

CATTLE INDUSTRY

LONG RANGE PLAN

2021-2025

Vision

To be a profitable and viable United States agricultural industry that supports rural communities and is comprised of widely dispersed family-owned and family-operated cattle farms and ranches whose owners and operators are free to make their own production and marketing decisions.

Mission

Achieve long-term prosperity of independent United States cattle farmers and ranchers and the rural communities they support by restoring robust marketplace competition for cattle, and rebalancing the disparate market power now concentrated in both domestic and export markets for cattle and beef.

Industry Objectives

1. **GROW** domestic and export demand for beef from United States-born, United States-raised and United States-harvested cattle by promoting the United States' unparalleled commitment and investment to cattle husbandry practices, beef quality and safety.
2. **IMPROVE** cattle-sector profitability for United States cattle farmers and ranchers by expanding available marketing outlets and increasing both competition and transparency within domestic and export markets for cattle and beef.
3. **INTENSIFY** efforts to preserve and protect the liberty and freedom of United States independent cattle producers to adopt production practices of their choosing based on their assessment of competitive market forces.
4. **ELEVATE** the United States cattle industry's critical role in achieving the United States' food security needs for an uninterrupted supply of high-quality, United States-produced beef protein.

Grow demand for U.S. cattle by growing demand for U.S. born, raised and harvested beef.

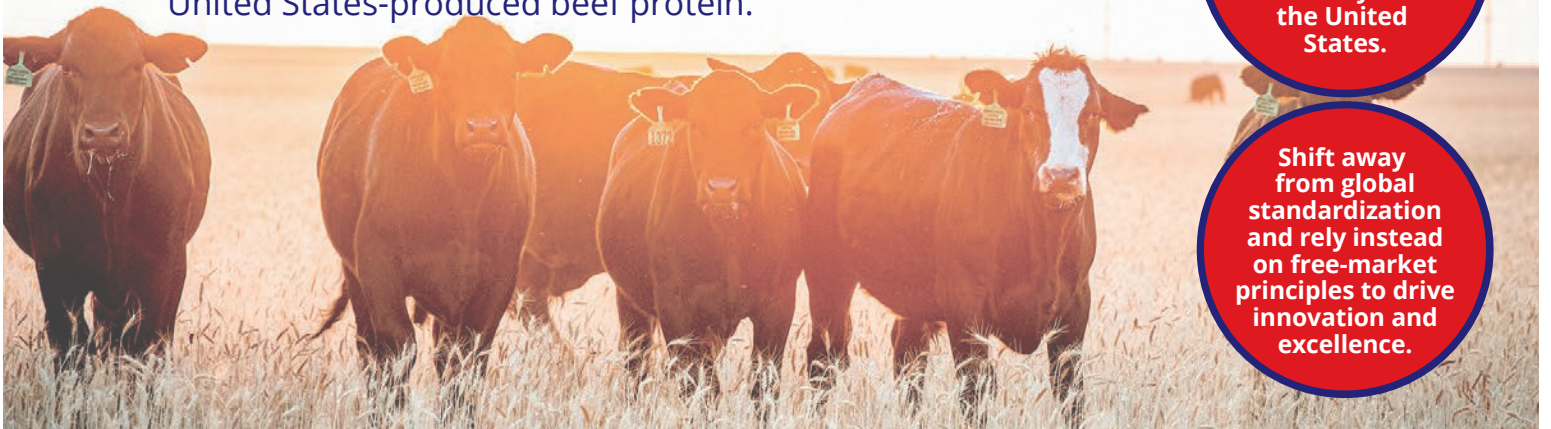
Increase competition and market transparency for U.S. born and U.S. raised cattle.

Preserve and protect the liberties and freedoms of U.S. independent cattle producers.

Reform the cattle industry's legal and regulatory framework so U.S. cattle producers can protect the marketplace on their own.

Strengthen the U.S. cattle industry's role in achieving lasting food security for the United States.

Shift away from global standardization and rely instead on free-market principles to drive innovation and excellence.



GROW DEMAND FOR UNITED STATES BY GROWING DEMAND FOR UNITED STATES BORN, RAISED AND HARVESTED BEEF:



- Immediately pass the American Beef Labeling Act to require all beef from cattle harvested in the United States to be labeled as to where the animal was born, raised, and harvested, and require all beef from cattle harvested in a foreign country to retain its foreign country of origin label through retail sale.
- Repeal the current beef checkoff program that prohibits the promotion, marketing and advertisement of beef exclusively born, raised and harvested in the United States.
- Develop a nationwide, producer-oriented program for the promotion, marketing and advertisement of beef exclusively born, raised and harvested in the United States.
- Reform international trade rules that erroneously declare the origin of beef as the country in which the animal was merely harvested.
- Engage with consumer-oriented groups to educate them on the economic and health advantages of supporting the domestic live cattle industry by purchasing beef from cattle born, raised and harvested in the United States.
- Encourage American pet food manufacturers to source protein ingredients from cattle exclusively born, raised and harvested in the United States.





