

UNITED STATES CATTLEMEN'S ASSOCIATION

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VOLUME 5, ISSUE 2

FROM THE COW BOSS



JON WOOSTER

USCA President

SAN LUCAS, CALIFORNIA

The small businessman in the United States is drowning in regulations and our counties, states and federal government still have a hard time getting things accomplished.

Here in our county we must report the site of every fuel tank we have. If it is of a certain size, we must pay an annual fee. If we want to spray weeds we must apply for an applicator's permit before we can even buy the spray. We must apply for an EPA ID number before we can take our motor oil to a facility to recycle. And then, after we apply for a number, we get a notice from the Department of Toxic Substances Control which we can disregard if we generate less than five tons of hazardous waste per calendar year. It is not enough to say we live seven miles south of Hwy. 10 on West Road. We must make an application with the county and apply for an official address, and of course pay a \$40 fee. Each

Please see COW BOSS on page 4

Members of the U.S. Cattlemen's Association are getting a big boost in visibility from an unlikely source: the current Miss America.



L to R: Jess Peterson, US Cattlemen's Association, Roger Johnson, President NFU, Miss America Teresa Scanlan, National Farmers Union; Chandler Goule, VP-Government Relations, Phillip Hayes, The Hand That Feeds Us

Teresa Scanlan of Gering, Nebraska, who won the crown in January, penned an article for FoxNews.com that singled out USCA and The Hand That Feeds U.S. for helping educate America about the importance of farmers and ranchers.

Scanlan said she plans to use her time as Miss America to help bridge the gap between urban and rural America. She recently met with leaders of USCA and The Hand That Feeds U.S. to discuss ways to achieve this goal.

An excerpt from the article can be found here:

Can we feed a growing world population, fuel our economy, and still offer wholesome food choices to Americans? Sure, just as long as we avoid

weakening the very infrastructure that makes it all possible.

As I write this, America has just 210,000 full-time farms. That's it...

Retired Army General Wesley Clark recently called these men and women a "thin green line standing between prosperity and disaster." This line, he said, must be held and not weakened any further if America stands a chance to combat the challenges ahead of us.

But to do so will require a shift in thinking.

Modern-day agriculture has to do its part in reaching out and teaching us about what they do and how they do it.

Please see MISS AMERICA on page 4



THE Country CONNECTION

By JESS PETERSON
USCA Executive Vice President

Howdy Friends,

USCA could use your help.

First and foremost the CBB Executive Committee and the Roles and Responsibilities Committee have introduced proposed changes to increase transparency and accountability within the Beef Checkoff program. These proposed changes will enhance the CBB's autonomy and will update the CBB's compliance with the Beef Act and Order as well as the U.S. Department of Agriculture's expectations. If you agree with these proposed changes, please make calls to your Cattlemen's Beef Board (CBB) Representatives and State Beef Council Representatives supporting them.

To find your state and national representatives you can log on to: <http://www.beefboard.org/> or call: 303-220-9890. If you have any questions about the changes or what else can be done, please call me direct at: 202-870-3867. USCA is working with coalition partners and working with both the CBB and USDA to encourage support for these changes, but at the end of the day the difference will be made by producers like YOU!

Second, if you want to see positive movement to implement provisions within the USDA Grain Inspection, Packers and Stockyards Administration's (GIPSA) rule to increase fairness of livestock marketing then you can help by calling your Representative and Senators to urge them to support funding for the final rule. Opponents of the proposed rule are engaged in a costly lobbying effort to curtail the provisions of the rule by cutting federal funding needed for implementation of the rule. We encountered this tactic when battling for

Country of Origin Labeling. The GIPSA battle will be fought and won based on the calls received by Congressional offices. To reach your elected officials please call the Capitol Switchboard: 202-224-3121.

Third, if you want us to maximize our impact on national policy and maintain our voice in DC, we need help recruiting new members. Thanks to your membership in USCA we have been able to make positive changes for our industry. USCA is the one association that you know you can depend on for non-stop Congressional lobbying outreach to guide agency officials on the issues affecting YOUR business. The more members we have, the more effective we can be, and the more financial resources we have, the more we can do for you.

