



J. Patrick Boyle
President and C.E.O.
June 15, 2007

Mr. Bill Bullard
CEO
R-CALF USA
P.O. Box 30715
Billings, MT 59107

Dear Bill:

I received your letter of June 13, 2007, and reject many of the assertions and half-truths included therein because they are inconsistent with the facts and because they exhibit a complete misunderstanding of the American Meat Institute's (AMI) obligations and responsibilities to its membership.

My letter, which was sent not only to R-CALF but to a number of other state and national organizations that work with or represent the livestock production sector, recognizes that the mandatory country-of-origin labeling (COL) provisions included in the 2002 Farm Bill are scheduled to go into effect on September 30, 2008. Notwithstanding AMI's staunch opposition to COL as a burdensome, protectionist law, the meat industry must take steps to prepare for COL as written, in the event the September 30 date holds and COL becomes effective.

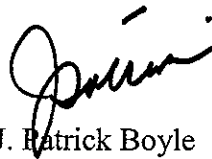
R-CALF and other producer organizations may have received recently a letter from the Food Marketing Institute (FMI), a trade association representing the retail grocery sector. AMI received the FMI letter and it advised our organization as to the recommendations that FMI has provided to its members concerning what those retail companies should consider requiring of their customers, the meat packing sector. Moreover, we believe that some companies in the retail sector have begun contacting our members regarding COL compliance.

It is AMI's duty to advise its membership and their livestock suppliers about their potential obligations under the law as currently written. In particular, when we are contacted by a customer organization, we choose to advise our members of that communications. This is not, as you claim, some form of coercion or a threat to producers. Indeed, contrary to your assertions it would be irresponsible not to advise the meat packing industry and their livestock suppliers of the requirements they could be facing.

This conclusion is particularly true because, as you are certainly aware, most packers do not have first hand knowledge as to where the livestock they purchase were born and raised. Only in the circumstance where a packer owns the livestock might the packer have such information first hand. Ironically, R-CALF supports bills currently before the Congress that would preclude such ownership. Simply put, the Packers and Stockyard Act does not preclude companies from taking prudent and necessary steps to be able to comply with federal law. In the instant circumstance, packers that purchase livestock know they will be required to provide certain information and have every right to expect their suppliers to be able to provide the information that will enable packers to comply with COL. To assert otherwise makes a mockery of the law.¹

Although you may choose to live in denial about our industry's legal obligations under the mandatory country-of-origin labeling law, we believe it is prudent to take such obligations seriously. You should expect AMI to represent the best interest of its members and you should not expect a rescission of our recommendations.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Patrick Boyle". The signature is fluid and cursive, with a prominent initial "J" and a long, sweeping underline.

J. Patrick Boyle

¹ Indeed, your letter blatantly ignores the plain language of the law, which exposes a person who provides a covered commodity to retailers, such as a packer, to civil penalties as high as \$10,000. The "willful" standard and ability to cure that you reference is explicitly limited to retailers. Those others are subject to section 253 of the Agricultural Marketing Act, which does not include a willful standard and does not reference an ability to cure within 30days.