

# What's R-CALF USA Done for Me Lately?

## Substantive R-CALF USA Activities During Past 90 Days



Dec. 3: R-CALF USA submitted separate, comprehensive comments on USDA's proposed changes to the brucellosis program and to the bovine tuberculosis (TB) program. USDA has finally responded to R-CALF USA's long-standing request to increase testing and quarantine of Mexican cattle, which are a known source of TB introduction. R-CALF USA supported several of USDA's proposed changes, but objected strenuously to USDA's proposals that transfer disease control authority away from the States and attempt to implement the National Animal Identification System (NAIS).

Nov. 18: R-CALF USA drafted a letter to USDA, signed by 100 organizations, that urged the agency not to spend any of its 2010 appropriations to advance NAIS. Instead, the joint letter urges USDA to use its appropriations to end NAIS completely. R-CALF USA also joined in another letter, also signed by 100 organizations, urging Congress to stop all funding for NAIS.

Nov. 17: R-CALF USA drafted and sent a joint letter signed by 40 agriculture and consumer organizations to USDA requesting that the agency reverse the over-30-month rule (OTM Rule) that allows the importation of older cows and bulls from Canada, cattle that have a higher risk for bovine spongiform encephalopathy (BSE). The letter also requests that USDA not relax U.S. disease standards to meet the lower international standards set by the World Organization for Animal Health (OIE). The letter states that OIE standards are insufficient to protect the U.S. from the introduction of foreign animal diseases.

Nov. 16: R-CALF USA submitted comprehensive comments to the Food Safety and Inspection Service (FSIS) regarding implementation of interstate shipment of state-inspected beef, which is a new law R-CALF USA fought for and won in the 2008 Farm Bill. The comments urged FSIS not to follow through with its plan to impose stricter standards (i.e., standards the same as federal standards) on state-inspected meat plants than it requires for foreign meat plants (i.e., standards that are *equivalent* instead of *equal* to federal standards).

Nov. 16: R-CALF USA joined with 107 other organizations in a letter to the USDA Secretary that urged him to immediately suspend all direct or guaranteed loans for the construction or expansion of specialized hog or poultry production facilities. The letter explains how these loans have artificially contributed to the oversupply of these competing proteins.

Nov. 9: R-CALF USA submitted comprehensive comments to the Federal Trade Commission and the Justice Department regarding im-

provements needed in the agencies' horizontal merger guidelines, which are used to determine if antitrust enforcement is needed in a merger proposal. R-CALF USA explained why the current guidelines are inadequate for identifying antitrust activity in the cattle market (e.g. current guidelines focus on seller power not on buying power, which is the type of power that impacts cattle producers, and the current guidelines use too high an indicator for determining harm, particularly for the cattle industry that operates on thin margins).

Nov. 9: R-CALF USA submitted a formal request to the Justice Department urging it to reconsider its decision to allow the world's largest beef packer to merge with the largest chicken processor in North America. The request explained that JBS has become the largest purchaser of U.S. feeder cattle and if it is allowed control over chicken output, it could increase the volume of chicken to lower the price of feeder cattle. R-CALF USA provided studies that show beef consumption declines when poultry volumes increase.

Nov. 5: R-CALF USA participated in an NAIS Roundtable sponsored by the Livestock Marketing Association (LMA). The outcome was a consensus on a proposal to use the existing brucellosis-and tuberculosis-type surveillance system to identify breeding age animals upon change of ownership. This industry supported plan is nearly identical to the plan R-CALF USA presented to Congress when it testified before the U.S. House Agriculture Committee subcommittee in March 2009.

Nov. 3: R-CALF USA submitted comprehensive comments to the Office of the United States Trade Representative (USTR) on foreign trade barriers and sanitary and phytosanitary barriers. R-CALF USA explained that the global beef and cattle market is the most distorted market of any economic sector. The comments described severe distortions in tariffs, subsidies, and health and safety restrictions that harm U.S. producers. They also provided graphs showing the United States' severe trade deficit, losses to cattle feeders, and the fact that U.S. cattle producers did not receive price increases from increased exports for a 13-year period. And, producers received the highest nominal prices in the history of their industry when Canadian cattle imports were curtailed and U.S. exports fell to a 19-year low.

Oct. 30: R-CALF USA and 35 other organizational members of the Commodity Markets Oversight Coalition sent a letter to Congress stating that the proposed Cap and Trade bill would have huge ramifications on the operation of the commodity futures market and Congress should first determine how to prevent abuses and other futures market problems associated

with carbon trading before considering the Cap and Trade bill.

