

Cattlemen's Newsletter

◆ Volume 9, Issue 3 ◆ May 2008 ◆

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R-CALF USA DEFENDS U.S. CATTLE INDUSTRY AGAINST JBS MERGER

May 13, 2008, Washington, D.C. – On May 7, during a hearing held by the Senate Judiciary Subcommittee on Antitrust, Competition Policy and Consumer Rights, R-CALF USA CEO Bill Bullard testified that permitting JBS to purchase National Beef Packing Co., Smithfield Beef Group, and Five Rivers Ranch Cattle Feeding would lessen competition in U.S. cattle markets and increase packer-held market power, ultimately harming both independent U.S. cattle producers and U.S. consumers.

“...most members did indeed express concern about the merger causing further concentration in the industry, we don’t yet know what action the Subcommittee will take as result of this hearing,” Bullard said.

R-CALF USA hopes that legislation proposed by Sen. Charles Grassley, R-Iowa, and Sen. Herbert Kohl, D-Wis., is passed that would shift the burden of proof for the Justice Department, so that instead of the Justice Department having to prove a merger would lessen competition, the merging parties would have the burden of proving that a merger would not result in anticompetitive practices or a lessening of competition.

Note: To view this entire news release and more information about the JBS merger visit www.r-calfusa.com.

FARM BILL UPDATE: NO PACKER BAN, BUT WINS AND PROGRESS IN OTHER AREAS

May 5, 2008, Washington, D.C. – ... the Farm Bill Conference Committee voted down a ban on packer ownership of livestock...“While we did suffer that particular defeat on the packer ban, we must thank our champions who argued strenuously that the packer ban is needed to maintain the independence of U.S producers who market their livestock into an extremely concentrated market,” said R-CALF USA CEO Bill Bullard.

“...we have a Livestock Title in the Farm Bill for the first time ever...Country-of-origin labeling (COOL) has been significantly strengthened and is scheduled to be implemented this fall...we did move forward in terms of ensuring that the Packers and Stockyards Act (PSA) is adequately enforced through a new mechanism that will allow Congress more oversight over enforcement of the PSA,” said Bullard.

“We also won interstate shipment of state-inspected beef...and we succeeded in including language that requires USDA to finally define what is meant by the prohibition against ‘unreasonable preferences or advantage’ in cattle procurement transactions,” he added. “We also won the right for contract growers to voluntarily participate in arbitration as a means of redressing disputes that arise during the production contract.

“...R-CALF demonstrated to Congress and the meatpacker lobby that we are an effective force that will continue to grow in strength to reclaim our competitive markets,” Bullard concluded.

**NEW RESOLUTIONS PASSED
BY MEMBERSHIP**

1. Animal Health Resolution No. 1:

BE IT RESOLVED, due to the increased prevalence of bovine tuberculosis in cattle of Mexican origin, R-CALF USA requests USDA-APHIS to require all cattle from Mexico be tested for bovine tuberculosis, and that all cattle entering the United States from Mexico shall go to designated feedlots and remain in such feedlots until time of slaughter.

APPROVE #1 - 2,393 DISAPPROVE #1 - 43

2. Animal Health Resolution No. 2:

BE IT RESOLVED, that R-CALF USA shall form policy to address the concerns of producers regarding wildlife as a disease source.

APPROVE #2 - 2,355 DISAPPROVE #2 - 67

3. Animal ID Resolution No. 1

WHEREAS, USDA-APHIS intends to use existing federal disease control programs, breed association registries and interstate certificates of veterinary inspection (health certificates) to implement NAIS (National Animal Identification System), as outlined in a draft titled "A Business Plan to Advance Animal Disease Traceability" and dated Dec. 12, 2007,

THEREFORE, BE IT RESOLVED that R-CALF USA opposes implementation of NAIS through coercive or exclusionary tactics.

APPROVE #3 - 2,322 DISAPPROVE #3 - 98

4. Animal ID Resolution No. 2

Be it resolved, R-CALF USA opposes any form of a National Animal Identification System (NAIS) including any that infringe upon the sovereignty of the states, tribes or individuals, or that would cause the loss of inherent freedoms (life, liberty, right to privacy, property and the pursuit of happiness).

APPROVE #4 - 2,298 DISAPPROVE #4 - 89

5. Animal ID Resolution No. 3

Be it resolved, R-CALF USA will work for the passage of legislation that would prevent any department of the U.S. government from making NAIS premises registration a prerequisite

for participation in state or federal programs.

