

CHALLENGES FACING THE NCBA

Some cow-calf producers claim their voice within the NCBA is too small.

by Troy Smith

Potomac River pundits have labeled the National Cattlemen's Beef Association (NCBA) among the most tenacious organizations to charge the steps of the nation's capitol. As the trade association for America's cattle farmers and ranchers, NCBA lobbies Washington, D.C., lawmakers and federal regulatory agencies on behalf of beef producers. Addressing issues ranging from taxes and private property rights to marketing matters, its leadership says NCBA tries to keep government meddling to a minimum.

In recent years, however, the effort to champion the cattleman's cause has been complicated by member unrest. From among nearly 250,000 NCBA and state affiliate members, some producers claim their views are not represented by the organization's official policy. Criticism has come most frequently from Western states' cow-calf producers who want NCBA to take a stand against imports of foreign beef and cattle. Others want NCBA to fight for immediate and stricter country-of-origin labeling of beef products.

Concerned about concentration in the meat packing industry, some members have urged NCBA to seek a ban on packer ownership and feeding of cattle, and other forms of "captive supply," including contract-marketing agreements that allow packers to control cattle well in advance of harvesting.

Subject to debate

NCBA members attending policy-making sessions have debated these issues, with the majority voting in opposition to the actions suggested. The association's leadership has said that such actions run counter to the philosophies of free enterprise and free but fair trade that NCBA has long advocated.

Idaho cattleman and NCBA president-elect Eric Davis fears that increased regulation of cattle and beef markets is fraught with unintended consequences. Davis says elements of a suggested restriction of packer ownership, for example, may negatively impact significant numbers of producers, including those involved in innovative, integrated beef-marketing programs.

"Our market structure has become a divisive issue," says Montana rancher Bill Donald, chairman of NCBA's Cow-Calf/Stocker Council. "Elements of captive supply benefit some individual producers. Others see it as bad for the industry as a whole. Because so few fed cattle are sold on the cash market, we have no price benchmark."

Now there is growing concern over concentration within the retail meat industry, too. Donald says many cow-calf producers are frustrated because they believe their share of the retail beef dollar is disproportionately small.

"The perception is that cattle feeders, packers and retailers all profit at the expense of the cow-calf producer," says Kansas seedstock breeder and NCBA vice president Jan Lyons. "They point fingers at NCBA, saying the association should seek more regulations. Do we really want government solutions to market problems? Or do we want to work it through in a free market?"

Wanting a voice

Some cow-calf producers claim their voice on the NCBA

board of directors is too small. State affiliate representation on the board is tied to the amount of dues (which reflect cattle numbers) each state's members collectively pay to NCBA. Some cow-calf producers contend it is a money-driven system that gives major cattle-feeding states too much power. Packer and allied industry representation on the board is another point of contention.

According to NCBA Chief Executive Officer Terry Stokes, the board's makeup represents an attempt to bring all beef industry segments to the table. Stokes says packers fill only 1% of the Policy Division's board seats, while 6% go to allied industry representatives. All other board

