

Cattlemen Gather in Music City

Highlights from the 2003 Cattle Industry Annual Convention and Trade Show in Nashville, Tenn.

by *Stephanie Veldman & Troy Smith*

Cattlemen from across the nation gathered at the 2003 Cattle Industry Annual Convention and Trade Show, Jan. 28-Feb. 1, in Nashville, Tenn. Representatives from across the spectrum of the cattle industry — from producers to packers and retailers — discussed and debated major issues affecting the cattle industry. About 5,500 people participated in the four days of meetings and events.

Angus Productions Inc. (API) provided real-time coverage of the entire meeting and trade show events. For a full summary of meetings and the discussions that took place, log on to www.4cattlemen.com. The site is sponsored by Boehringer Ingelheim Vetmedica, Inc.

Producers discussed several issues that were on their minds including, country-of-origin labeling (COOL) guidelines and their implementation; free trade agreements (FTA) with Australia, and how they would affect the import quotas of Australian beef; and using a one-member, one-vote system to give members not able to attend the

► Several guest speakers were featured at events during the convention. Pictured clockwise, from left, are Dave Schmidt, a motivational speaker; Hugh Sidey, a former political and White House correspondent, with Chandler Keys, NCBA vice president of government affairs seated on his right; and Gene Stallings, former college and pro football coach.



PHOTOS BY SHAUNA ROSE HERMEL



convention a vote on issues passed by a narrow margin.

The Cattlemen's College celebrated its 10th anniversary with a full day of sessions to help cattle producers improve their production facilities and maximize returns on their operations. Summaries, proceedings and audios are available online.

Convention attendees had the chance to hear Agriculture Secretary Ann Veneman speak, as well as Secretary of Interior Gale Norton. President Bush gave a video welcome at the opening session. In addition, several government representatives attended committee meetings to address topics in which the government is currently involved, like the 2002 Farm Bill, COOL regulations and federal lands initiatives.

A few highlights from the convention follow. For a more complete look, visit the Web site listed above.

Country of origin

During the daylong meeting of the Live Cattle Marketing Committee, cattle producers heard representatives of the retail and packing industries lament the perceived downside of COOL of beef. As dictated by federal legislation, COOL becomes mandatory on Sept. 30, 2004, requiring package labels for whole muscle cuts and ground beef. Labels must carry information about where beef animals were born, raised and processed.

According to Food Marketing Institute representative Deborah White, retailers aren't convinced that consumers really want the full history of the beef they buy.

"Congress believes that consumers do want to know, and the law makes retailers responsible for providing that information," White stated. "We are

liable for labeling and label accuracy."

Consequently, she expects retailers to require their suppliers (packers) to provide an audit trail and to be responsible for indemnification. Violations of labeling and accuracy provisions of the law call for a \$10,000 fine, so retailers will expect to be reimbursed by suppliers who provide inaccurate information.

The American Meat Institute's (AMI) Mark Dobbs said packers share in the labeling responsibility, because they must provide COOL-related information to retailers.

"We won't have any other option," Dobbs said. "And we won't give an option to the people who supply us with slaughter cattle. Accurate producer records will be required. I believe packers will expect their suppliers to sign an indemnification agreement in case a producer provides inaccurate information."

Some NCBA members called the retailer and packer comments "scare tactics" aimed at spurring association efforts to halt COOL implementation. Label advocates claimed consumers do care about where and how beef is produced. Even imported beef bears a USDA quality grade stamp, so consumers may assume it was produced domestically. Advocates say COOL will help differentiate foreign product from that produced in the United States.

Not all NCBA members were in agreement, with some producers fearful that costs of implementing COOL will outweigh program benefits. Deliberations led to adoption of a measure directing NCBA staff to support Congress or the administration in reexamination of COOL, prior to implementation, regarding its benefits and potential cost to the industry. The issue will head this committee's priority list for the coming year.

Captive supply

Another contentious issue prompting members to propose action was captive supply. One proposed resolution called for the NCBA's support of federal legislation to

halt packer/retailer control of livestock that allows manipulative power over livestock prices. Another sought legislated limits restricting a packer, other than a producer-owned entity, from having more than 25% of its slaughter mix (per plant, per day) derived from captive supplies. Southern Plains cattle feeders voiced the greatest opposition to both measures and each was defeated.

