

# R-CALF USA

## Hosts Convention

Ranchers meet in Denver to discuss trade, initiate beef checkoff committee.

by Shae Dodson

**M**embers of Ranchers-Cattlemen Action Legal Fund United Stockgrowers of America (R-CALF USA) gathered in Denver, Colo., Jan. 18-21 for their seventh annual national convention. Themed “Guardians of the Next Generation,” R-CALF members heard committee reports, discussed industry events and decided on policy.

### Examining Tyson

Robert Taylor, Auburn University College of Agriculture’s Alfa eminent economics scholar in agricultural and public policy, was a featured speaker. Taylor was an expert witness for plaintiffs in the historic *Pickett v. Tyson Fresh Meats* trial, which is now pending appeal before the U.S. Supreme Court. Taylor is the only economist to have analyzed Tyson’s transactions and profit-and-loss data.

U.S. District Court Judge Lyle Strom overturned the jury’s verdict awarding \$1.28 billion in damages to plaintiffs after finding Tyson Fresh Meats (formerly IBP) guilty of using captive supplies to manipulate cattle prices. The 11th Circuit U.S. Court of Appeals upheld Strom’s decision.

“The seventh amendment to the U.S. Constitution declares our right as citizens to a trial by a jury of our peers, and that no other court shall overturn that jury’s decision,” Taylor said. “The 11th Circuit’s decision guts the Packers and Stockyards Act, and greatly weakens antitrust laws, leaving agricultural producers without protection from unfair, deceptive, discriminatory and anticompetitive practices.

“This decision must be reversed,” he continued.

“One good outcome would be for the U.S. Supreme Court to overrule the lower court by reverting to the intent and plain language of the Packers and Stockyards Act,” Taylor said. “Currently, groups like R-CALF USA and the Organization for Competitive Markets (OCM) should work to encourage the filing, by USDA (the U.S. Department of Agriculture), of an amicus brief supporting this goal. The thrust for this effort must come from the people.



“The courts have turned themselves into fact-finders and legislators, which is impermissible in our legal system here in America and undermines the checks and balances created by our Founding Fathers,” Taylor noted. “The people must bring wayward courts back into line and restore common sense and balance to the interpretation and enforcement of the law. Otherwise, common people will be exploited, threatening the soul of American democracy.”

### Addressing production agriculture

“The U.S. cattle industry is challenged by trade today like never before,” said Dennis McDonald, an R-CALF member and former representative on the U.S. Senate’s Agricultural Advisory Panel on Trade (ATAC). R-CALF was created in 1998 to address trade issues facing the U.S. cattle industry and became a membership organization in 1999.

During R-CALF’s annual convention, the organization’s International Trade Committee convened a panel to address issues related to global trade. Included on the panel were McDonald, who also formerly co-chaired R-CALF’s International Trade Committee; Susan Keller, a veterinarian who serves as North Dakota’s state veterinarian; Athol Economou, a director and treasurer of the Australia Beef Association; and Warren Harang, American Sugar Cane League representative. The panelists all concurred with McDonald’s sentiment, and acknowledged that during the past several years there have been great strides and positive accomplishments relative to trade, including special rules and safeguards for cattle and beef.

One of the trade challenges faced today is the historic mentality that a country has to “give access to gain access.” Keller noted that the recent Japan import rule was certainly

formulated on that belief. However, she cautioned that such a trade mentality — and specifically how the U.S. has handled trade relative to bovine spongiform encephalopathy (BSE) — sets a dangerous precedent. She specifically noted the different health and import standards the U.S. is using for different countries relative to BSE, citing the Japan import rule vs. the Canada rule.

Another prevalent trade mentality is that the U.S. will export itself to profitability. The panel agreed that trade-enhancing agreements are needed but noted that so many of the agreements are with developing countries that there is little to be gained by those in U.S. production agriculture.

Harang, who raises both sugar cane and cattle, said U.S. sugar producers face the same challenges as cattle producers — that is, global trade distortions. He specifically noted that U.S. sugar producers are asked to compete in the global marketplace with countries that receive government subsidies, enjoy lower production costs and have access to the U.S. market. He noted that the United States can import sugar so cheaply that it costs more to package the sugar than the sugar is worth.

