

# Cattlemen's Newsletter

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## Hang Onto Your Hats!

R-CALF USA's tremendous success in accomplishing its member-developed policy is creating turmoil among agribusiness leaders, as well as the trade associations and trade publications that represent those giant corporations. R-CALF USA's recent successes are derailing agribusinesses' plans to capture control of the U.S. live cattle industry, just as they have already accomplished in the U.S. poultry and hog industries through vertical integration.

Our long list of accomplishments include: the implementation of country-of-origin labeling, which has resulted in U.S. grocery stores marking beef packages with a "product of USA" label; delaying for over two years the importation of higher-risk Canadian cattle and beef, which resulted in U.S. cattle prices reaching historical highs for several years; blocking the mega-merger between Brazilian-owned JBS and National Beef Packing Co., which resulted in an abrupt halt to the ongoing horizontal concentration of the U.S. beef packing industry; preventing the implementation of a mandatory National Animal Identification System for the past five years, which has resulted in a renewed opportunity to stop the program completely; preventing the delay of the implementation of the enhanced feed ban, which has resulted in strengthened protections against our increased exposure to disease from higher-risk Canadian imports; and, making it possible to include a livestock title in the 2008 Farm Bill, which resulted in increased enforcement of the Packers and Stockyards Act, just to name a few.

The agribusiness interests know R-CALF USA is positioned to accomplish much more within the next few years and because they have not been able to stop us in Congress or in the Administration, they have now begun and will continue to use their closely aligned industry trade associations and trade publications to attack our credibility in the countryside. One way to counter this effort is to quit supporting the trade associations and trade publications whose goal is to undercut the one national cattle-producer association that is fighting harder and more effectively than any other to protect and defend the independence of U.S. cattle producers.

Thank you for your support. R-CALF USA hopes you will help us continue to build our organization by getting more of your neighbors to join with us. Numbers count, and the more members we have, the more successes we will achieve. Hang onto your hats because we are, without a doubt, in a fierce battle to fundamentally change the present course of our U.S. cattle industry!

## Officers, New Directors Elected

**Billings, Mont. (May 6, 2009)** – The R-CALF USA Board of Directors has unanimously elected Missouri veterinarian Max Thornsberry to another 2-year term as president of the board, with Thornsberry himself abstaining. R-CALF USA Region IX Director George Chambers, of Carrollton, Ga., was unanimously elected as vice president of the board.

Also, members, via mail-in ballot, elected directors for each of R-CALF USA Regions I, II and III.

Maxine Korman, a rancher from Montana, was elected to fill the position of R-CALF USA Region I Director, which includes the states of Alaska, Idaho, Montana, Oregon and Washington. Her term will run three years.

Dr. Taylor Haynes, a rancher from Wyoming, was elected to fill the position of R-CALF USA Region II Director, which includes the states of Colorado, New Mexico, Utah and Wyoming. His term also will run three years.

Johnny Smith, a rancher and auction yard owner from South Dakota, was re-elected to a second term as director of R-CALF USA Region III, which includes North Dakota, South Dakota and Nebraska. His term runs for three years, and due to term limits, Smith will have to step down for at least one term when his current service expires in 2012.

## Group Applauds FDA Decision To Immediately Implement Enhanced U.S. Feed Ban

**Washington, D.C. (April 23, 2009)** – The U.S. Food and Drug Administration (FDA) today resisted efforts by agribusiness interests to delay implementation of an enhanced U.S. feed ban designed to strengthen safeguards against bovine spongiform encephalopathy (BSE) for both consumers and cattle. The enhanced feed ban will be implemented on schedule, though full compliance will not be expected until October.

"We applaud FDA's decision and are encouraged that this decision may be a signal that the new Administration is serious about rebalancing the interests between corporate agribusiness and the interests of consumers and family farmers and ranchers who raise livestock," said R-CALF USA CEO Bill Bullard. "For too long the interests of consumers and family livestock producers have been trumped by the interests of corporate agribusiness, and this has caused the safety and security of our food supply to be compromised."

FDA's enhanced feed ban prohibits all tissues from any BSE-infected animal, the brains and spinal cords from cattle over 30 months of age, along with certain other tissues, from being used in animal feed, including pet food. The enhanced feed ban was scheduled to take effect April 27, 2009, but U.S. renderers and other agribusiness trade associations, in particular the National Cattlemen's Beef Association (NCBA), argued that the enhanced feed ban is unnecessary and attempted to delay – if not outright prevent – its implementation.

