

R-CALF United Stockgrowers of America

"Fighting for the U.S. Cattle Producer"

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Op-Ed

Beef Exports and NCBA: Part of the Problem, or Part of the Solution?

This piece is authored by R-CALF USA Region VII Director Eric Nelson, a farmer and cattle feeder from Merville, Iowa. For additional bio information or a mug shot of Nelson, contact R-CALF USA Communications Coordinator Shae Dodson. Region VII includes the states of Illinois, Indiana, Iowa, Michigan, Minnesota and Wisconsin.

Billings, Mont. / Merville, Iowa – Last week, the U.S. International Trade Commission (ITC) released a report that illustrates how exports of beef from the U.S. have been significantly depressed since 2003 as a result of the outbreak of BSE (bovine spongiform encephalopathy) in Canada. Jay Truitt, formerly with the National Cattlemen's Beef Association (NCBA), testified to this depressed state of exports at an ITC hearing on the matter in November 2007. He listed country after country that had reduced purchases of beef from the U.S. after the BSE scare. He also listed the billions of dollars lost by cattle producers per year since 2003 because of these lost exports markets.

After the ITC released its report on Oct. 7, NCBA issued a news release that clamored about all of the lost revenue to the cattle industry. The interesting point is this: neither in last year's testimony, nor in last week's news release has NCBA offered any solutions – only complaints about how lost trade is hurting the industry. Well, you're either part of the solution, or part of the problem.

R-CALF USA, on the other hand, has been steadfast in its belief that the lost confidence of our trading partners (due to BSE) could be corrected by allowing packers to test carcasses for BSE. This would allow our trading partners to get what their consumers want: beef that is tested free of BSE. While R-CALF USA proposed BSE testing as a possible solution to this trade shortfall at last year's ITC hearing, NCBA opposed testing for BSE. And still, to my knowledge, NCBA has not offered *any* proposal that would restore the confidence of our trading partners. Not surprising, given the close relationship between others in the *beef* industry – the American Meat Institute and the National Meat Association – and NCBA.

The ITC study, and NCBA's reaction to it, demonstrates the huge gulf that exists in our industry. If it is true that the U.S. cattle industry lost \$11 billion from 2004 through 2007 due to reduced exports, then why were U.S. cattle prices so severely depressed during the 1990s and up through 2002, which was *before* we lost \$11 billion in exports? And, why did U.S. cattle prices increase dramatically, reaching historic highs from 2004 through 2007, the very years that these exports were significantly reduced? Answers to these questions cannot be found in the ITC study, and NCBA is not even asking these questions. Isn't it time for U.S. cattle producers to begin looking at our industry through the eyes of cattle producers and not beef packers? I personally found 2004 through 2007 to be among some of the best years I have ever experienced during my 30 years in the cattle business.

Perhaps there are factors other than exports that are more important to the profitability of U.S. cattle producers – factors like managing imports and maintaining competitive markets – but which are being largely ignored because the entire industry has been conditioned to focus exclusively on exports for its profitability.

If you're wondering how I know these things, I represented R-CALF USA at the November 2007 ITC hearing – and testified on behalf of independent *live cattle* producers.

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R-CALF USA (Ranchers-Cattlemen Action Legal Fund, United Stockgrowers of America) is a national, non-profit organization dedicated to ensuring the continued profitability and viability of the U.S. cattle industry. R-CALF USA represents thousands of U.S. cattle producers on trade and marketing issues. Members are located across 47 states and are primarily cow/calf operators, cattle backgrounders, and/or feedlot owners. R-CALF USA has dozens of affiliate organizations and various main-street businesses are associate members. For more information, visit www.r-calfusa.com or, call 406-252-2516.

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