.

Note: To view the court's order and memorandum, visit the "BSE-Litigation" link at [www.r-calfusa.com](http://www.r-calfusa.com).

