

## **Newsletter**

**JANUARY 2022** 

#### With A "Steak" In Montana's Future

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## The Montana Cattlemen's Board of Directors would like to wish all of you a Happy and Prosperous New Year!

### From the Desk of MCA President Gilles Stockton . . .

This past year the MCA priority has been to restore Country of Origin Labeling (COOL). Again, for the second legislative session in a row, we were unable to pass a Montana COOL law. And again it was the Montana Stockgrowers Association and the Montana Farm Bureau which opposed Montana COOL. Along with our allies, the Montana Farmers Union and the Northern Plains Resource Council, we made a very passionate and professional defense advocating for Montana COOL, but our arguments fell on deaf ears in the Republican dominated Legislature.

However, as they say, Rome was not built in a day, because our efforts and advocacy kept the issue in the public eye. We have, for the first time since COOL was rescinded in 2015, a real opportunity to see it restored on the national level. Our Senator Jon Tester, in conjunction with Senators Thune, Rounds, and Booker, has introduced Senate Bill 2726 which would restore mandatory COOL. Senator Daines, however, has not signed on to this legislation and he should. Please call him at (202) 224-2651 and remind him that consumers have the right to know the origin of their beef, and Montana ranchers have the right to a fair and transparent market.

On a related, but admittedly confusing issue, we are also making great headway on having the "Product of USA" label revised or possibly eliminated. Understandably, many confuse the "Product of USA" label with COOL, but they are separate labeling requirements established under different regulatory requirements. While COOL was, and hopefully will be again, a mandatory program that strictly regulates what must be said on the label, "Product of USA" is a voluntary label that USDA allows to be put on packaged meat if that meat has been minimally re-processed in the USA. Simply put, repackaging imported meat qualifies it to be labeled as a "Product of USA."

This of course is a total misrepresentation, and any consumer would be confused. President Biden has issued an Executive Order directing USDA to fix this loophole. The National Cattlemen's Beef Association, in their self-appointed role of protecting the meat packing cartel, has jumped into the argument asking Secretary of Agriculture Vilsack to change the label from "Product of USA" to "Processed in the USA." This of course does nothing to solve the confusion and consumer fraud. The Board of Directors of MCA have not yet determined what would, in our estimation, be the best way to modify "Product of USA." One proposal would be to require that only beef born, raised, and processed in the USA be allowed to use the label. Since use of the label is voluntary, chances are that the meat cartel will simply stop using that label. Which is alright. If you have thoughts on this issue, please contact an MCA board member and let them know your ideas.

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Other good things have been going on at the Congressional level which will, hopefully, restore competition to the cattle markets. This is, of course, a primary concern for all of us. Between the drought and the disaster in the cattle market, this coming year is giving us all a lot of anxiety and a truly competitive and transparent cattle market would be a great relief. Senator Tester along with Senator Grassley have proposed that packers be required to purchase half of their cattle on the This has been nicknamed the 50/14 spot market. proposal. They have since modified the proposal and merged it with a bill advanced by Senator Fischer which would, in addition, require that all cattle purchases by packers be mandatorily reported. As it stands, only spot market sales are required to be reported and even in those reports USDA is not allowed to reveal the identity of which packer has made the purchase.

When spot market sales fall below twenty percent (20%) of the total volume as they do on a regular basis, price discovery is seriously compromised. Something needs to change and Senators Tester, Grassley, and Fischer's' Bill (SB 3229) is an honest and welcome attempt. On a personal level I feel that there is an important flaw in the proposal as it is currently worded. Please see my op/ed: The Way to Fix a Flawed Compromise is to De-couple "Negotiated" from "Spot" on page 6 of this newsletter.

The MCA board members have been very busy this year. You have a good bunch representing you. We have put out numerous press releases, published opinion pieces, and have commented on important issues. The last comment we submitted was on the very flawed proposal by the Bureau of Land Management to allow the American Prairie Reserve to run bison on a number of their BLM allotments. BLM is in the process of reviewing all of the comments received so we do not know if MCA's reservations about this proposal will be acknowledged.

