

An R-CALF USA Publication

Cattlemen's Newsletter

◆ Volume 9, Issue 2 ◆ March/April 2008 ◆

R-CALF USA MEMBER ACTION

Beginning March 19, R-CALF USA and our competition coalition partners will begin running paid radio advertisements in House Agriculture Committee Chairman Collin Peterson's district in Minnesota. Chairman Peterson is not yet supporting the ban on packer ownership or our other competition reforms and our ads will ask Minnesotans to call his office urging support for our reforms.

The old Farm Bill has been extended until April 18. Starting now we need as many one-on-one, heart-to-heart talks that you can arrange between R-CALF USA members and your Senators and Representatives.

The ban on packer ownership of livestock and the other competition reforms will not be negotiated by congressional staffers – these issues are simply too hot. They will be negotiated by the members themselves and decisions will likely be made at the very last minute. This is why we need you to call your Senators and Representatives directly – so you can explain why they must support COOL, the ban on packer ownership, and the other reforms in the Senate version of the Farm Bill, *despite what they've been hearing from the NCBA, its affiliated organizations, and the packers.*

Remember, COOL has been on the back burner for the past few weeks so we need to elevate its profile during this final stretch.

You can use the JBS-Brazil purchase proposal to explain to Congress that concentration in our industry is increasing rapidly, thus necessitating the need for our market reforms to protect producers and consumers from price manipulation and control.

You can reach all your members of Congress by calling Capitol Switchboard at 202-224-3121 and ask for them by name.

For additional copies of this newsletter to give to a friend or neighbor call 406-252-2516.

NCBA RESORTS to LIES in EFFORT to THWART PROPOSED BAN ON PACKER OWNERSHIP

Feb. 13, Wash., D.C. – R-CALF USA charges that the National Cattlemen's Beef Association (NCBA) has resorted to outrageous lies in order to defeat a measure in the Senate version of the 2007 Farm Bill that would protect independent producers from the anti-competitive practices of the largest multinational meatpackers.

"In various radio broadcasts, NCBA has made the outrageously false claim that the prohibition on packer ownership of livestock as contained in the Senate version of the Farm Bill would 'make it illegal for producers to participate in value-added marketing programs such as Certified Angus Beef, any sort of marketing alliance, any sort of contracting,'" said R-CALF USA CEO Bill Bullard.

In another sound bite, an NCBA spokesman said, '...it actually keeps producers from entering into marketing contracts and marketing alliances with other producers, feeders and packers to be able to have value-added cattle move forward.'

"These are outright lies," Bullard asserted. "The provision in the Senate version of the Farm Bill actually protects a producer's right to participate in marketing arrangements and contracts by clearly stating that the prohibition *does not* apply when producers maintain ownership of their livestock and when they materially participate in the management of their livestock production.

"In addition, the prohibition *exempts any packer* that owns only one processing plant, regardless of size, *exempts any packer* that slaughters fewer than 125,000 cattle annually (based on a 5-year average), and *exempts any packer* that is owned by producers through a cooperative," he pointed out.

Note: To view this entire news release, visit the "News Releases" link at www.r-calfusa.com.

NEW STRATEGY TO WIN:

Beginning immediately and each day thereafter until the Farm Bill is completed, do one new thing to build support for COOL, the ban on packer ownership of livestock, and the other competition reforms contained in the Senate version of the Farm Bill.

Here are some ideas:

- Call one of your Senators one day and the other Senator the next (follow-up with a fax or e-mail).
- Call your Representative one day and a potential member of the Farm Bill conference committee the next day (you could decide to call and fax all of them using the list on the right).
- Call a neighbor one day and ask them to make a call to their Senators and Representatives (you can give them the contact information listed below) and call another neighbor the next day.
- Call a business acquaintance or relative in another district or state and ask them to make a call in support of COOL, the ban on packer ownership of livestock, and the other Senate competition reforms.
- Visit with your local main-street business owners and ask them to support your cattle industry by making calls and sending a fax to their representatives.
- Encourage your county cattlemen's association or other local group you may belong to to make a call and send a letter to their congressional members.
- Write a letter to the editor of your local paper in support of our issues.

HERE'S A SUGGESTED MESSAGE:

"Hello, I am a cattle producer from ____ and we cannot afford to wait any longer for Congress to implement country of origin labeling (COOL) and correct the manipulation and control going on in our cattle markets. The 2007 Farm Bill must include the prohibition on packer ownership of livestock and the other livestock competition reforms contained in the Senate version of the Farm Bill. We don't need another study and the plan by JBS-Brazil to further concentrate our markets shows how urgently needed these reforms are for both producers and consumers."

