

Fighting for the U.S. Cattle Producer!



R-CALF

USA

***Presentation to 17th Annual
R-CALF USA Convention***

Nine Critical Issues

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- **Country of Origin Labeling**
- **GIPSA Rules**
- **Price Manipulation in Cattle Markets**
- **Antitrust Enforcement**
- **Livestock Disease Import Restrictions**
- **Trade**
- **Beef Checkoff Program**
- **Private Property**
- **United States Sovereignty**

Country of Origin Labeling

- COOL facilitates competition
 - Empowers consumers
 - Prevents packers from leveraging cheap supplies to drive down cattle prices
- We must restore mandatory COOL that reserves the USA label only for beef that is born, raised, and slaughtered in the U.S.

GIPSA Rules

- Packers & Stockyards Act prohibits unfair, unjustly discriminatory or deceptive practices, and granting undue or unreasonable preferences or advantages.
- Showing of competitive injury not required.
- We must support rules that properly implement the P&S Act to prevent anticompetitive practices.

Price Manipulation in Cattle Markets

- Last Frontier
- Supply chain capture
 - Direct ownership
 - Unpriced contracts
- Destroying price discovery
- We must pass legislation to stop the Big 4 from using captive supply cattle to capture control of the live cattle supply chain.

Antitrust Enforcement

- General Lack of Antitrust Enforcement
 - Unchecked mergers, acquisitions, territory apportionment, collusion, price manipulation
- Coordinate when supplies are plentiful and compete when supplies are tight
- Exploitation of producers and consumers
- We must begin enforcing antitrust laws to restore and preserve competition.

Livestock Disease Import Restrictions

- USDA is systematically dismantling U.S. disease-related import restrictions.
 - TB from Mexico
 - FMD from Argentina, Brazil, and Namibia.
 - Catastrophic consequences.
- We must pass legislation to prevent high-risk imports from countries that continue to experience outbreaks of contagious and transmissible diseases.

Trade

- Cattle industry does not overproduce
- Extremely sensitive to changes in supply
- No safeguards for import surges
- Disregards domestic supply chains
 - Packers control origin
 - Safety standards lowered
 - Mounting deficit: \$44.5 billion/\$4.3 billion
- *We must renegotiate current trade agreements such as NAFTA and CAFTA and oppose the TPP.*
 - *protect the supply-sensitive cattle industry*
 - *designate the origin of beef as the country where the animal was born, raised, and slaughtered.*
 - *provide the U.S. cattle industry a meaningful opportunity to achieve more balanced trade with its trade-agreement partners.*

Beef Checkoff Program

- Perhaps the greatest hypocrisy in the history of the U.S. cattle industry.
- The resulting cattle tax revenues total about \$80 million per year and are collected by state beef councils that retain half the taxes and remit the other half to the national beef checkoff program.
- Most of the \$40 million in cattle taxes received by the national beef checkoff program is paid to the National Cattlemen's Beef Association (NCBA), a lobbying organization that represents both multinational meatpackers and producers.
- More than 82 percent of the NCBA's total funding is derived from the federal cattle tax.
- The NCBA's political mantra is its call to get government out of agriculture. The NCBA lobbies against cattle-producer initiatives on the basis that it does not want the government involved in the cattle industry. Yet, the NCBA is the single-largest benefactor of the \$80 million government-mandated cattle tax that funds government speech.

Beef Checkoff Program, Con't.

- The cattle tax cross-subsidizes the NCBA's lobbying efforts, it promotes the anticompetitive message that beef is beef regardless of whether the cattle were born and raised in Honduras, Nicaragua, Mexico or the United States, and the federal government's audit determined that hundreds of thousands of cattle tax dollars were improperly spent by the NCBA.
- We must repeal the National Beef Checkoff Program as it now exists or, alternatively, pass legislation that would: 1) prohibit any lobbying organization from contracting with the checkoff program; 2) allow U.S. cattle producers to promote USA beef; and/or 3) require the checkoff program to be purely voluntary.

Private Property

- Pre mid-70s: National interest to populate federally managed lands.
- Federal government now pursuing a systematic campaign to remove ranchers and their livestock from those lands.
 - The vested water and grazing rights being impaired or revoked.
 - Land-use restrictions are rendering some grazing lands uneconomical to operate.
 - Laws pertaining to endangered species, conservation, and water are being interpreted and implemented in a manner that demonizes the very ranchers who, for generations, dedicated their lives to the stewardship of the air, land and water, for which their ranching operations were dependent.
- *We must reverse the federal government's ongoing campaign to curtail if not end grazing on federally managed lands by independent cattle and sheep ranchers and restore a cooperative, helpful, respectful and non-litigious relationship between federal land management employees and U.S. ranchers.*

United States Sovereignty

- Self-imposed erosion of national sovereignty the United States is experiencing at the hands of the World Trade Organization (WTO).
- The WTO is the global, governing body authorized by trade agreements to adjudicate trade rules.
- In 2015 the WTO threatened the U.S. with an ultimatum to either repeal its domestic COOL law or face economic sanctions.
- Congress quickly capitulated and repealed the U.S. statute that required COOL for beef and pork.
- The chief member of the WTO panel that issued the coercive ultimatum was not an independent judge. Instead, he was a Mexican national – a citizen of one of the two countries that brought the COOL complaint to the WTO.

United States Sovereignty, Con't.

- Turned basic rules of procedure and evidence, which are hallmarks of U.S. jurisprudence, on their head.
- The U.S. now subjects its laws and lawmaking powers to a subverted WTO procedure whereby U.S. law becomes subservient to trade agreement rules as interpreted not by independent judges but by WTO panels.
- Much less about tariff reduction and much more about global governance and global standardization.
- We must withdraw from the now established global process whereby U.S. law becomes subservient to trade agreement rules as interpreted by WTO panels.