An R-CALF USA Publication

# Cattlemen's Newsletter

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*I would rather fail in the cause that someday will triumph than triumph in a cause that someday will fail.*
*- Charles Spurgeon*

## R-CALF USA Disappointed But Not Surprised With House COOL Repeal

R-CALF USA CEO Bill Bullard issued the following statement in response to the recent vote by the U.S. House of Representatives to repeal country of origin labeling (COOL) for beef, pork, chicken, ground beef and ground pork. The vote to repeal COOL was conducted under a special resolution passed by the GOP majority on largely a party-line vote (244 to 187) that limited the entire congressional debate to only one-hour and prohibited lawmakers from making any amendments to the measure. The repeal of COOL was declared passed by a voice vote but a roll-call vote has been called and that vote is scheduled to occur later tonight.

"As expected, the GOP-led House railroaded our nation's widely popular and critically important COOL law with a special rule that ensured insufficient time for reasonable minds to correct the profound misstatements and gross exaggerations made against COOL by the meatpacker-controlled zealots in the House.

"We are deeply disappointed but not at all surprised that the majority of U.S. House members, many of whom are beholden to multinational corporatists in their respective districts, have acted in direct contradiction to the best interests of United States citizens by voting to repeal COOL for beef, pork and chicken.

"The House majority has effectively advanced the national interests of Canada and Mexico, and their multinational corporatist allies, at the expense of the United States' national interest to inform its citizens as to the origins of meat offered for sale in the domestic market.

"It is unprecedented and alarming that the House has unilaterally surrendered our U.S. COOL law, which was ruled constitutional by our federal court system, even while there is a pending WTO (World Trade Organization) dispute in which the U.S. has not yet had the opportunity to exercise its sovereign right to dispute Canada's and Mexico's outrageous and unsupported claims of COOL-related damages.

"The House has unequivocally undercut the United States' ability, through our USTR (U.S. Trade Representative Office) to negotiate a satisfactory resolution to the ongoing WTO's attack on our COOL law.

"Instead, it has sent a resounding message to foreign countries the world over that all they have to do to overturn U.S. laws is file a complaint at the WTO as this will cause the U.S. House to unilaterally cede sovereignty by folding like a house of cards.

"We couldn't be more disappointed with the House and we will now turn to the Senate in an attempt to reverse the damage the House has done to our very important COOL law.

"Consumers need COOL to distinguish meat that is produced exclusively by U.S. farmers and ranchers from meat that is produced in whole or in part under some other countries' food production and food safety systems. United States farmers and ranchers need COOL so competition, and not corporate market power, dictates where meatpackers will source their livestock to meet consumer demand.

"Without COOL U.S. farmers and ranchers will be competing with imported meat from around the world, including from South America, Asia and Europe, but consumers will not be able to tell which meat was produced where. This will ensure that U.S. farmers and ranchers remain disadvantaged in their own domestic market.

## R-CALF USA Applauds USTR Request to Arbitrate COOL; Urges Congress to Not Interfere with Arbitration Process

Recently, the United States Trade Representative (USTR) formally triggered an arbitration process with Canada regarding country of origin labeling (COOL) at the World Trade Organization (WTO). The purpose of the arbitration process is to determine the level of damages, if any, that Canada incurred as a result of the United States' mandatory country of origin labeling (COOL) law. Canada must now prove that it actually incurred monetary damages before the WTO would consider granting it the right to impose retaliatory tariffs against the United States as compensation for any such damages.

In response to the USTR's request, the WTO on Wednesday referred the United States' request regarding Canada to arbitration. Although the USTR will likely also challenge Mexico's claims for damages, Mexico inserted the wrong dollar value for its damage claims and the United States will have more time to respond to Mexico's corrected request to implement retaliatory tariffs.

Even though the COOL complaint is still pending, and while USTR is still pursuing available WTO options with which to defend COOL, the U.S. House of Representatives last week attempted to preempt the USTR from continuing its defense of COOL by passing a measure to repeal COOL for beef, pork and chicken. Recently, a U.S. appellate court definitively ruled that COOL was in full compliance with the U.S. Constitution.

Efforts are now underway in the U.S. Senate to either support the House's repeal effort or to seriously weaken COOL.

R-CALF USA said it applauds the USTR for defending the United States' sovereign right to notify consumers as to the true origins of the meat they purchase for themselves and their families.