SPECIFIC TARGETS:

The Members of Congress listed below are believed to be undecided or against us on our competition reforms. If you live in or near their states or districts, we need cattle producers to talk to them directly because they are being terribly misled by their NCBA-affiliated cattle groups:

Name	Phone (202)	Fax (202)
Stabenow (D-MI)	224-4822	228-0325
Peterson, (D-MN)	225-2165	225-1593
McIntyre, (D-NC)	225-2731	225-5773
Etheridge, (D-NC)	225-4531	225-5662
Holden, (D-PA)	225-5546	226-0996
Baca, (D-CA)	225-6161	225-8671
Cardoza, (D-CA)	225-6131	225-0819
Lucas, (R-OK)	225-5565	225-8698
Moran, (R-KS)	225-2715	225-5124

SENATE FARM BILL

CONFERENCE COMMITTEE:

Harkin (D-IA)	224-3254	224-9369
Baucus (D-MT)	224-2651	224-0515
Conrad (D-ND)	224-2043	224-7776
Leahy (D-VT)	224-4242	224-3479
Lincoln (D-AR)	224-4843	228-1371
Stabenow (D-MI)	224-4822	228-0325
Chambliss (R-GA)	224-3521	224-0103
Lugar (R-IN)	224-4814	228-0360
Grassley (R-IA)	224-3744	224-6020
Cochran (R-MS)	224-5054	224-9450
Roberts (R-KS)	224-4774	224-3514

HOUSE MEMBERS WE THINK WILL

BE ON CONFERENCE COMMITTEE:

Peterson, (D-MN)	225-2165	225-1593
McIntyre, (D-NC)	225-2731	225-5773
Etheridge, (D-NC)	225-4531	225-5662
Boswell, (D-IA)	225-3806	225-5608
Holden, (D-PA)	225-5546	226-0996
Baca, (D-CA)	225-6161	225-8671
Cardoza, (D-CA)	225-6131	225-0819
Goodlatte, (R-VA)	225-5431	225-9681
Lucas, (R-OK)	225-5565	225-8698
Hayes, (R-NC)	225-3715	225-4036
Bonner, (R-AL)	225-4931	225-0562
Musgrave, (R-CO)	225-4676	225-5870
Moran, (R-KS)	225-2715	225-5124
Neugebauer, (R-TX)	225-4005	225-9615

Remember, do one new thing each day so, together, we win.

**Call 1-877-99-RCALF for weekly
R-CALF USA updates.**

CATTLE PRODUCERS TO DEPT. OF JUSTICE: BLOCK JBS PURCHASES

March 13, Wash., D.C. – In a letter sent today to the U.S. Department of Justice regarding JBS Acquisitions' plans to purchase National Beef Packing Co., Smithfield Beef Group, and Five Rivers Ranch Cattle Feeding, R-CALF USA expressed concern that such transactions would cause injury to competition in both the U.S. cattle industry and the U.S. beef industry, which would result in harm to both independent U.S. cattle producers and U.S. consumers.

JBS Acquisitions would become the largest beef packer in the U.S., and R-CALF USA explained that JBS likely would capture over 35 percent of the domestic cattle slaughter – based on evidence that indicates Tyson Foods already controlled that amount of the market in the mid-1990s.

"We urge the U.S. Department of Justice to rigorously investigate the potential impacts of this proposed purchase; to prevent its consummation pending a thorough investigation; and to ultimately block this proposed purchase should evidence be found indicating *any* reduction in competition to either the U.S. cattle industry or the U.S. beef industry," wrote R-CALF USA President/Region VI Director Max Thornsberry. "Should this purchase materialize, the market power concentrated in the hands of the remaining three packers...would intensify, as would their propensity to exercise this market power to the detriment of competition, resulting in economic injury to independent U.S. cattle producers and U.S. consumers."

Evidence already exists that demonstrates the exercise of market power by the current four firms that dominate the beef packing industry. Juries in *Pickett v. Tyson Fresh Meats, Inc.* and in *Herman Schumacher et al. v. Tyson Fresh Meats, Inc. et al.* have found, as matters of fact, that the actions of dominant beef packers, even at the current level of concentration, effectively manipulated prices paid to domestic cattle producers. Studies also show that market power can be, and is being, exerted by the dominant beef packers, at *current* concentration levels.

Note: To view the rest of this news release, visit the "News Releases" link at www.r-calfusa.com.

