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Members of the United States Senate  
United States Senate  
Washington, D.C. 20510

Dear U.S. Senator,

On behalf of U.S. cattle farmers and ranchers, I want to explain the importance of the Livestock Title in the 2007 Farm Bill. The Livestock Title will ensure that independent business people like me have the opportunity to remain profitable and can continue providing economic support to my rural community and state.

Agriculture Committee Chairman Tom Harkin's Livestock Title contains provisions important to the cattle industry including: 1) Establishment of a Special Counsel for Agricultural Competition to enforce the Packers and Stockyards Act (PSA); 2) Requirement for regulations to define "unreasonable preferences or advantage" under the PSA; 3) Clarification that producers need not also prove a competitive injury if they were subject to an unfair practice; 5) Establishment of attorney fees as a remedy for violations; 6) Implementation of mandatory county-of-origin labeling (COOL).

The Livestock Title contains many more provisions not yet relevant to the cattle industry. And this is the purpose of my letter. The Livestock Title addresses many severe problems that developed because Congress allowed large meatpackers to exert undue control over the production and marketing of poultry and hogs. This control eliminated the competitive cash market for poultry and nearly eliminated the competitive cash market for hogs. The once independent poultry and hog producer is now a contract grower. Congress is now stepping in to regulate the relationship between the contract grower and the meatpacker, which possess a disparate share of market power. Congress is stepping in to try and fix what has become an untenable problem.

**The cattle industry does not want to go there!** We don't want our cash cattle market usurped by large meatpackers. We don't want to be forced to enter grower contracts to maintain profitability. But, that's where we're heading unless Congress does for us what it did not do for those other industries – Congress must take proactive steps to ensure U.S. cattle markets remain open and competitive, and free from meatpacker control.

Control is gained by restricting market access. Meatpackers tie-up large numbers of slaughter-ready cattle without negotiating a price. Independent producers must then compete amongst themselves for the opportunity to access the ever-shrinking cash market – with the winner determined by whoever accepts the lowest bid. Then, the value of all the tied-up, un-priced cattle controlled by meatpackers is based on the depressed cash market. This vicious circle is why so few young people enter the cattle industry – competition is eroding, fast.

You can reverse this negative trend by voting to reform the rules that define the cattle market so competition, not control, dictates the value of cattle sold by independent cattle producers. In addition to the reforms already contained in the Livestock Title, the following must also be included in the Senate Farm Bill: 1) Limitation on packer ownership of cattle (S. 305); 2) Captive Supply Reform Act (S. 1017); 3) Disallow meatpackers from alleging a "business justification" to avoid PSA requirements.

Sincerely,

R.M. Thornsberry, D.V.M.  
President, R-CALF USA Board of Directors