INCREASE COMPETITION AND MARKET TRANSPARENCY FOR U.S. BORN AND RAISED CATTLE:

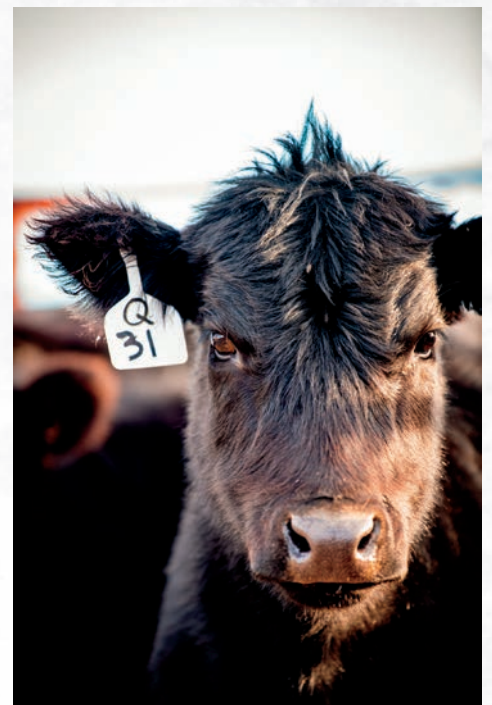


- Immediately pass the 50/14 Spot Market Protection Bill to create an enforceable law requiring packers to purchase at least 50% of their cattle from the ultra-thin cash market, which will immediately increase market competition and price transparency.
- Vigorously enforce United States antitrust laws and the Packers and Stockyards Act, ensuring they are properly interpreted as laws intended to protect both competition and competitors from abusive market power, and update those laws if they provide insufficient protections.
- Pass legislation to ban packer ownership and control of cattle and the use of unpriced formula-type contracts.
- Promote and encourage development of more local and regional beef packing capacity. Examples of such encouragement include support for the Processing Revival and Intrastate Meat Exemption Act or the PRIME Act and Expanding Markets for State-Inspected Meat Processors Act and the New Markets for State-Inspected Meat and Poultry Act.
- Amend the Livestock Mandatory Reporting Act to eliminate confidentiality guidelines that prevent reporting in regions lacking robust competition.
- Increase opportunities for cattle producers to retain ownership of their cattle through the sale of beef directly to consumers through new and innovative lending and marketing programs.

PRESERVE AND PROTECT THE LIBERTIES AND FREEDOMS OF U.S. INDEPENDENT CATTLE PRODUCERS:



- Stop government overreach by prohibiting the U.S. Department of Agriculture from mandating premises registration, radio frequency identification (RFID), or certifications associated with production practices as conditions for accessing markets or engaging in interstate commerce.
- Empower U.S. cattle producers to hold the government-controlled beef checkoff program accountable by conducting periodic producer referendums on the beef checkoff program.
- Encourage development of export markets for beef exclusively born, raised and harvested in the United States while ensuring the adoption of export-related production and verification standards remains purely voluntary so United States producers can choose whether or not to produce for the export market.
- Reverse the government's restrictions and limits on grazing and water rights on federally managed lands and restore the allotment owners' surface rights so they can manage their operations in accordance with customary animal husbandry practices.



CATTLE INDUSTRY

LONG RANGE PLAN *core strategies and goals*

Grow demand for United States cattle by growing demand for U.S. born, raised and harvested beef:

1. By 2025, 100% of beef sold at retail and 40% of beef sold at food service establishments is labeled as to where the animal was born, raised and harvested.
2. By 2025, at least 90% of all domestic beef advertisements paid for by a producer-paid checkoff program are advertising beef exclusively born, raised and harvested in the United States.
3. Increase the number of domestic pet food manufacturers that source exclusively U.S. born, raised and harvested beef and beef products by 10% each year.