We were also in regular contact with Senator Tester's staff person overseeing the proposed water compact settlement with the Fort Belknap Reservation. Unfortunately, we were unable to influence the final document, which preserves all of the worst aspects of the Confederated Salish Kootenai Tribe Compact. That

Compact settlement has been a disaster for the counties that adjoin the Flathead Reservation and is also very problematic for the livelihoods of the landowners and irrigators who are directly affected. We had hoped that our involvement with Senator Tester's staff would prevent that kind of disaster, but to date we were not successful. One of the most egregious facts of the CSKT settlement was that no one directly affected was allowed to challenge the bill sponsored by Senator Daines. There were no field hearings. We hope that Senator Tester, who is sponsoring the Fort Belknap Bill, will hold field hearings where citizens and county officials are able to express their views.

Ken Morris is representing us on the Montana Beef Council. He was able to get the MBC to add "promotion of cattle" to their mission statement. The MBC was only focused on the promotion of beef, but as you all know, we raise cattle and at least a portion of our checkoff tax should be used to promote cow/calf producers.

For many Montana ranchers it has been a really tough year. Too many were not able to put up enough hay and hay prices are through the roof. Everyone affected by the drought has had to cull deep into their herds, and then sell those cows for way too little. Some have had to go so far as to disperse their entire herd. Range fires pushed by hurricane force winds have burnt out too many of our neighbors. I know that we are all being as generous as we can to help out. It is during tough times like these that it is most important to stick together, work to help one another, and stand up for economic justice.

As I mentioned earlier, you have a real good board working for your interests. We do have a couple of vacancies, particularly from the Eastern District. I know it is difficult to just volunteer, but the position is important and helps to assure the future of our ranches and communities. One of the important plans for the coming year is to re-publish the Brand Book. This has been a highly successful project for MCA. Not only does it bring in money to fund our activities, but it keeps the culture and history of our ranching culture alive. As you all recall, our brands needed to be re-registered this past year which means our book is out of date. We will be looking for ranch stories and photographs to include in the new edition.

### "Beef On Every Plate" donates beef to those in need

Several years ago, the Montana Cattlemen's Association subsidiary Charitable Foundation created the program "<u>Beef On Every Plate"</u>. This is a program whereby ranchers donate cull cows, bulls, or steers and the Foundation then pays for processing the beef into hamburger that is then donated to local food banks. The program is managed by volunteers so there are no operational costs ~ 100% of the donations go toward feeding the needy of Montana.

Just before Christmas, two cows were donated to the program. On January 3<sup>rd</sup> the processing was complete and one beef was donated to the Great Falls Rescue Mission and the other beef was donated to the City of Denton (which suffered devastating fire damage). We currently have two more cow donations in the processing stage.

Montana Cattlemen's Association and Foundation are very grateful for the donations. So many folks are in need of food, especially healthy beef protein. Please consider donating a beef to this program. We are particularly in need of money to help pay for the costs of processing. We have received some grant funds from Town Pump, for which we are grateful, but processing costs are expensive and we are in a position where money is much needed. (Cattle and cash donations are fully deductible!)

Thank you to those who have generously donated to "Beef On Every Plate" to help the people of Montana put beef on the table. If you are interested in donating to the program, please contact Jan McDonald at 406-467-2251 or email us at mca@montanacattlemen.org. Checks may be sent to: Beef on Every Plate, PO Box 536, Vaughn, MT 59487

## MCA LETTER SENT TO MONTANA'S ATTORNEY GENERAL

January 17, 2022

The Honorable Austin Knudsen Office of the Attorney General Justice Building, Third Floor 215 North Sanders P.O. Box 201401 Helena, MT 59620-1401

RE: December 21, 2021 letter by sixteen State Attorneys General requesting Secretary of Agriculture Vilsack strengthen enforcement of the Packers and Stockyards Act

Dear Attorney General Knudsen:

The Montana Cattlemen's Association is writing to encourage you to join with sixteen of your fellow State Attorneys General by endorsing the December 21, 2021 letter to Secretary of Agriculture Vilsack which encourages him to strengthen enforcement under the Packers and Stockyards Act. Given the importance of cattle production in Montana, your absence in this effort is conspicuous.

