



Creating Change

Members of the NCBA and CBB met in July at their summer meeting in Dallas, Texas.

compiled by *Stephanie Veldman*

The beef industry is currently facing several challenging issues both in the United States and internationally. Each summer, a meeting is hosted for those involved with the beef industry to discuss these issues.

More than 1,000 producers, feedlot operators, packers, animal health representatives and international partners met at the 2003 Cattle Industry Summer Conference in Dallas, Texas, July 22-26, where the National Cattlemen's Association (NCBA) and Cattlemen's Beef Board (CBB) held their midyear meetings. Informational forums and policy-making committees enabled attendees to discuss their views on the issues and vote on policy, the results of which are summarized on the following pages.

In the first-ever Beef Industry Issues Forums on Thursday, July 24, cattlemen chose three of six topic sessions to attend. The forums were designed to facilitate discussions and answer cattlemen's

questions on several hot issues. The six forums included:

- ▶ animal production genomics — an overview on the Carcass Merit Study;
- ▶ beef checkoff — an update on litigation and the future of funded programs;
- ▶ beef safety — an update on what is being done to prevent pathogens, like *E. coli*, in the beef supply;
- ▶ BSE — future trade implications and what the United States can learn in the aftermath of the discovery of bovine spongiform encephalopathy (BSE) in Canada;
- ▶ country-of-origin labeling (often referred to as COL or COOL) — the latest developments and how changes will be implemented; and
- ▶ international trade — discussion on border issues with Canada and Mexico, the World Trade Organization (WTO), and key export opportunities.

On Thursday afternoon a joint council meeting updated attendees on animal identification (ID), current standards in animal ID and the importance of using it in protecting the health of the U.S. cattle herd.

Thursday evening was spent at the headquarters of RFD-TV Communications Inc., which is based in Dallas. Attendees were served a steak supper, and after the meal, a town hall meeting was broadcast live by satellite, giving cattlemen

across the nation a chance to call in and ask questions about the NCBA and CBB.

Monte Reese, chief operating officer (COO) of CBB, and Andy Tucker, chairman of CBB, spent 45 minutes answering questions on the beef checkoff, checkoff litigation and food safety issues. Terry Stokes, chief executive officer (CEO) of NCBA, and Eric Davis, NCBA president, answered questions for 45 minutes on issues like BSE in Canada, trade with Australia, country-of-origin labeling policy and electronic identification (EID).

The NCBA and CBB have hosted a series of town hall meetings across the country, but this was the first time they have broadcast one live and have allowed callers to ask questions. Stokes says they plan to continue the town hall meetings in the future.

On Friday, July 25, NCBA committees met throughout the day. The NCBA Executive Committee hosted an afternoon forum to present the new officers' governance policy proposal and to allow members to ask questions and discuss issues. The policy is explained more in-depth in "Governance policy proposal" on page 191.

The joint NCBA/CBB board meeting was Saturday, July 26. Results from policy developed at the meeting follow. Information on the CBB budget can be found below, and information on the NCBA budget can be found on page 189.

Policy changes

Cattle producers reviewed major policy issues affecting ranching operations and the overall cattle industry. They came to agreement on top policy efforts for NCBA staff in Washington, D.C., passing



▶ Cattlemen attended three of six topic sessions during the first-ever Beef Industry Issues Forums. The forums were designed to facilitate discussions and answer questions.

CBB sets \$50.5 million budget for FY 2004

The Cattlemen's Beef Board (CBB) approved a \$50.5 million budget for fiscal year (FY) 2004, which began Oct. 1, 2003. This is \$2.1 million more than last year's budget. The budget focuses on building demand for beef through promotions and consumer information programs. It also provides funds for beef safety, cattle health and disease research.

Included in the budget is \$26.5 million for promotions; \$6.1 million for research; \$5.8 million for consumer information; \$1.5

million for industry information; \$5.2 million for foreign marketing; and \$1.9 million for producer communications. Another \$700,000 is in unallocated funds; \$230,000 will be paid for program oversight by the U.S. Department of Agriculture (USDA); \$210,000 is earmarked for evaluation; \$110,000 for program development; and \$2.25 million will cover administrative costs. The USDA needed to approve the budget before it can be implemented.

resolutions that specifically address concerns.

“Whatever our members decide, the voice of NCBA cattle producers will be heard loud and clear on Capitol Hill — no matter how many thousands of miles away they are,” said Chandler Keys, NCBA’s vice president of public policy. “NCBA has an impressive legacy in Washington, D.C., and a strong, active working relationship with influential policymakers, administrations and staff members.”

