

There was an undercurrent of concern amid the handshakes, hellos and how-are-yous. Speakers, though not necessarily pessimistic, devoted podium time to problems facing cattlemen in the 1980s. And words like inflation, Iran, embargo, Afganistan (no so common in cattlemen's lingo) floated on the balmy San Diego air.

It was the third week in January and the National Cattlemen's Assn. was holding its annual convention and trade show. The southern California sun shone obligingly all week as cattlemen and women turned out in record numbers to participate in meetings, policy planning sessions and seminars, all centered around the convention's theme "Forecast—the '80s."

This is the gathering where once each January the large cattlemen's trade association touches base with its membership. Things often move slowly, and to the casual observer, the process may be more dull than dramatic. But democracy is at work here. Policy for the next year is hammered out, members voice their opinions and exercise

their voting rights. Problems—from those facing the entire industry to those troubling a small segment—are aired, solutions discussed, courses of action plotted. The grass-roots level of the beef cattle industry is on hand to tell its leaders what it thinks.

Receptions, hospitality hours and parties add a special flavor. Old acquaintances are renewed, new ones established; people visit, discuss, argue, agree, ponder. And still find time to have a good time.

The accompanying trade show is resplendent in cattle paraphernalia; the latest in everything from squeeze chutes to ear tags, from pharmaceuticals to beef recipes are on display.

Seminars this year addressed the subjects of energy, inflation, management and marketing. Featured speakers held to similar topics.

And the Cattle-Fax Outlook Seminar, an annual industry outlook session, played to a full house. Everyone, it seemed, was concerned with where the industry was headed. The forecast of the '80s had their attention.

# NCA Convenes . . . Looks at the '80s

by Ann Gooding

National Cattlemen's Assn., the trade organization representing the beef cattle industry, may seem somewhat removed from many members of the American Angus Assn. But in fact, as the following interview illustrates, it is not. The special needs of the breed associations were recognized several years ago, and the Purebred Council was formed to insure that the breeds and their issues would be heard.

The American Angus Assn. is represented in that council by Henry Gardiner, Ashland, Kan.; and Dr. C.K. Allen, executive vice president, attends and participates in meetings through his membership in the Beef Breeds Council.

Tom Cook, NCA staff member and former American Angus Assn. regional manager, has served as the council's secretary since its inception. During the recent San Diego convention, ANGUS JOURNAL interviewed Cook.

"The council originated back in American National Cattlemen's Assn. days. There was concern then that the size of the total board prevented each segments' interests from being fully addressed in the full board meeting," Cook explains, adding that there are three councils concerned with different segments of the beef cattle industry—cow/calf-stocker, feeder and purebred. Each NCA board member sits on one of the three. The Purebred Council, with a membership of about 20, is made up primarily of those directors who represent NCA's 15 breed affiliates.

## Most Successful

Cook admits some bias, but says, "I feel the Purebred Council has probably been the most successful of the three because it is unique in some of its concerns." He explains that affiliates who deal through state

associations are a lot closer to industry-wide issues than the breed affiliates. Their concerns, their primary responsibilities, are the registry of cattle, the purity of the breed and other related matters. So the breeds look to NCA to represent them in the national issues.

There are no set guidelines, no written rules outlining what the Purebred Council addresses and what it doesn't, Cook adds. "It is kind of an unspoken rule that we deal with those issues that concern the council as a whole, purposely staying away from the things breed associations either can do better themselves or should so as individuals."

Probably the most important thing the Purebred Council has done concerns feeder cattle grades. When new grades were being developed, a subcommittee within NCA's Product Standards Committee made some recommendations. These caused some real concern in purebred circles so the council, as a unified block, made recommendations of their own. According to Cook, they had enough influence to change NCA's policy on feeder cattle grades. And although there is still some debate, Cook says, those grades are more to the liking of the purebred industry than the original ones would have been.