But R-CALF USA argued that U.S. consumers and U.S. livestock producers already are being exposed to an increased risk of BSE from the importation of live cattle from Canada, a country scientifically documented to have a significantly higher BSE prevalence than the United States. R-CALF USA also argued that any delay in the enhanced feed ban would cause U.S. consumers and the U.S. cattle herd to be continually exposed to this higher BSE risk from Canada, without being afforded the added protection of an enhanced feed ban.

"Our position is that it would be irresponsible to accommodate the economic and logistical concerns raised by agribusiness opponents while higher-risk Canadian cattle were continually entering the United States," Bullard said. "We offered a condition under which a delay of no more than 60 days could have occurred, but only by first eliminating the known source of our increased BSE exposure – by prohibiting the entry into the U.S. of live Canadian cattle."

"It is an unfortunate reality that the previous Administration has backed us into a corner," he continued. "By resuming trade in Canadian cattle before Canada had eliminated the BSE agent from its cattle herd, we have already assumed an increased risk for BSE. As a result, not only must we implement measures to mitigate any disease prevalence within the U.S. feed system, but we must now also implement much more stringent measures to mitigate Canada's higher disease prevalence within our own borders. This, we know, will be costly to our industry."

R-CALF USA continues to call for a prohibition against the importation into the United States of live Canadian cattle and beef from Canadian cattle over 30 months of age, as well as an increase in BSE testing to prevent BSE from entering the food supply and to monitor any domestic prevalence of the disease, along with calling for additional improvements to the U.S. feed ban to eliminate the possibility of cross-contamination or inadvertent feeding of contaminated materials to cattle.

"FDA's decision signifies a small but important reversal of the previous Administration's actions that have endangered both the health of the U.S. cattle herd and the safety of our food supply," Bullard emphasized. "But, we must aggressively continue our fight to eradicate BSE because even the enhanced FDA feed ban remains weaker than the feed ban Canada implemented in 2007 to address its country's BSE prevalence level."

"Canada's enhanced feed ban goes beyond the FDA's enhanced feed ban by prohibiting *all* tissues that are prohibited in human food from being used in animal feed, pet food and fertilizer," he pointed out. "As a result, Canadian cattle entering the U.S. continue to avoid the measures that Canada has determined are necessary to mitigate the BSE risk in Canadian cattle."

"It is unconscionable that our government has exposed us to a higher disease risk without even affording us the measures believed by scientists to at least reduce that risk," Bullard concluded. "We urge consumers and livestock producers to demand that the U.S. Department of Agriculture reinstate our BSE import restrictions that were dismantled by the previous Administration and to begin increased testing, including voluntary testing, for BSE."

**R-CALF USA members now enjoy the quarterly magazine, *Living Cowboy Ethics*, as part of their membership.**

**To have a complimentary issue sent to a friend, call 406-252-2516.**

## To USDA: NAIS an Invasive, Unlawful Encumbrance on Commerce

**Washington, D.C. (April 15, 2009)** – In a roundtable discussion today, Agriculture Secretary Tom Vilsack listened to concerns about the agency's proposed National Animal Identification System (NAIS) from representatives of various U.S. livestock industries, including R-CALF USA CEO Bill Bullard.

"NAIS is a radical departure from the highly successful, preexisting disease programs and represents an unwarranted expansion of government agency power that R-CALF USA believes is prohibited under our Constitution," Bullard asserted. "We believe NAIS is an invasive and unlawful encumbrance on commerce, and its effect is to impose additional production costs on every livestock producer, whether or not they are affected by a disease event, without affording livestock producers any means of recovering those additional production costs from the marketplace."

"R-CALF also is concerned that NAIS would subject U.S. cattle producers to enforcement and compliance costs associated with the third-party management of a colossal database within which culpability would be difficult to determine – yet producers would remain subject to a command-control relationship with the third-party administrator, the federal government," he pointed out. "In addition, USDA has provided no analysis that contradicts the effectiveness of the preexisting systems that did not require producers to register their property in a federal database, nor has the agency provided any basis for asserting that such registration would function better than preexisting systems."

During the discussion, Vilsack said it is important for USDA (U.S. Department of Agriculture) to listen and learn and that his conversations about NAIS are only beginning. He also mentioned upcoming listening sessions to be scheduled around the country, as well as more opportunities for producers to file comments about NAIS.