"In addition, during the five years that COOL has been in effect, the share of each consumer beef dollar received by U.S. farmers and ranchers has been restored to a 20-year high. In other words, COOL is reducing the control that multinational meatpackers have over our live cattle supply chain and so the USTR's action is directly benefiting U.S. cattle producers," said R-CALF USA CEO Bill Bullard.

The organization also said that Congress is jeopardizing United States' sovereignty by undermining USTR's ongoing efforts to defend COOL through Congress' actions of attempting to outright repeal COOL or to weaken it while the WTO dispute is ongoing.

"We are awe-struck by the tremendous power that multinational meatpackers and foreign countries like Canada and Mexico have over our Congress," said R-CALF USA CEO Bill Bullard who added, "It is unprecedented for Congress to side with foreign countries in an international dispute that involves giving U.S. citizens important information about their food."

Bullard said Congress' effort to repeal or weaken COOL while the WTO case is pending exemplifies a dysfunctional Congress.

"Congress directed the executive branch to subject our U.S.-passed laws to, and to defend those laws within, the global governance structure established by the WTO. But with COOL, Congress is undercutting the executive branch's ability to defend our laws by attempting to surrender them even before the global procedures they agreed to have been completed," Bullard said.

"We urge the U.S. Senate to take no action to repeal or weaken COOL while this important arbitration process is taking place," Bullard concluded.

## R-CALF USA Rejects Senate Proposal to Convert Mandatory COOL to a Voluntary Program

R-CALF USA CEO Bill Bullard issued the following statement in response to U.S. Senator Debbie Stabenow's (D-MI) introduction of legislation that would repeal mandatory country of origin labeling (COOL) for muscle cuts of beef and pork and put in its place a completely voluntary labeling program.

"After fighting for over 15 years to first win and then defend our mandatory COOL (country of origin labeling) law, our members are not about to throw in the towel while our U.S. Trade Representative is still fighting to defend our sovereign right to maintain mandatory COOL in the current arbitration proceeding now underway at the WTO (World Trade Organization).

"Our members flatly oppose this voluntary proposal and we reject the notion that a voluntary program would somehow be better than no COOL at all. We have nearly nine years of experience with two separate voluntary COOL programs administered by the USDA (U.S. Department of Agriculture) and both of those programs reserved the USA label only for products born, raised, and slaughtered in the United States. But, after about eight years with little or no participation by meatpackers and retailers, we definitively concluded that voluntary COOL will not work and it must be mandatory.

"The reason voluntary COOL doesn't work is because meatpackers and retailers don't want it and without a mandatory program, our cow/calf members who sell feeder calves have no way to cause either packers or retailers to label the beef produced from their calves with a USA label after their calves have been sold into the multi-segmented beef supply chain.

"During the five years that mandatory COOL has been in effect, U.S. farmers and ranchers experienced a significant increase in the share of each consumers' beef dollar that was allocated back to producers. In fact, the producers' share of the consumer beef dollar increased from less than 43 cents the year mandatory COOL was implemented to about 56 cents today. Remarkably, that is a 20-year high. This has nothing to do with the price of beef; it has everything to do with the increased competition that COOL has brought to the marketplace by allowing consumers to initiate beef demand signals in the supermarket. COOL has reduced the market control that meatpackers have been enjoying in our U.S. live cattle supply chain by unleashing the competitive forces that were being severely constrained.

"We cannot compromise on COOL. Our U.S. judicial system has ruled that COOL is constitutional and serves a legitimate purpose; the vast majority of consumers want it; and, farmers and ranchers that don't want their cattle and hog industry's chickenized by multinational meatpackers need it.

"United States citizens deserve to know which meat is domestic and which is foreign and Congress should be working to defend such a fundamental right to know, not falling all over itself in an effort to figure out how to appease Canada and Mexico's desire to sneak their products into our markets without a label."

## Group Congratulates Nebraskans Who Stopped Chinese-Controlled Industrial Hog Farms in Nebraska

Recently, the Nebraska Unicameral Legislature defeated a measure that would have allowed Chinese-owned Smithfield Farms, the largest industrialized pork packer and hog producer in the United States, along with other foreign and domestic multinational corporations, to begin owning, controlling and feeding hogs in corporate-controlled contract hog operations in Nebraska.

