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Sent Via Facsimile and E-mail

April 22, 2008

The Honorable Tom Harkin
Chairman
Senate Committee on Agriculture,
Nutrition and Forestry
328A Russell Senate Office Building
Washington, DC 20510

The Honorable Collin Peterson
Chairman
House Committee on Agriculture
1301 Longworth House Office Building
Washington, DC 20515

The Honorable Saxby Chambliss
Ranking Member
Senate Committee on Agriculture,
Nutrition and Forestry
328A Russell Senate Office Building
Washington, DC 20510

The Honorable Bob Goodlatte
Ranking Member
House Committee on Agriculture
1301 Longworth House Office Building
Washington, DC 20515

Re: R-CALF USA Farm Bill Priorities

Dear Chairmen Harkin and Peterson and Ranking Members Chambliss and Goodlatte,

As the Farm Bill Conference Committee works to finalize the 2007 Farm Bill, the thousands of independent farmers and ranchers that raise and sell cattle and that are members of R-CALF USA urge you to take the following steps to restore competition in U.S. livestock markets. These steps coincide with provisions contained in Titles X and XI in the Senate version of the 2007 Farm Bill.

- 1) Adopt Senate Mandatory Country-of-Origin Labeling (COOL) Language:** COOL would allow U.S. cattle producers to maintain the separate identity of their U.S. cattle herd and compete against the growing volumes of imported beef and cattle.
- 2) Adopt Senate Ban on Packer Ownership of Livestock:** This ban would restore market integrity by disallowing the largest meatpackers from using packer-owned livestock to limit producers' access to markets and depress prices.
- 3) Adopt Senate Establishment of Office of Special Council for Agricultural Competition:** This measure would ensure proper enforcement of the Packers and Stockyards Act (PSA) thereby protecting independent producers from unfair and deceptive practices.
- 4) Remove Senate Language Regarding a National Animal Identification System (NAIS):** The Senate language facilitates an NAIS even before Congress has considered the merits or

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feasibility of such a system. Though the Senate language purports to protect confidential information, the USDA's own NAIS Business Plan asserts that "Federal law [already] protects individuals' private information and confidential business information from disclosure." Moreover, Congress has not yet considered how to address producers' liability for problems that arise after livestock leave their farm or ranch of origin. It has been improperly asserted that NAIS could have mitigated the food safety problems surrounding the recent Hallmark/Westland meat recall. However, this incident was the result of a failure to prevent downer cattle from entering the food supply, a failure that would not be mitigated by an NAIS because the NAIS does not transfer information about live animals to meat products produced at packing plants.

5) Adopt Senate Authorization for State-Inspected Packing Plants to Engage in Interstate Commerce: This measure would increase the competitiveness of state-inspected meatpackers by allowing them to market meat across state lines.

6) Adopt Senate Requirement to Define "Unreasonable Preference or Advantage": The USDA has not defined this term under the PSA, though a definition is needed to ensure that packers do not discriminate against producers who market smaller volumes of livestock.

7) Adopt Senate Authorization for Voluntary Arbitration: This measure would make arbitration of disputes between producers and livestock and poultry companies voluntary, instead of forcing producers to sign binding, mandatory arbitration clauses as part of non-negotiable contracts.

A final 2007 Farm Bill that adopts the foregoing recommendations would greatly enhance the competitiveness of the U.S. cattle industry for independent farmers and ranchers. Specifically, it would ensure that independent U.S. cattle producers' opportunities for profitability are not restrained by the concentrated meatpackers' desire to exert greater control over their industry.

Sincerely,



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

Cc: Members of U.S. Congress