Oct. 29: R-CALF USA drafted a letter to the U.S. President, Vice-President, congressional leaders, USDA and the Justice Department that was signed also by 10 of R-CALF USA's affiliate organizations. The letter documents that the U.S. cattle feeding sector lost \$6.4 billion since Jan. 2007. It called for immediate, decisive action to alleviate the losses accruing to our industry. Specifically, the letter called for the reversal of the OTM Rule, which allows higher-risk, price-depressing imports into the U.S., and for stricter enforcement of antitrust laws, as well as a prohibition on the ongoing use of price-depressing captive supplies.

Oct. 20: R-CALF USA submitted a letter to the U.S. Senate urging support of the Feingold-Grassley Amendment that would ensure greater coordination between the Justice Department and USDA in the agencies' joint effort to restore competition in U.S. livestock markets. The amendment would have directed the agencies to look at the disparity between retail prices and producer prices in their investigations of market power.

Oct. 20: R-CALF USA and 22 other organizational members of the Commodity Markets Oversight Coalition sent a joint letter to Congress expressing recommendations regarding the Over-the-Counter Derivatives Market Act of 2009. The letter requests strengthening the definition of "manipulation" so commodity futures market abuses can be brought to an end.

Oct. 16: R-CALF USA sent a letter to the Agriculture Secretary and the U.S. Trade Ambassador explaining that they have been misled by Canada and the National Cattlemen's Beef Association (NCBA) regarding the trade balance between the U.S., Canada and Mexico. The letter points out that the U.S. has suffered an average trade deficit of \$1.3 billion in each of the past five years in trade with Canada and Mexico (cumulative loss to the U.S. over past 5 years is \$6.6 billion). R-CALF USA provided data and charts to prove the huge U.S. deficit and said because Canada and Mexico enjoy such a huge trade surplus with the U.S., unless they can show losses greater than their \$1.3 benefit, they cannot claim economic harm from the country-of-origin labeling (COOL) law.

Oct. 15: R-CALF USA sent a letter to the U.S. Attorney General that criticized the Justice Department for not conducting a full investigation on the likely impacts of the JBS/Pilgrim's Pride Merger. The letter explained that U.S. cattle producers contribute tens of millions of dollars each year to enhance beef demand relative to chicken through the beef checkoff program and the merger would undermine produc-

ers' efforts by granting JBS the tool it needs to manage cattle prices (i.e., the ability to control poultry output).

Oct. 12: R-CALF USA sent a letter to NCBA challenging NCBA's attack on COOL. R-CALF USA requested that NCBA cease withholding critical facts about the U.S. trade deficit with Canada and Mexico and cease its attacks on COOL.

Oct. 8: R-CALF USA and 43 other organizational members of the Commodity Markets Oversight Coalition sent a joint letter to Congress expressing recommendations for reforming the commodity futures market. Recommendations included the need to regulate over-the-counter swaps and derivatives and impose aggregate speculative position limits across all markets.

Oct. 6: R-CALF USA sent a letter to each of the 50 state attorneys general urging them to investigate the impact of the JBS/Pilgrim's Pride merger on the cattle producers within their respective states. R-CALF USA provided data to show that changes in poultry output cause a decrease in beef consumption that leads to lower cattle prices.

Oct. 2: R-CALF USA submitted its second comprehensive analysis of the JBS/Pilgrim's Pride merger proposal to the Justice Department. The analysis documents that beef and poultry are competing proteins, that increases in poultry volumes decrease beef consumption and also lower cattle prices, and that the merger would give JBS sufficient market power to exercise abusive market power over U.S. cattle producers.

Sept. 30: R-CALF USA sent a letter to each Member of Congress expressing strong concerns about the Cap and Trade bill. R-CALF USA explained the bill would add additional production costs to cattle producers due to, for example, the disproportionate increase in rural electric prices that would be expected from the bill.

Sept. 24: R-CALF USA joined with 28 organizations to send a letter to USDA Under Secretaries urging them to halt all USDA efforts to advance NAIS.

Sept. 21: R-CALF USA sent a letter to the Justice Department urging the agency to take enforcement action against the proposed merger between JBS and Pilgrim's Pride Corp. The letter explains that the merger would violate antitrust laws and harm U.S. cattle producers.