OPINION: BEEF PACKERS LIKELY TO GET WHAT THEY WISHED FOR

By R-CALF USA Region VII Director Eric Nelson

Billings, Mont. – While reading the numerous articles on JBS' proposed purchase of National Beef Packing, Smithfield Foods' beef operations and Five Rivers Cattle Feeding, as well as last year's acquisition of Greeley, Colo.-based Swift & Co., which would easily make JBS the largest beef packer in the world, it struck me that one must be careful of what you wish for.

Tyson Foods and Cargill Meat Solutions lobbied for packer concentration for years, yet may end up succumbing to the very thing they've advocated: unbridled and unabated scale. We've seen it in other industries where having only a handful of players is not a good thing, and having only one is worse – particularly if that player is from out of the country.

With Tyson investing heavily in overseas poultry production, the likelihood of large quantities of imported chicken driving smaller players out of business here in the U.S. has become very real. That is why several domestic poultry integrators recently formed a consortium calling for country-of-origin labeling (COOL) of chicken, to protect our domestic chicken industry from being taken over by Tyson's imported product.

The generic glyphosate (Roundup) industry also gives us a vision of how large integrators and foreign countries can operate. For example, China began producing glyphosate a few years ago when the product went off patent, and China then produced – and sold – glyphosate cheaper and cheaper, until our domestic production ceased to exist. Farmers here capitalized in the short run, but once competition was removed, China increased prices.

Last year, the price of glyphosate was roughly 50 percent higher than the year before, and this year, glyphosate is nearly 500 percent higher than a year earlier. Here in the U.S., we don't have many choices because domestic production shut down after the dumping of cheap glyphosate by China.

Note: To view this opinion news release in its entirety, visit the "News Releases" link at www.r-calfusa.com.

R-CALF LEADER BULLARD SAYS BEEF RECALL HIGHLIGHTS USDA'S LAX BSE CONTROLS

By Chris Clayton

Feb. 20, 2008, Omaha, Neb. – The nation's largest beef recall has provided legal ammunition to R-CALF in its battle to stop the importation of older Canadian cattle into the United States, the group's chief executive officer said Wednesday.

The video of downer cattle being dragged or forced into slaughter at the Hallmark Meatpacking Co. in California has put the spotlight back on USDA's oversight of protecting the U.S. animal herd and human food supply from bovine spongiform encephalopathy. Already, a Government Accountability Office investigation has begun and both Senate and House oversight committees are planning hearings.

Hallmark, one of the largest suppliers of beef to public schools in the country, now is the subject of the largest beef recall in U.S. history at a projected 143 million pounds. Officials acknowledge most of that meat has likely already been consumed. USDA officials have said the recall is largely precautionary because Hallmark did not follow slaughter regulations against allowing downers into the food supply.

For R-CALF, the Hallmark case just reflects what the cattlemen's group has been saying all along: USDA cannot effectively enforce its regulations to adequately protect the beef industry.

"It just highlights the fact that the agency has been non-responsive to the very real failures of its current systems," said Bill Bullard, R-CALF's CEO.

R-CALF, which is holding its annual convention this week in Omaha, also took part on Tuesday in a court hearing in Sioux Falls, S.D., as the group continues to seek to prevent the importation of cattle over 30 months of age from Canada, which has had 12 recorded cases of BSE in its cattle herd since 2003.

"This strongly suggests USDA should not be further increasing our exposure as they are presently doing with this over-30-month rule," Bullard said.

After setbacks because of BSE cases in

Canada, USDA finally implemented its rule last November allowing importers to bring in breeding cattle and older Canadian livestock born after March 1, 1999, when USDA determined Canada had effectively implemented its ruminant-to-ruminant feed ban. USDA studies on Canada's cattle herd determined Canada was a minimal risk to create a problem with BSE in the U.S. cattle herd, even though USDA's study did suggest the U.S. could import infected cattle.

R-CALF argues that USDA's actions threaten the U.S. cattle industry and safety of the cattle herd by allowing Canadian cattle producers to potentially export cattle infected with BSE into the U.S.

Bullard noted that in 2006 the USDA Office of Inspector General challenged USDA's ability to effectively keep downer cattle out of the food supply. OIG inspectors went to 12 packing plants and found USDA inspectors allowed 29 downers to be slaughtered, and the reason an animal was considered down could not be easily explained by injury. The report questioned the overall effectiveness of USDA's firewalls against BSE.

"Now we see those deficiencies highlighted in the Hallmark case," Bullard said. "This is not the first time that USDA has essentially been criticized for allowing downer animals into the food supply."

R-CALF had sued USDA for allowing younger cattle into the country, a case that initially led to a court injunction until the Ninth Circuit Court of Appeals ruled against R-CALF. The issue over whether to continue pursuing that court case became so contentious among R-CALF's leadership that it caused a shakeup of the group's board of directors last year.