I also want to outline additional important issues. USCA has continually worked with Senate Finance Committee Chairman Max Baucus (D-MT), along with United States Trade Representative (USTR) and U.S. Department of Agriculture (USDA) officials to address the barriers on U.S. beef into South Korea. USCA was pleased with the recent announcement that the USTR is heeding Chairman Baucus' insistence that increased beef access should be based on sound science and OIE standards within the implementation of the proposed U.S. - Korea Free Trade Agreement (KORUS FTA). Chairman Baucus was also successful in his request for an additional \$10 million over the next five years for U.S. beef promotion in Korea. This was a combined effort and USCA appreciates the work of all individuals involved.

USCA is also working hard for reform of the Equal Access to Justice Act (EAJA). Profit-driven environmental industry groups are abusing this provision and raising havoc with U.S. ranchers and farmers. These groups are aggressively attempting to litigate seemingly every aspect of public land and species management. A massive number of lawsuits have led to several court rulings in their favor, and through EAJA these groups are reimbursed for lawyer fees and expenses. These taxpayer-funded dollars are placed into the coffers of the groups, and empower these activist legal teams to continually wage a war on the West. USCA is working with several groups to pass EAJA reform legislation in both the House and Senate. USCA will continue to seek reform on this issue.

Please see PETERSON on page 4

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Has Heifer Retention Been Far Less Than USDA Estimated?

Charlie McVean, McVean Trading and Investments, LLC, Memphis, TN

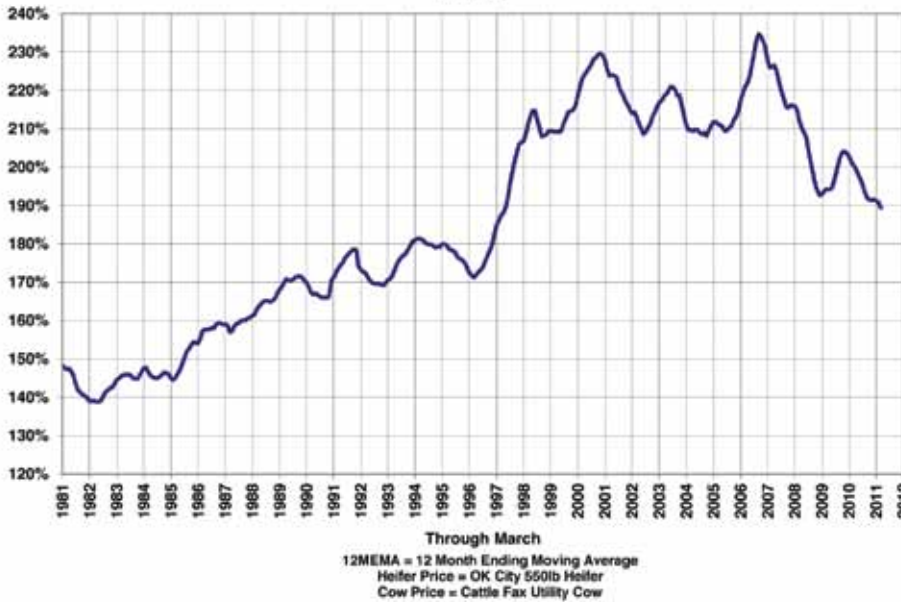
On our models, the beef cattle herd is genetically 20% larger than 20 years ago (see chart below). However, according to the available data, average feedyard placement weights are up only fractionally. Therefore, we conclude that feeders, particularly heifers, are now going to the yards

with that position.

However, we are paying a dear price for this, perhaps temporary improvement. Our national debt is exploding at an obviously unsustainable rate.

On the brighter side, the weaker U.S. dollar is no doubt a huge plus for U.S.

Heifer Calf Price as % of Cow Price
12MEMA



5/6/2011

F:\Livestock\Cattle\Feeder and Cow Price Ratios

at much younger ages. Indeed, we estimate that the average heifer going to the yard is 13 months old vs. 16 months 20 years ago. If so, the pool of breedable age heifers outside the feedyard is now drastically reduced compared to earlier years.

One reason is that heifer calf prices have increased massively vs. cull cow values.