"We applaud and congratulate Nebraska's Senators who helped defeat LB 176 (Nebraska Legislative Bill 176)," said R-CALF USA CEO Bill Bullard adding, "And we particularly want to thank and congratulate the Nebraska Farmers Union, Center for Rural Affairs, Independent Cattlemen of Nebraska, Nebraska Women Involved in Farm Economics, and Nebraska Grange whose members worked tirelessly to send e-mails and phone calls to their state senators to urge them to support Nebraska's independent family farmers and ranchers."

Nebraska's longstanding Competitive Livestock Markets Act, which may be one of the last, if not the last, effective anti-corporate farming laws in the nation, prohibits meatpackers from owning, controlling or feeding livestock for more than five days prior to slaughter.

R-CALF USA sent a letter to Nebraska Senators in February urging them to defeat LB 176. The letter stated that LB 176 would result in a loss of marketing outlets for independent livestock producers, forcing them to "either produce livestock under the command-and-control regime of the meatpackers or exit their industry."

Bullard said this is a huge victory for every U.S. citizen who wants a safe and secure food supply.

"Our family farm and ranch system of livestock production, or at least what is left of it, has been proven the world over as the absolute best system for ensuring safe food and a secure food supply," he said.

But, Bullard warns, the competitive marketplace needed to sustain independent livestock producers is evaporating fast.

Before yesterday's coalition victory led by the Nebraska Farmers Union and the Center for Rural Affairs to preserve marketplace competition in Nebraska, the last major governmental effort to preserve what is left of the U.S. livestock industry's fast-shrinking competitive marketplace occurred in 2008. That was the year the U.S. Department of Justice initiated antitrust enforcement action to block the world's largest meatpacker, Brazilian-owned JBS, from purchasing the nation's fourth largest meatpacker, National Beef Packing Company.

Since then and continuing through today, the Department of Justice's and the U.S. Department of Agriculture's (USDA's) enforcement engines were placed on idle and Brazilian-owned JBS was allowed to purchase the United States' largest cattle feeding company, Five Rivers Cattle Feeding, LLC; the United States' fifth largest beef packer, Smithfield Beef Group; the United States' largest poultry integrator, Pilgrim's Pride; as well as additional and large U.S. cattle feeding companies. Also, the United States' largest hog producer and pork packer, Smithfield Farms was allowed to be sold to Shuanghui International, a Chinese firm controlled in whole or in part by communist China.

As a result of the Department of Justice's and the USDA's failure to stop the corporate takeover of marketplace competition for independent livestock producers, the volume of livestock still sold in the competitive marketplace has declined drastically.

USDA data show that fed cattle sold in the competitive marketplace that are not already controlled by corporate meatpackers has fallen to only 21% nationally and to only 1.5% in the Texas-Oklahoma-New Mexico fed cattle market.

"It's even worse for hogs," said Bullard adding, "The last information we've received indicates that only about 3% of all the nation's hogs are still sold in the competitive cash market, and the rest are under the control of meatpackers."

Bullard said that Nebraska's continuing restriction against the corporate takeover of its livestock markets is the model the entire nation should be following.

"And, yesterday's success by the coalition of like-minded Nebraska organizations should be an incentive to independent producers to begin working again to force the U.S. Department of Justice and the USDA to once again begin protecting our competitive marketplace," he concluded.

## Group Says Research On Live FMD Virus Soon To Take Place In Manhattan, Kansas, Is An Accident Waiting To Happen

Groundbreaking for the National Bio and Agro-Defense Facility (NBAF), a $1.25 billion project by the U.S. Department of Homeland Security (DHS), took place last Wednesday in Manhattan, Kansas. The new facility will focus biosafety level 3 agriculture (BSL-3Ag) research on dangerous livestock diseases such as African swine fever and foot-and-mouth disease (FMD) and will focus its BSL-4 research on such deadly pathogens as the Hendra and Nipah viruses, which are zoonotic pathogens that can be transmitted from animals to humans and for which no treatment is available.

R-CALF USA Vice President Mike Schultz who raises cattle in Brewster, Kansas, said the United States is making a terrible mistake by bringing the live FMD virus into Kansas.

"Congress and the President are ignoring the science that tells us this research facility is an accident waiting to happen," he said.

When construction is complete, and for the first time since the 1929 FMD outbreak in California, the live FMD virus will once again be reintroduced to the United States' mainland. Foot-and mouth disease is the most highly infectious animal disease presently known to cloven-footed animals such as cattle, swine, sheep and deer. Nearly 100 percent of exposed animals become infected. To accommodate the DHS' request to bring the live FMD virus to the mainland, Congress first had to change U.S. law that restricted use of the live FMD virus to coastal islands. Since the 1950s, all U.S. research on FMD was conducted at the Plum Island Animal Disease Center, located on an island off the northern tip of Long Island, New York.