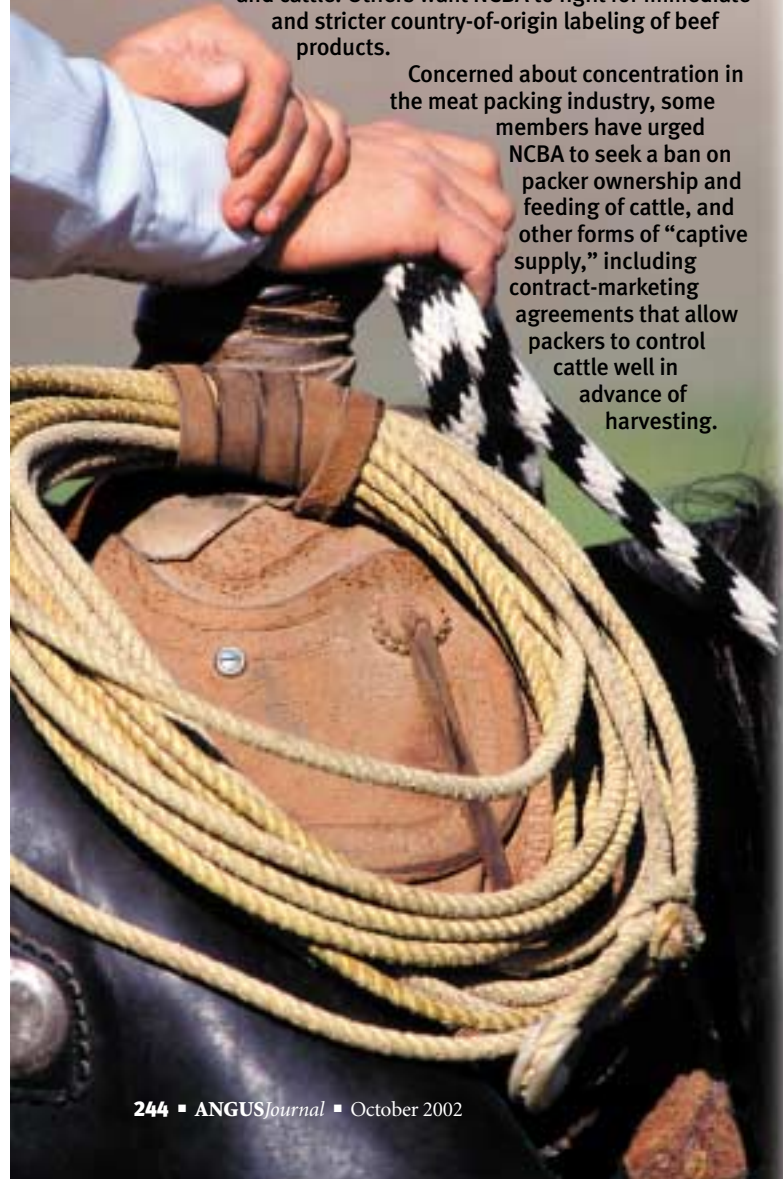
members are beef producers, with cow-calf operators outnumbering cattle feeders two to one.

Furthermore, the "stakeholders' congress" held at NCBA's annual meeting provides the opportunity for the general membership to have the final say on policy matters. All members present may vote, and cow-calf producers constitute an overwhelming majority of rank-and-file members.

Seeking alternatives

But some ranchers have joined another team. Fueled by frustration over marketing issues and resentment of cattle feeders, Ranchers-Cattlemen Action Legal Fund United Stockgrowers of America (R-CALF USA) has gained a following of Western ranchers who hope an alternative organization might address the issues differently. Some say the growing rift between R-CALF USA and NCBA is less about the issues than it is a competition for the hearts and minds of cow-calf producers.

Friction within the industry does appear to be contributing to NCBA's loss of members and money. During the July 2002 Cattle Industry Summer



Conference, in Reno, Nev., NCBA leaders reported a 19% drop in membership during the last two years and predicted a \$750,000 deficit by the end of fiscal year (FY) 2002. A share of the blame for budget woes is attributed to consolidation among allied industry firms such as animal health and feed companies, which has reduced opportunities for NCBA to secure corporate sponsorships.

At the Reno meeting, members of the Cow-Calf/Stocker Council suggested that membership and confidence in the organization might be boosted by making it easier for individual NCBA members to make their voices heard. Several members from Region V — which includes Washington, Oregon, Idaho, Montana, Wyoming and Colorado — indicated they would propose a bylaw change to allow mail-in ballots or a proxy voting process for electing officers and setting policy.

Currently, members must attend national meetings and exercise their vote in person. Proponents of the change say it would allow more members who can't attend the annual convention or summer conference to be involved with policy decisions.

NCBA board member Bob Skinner, Jordan Valley, Ore., says he knows producers who have stopped paying NCBA dues because they feel disconnected from the organization. They think they don't have the time or money to attend four-day national meetings in places like Reno, San Antonio, Nashville or Denver, saying they can't afford the price of plane tickets, \$100-a-night hotels, \$15 meals and \$100 registration fees. Moreover, Skinner adds, they can't afford the time away from their operations.