Ranchers have naturally sold extra heifers while holding on to their older cows. Indeed, we believe the USDA has been seriously overestimating the numbers of heifers being retained to become cows. However, we know the beef cow slaughter has picked up substantially. We therefore believe the last several calf crops are overstated and that serious declines in feeder cattle supplies will become obvious in the months immediately ahead.

Now for the economic overview. The consensus of economic forecasters is for a modest, ongoing recovery of the U.S. economy. For the moment, we have no great ar-

net beef trade position.

Bottom Line: We are long term bull-

ish on feeder cattle basis our supply perspective. But keep a close eye on the general economic picture because we have not solved our nation's economic problems and will not before we tackle the underlying problem – **the trade deficit.**

-Charles D. McVean

Source: USDA / NASS; McVean Trading and Investments, LLC

Scale Testing REQUIREMENTS

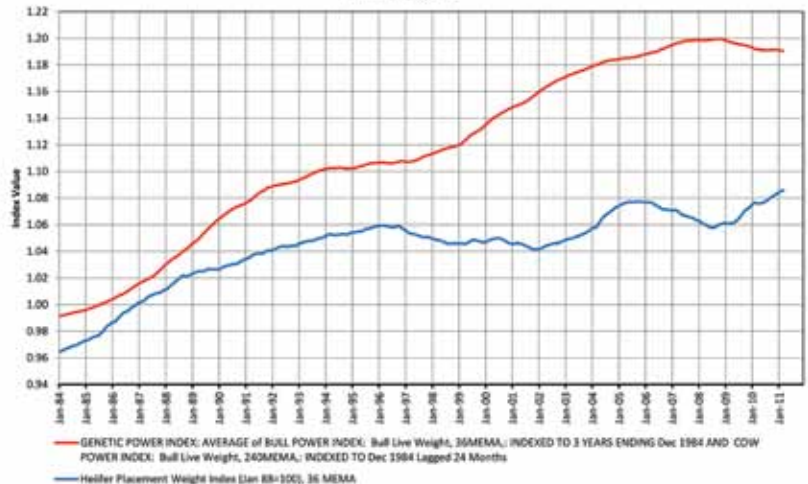
BY JON WOOSTER

We have been receiving some inquiries about GIPSA's new rule (76 FR 3485) which attempts to better define scale testing requirements for entities regulated under the Packers and Stockyards Program (P&SP). These entities must have their scales tested twice a year. This requirement has been in place since September 24, 1984.

The new rule published on January 20, 2011, specifies that one test must be made during the first six months of the year, and a second test must be made during the last six months of the year. The tests must be at least 120 days apart. There are exceptions for scales that are used on a limited seasonal basis which you can access on the internet at www.gipsa.usda.gov/GIPSA/.

These scale regulations apply to regulated entities which include stockyard owners, market agencies, dealers, packers, swine contractors and live poultry dealers. Farmers and ranchers are not subject to the Packers and Stockyards Act when buying livestock for their own stocking or feeding purposes, or when marketing their own livestock. However, since these regulations do apply to the dealer most ranches are affected. Clearly the responsibility for seeing that the scales are certified lies with the regulated entity, but we can assume that dealers will tell us that if our scales are not certified they cannot buy our cattle. The responsibility for the fines associated with using a scale that isn't certified lies with the dealer as ranchers are not regulated entities.

U.S. BEEF CATTLE BREEDING STOCK GENETIC POWER INDEX: GENETIC POWER INDEX
Indexed to Base of 36MEMA ending December, 1984, January 1, 1985 = 100
AND
CATTLE - FAX HEIFER PLACEMENT WEIGHT INDEX
January 1, 1988 = 100



F:\Livestock\Cattle\Genetic Power Index SPE & H&M TChart
5/6/2011 1:04 PM

COW BOSS (continued from page 1)

new house must have a fire hose connection with a three inch line and - I swear this is true - a blue reflector so it can be seen at night. Never mind that no fire department serves your area and that it will take the Forestry Department 45 minutes to get to your house, and never mind that the reflector probably won't be needed if a fire is raging. Rules are rules and regulations are to be taken seriously.