In this recent case against USDA, R-CALF has partnered with the Center for Food Safety, Consumer Federation of America, the Food & Water Watch and the Creutzfeldt-Jakob Disease Foundation. In the court hearing on Tuesday, an attorney for the plaintiffs cited the Hallmark recall as a case in which USDA's rules are not being followed or enforced.

No decision is expected for at least several weeks on R-CALF's motion to close the border to older Canadian cattle.

(Reprinted with permission of DTN)

FIGHT NAIS DOWN TO THE LAST COWBOY: AUSTRALIAN BEEF ASSN.

March 4, 2008, Billings, Mont. – R-CALF USA was fortunate to again have former president of the Australia Beef Association (ABA), John Carter, recently speak at its annual convention about the numerous problems with Australia's mandatory National Livestock Identification System (NLIS). Below is Carter's presentation.

"ABA is R-CALF's sister organisation – we too, represent independent producers in the fight against multinational processors, feeble and corrupt bureaucrats and our sycophantic equivalent of your NCBA (National Cattlemen's Beef Association).

Three years ago I spoke to you in Denver. I advised you not to allow mandatory RFID to be foisted on you because it would be very costly and it wouldn't work. I am back today to tell you that I was right.

In those three years, Australian cattle producers have been the fall guys for the international tag manufacturers. Follow the money. Put your money on self-interest – you always know that it is trying. ABA has no problem with voluntary RFID (radio frequency identification) use. If I were unfortunate enough to own a feedlot, I would use it in many ways to save (from) feeding inefficient cattle. Mandatory tracing is an entirely different matter.

We have abandoned our efficient mandatory tail tag system for expensive chaos. No other large-producing country has mandated the RFID traceback system. All the reasons given for its introduction are now in tatters. Face-saving and blame have replaced them. Don't let anyone take you down this suicidal path because once you are on it, it will become the unchangeable custom and be used by your packers to discount your cattle. Its administration will cost you a fortune – all for no purpose but to increase tag-manufacturer profit and give jobs to bureaucrats.

In Australia, the tag manufacturers beat us with lies and propaganda. They provided letters to the papers signed by producers who didn't exist amidst a flood of propaganda.

Note: To view this entire news release, visit the "News Releases" link at www.r-calfusa.com.

FORMER PRESIDENT'S LETTER SURFACES DURING OTM HEARING

At the Feb. 19, 2008, hearing on R-CALF USA's motion for preliminary injunction to overturn the U.S. Department of Agriculture's (USDA's) OTM (over-30-month) Rule, USDA's attorney quoted extensively from a letter written Jan. 8, 2007, by then-president of R-CALF USA Chuck Kiker. USDA argued that the Kiker letter, written on R-CALF USA letterhead, supported the government's position. The court then granted R-CALF USA the opportunity to respond to USDA's claim that the letter supported USDA's OTM Rule.

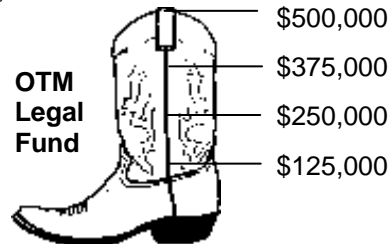
R-CALF USA submitted a brief to the court stating that Kiker's letter, did not represent the views of R-CALF USA or the other plaintiffs as R-CALF USA had clarified this to the agency by following the Kiker letter with formal comments on March 12, 2007. These comments clearly objected to USDA's failure to follow Administrative Protection Act procedures regarding the importation of OTM beef.

R-CALF USA's brief also stated that although Kiker sought consent from two other R-CALF USA directors, he did not seek or obtain authorization from the remaining eight members of the R-CALF USA Board of Directors for his letter. As a result of sending this letter, and for other circumstances surrounding the letter, Chuck Kiker was removed from the position of president of the R-CALF USA Board of Directors on Feb. 8, 2007.

As of Monday, March 17, 2008, all relevant briefs were filed with the Federal Court in Sioux Falls, SD, on our OTM Rule challenge. The judge now has everything before him to make a decision on our request for a preliminary injunction. If we win it all, the border closes to OTM cattle and beef until our entire lawsuit can be fully considered.

Thanks to everyone who is continuing to help fund this important fight! Send donations to: R-CALF USA

PO Box 30715
Billings, MT, 59101.