"Then, some other organization sends an articulate, persuasive person to speak to these frustrated producers, locally, and tells them things they



PHOTOS COURTESY OF NCBA

► NCBA members vote on a policy change at the 2001 annual meeting. Currently, members must attend the meetings to exercise their votes. Members may propose a change in voting procedure to include a mail-in ballot or proxy vote.

want to hear. But they don't always get the whole story. I think NCBA needs to reconnect at the local level," Skinner offers.

"I wouldn't be involved if I didn't think NCBA was a good outfit. It works for the industry in so many ways, but I think we have an image problem. The numbers say cow-calf people have the power, but they don't feel like they do. Making it easier for them to vote might make them feel like there was more grassroots input," he adds.

According to Skinner, the Oregon Cattlemen's

Association embraced the "one member, one vote" process for adopting the state organization's policy two years ago. Since taking the issues to the members, at the local level, Skinner says membership numbers and active participation have grown.

Florida rancher Bert Tucker also serves on NCBA's board, but he questions the ability of members to make informed policy decisions without benefit of the discussion and debate that occur at national meetings.

More than voting

"I've tried to be involved with our state cattlemen's association and our state beef council so I could be informed about the issues. That's necessary at the state level and especially at the national level," Tucker says. "I haven't always agreed with every policy decision, but there was discussion, opportunity for compromise and the majority ruled. The process is important. Sometimes, during the process of hearing all sides of an issue, I have changed my position."

Tucker fears use of mail-in or proxy ballots will weaken NCBA because too many people will vote without

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being fully informed. And since cow-calf producers comprise a clear majority of NCBA members, Tucker believes they already have the ability to strongly influence policy decisions, but fail to use it.

"If you don't like what's going on, show up and change it," he adds. "If we come together and focus on the issues, we have the power."

Advocates of a change in voting procedures indicated they would submit an official proposal for consideration at the NCBA annual convention, scheduled for Jan. 29-Feb. 1, 2003, in Nashville, Tenn. Terry Stokes says he anticipates considerable discussion at the convention. Meanwhile, a series

of town hall meetings were scheduled for late summer and fall, with at least two meetings held within each of the seven NCBA regions. Stokes says he and the association leaders have been trying to gain more insight on how NCBA can better serve producers on marketing, regulatory and legislative issues.

"It's critical that we maintain our national voice in Washington, D.C. We need our staff there to address the hot-button issues that affect producer profitability, like estate tax relief, drought assistance, appropriations for the EQIP (Environmental Quality Incentives Program) program and overregulation. Those are the real reasons for sending in

dues dollars," Stokes explains.

He calls market issues complex and divisive, and admits that it's hard to do anything without stepping on the toes of some members. Stokes says NCBA's leadership wants to be responsive to the members. However, there are diverse philosophies, even among cow-calf producers.

"The bylaw change will be debated in Nashville, where it must be approved by a vote of stakeholders (members present)," Stokes adds. "If they approve it, we will implement it."



NCBA CEO seeks input at town hall meetings

Beef producers who want to discuss key industry issues face-to-face with the National Cattlemen's Beef Association (NCBA) are invited to a series of town hall meetings that began in September and will continue through October. NCBA is working with state cattle organizations across the country to schedule a series of town hall meetings with Chief Executive Officer (CEO) Terry Stokes. The meetings will provide open forums for beef producers to share their views on industry issues with NCBA and state organization leaders.

"I want to hear what's on the minds of producers so that NCBA can better meet their needs," said Stokes. "Producers who come and share their feelings will give NCBA the opportunity to better represent them."

The meetings will help provide input for the future direction of the NCBA in the legislative and regulatory arena, as well as in the global marketplace, Stokes said. It will also allow the national organization a chance to share its vision and philosophies with producers.

At press time, the October meetings were scheduled for the following locations:

- Fallon and Paradise Valley, Nev., Oct. 1-2
- Cape Girardeau, Mo., Oct. 7
- Fort Smith, Ark., Oct. 15
- Miles City, Mont., Oct. 22
- Lewistown, Mont., Oct. 23

For more information on these meetings, contact your state cattle or beef organization. Additional town hall meetings are being planned in Pennsylvania, Ohio, Wyoming, Mississippi and other states.



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