Sometimes there are good reasons for regulations and sometimes there is no reasonableness to them at all. In our county we must supposedly report the site of every fuel tank to protect firefighters when a fire breaks out. However, after the information is collected by the county there is no mechanism for transferring that information to fire responders. It seems that when what often sounds like a good idea is implemented, there is no follow-through. We are left with the regulation, the fee, and no benefit. Increasingly, we are saddled with reports and regulations just so government can collect a fee. Sometimes we get a benefit from the fee but often, we don't. It seems to me that much of this regulation is just another means of governmental agencies generating more income. How else can you explain that in one county we pay \$20 to get our scale inspected and in another county we pay \$250.

I don't know about your business, but ours can't stand much more regulation. It is getting terribly expensive, both in time and in dollars. We fill out many, many more reports and applications than we did even five years ago. Right now we are dealing with a total maximum daily load study on pathogen impairments, which is a fancy way of saying the California Regional Water Quality Control Board has tested a creek thirty miles from our ranch and it tested positive for fecal bacteria indicators so they are now trying to find the probable sources of the pollution. They have collected samples at only one public access point. It appears the only reason they are advocating no regulation at this

time is because of the large populations of wild pigs, deer and elk in the area, which as game animals are the responsibility of the state. Nevertheless, all cattle ranchers in the watershed, which includes many hundreds of thousands of acres, are being asked to attend workshops and develop proactive plans to mitigate runoff and minimize erosion. We have been told these plans should include verbiage on stocking rates, concentration of cattle and plans to protect water quality. Never mind that there are no provisions for controlling wild life. It has been suggested to my wife that whoever writes the report for our ranch may want to take a class on range management from the University of California at Davis so it carries some credibility.

All I ever wanted to do was raise cattle. I didn't get into this business to go to meetings or write reports or even sit in front of a computer and write for a newsletter. But we need to do something besides sit on our ranches and complain. We need to write to our government officials and tell them what regulations are doing to us. Recently one of the state Farm Bureaus had their members write their representatives and give them examples of how regulations were effecting their bottom lines. I could tell them how it works here. If my wife weren't willing to spend her days dealing with paperwork and telephone calls, I wouldn't be in business.

As we move forward, and as we work in Washington DC and at home in our own states, we need to let those people who represent us know how onerous regulations are effecting our livelihoods. We need to let them know how much we spend on licenses and fees. We need to let them know how obnoxious and disagreeable many government employees have become when dealing with us regarding these regulations. And we need to remind officials that the United State is broke, that there is a lot of fluff, and that our economy will not recover until many of the procedures and policies that they hold so dear are streamlined, trimmed, and made to work for the good of the people.



Miss America
Teresa Scanlan

MISS AMERICA
(continued from
page 1)

Educational groups like The Hand That Feeds U.S. and the U.S. Cattlemen's Association are a good start, but it's not enough.

The rest of us must reconnect with our rural roots and understand that we all have a stake in the success of farmers and ranchers. Urban and rural America need to come together, and I plan to spend my time as Miss America to make that happen.

After all, I was Miss Nebraska first. And if a small town girl from the Midwest can make it all the way to Miss America, maybe she can help bring America back to the Midwest.

The article in its entirety may be found at: <http://www.foxnews.com/opinion/2011/04/15/miss-america-teresa-scanlon-americans-stake-success-farmers-ranchers/>

PETERSON (continued from page 2)

Preventing increased meat imports from countries known to have foot and mouth disease (FMD) remains a top USCA priority. Santa Catarina, Brazil is on track for increased meat access. Additional regions within Brazil, along with Argentina and Colombia, are all part of petitions before USDA to be granted access. It's preposterous to think that we must convince Congress and the federal agencies that this is a bad idea, but that's exactly what USCA is doing. We are working hard to ensure these plans are not funded and implementation is blocked.

The proposed rule on animal disease traceability (ADT) is currently being reviewed by USCA. USCA has worked with industry groups, state veterinarians, and USDA to provide as much background information as possible to lay the groundwork for this proposed rule, and is now evaluating its impact upon cattle producers.