"We were pleased to see the number of organizations at the roundtable that find a mandatory NAIS, under USDA's proposal, would be unworkable," Bullard concluded. "The Secretary held a balanced meeting with people on both sides of the issue and appeared genuinely interested in learning what USDA can and should do to improve our U.S. livestock disease control programs. We believe the NAIS fundamentally violates and distorts the essential components of a sound and effective disease control program for U.S. livestock owners and the U.S. livestock industry. We look forward to working with the Secretary on this matter."

*Note: To view/download a copy of R-CALF USA's submission at the NAIS roundtable, please visit the "Animal Identification" link at [www.r-calfusa.com](http://www.r-calfusa.com).*

# NAIS will Reduce Competition in U.S. Cattle Industry

Op-Ed by R-CALF USA Region V Director Stayton Weldon

*Note: The state of Texas makes up R-CALF USA Region V. Weldon is a fourth generation rancher who runs Hereford cows and Brahman bulls, raising the F-1 Braford heifer. Weldon also was one of the original plaintiffs in the Pickett v. IBP/Tyson lawsuit.*

**Billings, Mont. / Cuero, Texas (May 12, 2009)** – Inherent to every competitive industry is proprietary information. If one competitor gains access to the proprietary information of another, then any competitive advantage associated with that proprietary information is at best lost. At worst, the acquirer of that proprietary information could use it to eliminate competitors. Nowhere in the U.S. economy is proprietary information more important to ensuring competitiveness than in the multi-segmented live cattle industry and beef industry.

USDA's (U.S. Department of Agriculture's) National Animal Identification System (NAIS), however, would grant the four largest meatpackers access to proprietary information held by the tens of thousands of U.S. auction yards and video auctions (markets), as well as cattle feeders. NAIS requires every cattle producer to affix a 15-digit identifier on each animal, which associates each animal to the "premises" of the farmer or rancher who raised the cattle and who sells them to feedlot owners through such markets.

NAIS will reduce, if not eliminate, competition in the U.S. cattle and beef industries by granting meatpackers access to proprietary information now held by those markets and feedlots, vis-à-vis the 15-digit identifier. Here's how:

There are approximately 757,000 independent beef cattle producers remaining in the U.S. who sell approximately 69 percent of their feeder cattle through auction yards and video auctions to the remaining 87,160 U.S. feedlots that, in turn, sell approximately 88 percent of their fed cattle to just four major meatpackers for slaughter. Business relationships have been built between individual cattle producers and these markets and feedlots and they all compete with other similar businesses to acquire the numbers and type of feeder cattle best suited to their respective marketing and

feeding programs.

Over time, these markets and feedlots earn reputations for sourcing, marketing and feeding the specific quality and type of cattle highly coveted by the concentrated meatpackers. Thus, information about the source of the cattle acquired by said markets and feedlots is the proprietary information they use to maintain their competitive edge – and they often pay premiums to, or secure a higher price for, the cattle producers in order to acquire these cattle year-after-year.

To maintain competitiveness, the feedlots and markets do not disclose to meatpackers the sources of their cattle, as these sources are their proprietary information. NAIS, however, would hand this proprietary information over to meatpackers, enabling them to bypass the auction yard, video auction and feedlots by purchasing the specific quality and type of feeder cattle they want directly from the producer and then placing those cattle in their packer-owned feedlots. This would destroy the competitiveness of independent feedlots and the industry markets.

What makes this possible is the 15-digit NAIS number affixed to every head of cattle that is directly associated with the property (premises) of the producer who raised the cattle. The NAIS Business Plan clearly states that distribution records for NAIS eartags are required and also are automatically linked to the cattle owner's premises identification number. All a meat-packer would have to do is collect the NAIS numbers from cattle they slaughter that are of the quality and type they desire and contact the eartag manufacturer to determine the owner of the "premises" those cattle are linked to. Anyone who thinks the meatpackers are without the means to readily obtain this information is kidding themselves.

In further support of the accessibility of this proprietary information for purposes other than for official disease investigations, the NAIS Business Plan expressly states that these 15-digit NAIS numbers are a convenient means of verifying the origins of cattle for purposes of complying with the new country-of-origin labeling

(COOL) law. Such use, of course, would necessarily require access to this proprietary information upon a claim by a meatpacker or other party for non-compliance with COOL, and access to this information in such instances would be for marketing purposes, *not* for any disease investigation.