Increase competition and market transparency for U.S. born and raised cattle:

1. In 2021, increase the nationwide volume of fed cattle sold in the fed cattle cash market to at least 50% and maintain at least this percentage through 2025.
2. By 2025, completely end the ownership and control of cattle for more than 14 days and the use of unpriced formula-type contracts by packers that own multiple beef packing plants.
3. By 2025, increase the share of fed cattle slaughtered by packers that own only one packing plant to at least 35%.

Strengthen the U.S. cattle industry's role in achieving lasting food security for the United States:

1. By 2025, the consumption of beef from cattle born, raised and harvested in the United States will constitute at least 90% of domestic beef consumption.
2. By 2025, the incidence of meat recalls resulting from imported beef will be substantially reduced.
3. By 2025, the incidence of foreign animal disease introduction from foreign countries will be substantially reduced.

Preserve and protect the liberties and freedoms of U.S. independent cattle producers:

1. In 2025, U.S. cattle producers remain free to choose among a variety of animal identification devices when shipping cattle across state lines without a mandate that they must use a particular technology or register their premises with a private or governmental entity.
2. By 2025, U.S. cattle producers will have had the opportunity to vote in a beef checkoff referendum.
3. By 2025, beef destined for the export market will only be labeled a "Product of USA" if the beef was exclusively from cattle born, raised and harvested in the United States.
4. By 2025, ranchers will report that previously reduced grazing restrictions on their allotments have been lifted.

Reform the cattle industry's legal and regulatory framework so U.S. cattle producers can protect the marketplace on their own:

1. By 2025, both producers and beef packers will understand what constitutes unfair, deceptive and unjustly discriminatory practices prohibited under the Packers and Stockyards Act.
2. By 2025, both producers and beef packers will understand what constitutes an undue or unreasonable preference or advantage in the cattle procurement market.
3. By 2025, and because of the new clarity and understanding regarding what constitutes unlawful conduct, substantially fewer instances of anticompetitive market conduct will be reported under the Packers and Stockyards Act.

Shift away from global standardization and rely instead on free market principles to drive innovation and excellence:

1. Through 2025, U.S. cattle producers will not be compelled to meet globally established production standards to obtain access to domestic markets, though producers may voluntarily do so if such standards present opportunities for greater profitability.
2. By 2025, substantially more small- to mid-sized feedlots will be in business and they will be more geographically widespread than in 2019.
3. By 2025, there will be substantially more, and more geographically widespread beef packing plants across the United States.

Fighting for the Independent U.S. Cattle Producer

R-CALF
★★★★ **USA** ★★★★★

2021-2025

U.S. CATTLE INDUSTRY

2023 LONG RANGE PLAN *updates*

- The American Beef Labeling Act, which restores mandatory country of origin labeling (MCOOL) for beef, is expected to be reintroduced in Congress early this year. R-CALF USA formed a coalition of national organizations representing farm, ranch, rural, consumer, environmental, manufacturer and worker interests to expedite the enactment of the American Beef Labeling Act.
- The USDA wrote rules clarifying when the voluntary “Product of USA” label can be used for beef. The rule is at the Office of Management and Budget (OMB). After its approval, R-CALF USA will then review the proposed rule and submit comments before it is finalized.
- Though the U.S. Supreme Court denied hearing the first of two lawsuits R-CALF USA filed against the unconstitutional beef checkoff program, it forced USDA to take control over beef checkoff messaging and empowered producers to opt out of funding their state beef council if they disagree with its speech. The second lawsuit alleges USDA violated the law when, to satisfy our first lawsuit, it assumed control over the state beef councils’ messaging without conducting a required rulemaking.
- Five new economic studies all published in 2022 indicate the alternative marketing arrangements (AMAs) that predominate the cattle market, combined with packer concentration, are contributing to depressed cattle prices and higher beef prices. These studies are The Analytic Failures of The U.S. Beef Supply Chain: Issues and Challenges by Peter C. Carstensen; Multi-Plant Coordination by the Center for Agricultural and Rural Development, Iowa State University; Buyer Power in the Beef Packing Industry: An Update on Research in Progress by Garrido, Miller, Kim, and Weinburg; and Harvested Cattle, Slaughtered Markets? and Risk Shifting via Partial Vertical Integration Beef Packers’ Acquisition of Slaughter Cattle by C. Robert Taylor.
- Discovery is expected to continue across 2023 for R-CALF USA’s historic class-action antitrust lawsuit filed in 2019 that alleges the Big 4 packers violated the Sherman Antitrust Act, the Packers and Stockyards Act, and the Commodity Exchange Act. The next major step is R-CALF USA, NFU and the other named feeder plaintiffs will ask the U.S. District Court to certify that their claims should proceed on behalf of all feeders who sold fat cattle to Tyson, National Beef, Cargill, or JBS from January 1, 2015, to present, and everyone who traded live cattle futures or options during that period. If the Court grants R-CALF USA’s motion all those feeders and cattle futures traders would be included in Plaintiffs’ proposed class, without the need to file separate suits or engage separate legal counsel.
- The Meat and Poultry Special Investigator Act was passed by the Senate agriculture committee last session and will likely be included in the 2023 Farm Bill. It establishes the Office of the Special Investigator for Competition Matters that will investigate and prosecute violations of the Packers and Stockyards Act. Congress included a \$5,000,000 increase for P&S Act oversight and enforcement.
- The Livestock Mandatory Reporting Act, which requires large packers to report purchases and sales to USDA, was extended to September 2023.
- A new Cattle Contracts Library Pilot Program requires the Big 4 packers to report all the information that’s in the contracts between packers and cattle producers for the purchase of fed cattle.