The Montana Cattlemen's Association fully supports the ideas brought forth in the attorneys general letter. Cattle producers in this state are being affected by the illegal and unregulated manner the big four beef processors are conducting business. Since the repeal of Mandatory Country of Origin Labeling for beef in 2015, the cattle producers' share of each dollar spent on beef has gone down from 50 cents to just 37 cents.

This downward spiral towards total vertical integration caused by the packers' non-competitive market domination cannot be allowed to continue. Not only are our livelihoods in jeopardy but a huge portion of the tax base of rural Montana will cease to exist unless something is done. Remember, out-of-state landowners do not pay Montana income taxes and do not support small town businesses. Inevitably, this trend can only further reduce Montana's revenue and the quality of services we receive from local and state government.

Two recent examples of the trend towards total vertical integration by the major packers was made apparent in 2021. The first was the Tyson-Easterday fiasco in Washington State which revealed that large numbers of cattle owned by the big four are being secretly finished in independent feedlots. This can only result in further downward prices on finished cattle.

Smaller independent feeders in the Midwest and in Montana have been approached by the multinational cartel asking if they would also feed secretly owned packer cattle in return for a small set guaranteed margin. If allowed to continue, this practice will result in even less accurate price discovery thus putting even more negative pressure on the market for the feeder calves which, we remind you, is the mainstay of Montana's cattle industry.

Secondly, the independent feeding/finishing portion of our industry is under severe pressure to take whatever price is offered by the packers. The pandemic is also being used as an excuse for discounting cattle prices. To justify subpar prices, packers claim there is a surplus of cattle. Yet demand for retail prices for beef is the highest it has ever been. The facts are that cattle slaughter numbers over the past two years are as high as they were pre-pandemic. This is clear market manipulation because packers control the bottleneck. They can pay less for cattle and yet demand more for beef products. It is a great racket!

The packers will not voluntarily reform their practices because their schemes are working much too well in their favor. We hope these facts shed some light on the dysfunction in the cattle market and why we believe that only through anti-trust enforcement can the future of Montana's cattle industry and producer financial viability be assured. We strongly urge you to join with your fellow attorneys general in support of Montana's cattle producers.

Sincerely,

Gilles Stockton President, Montana Cattlemen's Association

<u>To read attorneys general letter to Secretary Vilsack</u>: https://oag.ca.gov/system/files/attachments/press-docs/2021 12 21%20-%20State%20Ltr%20to%20Sec%20Vilsack%20re%20Packers%20and%20Stockyards.pdf

# Cattlemen's Day Speakers

One of the highlights of the 2021 Annual Cattlemen's Day Meeting was a presentation by **Andy Green** who is the Senior Advisor to Secretary of Agriculture Vilsack for Fair and Competitive Markets. Mr. Green began his ZOOM presentation explaining his background in banking and finance regulation. He said that he was surprised to learn that agricultural markets are even more complex than finance.

Andy, and he said to call him Andy, started by explaining the livestock related reform initiatives currently in the works in USDA. These initiatives are the result of an Executive Order issued by President Biden earlier in the summer. The first to be addressed is the restoration of the GIPSA Rules which defines anti-competitive practices under the Packers and Stockyards Act. These rules were put in place during the Obama Administration but rescinded by the Trump Administration. The first of the three rules to be released for comment in early 2022 will be dealing with unfair and discriminatory practices prevalent in the poultry industry. This will be followed by two other rules dealing with definitions of undue and prejudicial practices that effect the hog and cattle portions of the livestock industry as well.

Later in 2022, USDA intends to issue a rulemaking to close the "Product of USA" labelling loophole. As is currently allowed, an importer of beef can place a label on a package of beef if they had minimally reprocessed that meat in this country. Simply by repackaging or adding beef fat trimmings allows the importers to declare it to be a "Product of USA." This clearly confuses and manipulates consumers and is nothing more than fraud, passing off imported beef as having been raised in the USA. Once these rulemaking endeavors have been published, Andy hopes to address market competition in the cattle markets directly. He was not specific on what they intend to do in this regard. There is a joint USDA/Department of Justice investigation of the livestock market, which first needs to be completed. Much will also depend upon what we in the cattle industry can come together to support.