NAIS is but a veiled, governmental marketing program designed to economically disadvantage independent U.S. cattle producers by reducing what little competition remains in the highly concentrated and quickly shrinking U.S. cattle industry.

## Nebraska Membership Chair Reports on Industry Meeting about Animal Identification

R-CALF USA would like to thank the response by some members of the South Dakota Stockgrowers Association who stepped to the plate financially and made it possible for Louis Day to attend the meeting in Louisville, Ky. SDSGA members have backed R-CALF USA since its inception.

What follows is a report by Day on several things he observed and brought home from that experience.

First of all, the funds USDA has given away in 'cooperative agreement' solicitation money for NAIS is very important job security and funding for many of the people who attended. No one I visited with had read NAIS' foundational documents to understand the authority that will be shifted – through the back door – from the citizens of various states to the federal agencies and international organizations if NAIS is implemented, including, but not limited to, the registration of every U.S. farm or ranch, the identification of every head of cattle, tracking the movement of each head of cattle, and ENFORCEMENT.

Most importantly, all of the efforts and sacrifices made by the cattle producers who make up R-CALF USA and its affiliates are beginning to pay off on the national level because more people are beginning to ask the very questions we have been asking in our effort to expose the truth about NAIS. The key, still, is educating the average person – whether producer or consumer – so they will have the truthful information they need to make an informed choice.

I was encouraged by the number of people with whom we visited on an individual basis who had questions about, or who had read, the NAIS congressional testimony of Dr. Max Thornsberry, who serves as president of the R-CALF USA Board of Directors and represents Region VI.

I realize even more now how important it is that we keep on fighting against NAIS. NAIS is not a done deal, and we are making those who thought it was very nervous. It is up to us as individuals to stand together to stop NAIS.

We are on the right track, win or lose. Rep. Colin Peterson, D-Minn., and his aide, Chandler Goule, as well as most of Congress, have been mass-fed a doom-and-gloom story by USDA if the agency doesn't get NAIS so it (supposedly) can protect us.

It was refreshing to see the expressions of others and to hear their comments after Chris and I explained to them that we already have programs and regulations in place to both protect the U.S. cattle herd and beef supply and participate in the global export market, and that we can keep our individual sovereignty if the non-elected government agencies will only do their jobs.

To wrap up, I spoke with a gentleman from New York who owns and runs an international technology firm. He asked me if it was the new technology and ideas that I was opposed to. After explaining to him that wasn't the problem, and after going over NAIS' foundational documents and pointing out how premises registration under NAIS is basically asking us to turn authority over our private property and our means of food production to the government, he said: "Go home and fight like hell!"

I pray that I represented us well.

## NAIS Will Hamper Cattle Disease Traceback Efforts

Op-Ed by R-CALF USA Animal Identification Committee Chair Kenny Fox

*This 671-word piece is authored by R-CALF USA Animal Identification Committee Chair Kenny Fox, a 3<sup>rd</sup> generation cow/calf producer who has fought tirelessly against NAIS since 2003.*

**Billings, Mont. / Belvidere, S.D. (March 30, 2009)** – The U.S. Department of Agriculture (USDA) wants cattle owners to register their real property, as well as each animal they own, in a new federal database. This is the first step in USDA's plan to implement a National Animal Identification System (NAIS). USDA claims NAIS would reduce disease spread by shortening the time it takes to identify the birthplace of cattle suspected of disease.

If it sounds too good to be true, it generally is.

After USDA forces producers to register their property and cattle in its federal database, the agency will replace the numbering systems now used on existing disease-oriented identification devices with a new numbering system that includes an "840" prefix. This "840" prefix is the international number assigned to the United States of America. Under NAIS, all cattle born in the U.S. would be identified with a string of numbers beginning with the "840" prefix. To determine where in the United States an individual animal was born, however, health officials must first access the federal NAIS database – and hope there are no errors in the database, which would contain 100 million or more "840" prefix numbers for U.S. cattle.

If an answer is found by following the money, it's generally right.

This "840" system benefits multinational meatpackers who now must pay premiums to U.S. cattle producers so they will voluntarily participate in value-added programs that verify the U.S. origin of their cattle. This value-added service makes the beef from their cattle eligible for export. But, under USDA's mandate, all cattle born in the U.S. would officially be verified as having a U.S. origin, and no longer would meatpackers have to pay any premiums to U.S. cattle producers. What a deal!

If something smells fishy, it generally is.