In 2008 the independent, U.S. Government Accountability Office (GAO) conducted a study and concluded that the DHS lacks evidence to conclude that FMD research can be done safely on the U.S. mainland. The GAO raised numerous concerns regarding the inherent dangers of conducting research in close proximity to susceptible animals, such as the wildlife and cattle that surround the Manhattan site, particularly since FMD can be carried from farm-to-farm on the wind. The GAO pointed out that the DHS did not examine data from past releases of FMD – including the inadvertent release of FMD from Plum Island in 1978 that, according to reports, was carried harmlessly away over the Atlantic Ocean by prevailing winds. As a result, only the research cattle in pens at the facility had to be destroyed.

In 2010 the National Academy of Sciences (Academy) conducted its own independent study of the proposed Manhattan site and concluded that the Manhattan site would more likely than not result in an FMD outbreak within the 50-year life span of the NBAF. The Academy found that some of the risks associated with the Manhattan site were generic to any high-containment large animal facility, such as sites where the virus is inoculated in live cattle rather than being contained in biosafety cabinets. However, the Academy found that the risk of FMD infection, spread, and impact were largely related to the Manhattan site.

The Academy concluded that the probability of an infection resulting from a laboratory release of FMD from the NBAF site in Manhattan, Kansas approaches 70% over 50 years, with an economic impact to the U.S. cattle industry of $9-50 billion. Human error will be the most likely cause of an accidental pathogen release from Manhattan, according to the Academy.

Schultz said that human error was the cause of accidental releases of FMD that occurred both internally in and externally from the Plum Island facility. "If, or when, such accidents occur in Manhattan, the consequences will be far more severe than they were on the isolated island."

There have been numerous, human-error-caused releases of deadly pathogens from BSL-3 laboratories both here and abroad over the past decade. In 2007 the FMD virus was accidently released from the Pirbright BSL-3 laboratory in Surrey, England, causing widespread outbreaks on surrounding farms.

Schultz said it is ironic that the same week that groundbreaking occurs for this dangerous NBAF laboratory, the Pentagon reports that the U.S. Army has mistakenly sent live anthrax spores to 24 laboratories in 11 states and two foreign countries.

On March 13, 2015, the Centers for Disease Control and Prevention (CDC) identified human error – lapses in the appropriate use of personal protective equipment – as the cause of the accidental release of the deadly Burkholderia pseudomallei bacteria from the Tulane National Primate Research Center, which is a BSL-3 research facility.

In June, 2014, the CDC announced that 75 people were being monitored or provided antibiotics because they may have been unintentionally exposed to live anthrax after safety practices were not followed at the Atlanta, Georgia, Roybal campus BSL-3 laboratory.

Schultz said these recent examples of human-caused breaches at high-containment facilities demonstrate that conducting FMD research at the Manhattan-based NBAF will likely result in an accidental release at some point.

"Equally alarming," said Schultz, "Is that a study conducted this month by the GOA concludes that the federal government is not prepared to address a large-scale animal disease outbreak like an FMD outbreak."

The GAO report found that federal agencies do not have enough veterinarians to respond to a major crisis, nor do they even know how many veterinarians they would need.

The report comes after the U.S. swine industry lost an estimated 8 million pigs to the recent porcine epidemic diarrhea virus (PEDV) and while the U.S. poultry industry is destroying tens of millions of poultry resulting from the out-of-control outbreak of avian influenza. Latest reports indicate that about 30 million chickens and turkeys have been destroyed.

"If our cattle industry were to lose the same number of cows as the poultry industry has now lost to avian influenza, we would wipe out our entire 29.7 million head of beef cows here in the United States.

"The NBAF in Manhattan will irresponsibly increase the risk of yet another deadly disease outbreak and the federal government does not even have an effective strategy to protect our nation's food security if or when that outbreak occurs," Schultz concluded.

## CHECKOFF CORNER

Joe Pongratz is the chair of R-CALF USA's Checkoff Committee. I am writing this to bring everybody up to date as to what is happening in regards to the Beef Checkoff program.

Hello All

We don't currently have an update on the checkoff.

