



R-CALF USA ISSUE SUMMARY

Animal Health: R-CALF USA fights to strengthen our border protections to prevent the introduction of BSE from Canada, tuberculosis and fever ticks from Mexico, as well as foot-and-mouth disease from Argentina and other countries. U.S. cattle producers received the highest prices in history during the years that R-CALF's legal action delayed imports of higher-risk cattle and beef from Canada. R-CALF's lawsuit against the over-30-month (OTM) rule is still pending, and USDA has been ordered to reopen the OTM rule. R-CALF continues working to prohibit imports of OTM cattle and beef from Canada.

National Animal Identification System (NAIS): R-CALF USA opposes NAIS and believes the entire NAIS system is fundamentally flawed. For the past five years, we prevented USDA from making NAIS mandatory. R-CALF is leading the fight to prevent USDA from requiring producers to register their real property and livestock under a national database. R-CALF testified before Congress and the new Secretary of Agriculture and offered an alternative to NAIS that would improve disease traceability without infringing on the rights and privileges of U.S. cattle producers.

Country-of-Origin Labeling (COOL): R-CALF USA led the seven-year fight to pass COOL. When COOL was finally implemented in 2008, the packers brazenly refused to properly label USA beef. Instead, they labeled USA beef with a North American label that stated: "Product of the United States, Canada, and Mexico." R-CALF fought back and convinced USDA to take steps to force the packers to quit mislabeling U.S. beef. USDA did take additional steps and more and more beef is being properly labeled every day. R-CALF also provided arguments to help defend COOL against complaints filed at the WTO by Canada and Mexico. R-CALF will continue monitoring COOL's implementation to ensure that all USA beef is properly labeled.

Beef Checkoff Reform: U.S. cattle producers are prohibited from using the contributions they make to the beef checkoff program to advertise and promote USA beef. Instead, your dollars can be used only to promote *generic* beef – both imported and domestic. R-CALF successfully encouraged the introduction of legislation in Congress that would require a large percentage of beef checkoff dollars to be used to advertise and promote *only USA* beef. We will fight to pass this legislation in 2009.

Trade: Current trade policies do not protect against import surges, yet our cattle industry is highly susceptible to supply increases. The International Trade Commission states that each 1 percent *increase* in fed cattle numbers would be expected to *reduce* fed cattle prices by 2 percent. Due to this sensitivity, our industry is vulnerable to any country that decides to increase production to penetrate our market, and to any packer that decides to import into the U.S. more cattle and beef to drive down domestic prices. R-CALF USA supports amending the North American Free Trade Agreement (NAFTA) to include protections against import surges, and to include such protections in all trade agreements.

Market Concentration: After JBS acquired Smithfield Beef, four firms now control about *88 percent* of U.S. steer and heifer slaughter. These four firms use captive supplies to lower domestic cattle prices. Captive supplies are cattle owned by the packers or cattle procured through formula contracts that allow packers to remove fed cattle from the marketplace before establishing a price. R-CALF USA is fighting to end the meatpackers' use of captive supplies. Also, R-CALF successfully encouraged the Justice Department and 17 state attorneys general to block the merger between JBS and National Beef, which was an historic victory because this was the first time a merger between U.S. beef packers was blocked in several decades.

Private Property Rights: R-CALF USA members care for their livestock *and* our natural resources – our land, air, and water. In recent years, the government has attempted to expand its landholdings and control by restricting landowners' use of their own land, particularly within or near land that the government is trying to control. R-CALF is fighting to defend and protect the private property rights of its members by informing them of their rights and is fighting to prevent the infringement of those rights.