APPROVE #5 - 2,339 DISAPPROVE #5 - 58

6. Animal ID Resolution No. 4

Amendment to 2007 Animal ID No. 2. The current policy states:

R-CALF USA recommends that USDA-APHIS continue the funding, ear tags, and traceback program used for Brucellosis (which is a proven program) as an animal health traceback identification program, in conjunction with state brand laws. All data would continue to be held by the states and APHIS, as it is currently.

Proposed Amendment (Replacement of current policy above):

BE IT RESOLVED R-CALF USA recommends that USDA-APHIS continue the funding of ear tags and systems pre-dating NAIS for federal disease control programs for livestock as an animal health traceback identification program, in conjunction with state brand laws. All data would continue to be held by the states and APHIS, as it is currently. R-CALF USA opposes the harmonization of these existing systems with, or the use of, these existing systems to implement or promote NAIS.

APPROVE #6 - 2,308 DISAPPROVE #68

7. Animal ID Resolution No. 5

In the 2007 Animal ID Resolution No. 3, delete "premises and cattle" and replace with "livestock."

WHEREAS, existing systems for identification of premises and cattle livestock, including brands, are effective for disease control;

WHEREAS, changes to optimize existing systems can be accomplished by state authorities without implementation of the National Animal Identification System (NAIS);

WHEREAS, the implementation of the NAIS – whether by federal or state governments – raises concerns about the impact on private property, privacy and the ability to conduct business;

THEREFORE, BE IT RESOLVED that R-CALF USA opposes any government action that funds or mandates premises registration and individual or industry participation

in the NAIS.

APPROVE #7 - 2,312 DISAPPROVE #7 - 73

8. Animal ID Resolution No. 6

Motion to delete entirely the following current policies (because they are replaced by No. 1-5 above):

2005 7. Mandatory Animal ID

BE IT RESOLVED that R-CALF USA does not support a mandatory animal ID program.

BE IT FURTHER RESOLVED that R-CALF USA supports the existing animal identification methods in place, including but not limited to brand inspection.

2006 1. Animal Identification

R-CALF USA opposes a federally mandated national animal identification program.

R-CALF USA opposes a totally privatized, centralized database and/or a federally centralized database.

R-CALF USA supports a voluntary animal-health trace-back system that ensures the protection of individual data, and a system that is compatible with the National Animal Identification System (NAIS).

R-CALF USA shall continue to work with the federal government, state governments and Tribal governments, as well as the industry, to determine the feasibility, functionality, and benefit to the U.S. cattle industry of an animal health trace-back system that incorporates existing systems, such as brand programs and the Intertribal Cattle Connect program, and vests the responsibilities and authority under the auspices of state animal health officials and Tribal governments.

2007 No. 5 Animal Identification

WHEREAS, current R-CALF USA policy passed in 2006.1 Animal ID Policy (p. 19, 3rd paragraph) states:

“R-CALF USA supports a voluntary animal health traceback system that ensures the protection of individual data, and a system that is compatible with the

National Animal Identification System (NAIS).”

THEREFORE, BE IT RESOLVED that R-CALF USA amend said policy by deleting “and a system that is compatible with the National Animal Identification System (NAIS).”

APPROVE #8 - 2,252 DISAPPROVE #8 - 51

9. Checkoff Resolution No. 1

In an effort to enhance the Beef Promotion and Research Act to better benefit cattle producers in the United States, BE IT RESOLVED,

1. R-CALF USA will support no consideration of an increase in the \$1.00 per head assessment until and unless all of the conditions and requirements of Checkoff Resolution No. 4, 2007, as approved by the membership by mail-in ballot are accomplished;

2. In addition, to help USDA formulate an effective and workable structure to conduct any future referendum, R-CALF USA proposes and supports the following procedures:

a) No one under 18 years of age shall be eligible to vote in any referendum.

b) All partners 18 years and older involved in enterprises that result in contributions of more than \$10 be eligible to vote. This shall include both spouses involved in a sole proprietorship venture.

c) Any operation responsible for the collection and remittance to the Qualified State Beef Councils of more than \$1,000 be qualified polling places to cast ballots. Such locations shall have the responsibility to assemble ballots for totaling, bundling, and passing both ballots and totals on to the USDA for final tallying;

d) Official ballots shall be sent by USDA by mail to all producers showing proof of payment of more than \$20 per year. These ballots may be cast at any polling place including FSA offices, extension offices or

other qualifying polling places as outlined in c).

3. Importers be considered a Qualified State Beef Council entitled to retain one half of their contributions for qualified purposes under the Act and Order.

4. Qualified State Beef Councils may advertise exclusively United States' beef or may advertise generic beef if they so desire, but nothing herein shall be construed as prohibiting any QBC from advertising U.S. beef only.