- R-CALF USA launched www.usabeef.org, a free website, that connects consumers with nearby farmers and ranchers who can sell them beef that is exclusively born, raised, and harvested in the United States.
- The U.S. Supreme Court has asked the federal government to respond to R-CALF USA's petition to appeal a lower court's dismissal of our lawsuit to prohibit mandatory radio frequency identification (RFID) eartags on adult cattle moving interstate. Meanwhile, the USDA plans to issue a proposed rule on RFID. R-CALF USA will review the proposed rule and submit comments.
- The petition requesting a referendum on the termination of the beef checkoff program reached its deadline in 2021. The petition gained over 29,000 signatures of U.S. cattle owners but fell short of the 88,200 signatures necessary to call for a referendum.
- In accordance with the President's Executive Order on Competition, the USDA issued the proposed rule, *Inclusive Competition and Market Integrity Under the Packers and Stockyards Act*, that specifies packer conduct that violates the P&S Act's prohibitions against unfair, deceptive and unjustly discriminatory practices. Under the Order, the USDA is expected to also clarify that producers subject to unfair practices and undue preferences do not have to prove industry-wide harm to be protected under the P&S Act. R-CALF USA expects the USDA to issue that proposed rule in 2023.
- The Department of Justice and the USDA launched farmerfairness.gov, a website to allow farmers and ranchers to report anticompetitive practices. The complainants' confidentiality will be protected to the fullest extent allowed under the law.

R-CALF USA is encouraging the reintroduction of the following additional legislation in the new session of Congress:

- A bill to foster efficient markets and increase competition and transparency among packers that purchase livestock from producers, also known as the 50-14 Spot Market Protection Bill
- The Protecting America's Meatpacking Workers Act (PAMWA)
- The Opportunities for Fairness in Farming (OFF) Act
- The Voluntary Checkoff Program Participation Act
- A bill to require the establishment of a working group to evaluate the food safety threat posed by beef imported from Brazil, and for other purposes
- The Food and Agribusiness Merger Moratorium and Antitrust Review Act
- A resolution to direct the Federal Trade Commission to investigate and report on anticompetitive practices and violations of antitrust law in the beef packing industry
- The Processing Revival and Intrastate Meat Exemption (PRIME) Act
- The New Markets for State-Inspected Meat and Poultry Act
- The Strengthening Local Processing Act and the Feed America by Incentivizing Rural (FAIR) Meat Packing Act

Action Steps To Turn the Long Range Plan Into Success

1

JOIN R-CALF USA

- Becoming an R-CALF USA member is the single most important step you can take to help shape the direction of your industry. More voices are needed to help pass important legislation and make a difference.
- R-CALF USA is the largest producer-only cattle trade organization in the United States. With many state and local affiliate organizations, R-CALF USA has established a firm leadership role.
- Members consist of independent cow-calf operators, cattle backgrounders and feedlot owners, and various main street businesses and consumers who are committed to preserving the legacy of America's family farm and ranch system of cattle production.

2

CONTACT CONGRESS

- Call the U.S. Capitol Switchboard at **202-224-3121** and ask for your Senators and Representative by name.
- Inform each of them that you are an independent business man or woman that raises cattle, a main street business, or a consumer and that you are a member of R-CALF USA.
- Tell them you need them to support and pass the American Beef Labeling Act.
- Send them a copy of the *U.S. Cattle Industry Long Range Plan*.