## Import Permits

Another effort, although probably of little consequence to the entire industry but important to purebred breeders, involved recommendations on how animal import permits ought to be issued. This came up when what is now the Harry Truman Animal Import Center was being built. As a result of action taken by the Purebred Council, USDA received a standard proposal from the cattle industry rather than 20 or 30 dif-

ferent ones. The move signified both unity within the beef cattle industry as well as that industry's confidence in the Purebred Council's ability.

"And at this convention," Cook adds, "a resolution went to the Animal Health Committee dealing with regulations on movement of animal semen. It was written by the Purebred Council, recommended to the Animal Health Committee and it is now association policy.

"When the Purebred Council was originally formed and I was named secretary, I had lots of calls asking what the council was going to do. I had some other responsibilities within the association and I really wrestled with that question. What came to mind was the big job we faced trying to make the purebred breeder aware of NCA's present activities, of the part the association was playing in issues facing cattlemen. Issues are just as important to the purebred breeder as they are to any other kind of operator," Cook stresses, using the diet-health issue as an example and pointing out that, if people eat less beef and demand is reduced, the purebred breeder will feel the effect.

## Favorable Climate

"NCA is trying to create a climate that cattle people can operate under and that will provide them with the best return. So when NCA is fighting regulations in Washington or trying to make tax laws more equitable, the purebred breeder is affected. The repeal of the carryover is just as important to a small purebred operator in the midwest as it is to anybody.

"And the import bill," he adds, "should account for more stability and more predictability in the overall business. The work we are doing in the public lands, though a little

controversial at times, is important to everyone, especially since it becomes more and more evident that government policies in public lands are just a rehearsal for what government would like to do with private lands."

The council has served another important purpose by providing a good vehicle for more representation and more visibility for breed associations within NCA, Cook adds. "Over the last three or four years, those breed representatives who have been active have been recognized as leaders within NCA. One of them was elected a regional vice president. Two others are committee chairmen and still others have become active in different committees."

#### Active Membership

Since its inception, Cook says, the Purebred Council has been allowed to take its own course, without anyone rushing in to create programs simply for the sake of having programs. He says the council has evolved an active membership; attendance has been good even at several meetings not held in conjunction with other NCA activities. And all the meetings, Cook feels, have been successful.

"One thing the Purebred Council has in the planning stages is the sponsorship of a national purebred industry symposium which is tentatively set for sometime this fall," he says. "It will be directed to the leadership of all breed affiliates, particularly the officers and members of the board. We will not address issues of interest to only individual breeds. We plan to put a program together that will interest all the purebred industry, and we feel the time is right for something like this."

He adds that such a program would not only benefit the purebred industry leaders but should also build enthusiasm among them for the Purebred Council and NCA.

## NCA CONVENTION HIGHLIGHT

# Cattle Outlook for 1980 and Beyond

*The following speech was given by Topper Thorpe, general manager of Cattle-Fax, the marketing analysis service affiliated with NCA, at the 1980 NCA convention.*

**A**t this stage of the cattle cycle, we might have expected a situation somewhat different from what we now have. However, the ballgame—the cattle cycle itself—has not changed, in my judgment. The basic structure of the cattle business has not changed; nor has the biological nature of the beast. And, above all, there has been no change in the desire of cattlemen to run a profitable business.

The rules of the ballgame, however, have changed dramatically. These include factors such as higher energy costs, higher rates of inflation and stiff competition from competitive meat supplies.

These factors challenge agriculture, including the cattle industry, to become more efficient in order to survive. The efforts to become more efficient will result in further change in the industry. Those cattlemen who recognize that change is inevitable—indeed, is essential to have a profitable business—can be successful. Those who don't will not likely be in the cattle business for very many more years.

#### No Longer Sufficient

In years past, it seemed enough to analyze and understand the supply situation. In fact, most market projections were based primarily on supply analysis. This is no longer sufficient. We also must consider such things as the changing tastes of con-

sumers, dietary guidelines, political intervention, international grain markets, inflation, substantially higher energy and fertilizer costs, and increased competition for money from lenders. Today commodity markets, at least in the short-term, are more influenced by external factors than by internal factors. These are factors—in addition to fluctuating markets—which are beyond the control of cattlemen but must be accepted as risks of doing business.

