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Date: October 31, 2007
To: U.S. Premium Beef Unitholders and Associates
From: Steven D. Hunt, USPB CEO *SDH*
Subject: Urgent Action Needed on Senate Amendments to the 2007 Farm Bill

As you know, the United States Senate is finalizing its debate on the 2007 Farm Bill. Several key pieces of potential legislation and pending debate are of extreme concern to U.S. Premium Beef producers. We appreciate the efforts of USPB producers who have previously contacted Congressional representatives regarding proposed 2007 Farm Bill amendments that could negatively impact our producers and USPB. Now, immediate action is necessary to communicate your concern over two pending amendments that are expected to be introduced soon on the floor of the United States Senate. These two amendments would greatly harm your options and choices for the marketing of finished cattle through USPB.

Enzi Amendment: Senator Michael Enzi (R-WY) is expected to introduce an amendment to the 2007 Farm Bill as early as the week of November 5, 2007. If enacted, this anti value-based marketing amendment would change how producers market finished cattle to value-based programs, and would be especially damaging to U.S. Premium Beef. This amendment would effectively eliminate the use of contracts and marketing arrangements that are so essential to producers and the processing company you own, U.S. Premium Beef. The Enzi Amendment will greatly restrict the value-added marketing arrangements that producers have sought out, and in the case of U.S. Premium Beef, invested in.

Grassley Amendment: Senator Charles Grassley (R-IA) is expected to introduce an amendment to the 2007 Farm Bill that could be equally as damaging. The net result of this amendment would bring producers and processors (USPB) under expansive new federal regulation, creating an environment for endless investigation and frivolous litigation. A new taskforce would be formed with unchecked authority to investigate agricultural "transactions" such as the marketing arrangements and contracts that producers utilize to produce value-added meat products consumers demand.

USPB strongly opposes the provisions included in these two ill-advised amendments. They, along with the packer ban amendment already approved in the Senate's version of the 2007 Farm Bill, are designed to eliminate the value-added marketing arrangement you have worked so hard to create.

Call to Action: These are both anti-value based marketing amendments. USPB producers are urged to call their Senators at the main Senate switchboard number, 202-224-3121, and ask to be transferred to your Senator's office. Ask for the person that advises the Senator on agricultural issues. When you have this person on the phone, voice your strong opposition, and ask that they advise the Senator to vote AGAINST the Enzi and Grassley amendments. Also, please ask them if the Senator WILL vote against the amendments. Do not underestimate the value of a call to your Senators. They are hearing from those in favor of such misguided amendments. We will have an article in the upcoming edition of the *USPB UPDATE*, our monthly newsletter, which will analyze the 2007 Farm Bill's affect on USPB and additional information for you to use in future communications with your Senators.