Joe Pongratz

## 10 COOL Things the House Agriculture Committee Got Wrong

Just days before the World Trade Organization (WTO) issued its fourth ruling against the U.S. country of origin labeling (COOL) law, the U.S. House Agriculture Committee (Committee) issued a news release titled, "10 COOL Things to Know."

According to R-CALF USA, the Committee's news release is an unprecedented propaganda piece that attempts to rehash anti-COOL arguments that were rejected by the U.S. Court of Ap-peals during the meatpacker lobby's failed attempt to repeal COOL through litigation.

Below, R-CALF USA's CEO Bill Bullard restates the House Agriculture Committee's 10 COOL "things" asserted in the Committee's official government news release and he provides a factual rebuttal to each.

**1. 'COOL is not about food safety or traceability.'**

"Yes it is according to the U.S. Court of Appeals that researched the Congressional Record and found that food safety interests were among the reasons Congress passed COOL. The court de-termined that an agency's belief that COOL does not serve food safety purpose 'doesn't delegit-imize a congressional decision to empower consumers to take possible country-specific differ-ences in safety practices into account. Nor does such an agency belief undercut the economy-wide benefits of con-fining the market impact of a disease outbreak.'"

**2. 'COOL is costly for producers, retailers, and consumers.'**

"Current COOL regulations were implemented two years ago, in May 2013. Since then, U.S. cow/calf producers, backgrounders and feeders have received the highest nominal prices in the history of their industry and their share of the consumers' beef dollar has jumped to 55%, which is a 20-year high. This means COOL helped producers recover their lost market share that packers and retailers captured from them prior to COOL. Also, consumer demand measured by Kansas State University (KSU) increased nearly 12 points since COOL's implementation, indicating that consumers are more than willing to pay for COOL even while extremely tight cattle supplies are driving beef prices higher. The cost of COOL is estimated to be less than half of one penny per pound based even on the Committee's asserted $211.9 million price tag."

**3. 'There is no increase in consumer demand for origin labeling information as a result of COOL.'**

"While theorists make this claim, actual market data demonstrate they are wrong. As stated above, beef demand increased nearly 12 points since implementation of the May 2013 regula-tions. If measured since COOL's initial implementation in March 2009, beef demand increased by about 13 points. Prior to COOL, from 2004-2009, beef demand fell drastically by about 18 points. So, market data show that COOL helped domestic beef demand recover from its down-ward spiral even while consumers were paying supply-induced, record prices for beef."

**4. 'Consumers interested in country of origin information are not willing to pay more for it.'**

"Yes they are. A 2010 U.S. Department of Agriculture (USDA) investigation found that, 'Pack-ers were not able to sell beef with 'Canada' or 'Mexico' labels for the same price as beef pro-duced entirely within the United States.' A 2014 Oklahoma State University survey found that, 'Results indicate consumers valued beef that was born or born and raised in Canada $0.89 and $1.05 less, respectively, than beef that was born, raised, and slaughtered in the U.S.' Also, the U.S. Court of Appeals referenced a survey that found that 71-73 percent of consumers would be willing to pay for country-of-origin information about their food."

**5. 'The World Trade Organization (WTO) has ruled against the U.S. (four) times.'**

"This is true. But, it was expected given the conflicts of interest that predispose the WTO to faulting COOL. First, the WTO advocates against country-specific labels and for its own 'Made in the World' labeling initiative, which it calls, 'A Paradigm Shift to Analyzing Trade.' Our U.S. justice system would never allow a global advocate of alternative labeling to decide a dispute involving country-specific labels. But the WTO did. Second, Ricardo Ramírez-Hernández pre-sided as an appellate jurist in both of the U.S. COOL appeals before the WTO. Mr. Ramírez-Hernández is a Mexican national who represented Mexico in international trade litigation and he served as lead counsel to the Mexican government in several WTO disputes. Due process dictates that a representative of a party to a dispute cannot serve as a judge over the dispute. Our U.S. judicial system would never tolerate this. Yet, the WTO condones this conflict of interest."

**6. 'Canada and Mexico are expected to retaliate should the WTO rule against the U.S. in the coming days.'**

"The WTO ruling does not assert that COOL caused Canada or Mexico to suffer any specific monetary damage. In past WTO cases, retaliatory measures were only authorized after a pro-ceeding to determine what specific monetary damages, if any, were suffered. Such a proceeding has not yet been scheduled for COOL. This means the WTO dispute process is not over, and the WTO is not expected to make a damage determination for several months. The WTO, therefore, has not authorized Canada or Mexico to retaliate during this early phase of the dispute."