Please see PETERSON on page 6



Debbie, Jesse and Eddie Shelton

Eddie Shelton, Region XII

Eddie Shelton is a fourth generation farmer in Union Hall VA. He and his family own and operate Diamond S Farms in the foothills of the Blue Ridge Mountains. The homeplace has been in the family since a Royal Land Grant of 1771. Eddie's father, Ronnie Shelton, and Grandfather, Harry Shelton, grew tobacco as the primary cash crop for many years, with Ronnie adding beef cattle to the operation in 1960. After Eddie's graduation from Virginia Tech in 1987 with a Bachelors degree in Animal Science, beef cattle and performance Quarter Horses became the main focus of the operation.

Eddie married Debbie Moffitt in 1989 and the Diamond S brand was registered with the State of

Virginia to identify the quality of livestock the Sheltons are dedicated to producing. The cattle program utilizes genetics that represent least-cost production and efficiency on grass and forage with an emphasis on maternal function and trouble-free production. The Quarter Horse program is based on horses with the conformation and lineage to excel in the cutting arena, as well as other performance events. Both yearlings and trained cutting horses are marketed for sale as well as quality, broke ranch horses used in all facets of cattle ranching. Eddie and Debbie have both been very involved in USCA, and Eddie is honored to be elected to the board of directors.



Mary Ann Murray

Region VI

Greetings from Garfield County, Montana! My name is Mary Ann Murray and I am the newly elected USCA Director for Region VI which is Idaho and Montana. I ranch and farm with my husband, Lige, and son Walter and his family. We run a commercial Angus cow/ calf operation here in eastern Montana. We also raise both winter and spring wheat.

Raised in Texas and moving to Montana in 1971 after graduating from college, we first worked on various ranches before leasing and eventually purchasing the ranch we are on today. We raised three sons, and have 10 grandchildren which all enjoy the rural lifestyle. I hope to assist United States Cattlemen's Association in making a difference with legislation in Washington, D.C. in a way that enables family operations to continue to be viable in the cattle industry.

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USCA IN FRONT OF THE WHITE HOUSE; Back Row: Jon Wooster, Kelly Fogarty, Destry Brown, Jess Peterson, Adam Redland, and Eddie Shelton... Front Row: Kathy Waltmon, Debbie Shelton, Justin Tupper, Deanna Sents, Allan Sents, and Chris Abbott



USCA AT USDA; Jess Peterson, USDA APHIS Deputy Administrator Dr. John Clifford, USDA AMS Deputy Under Secretary John Ferrell, Jon Wooster, Justin Tupper, USDA GIPSA Administrator Dudley Butler, Kathy Waltmon, Allan Sents, Deanna Sents, USDA AMS Under Secretary Ed Avalos, Eddie Shelton, Debbie Shelton, Chris Abbott, Adam Redland, Destry Brown, Kelly Fogarty



USCA AT USDA AGRICULTURAL MARKETING SERVICE (AMS); Eddie Shelton, Debbie Shelton, Allan Sents, Deanna Sents, Jess Peterson, Chris Abbott, Adam Redland, USDA AMS Deputy Administrator Craig Morris, USDA AMS Administrator Rayne Pegg, Justin Tupper, Jon Wooster, Destry Brown, Kathy Waltmon

PETERSON (continued from page 4)

The best way to stay updated on this issue, and every issue that USCA works on, is by participating on the **Horn Wrap conference call**. The **Horn Wrap** takes place on the **1st and 3rd** Tuesday of every month. Call starts at **7 a.m. MDT**, call in number is: **1-270-696-2525** and the code is: **032007#**

I want to thank everyone that participated in USCA's Ranchers Wrangling the Recession Winter Fly-in 2011. It was a successful week of meetings and activities. We concluded the fly-in with a reception that drew over 200 guests and several members of Congress. USCA will be hosting a summer fly-in June 13 and 14. There is still time to book your tickets and commit to attending this exciting and action packed event. If you would like to participate, please call me at 202-870-3867.