The resolutions passed at the summer conference serve as an additional “road map” for NCBA staff, members and state affiliates as they highlight top policy issues and make amendments to the official 2003 policy agenda.

“It’s an open opportunity for cattle producers to take the microphone and decide on the most important changes, resolutions and directives for our public policy platform. These producers bring the realities of critical issues immediately into the spotlight,” said Eric Davis, NCBA president and a producer from Idaho.

The following gives a summary of some of the top initiatives passed by the board.

Cattle health

Antibiotics and drugs for beef cattle — NCBA members agreed that the prudent and appropriate use of antibiotics and other modern compounds is an essential tool for beef producers to provide for the health and welfare of their animals. They passed a resolution that the NCBA support actions based only on sound, peer-reviewed science and risk assessment relative to the use of antibiotics or other drugs.

Foot-and-mouth disease (FMD) — The principal plan for control of a possible FMD outbreak is widespread depopulation of cattle herds; however, depopulation may not be allowed or feasible in certain states. NCBA members decided to request immediate funding of research for alternative methods of FMD control by the Department of Homeland Security and the U.S. Department of Agriculture (USDA).

Tuberculosis (TB) — Since 2000 it has become clear that the United States is not free of TB, with four states having verified the disease within their borders; and it has become obvious that the federal TB rule is having, and will have, a tremendous negative impact on cow-calf producers. The board passed a resolution requesting that the USDA reopen the TB rule for changes, including changes in the number of herds, type of operation and testing age.



► Bill Donald, head of the cow-calf council and a producer from Montana, speaks on policy during the NCBA board of directors meeting.

In addition, the NCBA will request that the USDA ensure adequate funding for the TB program to complete the long-standing eradication efforts, prior to, or in addition to, funding new voluntary programs.

Finally, NCBA members support Michigan being granted split state status by the USDA, and, in general, support regionalization of any state for purposes of: control and eradication of disease, prevention of loss of markets, and negative economic impact on the industry whenever such a state and its affected industry can demonstrate compliance with provisions of regionalization.

Disease and laboratory research support — The USDA-Agriculture Research Service (ARS) Arthropod-Borne Animal Diseases Research Laboratory (ABADRL) at Laramie, Wyo., plays a very critical role in conducting research on bluetongue virus (BTV), epizootic hemorrhagic disease (EHD), vesicular stomatitis, (VS) and West Nile virus (WNV) research, which are all very important to the cattle industry. The ABADRL facilities are in critical need of repair. NCBA members passed a resolution in strong support of the prompt revitalization of ABADRL research programs with renovations, increased funding and additional personnel. NCBA supports immediate Congressional funding of a feasibility study for the research facilities and maintenance.

In addition, NCBA strongly supports the planning, funding and construction of a new research facility to replace the existing Knipling-Bushland U.S. Livestock Insects Research Laboratory in Kerrville, Texas, which has been a critical research laboratory for a number of important livestock pests. NCBA supports the existing collaborative efforts with the ARS Animal Disease Units at Pullman, Wash., and Kerrville.

Finally, members passed a resolution to

CONTINUED ON PAGE 190

The Stakeholders' proposal was again voted on during the NCBA board meeting; it failed once more. The governance proposal was then voted on and passed by the board, and a recommendation was made to present the proposed bylaw amendment at the NCBA board meeting at the 2004 Cattle Industry Annual Convention in Phoenix, Ariz., in January.

NCBA approves FY 2004 budgets

The budget for the National Cattlemen’s Beef Association (NCBA) is broken into two divisions — policy and federation.

The proposed fiscal year (FY) 2004 budget for the Federation Division is \$61,775,000, which is about \$3 million more than last year. It will be used in areas including consumer marketing, international marketing, public opinion and issues management, research and knowledge management, and on behalf of the CBB and state beef councils. The programs are funded through the \$1-per-head beef checkoff.

The Policy Division budget is \$7,651,284, and is funded primarily through membership and affiliate dues, investments by private council members, sponsorships and meeting registrations, a trade show, advertising revenue, and sales of materials. The Policy Division conducts lobbying efforts in Washington, D.C., on behalf of cattlemen, using the policy that members set in their meetings. It also provides research, communication and association services on behalf of cattle producers and their organizations.

Total Policy Division expenses are budgeted \$203,199 more than FY 2002. While the Policy Division is still struggling with less revenue over expenses, the problem is not as severe as in 2003. The special solicitation asked for last year was applied against the deficit, and Jon Ferguson, Joint Budget Committee chairman, said the most likely scenario would be a deficit up to \$250,000 for FY 2004, which is significantly down from the more than \$350,000 deficit in FY 2003.