Among measures finding favor with a majority of members was a proposal encouraging federal regulatory agency consideration of how agricultural mergers and acquisitions are likely to affect producers. Currently, primary consideration is given to the potential impact on consumers, but the adopted resolution urges scrutiny with regard to “buyer-side” impacts.

Membership woes

NCBA's membership is at 88% of 2002's total membership. The amount of revenue brought in is at 93% of the total from 2002. At the summer 2002 NCBA meeting, a plea was made for donations to fund NCBA's budget, which is in a severe deficit, and \$277,068 has been brought in to date.

Ideas on how to boost membership were discussed. A new dues proposal was presented that proponents say would streamline the dues program and create a simpler and fairer dues structure. Its goals are to increase membership numbers and revenue and to instill a feeling of ownership of the NCBA in its members.

No action will take place until the midyear meeting in July to give members a chance to read the proposal and to think about how they could make it work in their states.

Other short-term ideas for recruiting new members include more personal outreach to connect with producers, providing a membership pitch and video/brochures at every regional meeting, changing “member” to “owner” on the membership application, and creating a one-page results summary and comment card to attach to dues invoices to keep members up-to-date on how the NCBA is working for them.

Long-term ideas to recruit members include creating a multiyear membership option and offering membership to younger people and families.

NCBA funds are falling severely under budget. Last year the association had a \$1.3 million deficit. The membership committee said that this was partially due to membership numbers being down.

The committee said that for the NCBA to meet its budget, \$4 million needs to be brought in from dues, which is part of the reason for restructuring the budget. (Last year dues brought in about \$2.5 million.)

Producers on the membership committee



PHOTO BY ANGIE STUMP DENTON

► **Above:** The American Angus Association and Certified Angus Beef LLC shared a booth in the trade show. Representatives handed out materials and talked about several programs the Association offers their members.

encouraged members to recruit people to join the NCBA. One member proposed that if every member recruited another member for the next year, it would solve the problem of declining membership numbers. J.D. Fitzpatrick, a Top-Hand Club member who recruited 143 members this year, said that in order to recruit members you have to sell a product. “Motivate the person on what the NCBA can do for them, and then sell it to them,” he said. “All it takes is a little effort.”

Board, member action

On Saturday, NCBA's board of directors considered a total of 73 policy measures for amendment, renewal or first-time adoption. The only issues prompting debate were a proposed amendment to the association bylaws and a resolution related to COOL.

Advancing from the Cow-Calf/Stocker Council was the bylaws amendment to establish a vote-by-mail process in certain situations. The direct membership ballot would be triggered when a policy item, acted upon at the annual convention's Stakeholders Congress, receives approval of at least 40%, but with less than 60% of the members present and voting. However, if fewer than 10% of the eligible voters participate in the mail-in vote, the prior Stakeholders ballot would stand.

Proponents said they expected the proposed mail-in vote would seldom be used, but it would provide a means for members not present at the annual convention to act on contentious policy issues. According to Cow-Calf/Stocker Council Chairman Bill Donald (Mont.), it would enhance members' sense of ownership in the association.

Twenty-two members rose to address the proposal, with several representatives of Western states echoing Donald's stance. They said this opportunity for more say in policy-making should help halt membership attrition and aid recruitment of new members.

Opponents of the amendment cited the value of members meeting physically to

► **A few Angus breeders set up displays for their operations in the trade show. White-stone Farms, Aldie, Va., had a group of bulls on display.**



PHOTO BY STEPHANIE VELDMAN

gather information and participate in discussion of issues in order to make informed decisions. They feared the policy-making process might suffer if members mail in votes based on insufficient or erroneous information.

The amendment failed on a role-call vote in the board of directors meeting, but it resurfaced during the subsequent Stakeholders Congress where it was approved on a vote of 290 to 207. Since a bylaws change requires approval of stakeholders and the board of directors, the amendment will go back to the board for further consideration and a vote during next summer's midyear meeting.

NCBA's newly named president-elect, Jan Lyons (Kan.), said the second vote sends a clear message that members want board members to take a harder look at the vote-by-mail concept. “We have heard you loud and clear,” she responded.

On the issue of COOL, existing association policy opposed the law calling for implementation of mandatory labeling of beef in 2004. Debate revealed that while considerable numbers of NCBA members support the COOL concept, there is serious concern that the mandated program will be impractical and too costly to implement.

Adopted was a resolution calling for congressional hearings to investigate the potential impact of COOL, USDA field hearings to increase awareness and the development of programs to inform beef producers.