3

GET INVOLVED LOCALLY

- Help educate others to understand the impact the American Beef Labeling Act will have on them and their businesses, and ask them to lend their voices to help pass important legislation.
- Share fact-based, issue-related posts on social media.
- Write letters to the editor of your local newspaper and include the names of your Senators and Representative.
- Join your local county/state R-CALF USA affiliate organization.
- Ask your neighbor, feed store, equipment dealer, vet, banker and others to join R-CALF USA.
- Encourage your breed, AI and marketing associations to get involved.



As of January 1, 2019, renewals are \$100 each year or \$275 for 3 years. New payment renewal options are available at www.r-calfusa.com.

Check One:

- 1 Year New Member \$50
- 3 Year New Member \$250
- 1 Year Membership Renewal \$100
- 3 Year Membership Renewal \$275

Do you own cattle? Circle one: Yes No

Do you own sheep? Circle one: Yes No

R-CALF USA membership information is kept confidential.

First and Last Name:

Company Name:

Mailing Address:

City, State, Zipcode:

County:

Home Phone (If different then cell phone.):

Cell Phone (For texts*):

Yes, I want to receive text alerts.

E-mail:

Yes, I want to receive emails.

Yes, I want to receive my magazine and newsletter via email when available.

Card # _____

Expiration _____ Security Code _____

Signature _____

Join online at www.r-calfusa.com or mail with payment to: **R-CALF USA , PO Box 30715 Billings, MT 59107**



REFORM THE CATTLE INDUSTRY'S LEGAL AND REGULATORY FRAMEWORK SO U.S. CATTLE PRODUCERS CAN PROTECT THE MARKETPLACE ON THEIR OWN:



- Implement regulations to clarify that cattle producers subject to unfair packer buying practices do not need to show injury to competition to obtain protections under the law.
- Implement a law or regulation to clarify that packers engaged in unfair or deceptive conduct that harms cattle producers cannot claim a business justification for their actions.
- Amend the law to allow cattle producers to recover attorney fees after successfully enforcing provisions of the Packers and Stockyards Act.

STRENGTHEN THE U.S. CATTLE INDUSTRY'S ROLE IN ACHIEVING LASTING FOOD SECURITY FOR THE U.S.:



- Restore the U.S. Department of Agriculture's mission to strengthen the United States family farm and ranch system of cattle production.
- Educate members of Congress on how United States food security is strengthened by refocusing on policies that promote and support the domestic live cattle supply chain.
- Initiate measures to limit imports of cattle and beef from countries that persistently maintain trade surpluses with the United States.
- Increase production of beef produced exclusively from cattle born, raised and harvested in the United States to at least equal the volume of United States beef consumption.
- Ban all imports from countries not declared free of foot-and-mouth disease (FMD), including from countries declared free of FMD only because they vaccinate and from countries with a history or risk of introducing other foreign animal diseases such as bovine tuberculosis and brucellosis.
- Ban the introduction of any live FMD virus onto the U.S. mainland for any purpose.
- Support research to explore the feasibility of increasing lean beef production in the U.S. to lessen reliance on imports and increase opportunities for current and aspiring cattle producers.
- Require all imported livestock to meet identical, not merely equivalent production standards as required in the United States, including the use of pest controls and veterinary biologics, and require all imported beef to meet food safety standards that are at least equal to United States standards.
- Require more regular testing and inspection of foreign beef packing plants that export beef to the United States.

SHIFT AWAY FROM GLOBAL STANDARDIZATION AND RELY INSTEAD ON FREE MARKET PRINCIPLES TO DRIVE INNOVATION AND EXCELLENCE:



- Encourage investment in the live cattle industry's competitive marketing channels, including investments to address decades-old slaughtering plants; more widely dispersed packing plants and feedlots; and to support local and regional livestock auction markets to increase price discovery for all classes of cattle.
- Maximize production and marketing choices for cattle producers by relaxing government and industry efforts to mandate global-production standards and certifications as a condition to market access.





*To Help All U.S. Cattle Producers:
Renew Your R-CALF USA Membership or Join Today!*

Ranchers-Cattlemen Action Legal Fund, United Stockgrowers of America (R-CALF USA) is the largest producer-only cattle trade association in the United States. It is a national, nonprofit organization dedicated to ensuring the continued profitability and viability of the U.S. cattle industry.

R-CALF USA works on various issues that impact the continued profitability and viability of independent U.S. cattle producers, such as mandatory country of origin labeling, checkoff reform, animal identification, livestock price reporting, animal health concerns, captive supplies and packer ownership of livestock, as well as various trade agreements.

**For more information, visit www.r-calfusa.com or call 406-252-2516.
R-CALF USA, PO Box 30715, Billings, MT 59107**

