

Farm Business Communications and *The Alberta Express* - - - August 23, 2004

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Playing both sides of the field

By Sheena Read

To sue or not to sue, that is the question.

At least it is for a group of Alberta feedlot owners and ranchers who are taking the stand that some American cattle owners are operating under questionable practices by buying cattle in Canada and profiting from a closed border situation.

In July, a group of southern Alberta feedlot owners prepared to roadblock a shipment of 250 head of beef destined for Cargill Foods in High River from Chinook Feeders near Nanton.

These cattle had been discovered to be owned by members of Ranchers-Cattlemen Action Legal Fund, United Stockgrowers of America (R-CALF USA), an American lobby group that has been actively trying to keep Canadian beef out of the USA, and to keep the borders closed.

The cattle had only been in the Chinook Feeders lot for three weeks, and had been flipped through several owners in what the Alberta feedlot owners say is an effort to disguise who the real owners are.

The cattle had come in weighing an average of 1180 pounds, and went out three weeks later at 1215.

When the owners of Chinook Feeders discovered what they had been feeding, and what was about to go to Cargill, they passed the word along and the roadblock was scheduled.

As word leaked out regarding the impending roadblock the shipment was cancelled, only to be re-scheduled and processed later. This marked an end to Cargill processing R-CALF cattle in Canada.

“We will not knowingly purchase or take on or do business with cattle directly or indirectly associated with R-CALF members or those affiliated with R-CALF,” says Cargill spokesman Robert Meijer.

Meijer says that Cargill is counting on help in identifying where those cattle are, and this is going to be a hard task in light of the rapid changing of owners.

“Everyone’s got to work together on this.”

This is now a Canadian-based policy, which does not extend across the border to American cattle on American soil. It will be in place, Meijer says, until the border opens to Canadian beef.

“We don’t accept the position that R-CALF has taken in the US,” says Meijer.

There are an estimated 80,000 head of American cattle sitting in feedlots in Alberta right now.

In May, R-CALF successfully lobbied to block additional exports of Canadian beef into the US, citing that there was a question of the safety of Canadian beef. A Montana district court judge placed a temporary restraining order on importing of beef products, which was followed by the United States Department of Agriculture and R-CALF reaching an agreement where the USDA will not reintroduce more products until a decision is made on the proposed rule to import these products, live cattle and beef from cattle over 30 months.

The issue of questionable practices comes from when the cattle were first purchased by the R-CALF members.

Some of these 80,000 were bought last fall, but 300 to 400 head were bought as recently as Feb. 28, causing speculation that the R-CALF members were expecting the border to open to Canadian beef in spring, as was anticipated, and were planning on profiting off the Canadian BSE-induced low prices.

What threw a wrench into the plan was the discovery of the second BSE-infected cow in Washington State that had Canadian origins. This delayed the border opening, and also delayed the moving of those 80,000 head across the border to much higher sale prices.

The question remains on what to do with the American cattle sitting in the feedlots.

Canadian Cattlemen for Fair Trade spokesman and feedlot owner Rick Paskal says, "Who cares what happens to them? It's not a question of them being treated inhumanely."

The consensus between some of the feedlot owners during an August 12 press conference is that the animals will continue to be fed, and the R-CALF owners will continue to be billed for that. The cattle can also be removed and placed on hay and will continue to be healthy animals. Left long enough, they will become oxen, and can be used to plow fields, they joke.

If feed bills cannot be paid by the R-CALF owners, then ownership rights will transfer to the feedlots.

Larry Nolan of Nolan Cattle has about 200 head of R-CALF cattle in his lots. On Aug. 10 he received an offer from the owner to have ownership signed over into his name.

"I guess they're getting pretty frustrated," he says, because nobody will slaughter them.

"I've been offered a good price on them," Nolan says, but he refused it. He doesn't want to get stuck with them either.

"We don't want anyone slaughtering these cattle, even if it's third hand," Nolan says.

John vander Heyden has three feedlots in Picture Butte operating at a third of capacity. He doesn't have any of the R-CALF cattle in his lots, but he'd like to, just for the opportunity to get some enjoyment out of having those cattle in his lot and watching the rising feed bills that will make the R-CALF people squirm.

"If our beef is supposed to be so unsafe, what the blazes are they doing coming up here and buying thousands and thousands of cattle?" he asks. He adds that those R-CALF buyers were "drooling for the opportunity to make money off keeping the border closed. It strictly has nothing

to do with science, and everything to do with profit.”

It goes against everything that vander Heyden believes in.

“We do business very honourably in our three feedlots. You do what’s right,” and that’s a way of life still in the cattle industry, where a handshake is still as good as gold, he says.

Allan Lively of Highwood-Pincher Creek Livestock Auction says he will not knowingly sell any of the R-CALF animals.

“It would be political suicide,” he says.

Lively is of mixed thoughts on the R-CALF situation. On one hand, he thinks that because the R-CALF animals are fats, they wouldn’t be moving through the auctions.

He doesn’t think there are many R-CALF animals left in Alberta though, and thinks that many have been sold and processed even before the animals were discovered at Chinook Feeders.

Chances are slim, though, that animals would have been recognized as being R-CALF, after being sold and re-sold as they have been.

However, Lively says if there’s one thing that this situation has done, it has made the auction markets in High River and Pincher Creek more aware of what cattle are coming in, and they are checking them more closely.

R-CALF is a non-profit organization founded in 1998, which now has 10,000 members in 46 states. Its mandate is to represent US cattle industry in national and international trade issues and to ensure continued profitability and viability of US cattle producers.

Its founding case in 1998 was filing a live cattle and anti-dumping (selling at below the cost of production) case against Canada and Mexico, and a countervailing (subsidizing) case against Canada.

Vander Heyden says that his operation was one of those investigated. Although the case was eventually settled in favour of the Canadian operators, and no wrongdoing was found, the issue still cost thousands of dollars and lost hours to deal with.