**7. 'Retaliation could hurt much more than just the agriculture industry.'**

"This is a speculative, sky-is-falling argument. The degree that retaliatory measures might harm other U.S. industries cannot be estimated until and unless Canada and Mexico actually prove their claimed monetary damages during a yet-to-be-held WTO proceeding. It will likely be diffi-cult for Canada and Mexico to prove any substantive damages given the recent study by Auburn University Economist C. Robert Taylor that concluded that most or all of the financial harms at-tributed to COOL were actually caused by the global recession and by the cattle procurement practices of multinational meatpackers, not by COOL. Also, livestock imports from Canada and Mexico have been increasing post-COOL, indicating that those countries' access to the U.S. market has not been impaired by COOL."

**8. 'U.S. trade relationships could be damaged as a result of COOL.'**

"The U.S. is the most important market for Canadian and Mexican products. Canada, for exam-ple, relies on the U.S. to purchase a whopping 77% of Canada's annual exports. Census Bureau data for 2014 show the U.S. imported $640 billion in products from Canada and Mexico but ex-ported to them only $552 billion, leaving the U.S. with a trade deficit of $88 billion. The same relationship exists in the trade of cattle, beef, beef variety meat and processed beef. In 2014 the U.S. imported $4.5 billion in those products from Canada and Mexico while exporting to them only $2.2 billion, leaving the U.S. with a $2.3 billion trade deficit. It would be illogical for Can-ada or Mexico to initiate actions that would cause a serious strain on their trading relationship with the United States because doing so could disrupt their extremely profitable trade surpluses."

**9. 'Congress must be prepared to act quickly.'**

"Congress should not take any action right now. Congress has subjected the U.S. to this international tribunal's procedures that do not conform to U.S. judicial standards. It would be irrespon-sible for Congress to prematurely bail-out before the U.S. has even completed every phase of the dispute settlement process. Capitulating to Canada and Mexico at this early juncture would con-stitute an unprecedented surrender of the United States' right to pursue all available options be-fore deciding to cede any of its sovereignty – in this case its constitutional right to inform con-sumers as to the origins of their food. Rather than to act quickly, Congress should begin consul-tations with the Administration to determine whether the U.S. should attempt to bring COOL into compliance with the ruling, initiate negotiations with Canada and Mexico to arrive at a 'mutually-acceptable compensation,' or proceed to challenge any monetary claims that Canada and Mexico may formally bring to the WTO. According to WTO rules, a meeting will be scheduled for the purpose of learning what actions the U.S. intends to take within 30 days after the WTO formally decides to either adopt or reject the latest COOL ruling. This formal adoption or rejection has not yet occurred so even this preliminary timeline has not yet been triggered."

**10. 'More than 100 American and international businesses and organizations do not support COOL.'**

"It may be true that there are more than 100 international businesses and organizations that op-pose COOL. However, 207 consumer, farm, ranch, rural, manufacturing and community groups recently sent a letter to Congress expressing their strong support for COOL. In addition, a 2014 Consumer Reports survey found that 90% of consumers support COOL."

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# Cattlemen's Newsletter

United Stockgrowers of America — May/June 2015

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## Where Did It All Go?

Lee Pitts, Livestock Market Digest Published May 15, 2015

PART 1 of 2.

Sometimes you have to really dig to find a story. And then sometimes it finds you.

In the past few weeks I've received several phone calls from people associated with the beef checkoff. This alone is a minor miracle because I haven't exactly been on speaking terms with these folks. Suffice it to say, I'm not on the Christmas card list of the NCBA or the Beef Board.

At first I was skeptical. The callers, fearing retribution, did not want their names used but insisted their information was accurate. Were they setting me up by feeding me incorrect information? So I checked out the sources and the information they gave me as much as I could, after all, getting any information out of the NCBA usually involves the Freedom of Information Act. I found that the callers all had something NCBA execs don't have... a conscience.

**The Right To Know**

Believe me, I really did not want to wade into the checkoff mess again as it has only brought me grief and an enemy's list a mile long. I've learned the hard way that you can't criticize anything about the beef checkoff. That would be heresy! UnAmerican! It's like criticizing mom and apple pie, only when it comes to the checkoff, mom is a street-walking harlot willing to do anything for money, and the apple pie is made with horse apples.

Still, I thought you had a right to know how your money is being spent.