But, what does this international "840" prefix – which is paramount to the government's NAIS – have to do with shortening the time to trace a suspected diseased animal back to its birthplace? Nothing.

The most important component of USDA's NAIS

scheme – the "840" number assigned to all U.S.-born livestock – has no value in tracing an animal suspected of disease back to its birthplace. How could it? Every bull, cow, heifer and steer in the U.S. that does not have an official foreign import marking, as is presently required for all cattle imported from both Canada and Mexico, is already known to originate in the United States. The "840" prefix provides U.S. health officials with no information they do not already have.

If you suspect your government is lying, quit supporting its nonsense.

NAIS is designed to increase the profitability of multinational meatpackers that want cattle producers to pay the market cost of verifying the U.S. origin of beef destined for export. NAIS accomplishes this by eliminating the current disease-oriented numbering system that uses 50 different prefixes to identify which of the 50 states the animal is from and the numbering sequence that identifies the local veterinarian who applied the identification device to the animal.

Under the existing system, a cow suspected of a disease anywhere in the U.S. would bear a metal eartag with a prefix number that identifies the state from which the animal originated. With a phone call to that state, the identity of the local veterinarian who applied the eartag and the location of the original owner could be found. Quarantine and other containment measures, if necessary, could immediately be initiated – no waiting to access a computer to access the NAIS database, no worry that data in the NAIS database may be corrupted, and no need for the federal government to maintain private data on citizens.

I urge you to contact your U.S. Senators and Representative to tell them to put a stop to this NAIS nonsense. The role of government is to protect, not to give multinational meatpackers an advantage in the international market. To learn how the government can improve our nation's ability to prevent and control livestock diseases without infringing on the rights and privileges of cattle producers, visit [www.r-calfusa.com](http://www.r-calfusa.com) and click on "Animal ID."

Check out R-CALF USA's YouTube videos at [www.r-calfusa.com](http://www.r-calfusa.com)!

Renew your membership and/or donate online at [www.r-calfusa.com](http://www.r-calfusa.com) by clicking on the 'Join!' link.

## Group Joins Coalition to Reform Broken Futures Markets

Washington, D.C. (March 25, 2009) – R-CALF USA joined with 52 other organizations in a letter to the House Agriculture Committee to thank Chairman Collin Peterson, D-Minn., and Ranking Member Frank Lucas, R-Okla., for their work on the *Derivatives Markets Transparency and Accountability Act of 2009* (H.R. 977), which would restore confidence in our nation's futures markets while protecting consumers, farmers, energy retailers, users and transporters, business operators and others that these markets were established to serve.

"In 2008, we saw events roil the futures markets, which demonstrated the need for reform of on-exchange futures and over-the-counter derivative markets," said R-CALF USA Marketing Committee Chair Dennis Thornsberry. "H.R. 977 provides sensible, balanced and common-sense reforms that will help all derivative markets work more effectively and with increased transparency.

"That increased market volatility was a result of the actions of non-traditional speculators and had serious adverse consequences for many segments of the U.S. economy," he continued. "For a period of time, farmers were unable to execute many cash-forward contracts, consumers paid more than \$4 for a gallon of gasoline, and, companies faced difficulties in managing their risks, which contributed to poor financial results that were followed by significant layoffs."

Independent of the activities in the organized futures markets, rampant speculation in credit default swaps and other financial instruments contributed to the ongoing financial meltdown and the enormous costs to taxpayers of stabilizing the financial system.

"H.R. 977 will ensure market operators cannot exploit loopholes in our regulatory system by organizing overseas," Thornsberry added. "This legislation also requires a careful review of the limits on how many futures contracts can be controlled by non-traditional speculators, and it will provide additional resources to the Commodity Futures Trading Commission (CFTC) and enhance CFTC's ability to shed light on the over-the-counter swaps market. Additionally, the proposed bill will require the vast majority of over-the-counter swaps to be cleared through an approved clearinghouse, eliminating the counterparty risk that has added instability to our markets.

R-CALF USA's member-established policy states that the futures market should be reformed to achieve the greatest transparency possible, to address the volatility in the market that is unrelated to underlying commodity fundamentals, and to restore the original purpose of the futures market as a risk-transfer device for producers and users.

"We believe H.R. 977 will help us achieve our member-passed policy and we look forward to working with the House Ag Committee to pass these meaningful reforms," concluded Thornsberry.

Note: To view/download a copy of the coalition's letter, please visit the "Competition Issues" link at [www.r-calfusa.com](http://www.r-calfusa.com).