Thus cattlemen do not really control their own destinies as much as they may have in the past. However, the collective decisions of cattlemen still are a major factor. Those decisions are responsible for the total amount of beef produced.

In my judgment, the cattle industry will not again be able to produce 130 lb. of beef per capita—as happened in 1976—at a profit. There is no question, however, that beef production will increase from present levels. That is because there is some economic incentive to do so. There are ranges and pastures to be restocked and feed to be used.

#### Proven Time and Again

The industry has proven time and time again that it can produce more beef than the market can absorb profitably. At the same time, it has been proven time and time again that many cattlemen don't know or watch their costs of production well enough to make sound business decisions. They don't make the kinds of decisions that lead most other industries to slow or reduce production as losses appear on the horizon.

Dr. Norman Vincent Peale addressed more than 1,700 people at the prayer breakfast held during the NCA convention.

Photo by Ron Francis



It is difficult to determine how much beef the industry can afford to produce, but it is probably much closer to 1980 levels—estimated at about 100 lb. per person on a carcass weight basis—than it is to the peak production of 130 lb. Ultimately in a free market system, economics dictate how much beef will be produced. Costs of production no doubt will continue to increase at the most rapid rate in history, and the industry will likely become unprofitable well before it reaches the previous record high of 130 lb. per capita.

The effort to cope with increasing costs and become more efficient will undoubtedly result in significant changes in the structure of our business and in methods of doing business. Regarding the impact of increased energy and fertilizer costs, we have seen only the tip of the iceberg. This situation could well limit herd expansion in the southeast, where the largest growth occurred in the previous cycle. There are alternative uses for land in that area, and more southeastern land may be used for crops rather than grazing. This is in contrast to the situation in the west, where much of the land is suitable for grazing only.

#### **Cycle Trends**

We all know that as part of the 10-year cattle cycle, cattle numbers have peaked in a year ending in "5" in each of the past several decades. In the current cycle, the industry is beginning to expand about two years later than in the last cycle. This might lead you to the conclusion that in the coming decade numbers will peak after 1985. However, if less beef can be produced at a profit to the industry, numbers will peak earlier than otherwise would be the case.

I don't believe anyone can really project exactly how much beef can be produced profitably or exactly when numbers will peak. This is because of the changing environment we now operate in and because of the many external factors which are not well understood.

All of this shows the importance of each cattleman's staying abreast of the market. Cattlemen should monitor the expansion phase of the cycle and then adjust their operations accordingly. This means the cattleman will have to spend a higher percentage of his time managing his business and marketing his produce than he has in the past. At the same time, he will have to keep abreast of changes in production and will have to produce efficiently.

#### **Primary Factors**

Primary factors influencing the market during 1980 will include: Inflationary pressures, increases in energy costs, the general economy, international relations, political decisions and competitive meat supplies. Beef production and numbers of cattle are not the problem. We are now back at cattle numbers of 10 years ago. The calf crop in 1979 was the smallest since 1963. However, we do not now have the same demand we have had, and production costs have risen very rapidly.

Competitive meat supplies are large and are relatively lower priced than beef. In a tough economic situation, as consumers begin to tighten their purse strings, they tend to buy lower-priced meats.

Beef production in 1980 will be down an additional 2-3% from last year and will be at its lowest point in the current cycle. However, total meat supplies will exceed year-earlier levels. That is because pork and poultry output will still be large.

