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R-CALF USA Joins National Grassroots Coalition Opposing CAFTA

Group Finds CAFTA has Insufficient Safeguards, Will Worsen U.S. Trade Deficit for Beef

Billings, MT —The Ranchers-Cattlemen Action Legal Fund United Stockgrowers of America (R-CALF USA), representing thousands of U.S. cattlemen and ranchers in 46 states, today joined www.AmericansForFairTrade.org a fast-growing national grassroots coalition that is calling upon Congress to reject the proposed Central America Free Trade Agreement (CAFTA). A trade deal with the six nations of the Central American region – Honduras, El Salvador, Guatemala, Costa Rica, Nicaragua and the Dominican Republic – CAFTA would allow significant access to foreign beef producers at the expense of U.S. producers.

“CAFTA is a bad deal for U.S. cattle producers because it contains no safeguards for U.S. cattle producers while containing significant safeguards to protect Central American producers,” said Dennis McDonald, Trade Committee Chairman of R-CALF USA. “CAFTA serves as a detrimental model for future trade liberalization in cattle and beef as it institutionalizes unwarranted preferences. R-CALF is joining the Americans for Fair Trade coalition in its fight against CAFTA because this severely flawed agreement will hurt the U.S. beef industry.”

“R-CALF USA has long advocated that trade agreements must be balanced for the U.S. cattle producers—unfortunately, the CAFTA does not provide balanced rights for US cattle producers,” added McDonald.

CAFTA would eliminate the economic safeguards to protect America’s cattle industry provided for under the World Trade Organization (WTO) Agreement on Agriculture while allowing two of the six CAFTA countries to impose special safeguards against U.S. beef exports. This is significant because the CAFTA countries have a combined herd that is nearly as large as Canada’s, our nation’s largest foreign supplier of beef.

R-CALF also opposes CAFTA because it does not contain a “born and raised” standard for determining country of origin but instead gives preferential treatment to beef based upon the country where the animal is slaughtered. This could allow beef that was born and raised in large cattle producing nations such as Argentina and Brazil that is slaughtered in a CAFTA country to enter the U.S. at a preferential duty rate.

The U.S. already runs a 52.9 million-pound, \$53,571,058 trade deficit with CAFTA countries on beef and this is likely to worsen after implementation.

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“While the U.S. would obtain immediate duty free access for prime and choice cuts, there is limited demand for these products in the CAFTA countries because they represent a tiny market and many citizens, who live on less than \$2 per day, simply cannot afford them,” said McDonald. “CAFTA countries are not likely to be major export destinations for U.S. beef while the U.S. market will remain a major target for foreign producers, worsening an already large beef trade imbalance.”

“We are very pleased to welcome R-CALF USA to our national grassroots coalition against CAFTA,” said Ernest Baynard, Executive Director of Americans for Fair Trade.org. “R-CALF’s resources and expertise will play a vital role in making sure that Congress and the voters know that CAFTA is a bad deal for our nation’s cattle producers and a bad deal for America.”

R-CALF USA is a national nonpartisan, non-profit organization dedicated to ensuring the continued profitability and viability of the U.S. cattle industry. R-CALF USA represents over twelve thousand U.S. cattle producers and is located in 46 states with over 60 local and state cattle and farm association affiliates nationwide.

The AmericansForFairTrade.org coalition against CAFTA includes producers of textiles, small and medium sized manufacturers, farm organizations, organized labor, commodity groups, religious congregations, faith-based organizations and other groups.

To learn more about AmericansforFairTrade.org go to www.AmericansForFairTrade.org.