Creating Change CONTINUED FROM PAGE 189

support the expansion of the existing confined cattle stable fly research program at the USDA-ARS Midwest Insect Research Laboratory at Lincoln, Neb., and to support additional research on relevant fly pests and lice.

Screwworm control — The very successful screwworm eradication program has rid the pest from the United States, Mexico and Central America. The Animal and Plant Health Inspection Service (APHIS) is building a new screwworm production facility in Panama. The board passed policy for NCBA to endorse:

- ▶ the new evolving screwworm plans;
- ▶ ongoing research on cryopreservation;
- ▶ all-male screwworm production;
- ▶ improved mass rearing techniques; and
- ▶ procedures to quickly manage outbreaks.



▶ Monte Reese (center), COO of the CBB, and Andy Tucker (right), chairman of the CBB, answer questions during the town hall meeting that was broadcast on RFD-TV. Max Armstrong of RFD-TV, hosted the show and facilitated discussions.

NCBA will also insist that negotiations with Mexico and Panama ensure availability and access to requested screwworm flies as well as allow appropriate research programs without disruption.

Polyether ionophores — The feeding of polyether ionophores (monensin, lasalocid, laidlomycin, etc.) to cattle decreases the feed needed for growth and increases feed efficiency. Polyether ionophores are not a concern for antibiotic resistance in cattle or humans. NCBA members voted on policy to strongly urge the FDA and other appropriate agencies to re-classify polyether ionophores to reflect their true function as modifiers of rumen fermentation and coccidian prevention compounds; and to discontinue classification of polyether ionophores as antibiotics.

Environmental issues

Conservation Reserve Program (CRP) — Clarifications were made on the CRP program policy. NCBA is opposed to haying and grazing on lands enrolled in the CRP program, except under the following conditions: (1) in the case of drought or other emergency; (2) in the case of incidental grazing in conjunction with grazing

contiguous crop residue or stubble on lands enrolled in continuous sign-up CRP or Conservation Reserve Enhancement Program (CREP); or (3) in the case of a Natural Resource Conservation Service (NRCS) or Farm Service Agency (FSA) determination that maintenance or management is required on land enrolled in CRP to maintain plant health and proper resource management.

New policy also states that in all instances of grazing on lands enrolled in CRP, continuous sign-up CRP or CREP, the payment should be reduced by the value of the forage grazed. In addition, managed grazing on CRP lands should be permitted during the primary nesting and brood-rearing season.

Finally, the resolution states that the exceptions in this policy should not be construed as, or considered part of, a routine grazing plan.

Invasive species — There is pending federal legislation involving “invasive species” that could negatively affect livestock producers. NCBA members passed a resolution to support legislation aimed at noxious weed and/or pest control. Any work done on “harmful species” should be done at the local level with federal and state funding and local input, and that each producer group and/or area shall determine what is harmful to that specific area and what nonnative species are beneficial.

Livestock impoundment — Currently, the Bureau of Land Management (BLM) and the USDA Forest Service (FS) are impounding and selling trespass livestock without any judicial review to determine whether the BLM or FS is in compliance with state brand inspection laws. NCBA will urge the BLM or FS to seek a state district court order authorizing any livestock impoundment or seizure, prior to any such action.

Producer arbitration — Current NCBA policy states that government policy should enhance the right of individual choice in management of land, water and “other resources, and livestock contracts should provide for the use of arbitration to settle any controversy only if, after the controversy arises, both parties consent in writing to the use of arbitration to settle the controversy.” Members directed NCBA to actively lobby in support of legislation that supports this policy.

Preference redefined — The term “preference” has been redefined from its historic definition. NCBA supports the return of the definition of the term and concept of “preference” to the pre-rangeland Reform 94 period that would reflect the original and historic intent of Congress, which directed the government to recognize that the Taylor Grazing Act intended that these ranches hold a priority position for an actual number of adjudicated “preference” level of federal animal unit months (AUMs).

The cattle industry heads to Phoenix in 2004

2004 Cattle Industry Annual Convention & Trade Show

Jan. 28-31 • Phoenix Civic Plaza convention center

Registration will be available in late October.

To register, visit www.beef.org or call (303) 694-0305.

Look for more details in the November *Angus Journal*.

Renewable fuels standard — NCBA staff was directed to ask Congress to request a General Accounting Office (GAO) study of the economic impact of a five-billion-gallon renewable fuels mandate on the users of feedgrains and other products derived from the ethanol industry, with a goal of having the study published by the 2004 Cattle Industry Annual Convention and Trade Show.