## Group Brings Vilsack 8-Point Alternative to NAIS

Washington, D.C. (April 2, 2009) – In formal correspondence sent to Agriculture Secretary Tom Vilsack today, R-CALF USA has recommended an 8-point alternative course to the controversial National Animal Identification System (NAIS), originally forced on the U.S. Department of Agriculture (USDA) by the previous Administration.

"R-CALF USA urges Congress and USDA to immediately and completely abandon the flawed National Animal Identification System," said R-CALF USA President/Region VI Director Max Thornsberry, a Missouri veterinarian who also chairs the group's animal health committee. "Instead, we recommend that Congress and USDA focus on targeted solutions to the legitimate livestock disease-related challenges faced by U.S. livestock industries, and take steps to meaningfully address legitimate food safety challenges, as are evidenced by recent and massive recalls of meat produced in U.S. slaughtering plants."

Specifically, R-CALF USA has recommended the following eight-point alternative course:

1. Prevent the importation of serious cattle diseases and pests from foreign sources by:
  - a. Prohibiting the importation of livestock from any country that experiences outbreaks of serious zoonotic diseases, including pests, until scientific evidence demonstrates the diseases and/or pests have been eradicated or fully controlled and there is no known risk of further spread. This recommendation includes a request for an immediate ban on live cattle imports from Canada, which harbor a heightened risk for BSE.
  - b. Requiring all imported livestock to be permanently and conspicuously branded with a mark of origin so identification can be made if a zoonotic disease or serious pest outbreak occurs in the exporting country subsequent to importation.
  - c. Requiring all livestock imported into the United States to meet health and safety standards *identical* to those established for the United States, including adherence to U.S. prohibitions against certain feed ingredients, pesticide use on feedstuffs, and certain livestock pharmaceuticals.
  - d. Requiring TB testing of all imported Mexican cattle and further requiring that all Mexican cattle remain quarantined in designated feedlots until slaughtered.
  - e. Reversing USDA's efforts to carve out regions within disease-affected foreign countries in order to facilitate imports from the affected country before the disease of concern is fully controlled or eradicated.
  - f. Increasing the testing of all imported meat and bone meal to prohibit contaminated feed from entering the United States.
2. Adopt the surveillance and identification components of the preexisting brucellosis program, including the metal eartag and tattoo that identifies the state-of-origin and the local veterinarian who applied the identification devices, and require breeding stock not otherwise identified through

breed registries to be identified at the first point of ownership transfer.

3. State and Tribal animal health officials should be solely responsible for maintaining a statewide database for all metal tags applied within their respective jurisdictions and should continue to use the mailing address and/or the production unit identifier determined appropriate by the attending veterinarian to achieve traceback to the herd of origin should a disease event occur. Under no circumstances should the Federal government maintain a national registry of U.S. livestock or require the national registration of producers' real property.
4. The federal government should enter into agreements with State and Tribal animal health officials to pay for the States' and Tribal governments' costs of identifying breeding stock and maintaining the State and Tribal databases, as well as bolstering disease surveillance at livestock collection points such as livestock auction yards and slaughtering plants, including increased surveillance for BSE.
5. The federal government should coordinate with the States and Tribes to establish electronic interface standards and to establish improved communication protocols so it can more effectively coordinate with the States and Tribes in the event of a disease outbreak.
6. The federal government should coordinate with the States and Tribes to establish improved protocols for the retention and searchability of State and Tribal health certificates, brand inspection documents and other documents used to facilitate interstate movement of livestock.
7. Establish specific disease programs and focus increased resources toward the eradication of diseased wildlife in States where wildlife populations are known to harbor communicable diseases.
8. To address the challenge of increased incidences of tainted meat products, Congress and USDA must substantially reform the current hands-off inspection system known as Hazard Analysis and Critical Control Point (HACCP). HACCP has fundamentally failed to ensure adequate sanitary practices at major slaughterhouse establishments. As part of the HACCP reform, Congress should implement a requirement that meat sold at retail and at food service establishments be traceable back to the slaughterhouse that produced the meat from live animals, not just back to the processor that may have further processed tainted meat. This simple improvement would enable investigators to determine and address the actual source of meat contamination – primarily the unsanitary conditions that allow enteric-origin pathogens, such as *E. coli* O157:H7, to contaminate otherwise healthful meat.