Just to make sure I have your attention let's start with a big bombshell. Prior to the phone calls, the last info I was privy to about the salary of NCBA's CEO, Forrest Roberts, was from his 2013 federal tax forms when he was paid $428,319. That's extravagant enough but according to a Cattleman's Beef Board big wig who called me, Mr. Roberts is now allegedly making $550,000 per year! But that's not the biggest insult. I wouldn't have a problem if Mr. Roberts was being paid with NCBA dues money, that's their money and let them spend it how they want. But according to my source, 72% of Robert's salary is paid by the beef checkoff because that's how much time the NCBA says he spends on checkoff matters. 72%! The NCBA sure couldn't pay that kind of a salary if they had to live off dues, now could they? One of the reasons they stole the checkoff money to begin with 30 years ago was they were slowly going broke.

Keep in mind that the NCBA is a lobbying organization and checkoff money is not supposed to be spent on lobbying because the checkoff is a government program. It is supposedly illegal for Congresspersons to levy a tax which will then be funneled back to those same Congresspersons in the form of campaign contributions. Anywhere but Washington D.C., this is known as a bribe.

Mr. Roberts is not the only one with his hand deeply into the checkoff cookie jar. According to one source, there are at least ten people working for the checkoff who are making more than $290,000 per year! NCBA paid out $13 million in yearly salaries and 82% of NCBA's budget comes from your checkoff dollars.

**Speaking With One Voice**

Everyone who called me said that the beef checkoff is "staff driven" to the point that when an NCBA President or other emissary gives a speech, you are not hearing independent thoughts but a speech written by staff. And the speakers are not to deviate from the prepared remarks. One CBB caller told me he once strayed from the staff written speech and was called on the carpet for it. I suppose this is what they mean when they say, "Speaking with one voice."

I was often frustrated by NCBA's refusal to even discuss the use of beta agonists and hormones, until I read Forrest Robert's resume. For the 16 years prior to hitting the jackpot and being named NCBA's CEO, "Roberts held several marketing and sales positions in two animal health companies," says his resume on NCBA's web site. "He started with Upjohn Animal Health in 1992 and remained with the company through two mergers with Pharmacia Animal Health and later Pfizer Animal Health. In 2004 he left Pfizer to join Elanco Animal Health, where he served as the marketing manager for Elanco's Beef Business Unit."

Gee, do you think he might be a bit prejudiced when it comes to antibiotics, hormones, and natural versus chemically produced beef?

The reason I got those tell-all phone calls was because the NCBA/CBB is in the process of raising the checkoff to two dollars. Three dollars in some cases. Several states had votes asking their members if they wanted to raise the checkoff to two dollars per head. In some states, like Texas, it passed, while in others, like California, it did not. The only way the state beef councils had any hope of getting a "yes" vote was to promise that 100% of the new dollar would be kept in-state and out of NCBA's greedy hands. I was informed this is nonsense. It might not come in through the front door, but all the NCBA/CBB has to do is raise the cost of its board seats (that's right, you have to buy them) and the new checkoff dollars will flow to NCBA's coffers.

**A Big Waste Of Time**

For over three years a dozen groups have been working to improve the checkoff through the Beef Checkoff Enhancement Working Group. Recently that group came to a Memorandum of Understanding to ask Congress for another dollar per head. But like making sausage or legislation, it wasn't a pretty thing to watch. The National Farmers Union dropped out calling it a "big waste of time." NFU President Roger Johnson said, "The meetings were a bridge to nowhere, because they were largely controlled by the organization that has a vested interest in making sure the current structure never changes." That would be the NCBA.

The checkoff working group agreed to a Memorandum of Understanding asking for another buck and promises there will be a referendum. And you can ask for a refund, but only on the second dollar. I can only imagine how difficult they will make it to get your money back. As for the referendum on the second dollar, I'll believe it when I see it.

We've already seen how that process works when the LMA gathered what they thought were the necessary signatures for a referendum only to have a chunk of those signatures declared invalid. With the checkoff, things have a way of changing from the agreed upon deal. It reminds me of how the government broke treaties with American Indians, only this time time it's the cowboys getting deceived instead of the Indians. For example, when they wanted you to approve the initial checkoff they said it was a producer controlled program but when they went to the Supreme Court the only way the NCBA could save it was by saying it was a government program. And who would have ever thought an organization that did not even exist when the original checkoff finally passed (after three tries) that in the future a new group calling itself the NCBA would be getting 97% of the contracts!