

Fighting for the U.S. Cattle Producer!



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October 31, 2017

The Honorable Sonny Perdue
Secretary of Agriculture
U.S. Department of Agriculture
1400 Independence Ave., S.W.
Washington, D.C. 20250

The Honorable Robert Lighthizer
Office of the U.S. Trade Representative
600 17th St NW
Washington, DC 20006

Dear Secretary Perdue and Ambassador Lighthizer:

An article published today in *Meatingplace* states that an official from the U.S. Meat Export Federation (USMEF) “issued a warning about the future of U.S. exports in light of Trump administration positions on such trade pacts as the North American Free Trade Agreement (NAFTA) and the Trans-Pacific Partnership (TPP).”¹

The article quotes Phil Seng, USMEF CEO, as saying, *inter alia*, ‘Leaving NAFTA would be a mistake and even thinking of leaving NAFTA would be a mistake.’²

Mr. Seng’s ‘warning’ and public statement undermine President Trump’s efforts to rewrite NAFTA or, if that is not in America’s best interest, to do precisely what Mr. Seng warns against – to leave NAFTA.

Mr. Seng’s ‘warning’ and public statement on behalf of the USMEF indisputably constitute actions intended to influence governmental policy and action, which is an expressly prohibited use of government-extracted monies collected from America’s cattle ranchers under the mandatory Beef Promotion and Research Order (Beef Checkoff Program).³

¹ USMEF sees strong 2017 results but warns about trade pacts, Chris Scott, *Meatingplace* (October 31, 2017), available at <http://www.meatingplace.com/Industry/News/Details/76214>.

² *Id.*

³ § 1260.169 (e) (“No funds collected by the Board under this subpart shall in any manner be used for the purpose of influencing governmental policy or action, except to recommend to the Secretary amendments to this part.”).

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Yet, the USMEF recently received about \$9 million in government-extracted Beef Checkoff Program dollars from American cattle ranchers in FY 2018,⁴ and received millions of dollars in previous years as well.⁵

We respectfully request that USDA initiate an investigation to determine if Beef Checkoff Program monies were used “in any manner”⁶ to unlawfully support the USMEF’s actions designed to influence United States trade policy. In particular, we urge an investigation to determine if any of Mr. Seng’s salary is cross-subsidized by Beef Checkoff Program dollars, if the USMEF’s communication’s services (*i.e.*, those that Mr. Seng used to participate in the conference call during which he issued his trade policy warning to *Meatingplace*) are cross-subsidized, if the office location from which he issued his warning is cross-subsidized, or if any of Mr. Seng’s travel expenses, during which travel Mr. Seng disseminated this or other ‘warning[s]’ about United States trade policy, were cross-subsidized.

Unlike the multinational corporations whose interests the USMEF represents, R-CALF USA’s rancher-members fully support President Trump’s renegotiation and, if necessary, withdrawal from NAFTA. This is because they have been harmed by the persistent, annual NAFTA trade deficit that America’s ranchers have been forced to endure for decades. For example, during the past three years, 2014-16, the United States suffered deficits in the trade of cattle, beef, beef variety meats and processed beef with NAFTA countries of \$3.8 billion, \$4.9 billion, and \$3 billion, respectively.⁷

Please let me know what actions your respective agencies will take in response to this complaint.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Bullard". The signature is stylized and cursive.

Bill Bullard, CEO

Cc: Select Members of Congress

⁴ See Authorization Request for FY 2018, available at <https://www.beefboard.org/library/files/FY18%20ARs%20-%20FINAL/1840%20FM%20USMEF.pdf>.

⁵ See, e.g., *id.*

⁶ See *supra*, fn. 2.

⁷ Data downloaded using the USDA Foreign Agriculture Service Global Agricultural Trade System.