Cattle marketing

Country-of-origin labeling — NCBA members agreed that producers are no closer to being prepared for implementation of this law today than they were when the law was signed in May 2002. It was resolved that NCBA will seek to amend the law to comply with the producer-adopted policy of NCBA in January 2002. In addition, NCBA and its affiliates are directed to work together as catalysts in the development of a workable country-of-origin labeling program that will benefit producers. And, if the statute remains unchanged, NCBA shall seek to extend the current voluntary provisions of the law until such time that a workable program can be implemented.

In addition, NCBA members directed that they shall petition the USDA for the immediate development and implementation of a voluntary “born, raised and processed” country-of-origin labeling certification program for use in the export, foodservice and retail sales of U.S. beef.

Labeling compliance task force — Should the country-of-origin labeling law remain as is, members are directing their NCBA president to appoint a task force to develop an implementation plan for producers. The task force will be comprised of representatives from the cow-calf, stocker, feeder, packer, retail, marketing and allied industry sectors, along with the USDA, to develop a voluntary program that can be used as a guide and model for compliance with the requirements of the country-of-origin labeling law.

CME contract changes — NCBA members are requesting that the Chicago Mercantile Exchange (CME) make the following changes to the current contract specifications of its Live Cattle Futures Contract:

- (1) increase the upside weight specifications for carcass deliveries from 900 pounds (lb.) to 950 lb., and for live animal deliveries from 1,400 lb. to 1,450 lb.;



► Eric Davis (right), president of NCBA, spent time talking with meeting attendees about issues that concerned them.

- (2) eliminate the 100-lb. delivery discount, while maintaining the current rules, eliminating from delivery those animals weighing 200 lb. over or under the average weight of the delivery load;
- (3) change the currently used USDA premium/discount grids to trade volume weighted grids of premiums and discounts reflective of the average grid in use within the geographical delivery area;
- (4) allow the scheduling of live deliveries throughout the day, similar to the manner carcass deliveries can now be scheduled, to lessen the stress on the livestock;
- (5) change the per delivery unit from the current “steers only” to steers and heifers; and
- (6) certify Greeley, Colo., as a delivery point.

Premises ID — NCBA members recognized the need for defined premises/producer and assigned premises/producer ID numbers cooperatively developed by producers and appropriate government animal health or livestock officials and called for revision of the NCBA standards to reflect that need. Members agreed that government consultation should not impede normal cattle movement.

Nutrition

Nutrition and health — NCBA amended current policy by adopting a statement of principles for nutrition and health issues. As producers, processors and marketers of the nation’s beef supply, NCBA members agreed that they are committed to providing a wholesome, nutritious food and to communicating accurate information about beef’s nutritional qualities and the role of beef in a healthful diet.

Governance policy proposal

At the National Cattlemen’s Beef Association (NCBA) annual meeting in January, policy was voted on concerning voting procedures for members who couldn’t attend the board meetings to vote on policy.

The proposal would require policy proposals that received a 40%-60% affirmative vote to be mailed to the membership. Anything that was rejected by the board by 60% or more with proper notice, or by two-thirds vote without notice, would stand defeated and would not be sent out for a vote. Policies receiving more than 60% affirmative vote would be ratified with no mail-out ballot required.

At the meeting in January, the proposal failed to pass the board of directors, but passed when voted on during the Stakeholders’ Congress. Because it passed in the Stakeholders’ Congress, it was slated to be reintroduced during the summer board meeting.

A second proposal, called the officers’ governance proposal, was developed by the NCBA Executive Committee to replace the Stakeholders’ proposal. The new governance proposal would do away with the councils (cow-calf, feeder and seedstock) and replace them with issues forums. All policy proposals would instead be introduced in the appropriate committee. At the annual NCBA membership meeting (which would replace the Stakeholders’ Congress) members could ratify or reject any approved policy brought forward by the NCBA board by a simple majority. Policy could be amended with a two-thirds vote. Any policy rejected by the board could also be considered. A simple majority would be needed to bring the policy to the floor for consideration. A two-thirds vote would be needed to approve this policy.

With the new governance policy, all approved policy would be sent to NCBA members through the *Beef Business Bulletin* for a full membership vote. Members would be given 30 days to vote on each policy via mail, e-mail or Internet voting. A minimum of 20% of NCBA membership must respond, and a minimum of 20% of NCBA membership from four out of the seven regions must respond for the full membership vote to count.

The Stakeholders’ proposal was again voted on during the NCBA board meeting; it failed once more. The governance proposal was then voted on and passed by the board, and a recommendation was made to present the proposed bylaw amendment at the NCBA board meeting at the 2004 Cattle Industry Annual Convention in Phoenix, Ariz., in January.

For more information on the new governance proposal, please call the NCBA at (303) 694-0305.