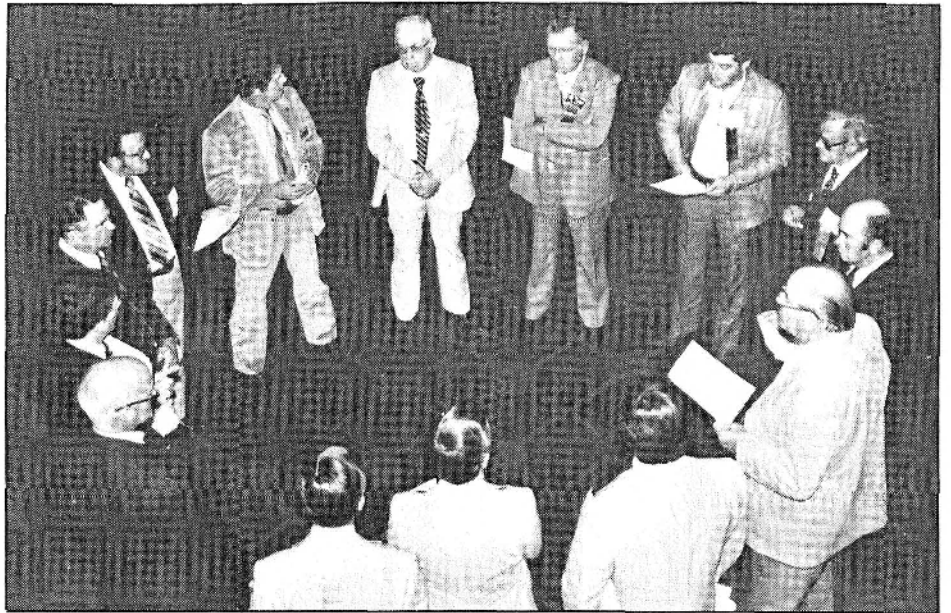
As is typical in the early stages of the expansion phase of the cycle, cow-calf producers are still in the strongest bargaining position. Stocker and feedlot operators are in a tougher position because they are competing for a relatively scarce product to fill understocked pastures and excess feedlot capacity.

#### Cost Factors

Producers, however, may not be in as strong a profit position as they think. Costs have increased rapidly this past year, and the margin in a calf at \$1 a lb. is probably smaller than most cattlemen realize. Thus the entire year 1980 may be disappointing to many cattlemen. Profits may not be as large as in previous cycles when costs were not increasing so rapidly.

Fed cattle prices during the first quarter will likely remain in the mid-\$60 range. They should improve as we move into the last part of the second quarter, rising to the low- to mid-\$70 range.

Pork supplies will begin increasing sea-



A group of NCA directors who are members of the Purebred Council caucus to elect council Chairman R.A. "Rob" Brown, Throckmorton, Texas.  
Photo by Ron Francis

sonally in March, and that increase will coincide with what appears to be the toughest part of the economic recession.

Cattle prices are expected to trend higher in the spring, as they did a year ago, but the expected increase will come a little later in the second quarter. Peak prices in the spring likely will reach year-ago levels. However, if the recession is deeper than

most persons now anticipate, the price increases will be tempered.

#### Prices

During this same period, as grass begins to green, prices of feeder cattle, particularly lightweight cattle, will probably rise to year-ago levels.

As a result of pressures on grain prices—in part because of the grain embargo—

pork and poultry supplies will remain large during the last half of the year. While the economy should be improving during the last half and demand for meat should be strengthening, there will still be large supplies of total meat.

The last half of the year will likely follow a pattern similar to that of 1979, and prospects for profits in the feeding and stocker segment will be only marginal.

We cannot forget that 1980 is an election year. Many decisions made over the next several months will be made for political

expediency, not because they are logical or economically sound. Obviously, if the situation in the Middle East heats up and becomes more than an exchange of words, the entire outlook will be modified.

In general, it appears that 1980 will be a year when, in spite of low beef production, it will be difficult to make a buck. Cattlemen will have to be prepared to adapt to a changing environment. They will have to devote more time and effort to marketing and management. In my judgment, only those who do so have a chance of being successful in the cattle business.

agriculture and our food economy. They want government, not a competitive market, to determine how our land and other resources are used. They even want to tell us what foods we should or should not eat.

#### Reflect Detrimental Views

I do not claim there is a widespread conscious conspiracy to alter our food system, but I do say many legislative and regulatory initiatives reflect views which, if implemented, will result in a much less efficient, much more controlled agriculture. In particular, the role of livestock in our economy and meat in our diets will decline.

Let me read to you an item which appeared in the Sept. 23, 1977, issue of our BEEF BUSINESS BULLETIN—almost 2½ years ago.