5. The Act and Order shall be modified to allow Checkoff funds to be spent on projects and research to enhance raising of live cattle, including improving pastures, handling procedures or transportation methods.

APPROVE #9 - 2,197 DISAPPROVE #9 - 107

10. Marketing Resolution No. 1

WHEREAS, open and competitive markets are extremely important to the prosperity and survival of independent cattle producers;

WHEREAS, formula pricing contracts effectively deny independent producers access to open and competitive markets;

THEREFORE, BE IT RESOLVED that R-CALF USA adopt policy and aggressively pursue legislation that allows formula pricing contracts for slaughter cattle that only have a base price on the contract at the time of signing the contract. These contracts shall be available to any independent cattle producer.

APPROVE #10 - 2,258 DISAPPROVE #10 - 33

11. Property Rights Resolution No. 1

WHEREAS, the horse slaughter ban is creating an economic hardship on horse owners and an ecological hardship on private and federal lands;

THEREFORE, BE IT RESOLVED that R-CALF USA supports abolishment of the horse slaughter ban.

APPROVE #11 - 2,332 DISAPPROVE #11 - 19

12. Property Rights Resolution No. 2

WHEREAS, title to the land is a vital component of property and the right of the owner to determine its use;

THEREFORE, BE IT RESOLVED, that R-CALF USA strongly encourages its members to document their exhaustive Chain of Title, and demands that legislative, executive and judicial officials recognize these historic titles.

APPROVE #12 - 2,345 DISAPPROVE #12 - 31

13. Property Rights Resolution No. 3

WHEREAS, R-CALF USA strongly believes that any arbitration agreement should be entered into freely and voluntarily,

THEREFORE, BE IT RESOLVED that R-CALF USA supports legislation that would require that if a livestock or poultry contract or marketing contract provides for the use of arbitration to resolve a controversy under the livestock or poultry contract or marketing contract, arbitration may be used to settle the controversy only if after the controversy arises, both parties freely and voluntarily consent in writing to use arbitration to settle the controversy.

APPROVE #13 - 2,324 DISAPPROVE #13 - 34

14. Property Rights Resolution No. 4

Oppose H.R. 2421. Congress should not expand the jurisdictional reach of the Clean Water Restoration Act.

APPROVE #14 - 2,294 DISAPPROVE #14 - 93

15. Trade Resolution No. 1

WHEREAS:

The United States' trade deficit has been escalating in recent years to almost three-fourths of a trillion dollars per year; We are competing with countries that utilize a value-added tax to rebate their exporters and penalize importers;

Our cumulative current account deficit is approaching 6 trillion dollars;

THEREFORE, R-CALF USA demands Congress declare a moratorium on new trade agreements until a top-to-bottom review has been completed on existing trade agreements to include a report on actual versus promised results from those trade agreements.

APPROVE #15 - 2,406 DISAPPROVE #15 - 27

PROPOSED BYLAWS CHANGES

16. Proposed Bylaw Amendment 1: Article IV - Directors

Page 4. Line one under Section 1. Delete "the immediate past president and".

"The Board of Directors shall consist of the immediate past president, and at least ten (10) persons representing ten (10) regions as follows:"

Page 5. Line four under Section 3. Delete after nominating "two or more".

"B. Upon the expiration of a director's term or upon a vacancy each region shall be responsible for nominating two or more nominees who reside within the district. Further nominations will be taken from the floor at the annual meeting. In addition, any member may petition to be nominated by forwarding a letter to the Board of Directors making such a request."

Page 6. Line nine. Delete "two or more".

"D. Each district shall form a nominating committee to assure that the two or more nominees will be presented to the membership for consideration"

APPROVE #16 - 2,096 DISAPPROVE #16 - 178

17. Proposed Bylaw Amendment 2: Article V - Officers Section 2. Duties of Officer

Page 10. Line one under Section 3. Removal from Office, delete "with cause."

"Upon a majority vote of the Board, an officer may be removed from office with cause whenever, in the sole discretion and independent judgment of the Board, the best interests of the Corporation will be served by removal. Neither election nor appointment of any officer shall, in and of itself, create any contract rights."

APPROVE #17 - 1,927 DISAPPROVE #17 - 318

18. Proposed Bylaw Amendment 3: Article IX - Meetings Section 5. Procedures and Protocol of meetings

Page 13. Bottom line, add, "Roberts Rules of Order, Newly Revised."

"All meetings shall be conducted in observance of simplified rules of parliamentary procedure, so long as not in conflict with the Articles of Incorporation, these Bylaws, or

laws, Roberts Rules of Order, Newly Revised."