In closing, I want to extend my gratitude to everyone that has hosted me as a USCA speaking representative during the past several months. First, I want to thank USCA affiliate, Beartooth Stock Association for inviting me to their annual meeting that took place in Columbus, MT on January 15. February started with a bang as I spoke at the Torrington (WY) Livestock Market annual appreciation meeting. February 12 found me at the St. Onge Livestock Market for the Greater Midwest Livestock Auctioneer Championships. On February 23rd I had the opportunity to present before the American Farm Bureau Federation's (AFBF) beef policy division Washington, D.C. meeting. A quick day later and I was in Rocky Mount, Virginia for the Franklin County Cattlemen's meeting. I wrapped up a busy run of speaking engagements by presenting at Kansas State's Ag Fest Week, April 11th in Manhattan, KS. I cannot thank each and every individual enough for giving me the opportunity to present at these events and provide updates on the issues affecting the U.S. cattle industry.

Thank you for your continued support and involvement with USCA. Please continue to stay involved and engaged...you're making a difference!

Sincerely, Jess Peterson



USCA AT THE OFFICE OF THE U.S. TRADE REPRESENTATIVE (USTR); Destry Brown, Jess Peterson, Deanna Sents, Allan Sents, Justin Tupper, USTR Ambassador Isi Siddiqui, Jon Wooster, Adam Redland, Chris Abbott, Kathy Waltmon, Eddie Shelton, Debbie Shelton

U.S. Cattlemen’s Association and National Farmers Union Support Reapportionment of Cattlemen’s Beef Research and Promotion Board

The United States Cattlemen’s Association (USCA) and the National Farmers Union (NFU) have submitted joint comments to the USDA Agricultural Marketing Services (AMS) in support of the proposed rule, “Beef Promotion and Research Reapportionment”, that was published in the April 4 edition of the Federal Register. As stated in the comments, “The adjustments made in the proposed rule will balance the structure of the Cattlemen’s Beef Board (CBB) both geographically and in relation to importers and domestic producers.”

USCA’s comments highlight the fact that the reduced board seats reflect the decrease in cattle herd numbers that has occurred since the last reapportionment. USCA President Jon Wooster remarked, “In addition to adjusting the number of seats on the board, the Act requires that the make-up of the board accurately represents the

nation’s cattle industry. In order to do this, representation must come from all segments of the beef industry. While representation on this board is being reduced, it is a time to reflect on the current composition of the board in an effort to ensure that the interests of all sizes and make-ups of operations are also being represented.”

Wooster continued, “The make-up of a board tasked with representing the needs of an industry must reflect the needs of all of those within its jurisdiction. We at USCA feel that in order to be an accurate representation of the nation’s cattle industry, the board must include representation from a multitude of industry associations, both at the state and at the national level, and must not exclude non-affiliated producers.”

USCA applauds the department and its continued attention to following the provisions of the Act.

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The Cattlemen's Beef Board: Solid as Ever

by **CHUCK KIKER**

Editors note: Chuck Kiker has recently been nominated and appointed to another term on the Cattlemen's Beef Board (CBB). Previously, he served on the CBB two full terms (six years). He went off the Board for a year, was nominated again in 2010, and went back on the Board in early 2011. This year he has been selected for the third time to serve on the Operating Committee. He is also on the CBB Budget Committee.

A lot has happened since I last wrote about the beef check-off in the USCA newsletter. I'd like to share with you some of what I've learned and experienced during the last eight years.

The CBB is not an organization, as has been printed in some of the more pointed press recently. It is, instead, a Board that oversees the beef checkoff, and Board members are appointed by the U.S. Secretary of Agriculture. As Board members, we have responsibilities and we take an oath. One of our key responsibilities is to leave any affiliations with other organizations and our special interests at the door when we are representing the Beef Board. For example, U.S. Cattlemen's Association (USCA) members who have been appointed to the CBB represent everyone, not just USCA. CBB members are responsible for representing all cattle producers for the good of the industry.

This is where I need to make a disclaimer. I am writing this article as an individual producer and a director of USCA. My opinions and thoughts concerning the beef checkoff and the CBB are not the opinions of the beef checkoff, CBB, USDA or even USCA. They are mine!