"R-CALF USA appreciates the Secretary's consideration of these recommendations and we look forward to working with the Secretary to enhance our nation's animal disease preparedness in a manner that builds upon our past successes and does not infringe on the rights and privileges of U.S. livestock producers," Thornsberry concluded.

## Group Debuts Informational DVD

Billings, Mont. (March 25, 2009) – R-CALF USA proudly announces the rollout of its debut DVD titled "Your U.S. Cattle Industry," a 32-minute video that includes the organization's history, a brief rundown of how the government and multinational meatpackers gained significant control over the domestic cattle industry, as well as a breakdown of the specific issues that R-CALF USA believes *must* be won if control over the cattle industry is to be wrestled away from the hands of corporate agribusinesses. The DVD also contains a compare-and-contrast segment on how R-CALF USA greatly differs from other trade associations in that it *exclusively* represents the interests of independent U.S. cattle producers.

"This DVD not only is an effort to reach out to current members and potential new members, but also to reach out to consumers so they will have a better understanding of how multinational meatpackers and giant retailers exploit both producers and consumers by buying cattle below the cost of production and raising beef prices above what a competitive market would predict," said R-CALF USA CEO Bill Bullard, who narrates the piece.

"R-CALF has gained a global reputation of aggressively protecting both U.S. cattle producers and con-

sumers during its battles with USDA (U.S. Department of Agriculture) to prevent the introduction of foreign animal diseases like BSE (bovine spongiform encephalopathy) from Canada, bovine tuberculosis and fever ticks from Mexico, as well as foot-and-mouth disease (FMD) from Argentina and England," he continued. "Your membership in R-CALF USA will help to reestablish the health and safety import standards needed to protect our U.S. cattle herd from the introduction of such foreign animal diseases.

"R-CALF has attracted the attention and gained the respect of Congress, the Administration and the national media for being an organization that will effectively fight – without hesitation – for what our members stand for, despite the incredible odds," Bullard pointed out. "We have taken on many of the issues other organizations were afraid to. R-CALF has *no* packers on its board of directors, so we have no conflict of interest in representing the everyday cattle farmers and ranchers across the country."

This DVD is available for purchase at \$10 apiece for orders of one or two and \$5 apiece for orders of three or more. Please call 406-252-2516 to place an order. Each segment also is available for viewing on YouTube at <http://www.youtube.com/user/laurelrcalf>.

"We are very excited about this DVD and have tried to make it as widely available as possible," said R-CALF USA Membership Services Coordinator Laurel Masterson. "We are selling the DVD at cost, and each segment is viewable on YouTube, as a resource to our members. We hope our members will use this DVD as an informational tool at area meetings and share it with their friends and neighbors, and that those who have access to YouTube will encourage others to view the videos by sharing links with those in their e-mail address book, on blogs and others they communicate with via the Internet."

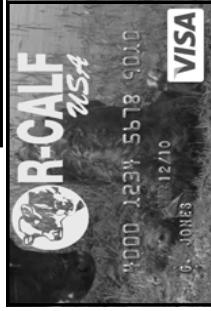
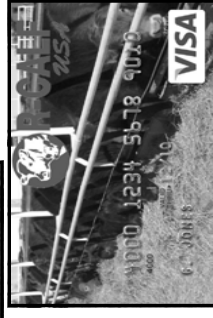
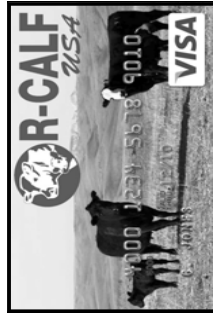
### Important!

You must activate your R-CALF USA Custom Visa card by using it at least once within the first 90 days in order for R-CALF USA to receive the \$50 bounty.

## Ballot Results

The policy resolutions voted on by members have all passed with wide margins and are now officially a part of R-CALF USA's policies. To save space R-CALF USA is not republishing the approved resolutions in this edition of the newsletter, if you saved your February 2009 newsletter they are printed in full otherwise any member who would like to see a copy of the official resolutions can either visit the web site or call 406-252-2516.

## Introducing the new R-CALF USA Custom Visa.



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## R-CALF USA Member Alert: Action Needed to Stop Clean Water Restoration Act

From Ray Cunio, Chair, R-CALF USA Private Property Rights Committee

**(May 8, 2009) - Background:** The "Federal Clean Water Restoration Act" (CWRA) is once again on the move in the current Congress. Leading the charge is Sen. Russell Feingold, D-Wis., and Rep. James Oberstar, D-Minn. The new Senate number is S 787. A number has not yet been assigned in the House, but a bill will soon be introduced. The two committees that will have jurisdiction over the proposed legislation are the House Transportation and Infrastructure Committee and the Senate Environment and Public Works Committee.