APPROVE #18 - 2,226 DISAPPROVE #18 - 36

19. Proposed Bylaw Amendment 4: Article IX – Meetings Section 8. Notice and Agenda,

At the last line delete after director, "or officer"

"The meeting should be confined to the matters raised in the agenda, except that the Board may in its discretion allow matters to be added to a meeting's agenda at the beginning of that meeting, provided, however, that the following matters are subject to action only upon proper notice and placement on the agenda as described in the previous paragraph of this article of these Bylaws: (a) removal of any director or officer, (b) amendment of the Articles of Incorporation, (c) approval or disapproval of salary and other compensation to be paid to a director for serving in another capacity to the Corporation."

APPROVE #19 - 2,064 DISAPPROVE #19 - 213

20. Proposed Bylaw Amendment 5: Article XIII - Books and Records Section 2. Member's Inspection Rights

Add "The documents are to be in the sole possession of R-CALF USA. This right is for inspection only and shall not be deemed to allow the member rights to possession, or public dissemination of any of these documents either in whole or in part, without the approval of the board of directors."

Every voting member shall have the absolute right at any reasonable time to inspect all books, records, or documents of any kind and to inspect the physical properties of the Corporation. The documents are to be in the sole possession of R-CALF USA. This right is for inspection only and shall not be deemed to allow the member rights to possession, or public dissemination of any of these documents either in whole or in part, without the approval of the board of directors.

APPROVE #20 - 2,252 DISAPPROVE #20 - 103

**R-CALF USA's Bylaws,
Articles of Incorporation and
Membership Policy available at
www.r-calfusa.com.**

DIRECTORS ADOPT POLICY TO OPPOSE RELOCATION OF PLUM ISLAND'S FOREIGN ANIMAL DISEASE RESEARCH LAB

April 29, 2008, Billings, Mont. – Because numerous R-CALF USA members expressed concern with the Department of Homeland Security's proposal to relocate the Foreign Animal Disease Diagnostic Laboratory (FADDL) in Plum Island, N.Y., to the U.S. mainland near livestock populations, the R-CALF USA Board of Directors implemented interim policy to oppose the relocation.

The current facility is isolated on an 840-acre island and has a perfect record of never allowing any of the live, pathogenic animal disease agents studied there to escape. One such malady that strikes fear in every livestock producer is the highly contagious foot-and-mouth disease (FMD).

If moved, the facility would be called the National Bio and Agro-Defense Facility (NBAF). Among sites being considered for the facility are Manhattan, Kan., Athens, Ga., Butner, N.C., San Antonio, and Flora, Miss., all with nearby livestock populations.

"There are a significant number of cattle yards near Manhattan, Kan., and you can imagine what the economic impact would be if a strain of FMD got out of that lab into the cattle-feeding industry anywhere near there," he continued. "What if they didn't discover it quickly? Just think about all the movement of cattle between Missouri, Kansas, Nebraska and Oklahoma.

The FMD virus is so contagious that work with it has been confined to Plum Island for more than 50 years. The existing facility is classified as Bio-Safety Level 3. The new facility also would conduct research on foreign livestock diseases, but would be designated as Bio-Safety Level 4 status, which means research would occur on animal viruses that could be fatal to humans and on

"microorganisms that pose a high risk of life-threatening disease and for which there is no known vaccine or therapy."

The policy adopted by the R-CALF USA Board of Directors is below, and is patterned after policy established by the South Dakota Stockgrowers Association, an R-CALF USA affiliate organization. In 2009, R-CALF USA members will have the opportunity to make this policy permanent.

WHEREAS: The Department of Homeland Security is receiving bids from states for a site for a proposed National Bio Agro-Defense Facility to replace the present Plum Island, N.Y., site; and,

WHEREAS: The United Kingdom recently experienced an outbreak of foot-and-mouth disease from a laboratory that was located in close proximity to farms and ranches; and,

WHEREAS: The livestock population of the United States is susceptible to numerous foreign diseases, and an outbreak could have severe consequences for producers and consumers,

THEREFORE BE IT RESOLVED: R-CALF USA strongly promotes extensive biosecurity measures to prevent the release of animal disease agents into the environment.

BE IT FURTHER RESOLVED: R-CALF USA strongly supports maintaining and implementing a workable emergency management plan.

BE IT FURTHER RESOLVED: R-CALF USA demands that any National Bio Agro-Defense Facility remain on Plum Island or be built in a similarly secure area, taking full advantage of natural barriers, out of proximity of farms and ranches.