The Beef Checkoff Program is 25 years old. The issues we're experiencing with the Beef Checkoff today have a long history, and it takes time and experience inside the CBB to understand the complexity of not only the program and its processes, but the problems as well. In 2005, at the CBB summer meeting, I began serving on the Joint Producer Communications Committee – made up of members of the CBB and of NCBA's Federation of State Beef Councils. As a committee member, you basically listen to bid proposals, which are called Authorization Requests (ARs), by contractors to conduct work funded by the checkoff in accordance with the Beef Promotion Act and Order. The committees make recommendations to the Operating Committee, and the Operating Committee actually decides whether or not the AR should be funded from the Beef Board's budget. *Can you imagine any other government program where a contractor for federal funds is permitted to vote on who receives the contract?!*

At that 2005 meeting, potential contractors were making their pitches for their ARs, and the National Cattlemen's Beef Association (NCBA) had a large one for Producer Communications. Another organization, the National Livestock Producers Association (NLPA), submitted several ARs that competed with NCBA's AR. At the end of the presentations, NCBA's AR that addressed similar efforts to NLPA's proposals was for significantly more money than NLPA's. NCBA's AR was going to cost \$2,615,000 compared to NLPA's ARs costing

\$1,756,905. NCBA pitched their AR at a cost of \$1,900,000, but after being asked during discussion if their implementation was included in that price they had to disclose that implementation was not included. NCBA submits a separate AR for implementation for all their ARs per budget category. NCBA's implementation for Producer Communications was \$715,000, bringing the total cost to \$2,615,000. The committee had to choose between the two presentations and the tension was so thick in the room the chairman called an executive session of the committee after polling the committee's preferences on whether to remove the non-committee members from the room. I was the only one on the committee that voted to award the funding to NLPA. The point is that NCBA's influence through membership on the Producer Communications committee and staffing of it clearly and literally directed discussion in favor of the NCBA AR. The committee's vote

Please see KIKER on page 10

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KIKER (continued from page 9)

could have potentially wasted an extra \$750,000 by awarding the funding to NCBA and not to NLPA if the Operating Committee acted on the recommendation. It was at that point, after listening to the debate and reasoning of the other committee members, that I began to understand there were some problems with the beef checkoff process. I learned later that potential contractors at that time had to submit AR proposals to NCBA - and not the CBB - even if it competed with NCBA. Little did I know it was just the tip of the iceberg!

Let's fast-forward to present times. For the 2011 program year, NCBA was awarded 93 percent of available program funding. This included 14.2 percent that went to the U.S. Meat Export Federation (USMEF), a subcontractor under NCBA, as well as 1 percent that went to American National Cattlewomen (ANCW) for the Beef Cook-Off, also a subcontractor under NCBA. The only other stand-alone contractors besides NCBA are ANCW, which received 0.37 percent of the funding for the Beef Ambassadors and spokesperson bureau ARs, the Meat Importers Council of America (MICA), which received 1.17 percent of the funding for foodservice, public relations and retail work in the Northeast Beef Promotion Initiative, and the CBB, which received 5.27 percent of the funding for Producer Communications work.

The significance of these figures comes to light when learning how NCBA is reimbursed for its expenses. While it's true that contractors are not permitted to profit from beef checkoff projects they are awarded, they are permitted to recover "implementation" costs. Implementation can be defined as the costs associated with a contractor's out-of-pocket expenses. In NCBA's case, the organization turns in one AR per budget category for each year for the implementation costs on all the ARs it is awarded for a total of four implementation ARs.

NCBA computes the budget needed for its Implementation ARs by estimating the hours NCBA staff will work on programs for the checkoff, along with associated overhead expenses. NCBA has staff whose time is allocated 100 percent to the checkoff; other staff is allocated partially to the checkoff, and there are a few NCBA employees that do no work for the checkoff at all. At the end of the year, the total number of staff hours worked at NCBA and the to-

tal number of hours doing checkoff work are computed into the percentage of hours worked for the checkoff versus the total hours worked at NCBA.

Last year, 70.9 percent of total work at NCBA was for the checkoff. NCBA's implementation costs last year for the ARs awarded to them came in at a whopping \$11.6 million. These implementation costs are over and above the direct costs of projects. This means that NCBA's overhead was covered at 70.9 percent. Even more astonishing is the fact that this includes general administrative salaries. The CEO of NCBA is also considered the CEO of the Federation of State Beef Councils, so his general administrative time is paid 70.9 percent with beef checkoff dollars.