R-CALF USA CONVENTION REPORT

By GB Oliver, Exec. VP PARAGON Foundation

PARAGON Board member, Dan Martinez and I recently attended the R-CALF USA convention in Omaha, Nebraska. We both had the privilege of speaking during this gathering and we both agree that we have never spent time with a finer group of people.

If the integrity and future of the American cattle industry is to be preserved and kept under the control of the independent producer, it will be through R-CALF. This organization has led the fight in passing mandatory Country of Origin labeling, enforcing the Packers and Stockyards Act, challenging the validity of USDA's Animal ID program and the USDA's repeated attempts to engage in international trade agreements that could potentially destroy independent cattle production in this country.

R-CALF has endured some difficult times in the last couple of years as internal and external pressures are inevitable when an organization is successful in bucking big money and multi-national corporations. The Omaha gathering proved with absolute clarity, R-CALF is still standing and, having been tested by fire, stronger than ever. They are an organization that is still making decisions the old-fashioned way - based on the truth and what is right, rather than political correctness, or financial expediency. What a concept in this day and age! Frankly, their membership would tolerate nothing less.

The strength of this organization is the quality of its membership. Good, hard working Americans that have been disciplined by the tough challenges that are inherent with this honorable profession with a lifelong learning curve. For most R-CALF members, ranching is a profession they were born to.

Descendents of people with the sand and stay to build this country; folks who lived by an ethical and moral code, and stayed hitched regardless of the hardship. When they drew a line, they meant it. This is the DNA that flows through the veins of the members of R-CALF. This is the source of the energy, faith and devotion they bring to a battle, a battle that affects us all. It's a battle in which they understand there is no substitute for victory. They understand that today, there is more at stake than personal gains or losses, or the ranching industry. Indeed their battle cuts to the very heart of the American experiment, Life, Liberty, and the Pursuit of Happiness...

The CEO of R-CALF is Bill Bullard, and he is a man worthy of the task. I don't know Bill personally, but I do know him in action and in deed. There are very few among us who would be capable of this mission, Bill is one of those few. One thing that is crystal clear when in Bill Bullard's presence, he's not there for personal glory, he's there because he believes in the R-CALF mission with his heart, body and soul. And if the last two years have proven anything about Mr. Bullard, it's that he won't run from a fight. The R-CALF constituency deserves the best, and they have it in Bill Bullard.

From the beginning, the cattle business has never been for the faint hearted. Strength of character and duty are two good reasons why the cowboy is the international image of America. Tough, steadfast, and honest, those are the reasons they're not extinct.

President Ronald Reagan said, "The humblest citizen in all the land, when clad in the armor of a righteous cause, is stronger than all the hosts of evil."

(Reprinted with permission of PARAGON Foundation)

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 our 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!

USE OF R-CALF LOGO POLICY

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. Board-approved policy states that any use of these materials must be approved by the CEO before distribution. To implement this policy without slowing down our volunteers' efforts to support and promote R-CALF USA, we ask that all volunteers:

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. Upon receipt, 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 national headquarters.

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.

RECENT R-CALF USA NEWS RELEASES

Mar. 12 Cattle Producers to Department of Justice: Block JBS Purchases

Mar. 5 JBS Purchases Cause Further Beef Industry Concentration; Congress Must Protect Independent Producers Against Oligopoly

Mar. 4 Bipartisan Congressional Momentum Builds to Support Prohibition of Packer Ownership of Livestock

Mar. 4 Fight NAIS Down to the Last Cowboy: Australia Beef Association

Feb. 28 Cattle Producers Endorse Proposed Traceback Bill

Feb. 27 Another Livestock Competition Study will be Too Little, Too Late

Feb. 27 9th Annual Convention Rejuvenates, Educates Participants

Feb. 26 Canada Continues to Detect BSE in Younger Cattle; New Case Makes 13 Animals Indigenous to Canada

Feb. 13 NCBA Resorts to Lies in Effort to Thwart Proposed Ban on Packer Ownership of Livestock

Feb. 12 Cattle Producers, Get Involved While You Still Can By R-CALF USA Convention Committee Chair Eric Nelson

Feb. 11 Opinion: Large Meatpackers are Fighting Against Consumer Interests By R-CALF USA CEO Bill Bullard

Feb. 8 Star Experts Stack Convention's Animal ID Panel; Top 10 Reasons to Oppose NAIS' Premises Registration

Feb. 8 Cattle Producers Want Absolutely NO COMPROMISE on Proposal to Ban Packer Ownership of Livestock

Be informed! Call 1-877-99-RCALF

Call 1-877-99-RCALF (72253)
to listen to a weekly update on industry issues.
Call any day, any time.

We appreciate your support!



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
(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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