The Weekly Roundup

with **R-CALF USA**

Now posted at www.r-calfusa.com every Friday afternoon, *The Weekly Roundup with R-CALF USA*. Tune in each week to hear a 3-minute interview with various R-CALF USA leaders on your organization's issues. If your local radio station isn't airing the *Roundup* yet, contact Communications Coordinator Shae Dodson at 406-672-8969. If you're interested in partnering with fellow R-CALF USA members to sponsor the show, call Shae!

R-CALF USA OPPOSES CLEAN WATER RESTORATION ACT

April 29, 2008, Billings, Mont. – On the recommendation of its private property rights committee, the R-CALF USA Board of Directors agreed that the organization should oppose the Clean Water Restoration Act (CWRA). The 1972 Clean Water Act gives the federal government authority over “navigable waters” of the United States.

However, CWRA (H.R. 2421, S1870) would expand the scope of the law to include the following: “all interstate and intrastate waters, including all non-navigable waters... activities affecting these waters...all waters subject to the ebb and flow of the tide, the territorial seas, and all interstate and intrastate waters and their tributaries, including lakes, rivers, streams (including intermittent streams), mudflats, sandflats, wetlands, sloughs, prairie potholes, wet meadows, playa lakes, natural ponds, and all impoundments of the foregoing, to the fullest extent that these waters, or activities affecting these waters, are subject to the legislative power of Congress under the Constitution.”

“The Clean Water Restoration Act would give federal agencies virtually limitless regulatory power over one’s private property, and the bill’s reference to ‘activities affecting these waters’ could give federal agencies the ability to assume expansive authority over not only water, but land and the air, as well,” said R-CALF USA Private Property Rights Committee Chair Kimmi Lewis. “Passage of this law would expand the scope of the Clean Water Act far beyond its original intent and increase confusion over what is and isn’t to be protected.”

Member-established policy states that because vested and/or riparian water rights are being threatened and compromised by a variety of methods, R-CALF USA will make every effort to educate members as to their ownership of vested and/or riparian water rights and will help whenever possible in defending and protecting those rights, and that because U.S. citizens have a constitutional right to keep and own property and make decisions determining its use, R-CALF USA will work aggressively to protect those constitutional rights.

NAIS PROMOTES INCREASED IMPORTS, NOT ANIMAL HEALTH

April 23, 2008, Billings, Mont. – “R-CALF USA is convinced, based on empirical evidence showing the Agency’s intentions to subject the U.S. cattle industry to unnecessary and avoidable disease threats from foreign countries, that the purpose of NAIS (National Animal Identification System) is to provide justification for USDA’s ongoing efforts to systematically lower longstanding import restrictions that have effectively protected the U.S. cattle herd from disease introduction and spread,” said R-CALF USA CEO Bill Bullard. “NAIS is a woefully inadequate substitute for rigorous import restrictions against countries with disease outbreaks, and R-CALF strongly opposes USDA’s efforts to advance NAIS.”

R-CALF USA recently filed comments on the U.S. Department of Agriculture’s (USDA’s) National Animal Identification System: A Business Plan to Advance Animal Disease Traceability (Business Plan), and in those comments expressed concern that the language in the business plan is not consistent with recent USDA actions when timely traceback data has indeed been available.

R-CALF USA believes the NAIS business plan serves to reinforce this inappropriate/misapplied objective by stating that animal identification and traceability, as would be achieved by NAIS, is “necessary for maintaining trade,” that the standardization of animal identification with trading partners “is imperative to support trade,” and that electronic access to traceability information “will be instrumental” in global trade.

“For these reasons, R-CALF USA strongly opposes USDA’s efforts to advance NAIS,” said Bullard. “Instead, R-CALF recommends that USDA improve upon existing disease traceback programs, including the restoration of programs recently abandoned, and include in such programs the integration of state brand programs and state brand program infrastructures.

To view this entire news release, or to view R-CALF USA’s comments, visit www.r-calfusa.com.



JOIN NOW!

Do you own cattle? Yes No

R-CALF USA Membership
1 year \$50/member _____

3 years \$140/member _____

Name _____

Company _____

Address _____

City _____

State _____ Zip _____

County _____

Phone _____

Fax _____

E-mail _____

Credit Card # _____

Security Code _____ Exp. Date _____

Signature _____

Membership Information is kept confidential, and is used for official R-CALF USA purposes only.

- Voting members must own cattle. Annual voting dues are \$50 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:

**R-CALF USA
PO Box 30715
Billings, MT 59107**

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.

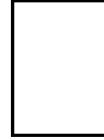
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Cattlemen's Newsletter

United Stockgrowers of America

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