Harang also said the American Sugar Cane League has worked diligently to address some of the global trade distortions and to defeat the Central American Free Trade Agreement (CAFTA), even though Congress eventually passed it.

“We were successful,” Harang said. “We lost the battle, but not the war. There has never been a fight like that before in Congress over a trade agreement, and U.S. agriculture was finally heard.”

Harang concluded by saying if U.S. agricultural producers join together like they did on the CAFTA fight, there will be many more trade successes in the future.

Interesting and somewhat heartening to the U.S. cattle producers in attendance were comments provided by Economou. He said the same tension exists in Australia between “traders” and producers as it does in the U.S. He also said the tension has existed for a long time and, essentially, Australian

producers are the losers relative to trade. He specifically noted that the U.S.-Australia free trade agreement (FTA) did not benefit Australian producers. In fact, many are extremely disgruntled because Australia traders tossed away many of the health standards that Australian producers worked vigorously to achieve.

McDonald wrapped up the panel discussion by explaining the challenges that need to be addressed for effectively enhancing trade for U.S. cattle producers. Of utmost concern is giving U.S. cattle producers the ability to distinguish their products from other domestic competitors and international imports. In addition, McDonald noted that the captive-supply issue must be addressed, as it is not only a concern within the borders of the United States, but will further expand as FTAs are completed and provide unfettered access to the U.S. marketplace.

McDonald said he was especially concerned about the sanitary and phytosanitary issues. With the United States' recent relaxation of import standards for countries known to have BSE, it is of great concern that the same liberalization mentality could be applied to other diseases. Furthermore, he said, the regionalization that is occurring relative to disease classification could also cause a huge challenge for cattle producers.

McDonald ended by saying, "We will compete in the international marketplace only if we maintain control of our domestic market."

### **Checkoff concerns**

During the annual convention, R-CALF hosted an inaugural Beef Checkoff Committee meeting, a concept created by R-CALF Co-founder, Region I Director and Former President Leo McDonnell, as well as R-CALF President and Region V Director Chuck Kiker.

"Both gentlemen realized R-CALF members had concerns about the checkoff and wanted the organization to become more involved in the process," said Jim Hanna, R-CALF Beef Checkoff Committee chairman. "Both leaders stressed, however, that in no way was this an attempt to derail the beef promotion process, but rather a format R-CALF could use to advocate for positive changes.

"We started with a clean slate," continued Hanna, a longtime R-CALF member and

## **Cattle producers to 'stampede' Capitol Hill**

More than 60 cattle producers from 19 states were gearing up to stampede into Washington, D.C., on Feb. 14 for Ranchers-Cattlemen Action Legal Fund United Stockgrowers of America's (R-CALF USA's) annual fly-in. Feb. 15-16, R-CALF members were to meet with members of Congress, the Administration, trade officials and officials at the U.S. Department of Agriculture (USDA) to discuss issues affecting the domestic cattle industry.

R-CALF President and Region V Director Chuck Kiker, Beaumont, Texas, said members would discuss topics ranging from country-of-origin labeling (often referred to as COOL or COL), the National Animal Identification System (NAIS), the upward global harmonization of bovine spongiform encephalopathy (BSE) standards and other animal-health standards, and international free trade agreements (FTAs) — specifically safeguards for cattle and beef, which are perishable and cyclical products.

"To compete effectively on a global basis, U.S. cattle producers must have the ability to differentiate their products from beef products derived from other countries," Kiker said. "We also need Congress to help us keep our domestic markets competitive, and to restore that sort of competitiveness, we'll have to work with the [Grain Inspectors,] Packers and Stockyards Administration (GIPSA) to make sure there's transparency throughout the different segments of the beef-supply chain.

"We also need to see to it that mandatory livestock price reporting is restored in a valid, usable and transparent format," Kiker continued. "And, probably now more than ever, we need to make certain that Congress understands just how critical it is that the United States continue to uphold the highest animal-health and food-safety standards — standards that have always given U.S. beef products the highest reputation of all when it comes to safety and wholesomeness."

R-CALF National Membership Co-chair Margene Eiguren, Jordan Valley, Ore., said the event is her chance to discuss with the Oregon congressional delegation issues that are important to everyday ranchers in her part of the world.