I'm already getting too long so I am going to try and tie this together. NCBA has been managing the plan of work for CBB funds, the industry-wide strategic plan, as well as planning of the committee meetings and the committee's recommendations of work programs funded by the checkoff. NCBA does not want to give that up because it enables them to control the goals of the plans, and this in turn lets them control how many hours their staff puts in on checkoff work and, hence, maintain control of the high percentage (70.9 percent) of their overhead that is reimbursed by the checkoff.

This is one of the reasons why you are reading about the hoopla surrounding the vote to approve and implement the recommendations of the Roles and Responsibilities Committee.

Folks, I'm still on the outer fringes of the iceberg. These problems began to evolve around 1996, when the merger between the National Cattlemen's Association (NCA) and the National Live Stock and Meat Board occurred, and they have simply never been addressed. Why? Because, in my opinion, too many producers participating in the governance and oversight of the checkoff program were too closely tied to NCBA. The recent recommendations made by the Roles and Responsibilities Committee call for making changes to the planning and committee structures currently in place that will reduce the undue influence NCBA has had over the planning and goals of checkoff program work and will put control squarely back into the hands of the CBB. NCBA will still be the main contractor, but will lose its influence over how many hours of program work are done in-house at NCBA, ultimately giving NCBA less control of reimbursement for

their overhead expenses.

The Roles and Responsibilities Committee recommendations will also make the committee process more inclusive of all producers and organizations. There will not be the perception that you are attending NCBA meetings when you want to follow your checkoff, and you certainly will not have to pay a registration fee or any kind of dues structure to NCBA to attend and participate in checkoff discussions. Producers are not supposed to have to pay to go to checkoff meetings now, but I know some who have been given a hard time or even turned away at NCBA meetings because they refused to pay a convention registration fee just to go to checkoff committee and CBB meetings at the convention. That's just not right; it's our checkoff and we should have open access to it.

There are many other problems with the checkoff that result in inefficiencies and misappropriated funds but the problems are not so enormous that they cannot be overcome. The good news is they are finally being addressed! In my opinion, the CBB now has the highest number of unbiased producers it has had in a long, long time, if not ever. NCBA still has far too much influence over the national checkoff through its Federation of State Beef Councils and its members and directors.

Let me make something real clear, though: Those folks at NCBA who are 100 percent checkoff staff are working in your best interest, and they are bright, intelligent individuals who serve the beef checkoff well. The majority of these people are working for you and making the most of the checkoff funding they are budgeted. It's the structure, the processes, that need overhauling, *not the talented individuals doing the program work.*

The CBB is going to continue to work toward making the beef checkoff more inclusive for all checkoff-paying producers, and to shore up the program's compliance with the Secretary of Agriculture's guidelines and expectations. By all means, if you have questions or read something that doesn't sound accurate, call the Cattlemen's Beef Board office at 303/220-9890. Talk to Tom Ramey, CEO of the CBB, or leave your name and number and ask to have one of the CBB officers or staffers return your call. It's YOUR checkoff and you deserve honest, factual answers. There's no better place to get them than straight from the horse's mouth.



MEMBERSHIP-DONATION FORM

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STATEMENT OF PURPOSE

The purpose of the United States Cattlemen's Association (USCA) is to present an effective voice for the United States cattle industry. USCA is dedicated to, and focused on, efforts in Washington, D.C. to further the interests of cattle producers on mandatory country of origin labeling, international trade, market competition, reform of the mandatory beef checkoff, animal health, welfare and identification, private property rights and other issues that affect the United States cattle industry.

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Ranch Name _____

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Tribal Member: _____ Yes _____ No

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- Business Member ~ \$100 per year
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Mike Trotter, Richey, Montana (right) receives the USCA Nutra Lix saddle for the 2010 USCA membership drive. Lyle Peterson, a member of USCA's membership promotion committee (left) makes the saddle presentation. Congratulations and thanks, Mike!

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