The item was headlined "Proposed Long-Range Government Policies on Food, Agriculture." The item said: "NCA Washington office learned of philosophical think tank discussion in Philadelphia last weekend—attended by USDA assistant secretaries, other staffers, nutritionists, academicians. Discussed was direction they felt USDA should take in coming years. They agreed sequence of public policy development should be: (1) National nutritional policy (what nutrients people should consume), (2) food policy (what and how foods should be produced, distributed and eaten), (3) farm policy (what and how agriculture should produce products). Government would start with nutritional and dietary goals as they see them and go on from there in determining food and farm policy. Ideas, if implemented, could have serious implications for cattlemen."

#### Not Dormant

Ladies and gentlemen, that is the policy which the leaders of the bureaucracy committed themselves to 2½ years ago. If you look at all that has happened—including what has been done or not done to animal agriculture—you can see that the ideas developed in the think tank in 1977 have not remained dormant. It has become quite clear that the activists have a bias against red meat and, in turn, against efficient livestock production.

Their proposal and actions also reflect a basic anti-business, anti-technology, anti-modern agriculture viewpoint. Many of these activists are "no growth" advocates who subscribe to a "small is beautiful, big is bad" philosophy. They have fostered the belief that anything supported by business, especially big business, is not to be trusted, while anything pushed by the self-appointed protectors in government and the activists groups is desirable. They ignore the fact that the profit incentive is the key to American productivity, and their stated theme has been "food for people, not for profit."

The activists' idea of utopia is much different from that of most Americans, but they still want to impose their values on the rest of society. Some of these people

#### NCA CONVENTION HIGHLIGHT:

## Which Are We . . . Paranoid or Perceptive?

The following speech was given by the outgoing president of the National Cattlemen's Assn., Lauren Carlson, at the opening general session of the 1980 NCA convention.

Ladies and gentlemen, it has been an honor and a privilege to serve as your president during the past year. And now, today, I am pleased to have this opportunity to visit with you about our mutual interests and concerns.

As I look back on the past year, I recall some good times for our industry and some not so good times—periods of rising cattle prices and good profits, and periods of falling cattle prices and escalating costs of production.

I recall victories won by NCA and its affiliated associations, and I recall a few defeats. I am proud to say that we won victories on several high-priority issues. Let me mention some of them:

1. We continued to improve public understanding of beef economics. In spite of a rapid rise in beef prices last spring, there were no boycotts, no direct government interference with the market.
2. We saw improved meat import legislation enacted into law.
3. The carryover basis tax provision is on the way to repeal.
4. Government efforts to ban certain antibiotics were headed off.
5. We defeated efforts to impose hide export controls—which would have cost us \$20 per head.
6. We checked, if we did not halt, government efforts to exert still more control over both private and public lands.
7. We moved closer to a referendum on the Beef Research and Information Program.

#### Economic Analysis

Take those accomplishments I have just listed and apply economic analysis to them.



Merlyn Carlson (left), commercial Angus breeder and feedlot operator from Lodgepole, Neb., stepped up to the presidency following Lauren Carlson, Chokio, Minn. (right). J.W. "Bill" Swan, Rogerson, Idaho, was elected first vice president. Photo by Ron Francis

You'll find the total value to the industry is hundreds of millions of dollars per year. Furthermore, these things will benefit the public in the long run, too. For every dollar you invest in NCA, you get a return several times over.

At this time the cattle business is part of an uncertain economy and a troubled world. However, I will leave the economic discussion to other speakers on the program. I will turn now to another subject—the social and economic climate in which we must operate—the political climate in which NCA must work.

I have come to essentially the same conclusion outlined a year ago at this convention by Dick McDougal, who then was NCA president. That conclusion: Our economic and political climate—indeed, our government policies—are influenced to an inordinate degree by a group of social and environmental activists, a substantial number of whom are now in the federal government. These activists lack faith in a free society and a free economy. They want government to determine the structure of

describe themselves as liberal, perhaps because they want a bigger role for government. Actually they are conservatives of an unhealthy type. They want to stop the clock—if not turn it back. They fear and distrust a dynamic economy. They do not have faith in a system in which the public has free access to unbiased information, in which individuals make their own choices, in which a competitive market responds to those choices and thereby allocates resources.