Should the CWRA become law, it would greatly expand the jurisdiction of the U.S. Army Corps of Engineers (Corps) and the Environmental Protection Agency (EPA) beyond "navigable waters" and "potential point sources pollution" as provided for in the 1972 Clean Water Act. It would broaden their scope and jurisdiction to include the surface and ground water on, and under, every square foot of the United States. The Corps and EPA would not only have control of all waters of the U.S., but in essence all land use or activity that they may deem threatening or potentially degrading to those waters. These agencies could consider any or all land use and activities to be potential sources of non-point pollution.

R-CALF USA has current member-established policy in place as follows: "Congress should not expand the Jurisdictional reach of the Clean Water Restoration Act."

**Action:** Based upon our policy we strongly urge you to immediately take the following actions:

1. Call, write, fax and e-mail both of your Senators stating your opposition to the CWRA. You can call any Senator at 202-224-3121 and ask for them by name. When you call your Senators' offices, ask for the staff person who handles the Wetlands, Corps of Engineers or the Environmental and Public Works Committee. You can also write your Senator: The Honorable \_\_\_\_\_ U.S. Senate, Washington D.C. 20510. Since time is of the essence, it may be best to call and fax. A staff person in the Senators' offices can provide you with their fax numbers and e-mail addresses.
2. Call, fax, write and e-mail your U.S. Representative stating your opposition to the CWRA. Your Congressman also can be reached at 202-225-3121 by asking for him or her by name. Ask for the staff person who handles Wetlands, the Corps of Engineers or the House Transportation and Infrastructure Committee. You can also ask them for their fax number and e-mail address. You can write any Congressman at: The Honorable \_\_\_\_\_, U.S. House of Representatives, Washington, DC 20515.

**THIS IS URGENT, PLEASE TAKE ACTION IMMEDIATELY.** This will only be stopped if Congress believes there is a groundswell of opposition, which is why your individual contacts are so important.

The CWRA should be considered the grand-daddy of all property rights threats, as it is nothing short of a complete nationwide effort at defacto land use/activity control of all private property. The climate/momentum in Congress and the Administration is now conducive for the passing and signing of this proposed legislation.

## R-CALF USA Members and Consumers Share Common Interest

Our U.S. cattle industry is constantly changing. Everyone knows that. But, not everyone is involved in initiating or directing these changes. For decades, cattle industry changes have been initiated and directed by mega-agribusinesses, which pursued liberal trade policies to facilitate trade with countries that harbor a higher risk for disease in order to gain access to more, and lower-cost, supplies. These mega-agribusinesses initiated a rapid consolidation and concentration of our meatpacking industry to put market power in the hands of only a few. They introduced new cattle procurement contracts to strengthen their control over the live cattle supply chain. And, they redefined the relationship between live cattle producers and consumers – choosing to inform consumers only of the virtues of the newly consolidated and concentrated industry structure, but not its hazards.

Meanwhile, the U.S. live cattle industry shrank rapidly. Since 1996, more than 9 million cattle were liquidated from the U.S. herd, cattle producers exited the industry at a rate of nearly 12,000 producers per year, and smaller farmers feeders exited the industry at a rate of more than 2,000 per year. Mega-agribusinesses call this progress. And so, too, do industry supporters such as the National Cattlemen's Beef Association (NCBA). But R-CALF USA was formed during this timeframe to redirect and reshape the industry – much to the chagrin of conventional industry leaders who support the industry's present course.

R-CALF USA realized from the outset there were not enough cattle producers remaining in their shrinking population to reshape and redirect the U.S. cattle industry in time to prevent the mega-agribusinesses from capturing nearly complete control of the domestic cattle industry, just as they already have accomplished in the U.S. poultry and hog industries. R-CALF USA immediately set out to reestablish a relationship with the cattle producers' indirect customer – beef consumers who share the producers' goals of ensuring that industry is their fight as well.

We have entered a new era of change, and R-CALF USA will continue to pursue its successful model of informing U.S. consumers and manufacturers about how the fight led by U.S. cattle producers to reshape and redirect the U.S. cattle industry is their fight as well.

United Stockgrowers of America

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MAY 2009

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# Cattlemen's Newsletter