Sept. 18: R-CALF USA sent a letter to each member of the Homeland Security Appropriations Conference Committee urging them to deny funding to move the Plum Island, N.Y., research facility (where foot-and-mouth

disease, FMD, research is conducted) to the mainland in Manhattan, Kan. R-CALF USA explained that studies show Plum Island is a safer site for conducting FMD research and that moving the site to the mainland would present an unacceptable risk to the U.S. cattle industry.

Sept. 17: R-CALF USA joined as an amicus party in the Wheeler v. Pilgrim's Pride lawsuit. R-CALF USA and the other parties urged the federal appellate court to uphold the lower court's decision that a producer does not need to demonstrate harm to competition as a whole in order to seek protections against unfair and deceptive practices under the Packers and Stockyards Act.

Sept. 17: R-CALF USA sent a letter to each member of the U.S. House regarding the Food Safety Enhancement Act of 2009 (H.R. 2749). The letter explains that the bill fails to address food safety problems where they originate and attempts to remedy food safety problems by expanding the failed components of the current food safety system, particularly the hands-off approach to food safety inspection that was adopted in the 1990s (HACCP, aka Hazard Analysis and Critical Control Points).

Sept. 15: R-CALF USA submitted comprehensive comments to the Office of the USTR regarding the U.S.-South Korea Free Trade Agreement to explain that the agreement fails to reflect the unique characteristics of the U.S. cattle industry and does not include the congressionally mandated special rules for perishable commodities such as beef and cattle, nor does it contain adequate rules of origin (for example, the origin rule would allow a U.S.-based packer to only slaughter cattle imported from Mexico or Canada and then export the resulting beef to any country under a "Product of the USA" label).

Sept. 15: R-CALF USA submitted comprehensive comments to the USTR regarding the U.S.-Colombia Free Trade Agreement. The comments urged USTR to reject the agreement because it completely ignores the unique characteristics of the U.S. cattle industry and likely would harm farmers and ranchers, consumers, and the rural communities all across America that are economically dependent on a vibrant U.S. cattle industry. The comments further explained that the U.S. cattle industry already is overwhelmed by a substantial trade deficit and that Colombia, with nearly 27 million cattle, has the potential to significantly increase exports to the U.S., particularly after it resolves its FMD problems.

Sept. 10: R-CALF USA joins with 93 other organizations to send a joint letter to the Ag-

riculture Appropriations Conference Committee that urged them to zero-out completely all funding for NAIS.

Sept. 9: R-CALF USA submitted its comprehensive analysis of the Food Safety Enhancement Act of 2009 (H.R. 2749) to each member of the U.S. Senate and made recommendations as to how to improve food safety. R-CALF USA explained that current policies facilitate the continued concentration and consolidation of the industry, which is inherently dangerous to both food safety and national food security. The letter also explains that: 1) the adoption of weaker international standards rather than to implement standards specific to the U.S. has contributed to food safety problems; 2) the failure to trace food back to the packing plant where the contamination originated is eroding consumer confidence; 3) relaxed import standards are threatening food safety; and, 5) Congress must restore hands-on food inspections at packing plants.

Sept. 8: R-CALF USA sent a memorandum to the Justice Department and USDA informing them of a complaint by a U.S. auction yard owner that described how several independent cow packers were sharing one buyer for cow purchases, resulting in lack of competition for cows and bulls.

Sept. 7: R-CALF USA sent a memorandum to USDA and the U.S. Senate Agriculture Committee Chairman that demonstrated with charts and data that Canada has significantly reduced its testing for BSE, which significantly decreases the probability that Canada will continue detecting cattle infected with the disease.

Sept. 3: R-CALF USA drafted and sent a letter signed by 25 organizations to each member of the U.S. Senate Homeland Security Appropriations Committee urging them to deny funding to relocate the Plum Island, N.Y., research facility to the mainland in Manhattan, Kan.

Sept. 1-4: R-CALF USA met with USDA officials in Washington, D.C., that included reps from the Office of the Secretary and the Foreign Agricultural Service (FAS) and with reps from several congressional offices. R-CALF USA provided charts showing examples of market failure in the U.S. cattle industry, a trade presentation showing the U.S. cattle industry's persistent trade deficit, and a white paper on improvements needed to U.S. animal health policies. The white paper called for immediate action to rescind the USDA's OTM Rule and to require all cattle imported from Mexico to be tested for bovine tuberculosis and held in designated feedlots until slaughter.