#### **"New Class"**

These social activists are mostly young and bright and idealistic. They have been called the "New Elitists" or the "Coercive Utopians." Prof. Kristol of New York University calls them the "New Class"—well-educated, affluent, likely to be producers of ideas rather than material goods. They know little about the world of work and a private economy. They are not much interested in money but are keenly interested in power. They have gravitated to government and to the activist groups in Washington. Apparently they were politically active enough to get themselves appointed to high positions in the agencies and the White House. Some of them are not in government but are on the fringes of government, and they have ready access to officials of similar persuasion.

By now you may be calling me another paranoid cowboy. You probably think I have been back in Washington too many

times, that I have become irrationally suspicious of the Washington establishment. But before you conclude that I am paranoid, let me point out a few instances of the problem I am discussing. I particularly challenge the news reporters here to look more closely at the philosophy and motivation behind the regulations and proposals which threaten our ability to produce food efficiently and in abundance.

#### **Research**

First example: I recently saw a report dealing with agricultural research. It listed 24 persons who are said to control U.S. policy relative to agriculture, food and nutrition research. Virtually all of the 24 persons are in research institutes, foundations, colleges and government agencies. Not one person is in agriculture or agribusiness or even an agricultural college. The list doesn't even include the Secretary of Agriculture or anyone in congress. One name you'll recognize is that of Dr. Jean Mayer of Tufts University, a strong supporter of the diet-disease theory and a constant critic of red meat. If our food and nutrition policies are largely determined by this group of 24 persons, shouldn't more people know about it?

Look over the administration's 1980 proposals for ag research. Animal agriculture got short shift. Why was that? Is there a high-level bias against livestock and meat and grain feeding? Do some people want livestock to become less competitive as a

source of food? The activists have said they want nutrition policy to determine food policy and then agricultural policy. If they are now trying to implement goals developed at the think tank session in Philadelphia, they won't be very interested in making animal agriculture more efficient.

My question to you is are we paranoid or are we more perceptive than others in our society?

#### **Good Question**

Read the statements and publications of the activist groups. You'll find social and economic activism mixed with environmental and nutritional activism. That prompts me to ask how much of the opposition to feed and food additives and pesticides is based on concern for food safety—and how much reflects an anti-business, anti-technology, organic farming and vegetarian bias? Are recommendations of dietary change not just part of a health policy but also related to social and environmental goals?

You and I know that the diet-fat-cholesterol-heart disease theory is just that—an unproven theory based largely on population studies. It has not been proven in clinical trials. The normal scientific approach is to test a hypothesis and, if it is not proven, go on and test another hypothesis. However, the activists and certain scientists keep clinging to their unproven theory. Why is this? Why don't they acknowledge

that their position, while it has become popular, actually is on shaky ground scientifically? Why don't they move on and explore new more productive approaches to disease control? Why do the food activists keep ignoring the reputable scientists who don't accept the diet-heart theory? Why don't they acknowledge that the health of Americans, as measured by longevity and other criteria, continues to improve? Why don't they admit that there could be dangers in recommending that all Americans cut back on consumption of red meat? Why don't they acknowledge the scientific evidence that, if dietary fat can be linked to cancer at all, it is polyunsaturated fats (not saturated fats) that should be investigated more? I also must ask why more news reporters have not explained that there are two sides to this issue, that evidence refuting the diet-disease theory keeps coming out?

#### **ACS Study**

The American Cancer Society recently reported on a 20-year study. It was described as the "largest human biological study ever undertaken of life and death." Preliminary results showed that rates of heart disease and stroke were no higher—in fact, were slightly lower—in people who ate a high-fat diet than in those who did not. I'm asking: Why has this study been ignored by the activists? Why has it received little or no attention in the news media? Are we paranoid or, because of our experience, are we perceptive?