"For too long, Congress has been led to believe that the meatpackers are the appropriate representatives for the entire beef-supply chain, and that what is good for the packers must also be good for the producers," Eiguren said. "Only by joining R-CALF USA and participating in events such as this fly-in can we change this misperception. That's why this is such an important opportunity for us as U.S. cattle producers."

"R-CALF members will use this opportunity to educate leaders about their businesses through meetings with government officials and members of Congress," said South Dakota rancher Danni Beer, who chairs R-CALF's COOL Committee. "Government officials will have the opportunity to ask real ranchers how the decisions they make impact the U.S. cattle industry."

R-CALF Mississippi Membership Chair Joel Gill of Pickens, Miss., said the fly-in is an opportunity for Congress to hear a unified voice from the grassroots cattle producers of the United States.

"On the playing field of world trade, it is vitally necessary that U.S. beef be distinguished from that of the rest of the world," Gill said. "We produce the safest and highest quality beef in the world and need to give beef consumers of the United States the same choice that consumers in the rest of the world have — to choose 100% USA product if that's what they want."

"The Iowa congressional delegation has been very receptive to us so far, so from all appearances, these folks are eager to meet with R-CALF and eager to discuss the issues important to us," said R-CALF Region VII Director and Iowa Membership Chair Eric Nelson. "Former R-CALF President Leo McDonnell put the organization on the map, but now the fact that the new president of R-CALF comes from Texas is going to give us a whole new level of credibility, especially when we have to battle against the misperception that R-CALF is just a ranchers' group from the mountain states."

R-CALF Government Relations Director Jess Peterson said members are paying their own way to participate in the stampede.

"Their dedication and willingness to spend time away from their ranches to come out to Washington is greatly, greatly appreciated," Peterson said. "This is outstanding — by far the biggest group R-CALF has ever had for a fly-in."

Peterson said that for the first time, R-CALF would host a reception for Congress, the Administration, media and others during the evening of Feb. 15.

**Editor's Note:** *This article was provided by R-CALF.*

## R-CALF USA Hosts Convention CONTINUED FROM PAGE 329

Nebraska rancher. “We had tremendous interest and participation from the members during the convention and, in the end, I felt we came away with a couple of very good resolutions.”

Members will vote on the proposed resolutions during this year’s mail-in ballot. The proposals contain three major themes:

1. To encourage R-CALF affiliate organizations and their members to become active in selecting members of the Cattlemen’s Beef Promotion and Research Board (CBB) and state beef councils, and to encourage those individuals to actively seek positions at both levels.

2. To make appropriate changes to the Beef Promotion Act and Order that would allow beef checkoff dollars collected from U.S. cattle producers to be used to promote products derived from cattle that are exclusively born, raised and processed in the United States.

3. To establish a referendum process that could effect changes to the Act and Order including:

- the initiation of a required periodic referendum;

- the assurance that all national cattle organizations have adequate representation on the CBB and are able to participate in approved projects;

- the ability to promote branded products;

- the ability for a larger portion of funds to be used on “in-state” projects; and

- the ability for more recently formed cattle-producer organizations to bid on beef checkoff contracts.

“I want to stress that none of these ideas advocate for R-CALF to receive checkoff dollars,” Hanna said. “Our membership and leadership insisted that any organization, including ours, that lobby for specific policy purposes should not be a primary contractor for checkoff funds.

“We recognize the importance of beef promotion and look forward to working with the CBB to create an even stronger program,” Hanna continued. “We need to move away from finding things we can’t do and toward finding ways to do more things that benefit U.S. cattle producers.”

“I’ve known since my first R-CALF convention that the controversy

surrounding the checkoff had more to do with how the program was administered and who was administering the program, rather than members simply being opposed to the overall program,” Kiker said.

Beef checkoff representatives have attended the R-CALF annual convention for the past few years, but this year R-CALF included those individuals on the event’s agenda.

“We’ve built a dialogue with the Cattlemen’s Beef Board staff, and this year they attended the R-CALF convention,” Kiker said. “We had an open forum with those gentlemen, and it went extremely well, resulting in the two resolutions that will go before our membership for a vote.

“And, while R-CALF has no interest whatsoever in contracting with the checkoff, we do want our members who pay checkoff dollars to feel like they’re engaged and have a vested interest in the checkoff process,” Kiker emphasized.



**Editor’s Note:** *This article was provided by R-CALF.*