Agriculture Secretary Bergland recently indicated that the question of diet and disease relationships could be proven either way, depending on which scientific reports one used. He went on to indicate that government is not now capable of telling each of us what to eat. He suggested that diets should be a personalized matter between doctor and patient. The American Medical Assn. also says blanket dietary advice should not be issued to all Americans. Why, then, do the activists insist on putting out guidelines which at best might be applicable to a small minority? Why don't they focus more on nutrient needs and the positive values of foods needed to meet those needs and quit harping on the alleged negatives of animal products?

#### **Ag Structure Hearings**

You have read about the USDA hearings on structure of agriculture. You've heard about the 160-acre limitation on size of farms getting certain irrigation water. What is the motivation behind these things? Some observers think it's part of the activists' social reform effort—redistribution of land, control of land use and restructuring of agriculture. Shouldn't the public be made to understand that reversal of the trend to larger and more efficient farm units will mean less abundant food and higher cost food? Does the policy of this country mean not just helping the weak but punishing the strong and successful farmers and ranchers?

Big cutbacks are being ordered in numbers of livestock permitted to graze on public lands. It's getting so timber wolves and coyotes have more rights on private as well as public land than do humans and domestic livestock. Is the purpose of these policies just to protect the range and wildlife or does it reflect a fundamental bias against livestock? It seems that our policy is becoming one of preservation at all costs rather than utilization of land in ways that can benefit all of society.

The Russian grain embargo caused a great stir. Its effectiveness in relation to other possible measures certainly can be debated. Actually, the action would not even have been possible were it not for the productivity of American agriculture. Agriculture is virtually the only economic area where we still are more efficient than the rest of the world. Without our superior farm productivity, we would not even have had the grain for export or for use as a strategic weapon. Yet many persons in the same administration advocate policies which are eroding our agricultural productivity, which will hurt our country in the one area where we truly are leaders.

#### **Lacking Leadership**

It seems to me that effective leadership is lacking at top levels in Washington. This has left a vacuum into which the activists have moved in several agencies. Now, through both legislation and regulations, they are trying to impose their ideas about food and agriculture on our entire society.

By now, I hope, you have concluded that I am not just paranoid. I hope you will agree that we cattlemen are quite perceptive. If we are not actually more perceptive than the average person, we at least may be more aware of the basic problems facing our food economy. I have tried today to point out some of the problems.

Now what can we do about the problems?

First, we cannot let up in our battle against excessive government regulation. There is growing disenchantment with big government, but the activists have not been deterred. A leading consumer activist said recently, "We aren't boycotting meat anymore. Instead we're eating less of it and

we're supporting the dietary goals and nutrition guidelines that tell us the health risks of eating less meat are non-existent and the benefits of eating less meat are significant." She suggested that the 1980s are the time to implement policies the activists agreed upon in the 1970s.

#### **Become More Involved**

Second, we cattlemen must become more involved politically. If we don't we'll lose by default to the activists. We must support NCA's political action committee—the Cattlemen's Action Legislative Fund. We must work with congressmen who understand and support the free enterprise cattle business. The people in the bureaucracy are much less responsive to grass-roots political opinion than our congressmen and Senators.

Third, we absolutely must approve the Beef Research and Information Program. If nothing else, my remarks today should have shown that no one else is going to help us meet our research, information and promotion needs. We will have to help ourselves. Let's all go home from this convention and help get the Beefeferendum passed—and passed by a good margin.

As it is now, we are forever on the defensive. Let's begin taking charge of our own destinies again. Let's register and then vote "yes" in the referendum.

Last but not least, we must work even harder to enlarge the membership and increase cattlemen's support of NCA. A recent independent survey in Washington showed that commodity groups—particularly NCA—are much more effective than most farmers and ranchers realize. We must build on that strength and then use it.

The activists I've described today are in positions of influence, particularly in the administrative agencies. But they still don't have the kind of grass-roots base we have all across the country. We must, through NCA, take advantage of our basic strength.

With inflation continuing to rage, with serious international problems confronting our nation, the years ahead may not be easy for us—as citizens, as individual cattlemen or as an industry. But I believe we can meet the challenges—if we demonstrate the will and dedication that are needed. 