We spent a good half hour in a question-and-answer session. This was one of the first opportunities for Andy to have a direct give and take with actual producers and was undoubtedly helpful in helping him understand the problems faced by ranchers. We explained some of market practices that are common but not fair. For instance, how heifer calves are discounted much more than justified. Market reports are referenced in terms of steer calf prices, while the heifers are currently being discounted by 15 to 20 cents. This gives the impression that cattle prices are higher than they actually are.

MCA intends to follow the rulemaking process and will be submitting comments when the different rulemaking initiatives come up for public comment.

The "Product of the USA" label controversy was a big topic of discussion at Cattlemen's Day. It is a well-known fact that since the mandatory Country of Origin Labeling was repealed the "Product of USA" label has been misused. Instead of enforcing the correct use of the label, the NCBA this summer petitioned the USDA to eliminate the label and replace it with the "Processed in the USA" label to be placed on <u>any</u> beef sold in the United States. Consumers, however, would still not know where the beef they buy comes from.

The Federal Trade Commission stated that the "Product of USA" label should be strengthened and not be used to deceive consumers. Ag Secretary Vilsack agreed that the USDA and the Food Safety and Inspection Service (FSIS) were tasked with interpretation and implementing the new label and assessing fines of up to \$43,280 per violation for misuse. They, however, had not been given the definition of the label.

To create the definition, Senator Mike Rounds of South Dakota and Congressman Matt Rosendale of

Montana sponsored The USA Beef Act (S2623 and HR4973) stating that this voluntary label could only be used on beef from cattle born, raised and slaughtered in the USA. As of November, both of these bills (titled USA Beef Act) are in the Agricultural committees of both the House and the Senate. It should also be noted that Senator Daines of Montana also co-sponsored the senate bill

During Cattlemen's Day in Lewistown, Joe Bliss, a representative from Senator Rounds office in D.C., spoke virtually and stated that since this was a voluntary origin label the WTO should not be able to say it was in violation of the New United States, Mexico and Canada Agreement which took effect July 1, 2020.

Montana Cattlemen's Association supports both of these bills along with the American Beef Labeling Act (S2716) sponsored by Senators Thune and Tester. With the help of the American consumers who are very supportive of truthful origin labels on beef, we believe we can get all of these bills passed.

These are the Country of Origin Labeling bills that were presented and discussed at the 2021 Cattlemen's Day. All of these bills have had a second reading and are sitting in committee. We need to continue to follow these bills and demand that our federal Congress pass a Country of Origin Labeling law.

Senate Bill 2716 – American Beef Labeling Act of 2021 (Mandatory COOL label)

Senate Bill 2623 – U.S.A. Beef Act (Voluntary use of "Product of U.S.A." label)

House Bill 4973 – U.S.A. Beef Act (Voluntary use of "Product of U.S.A." label)

Senate Bill 2332 - Farm System Reform Act (Strengthen Packers & Stockyards Act & require COOL label)

**Senate Bill 3230** – A bill to require the establishment of a working group to evaluate the food safety threat posed by beef imported from Brazil.

## LABOR, AG, AND BUSINESS SUE ATTORNEY GENERAL AND SECRETARY OF STATE FOR FAILING TO FOLLOW MONTANA LAW

The Montana Federation of Public Employees; Montana Farmers Union; Jeff Barber, a Helena Realtor; Ron Ostberg, a farmer from Fairfield; and Dennis McDonald, a rancher from Melville, have filed suit against the Montana Attorney General and Secretary of State for failing to follow HB 651, which was passed and signed into law during the 2021 Legislative Session.

HB 651 amended Montana law so the Attorney General must now examine all ballot initiatives for any negative effect on Montana businesses. In addition, the Secretary of State must refer all ballot issues to a legislative committee for review prior to signature gathering.

Both the Montana Attorney General and Secretary of State failed to fulfill their legal obligations under HB 651 when reviewing CI-121, a constitutional initiative that fundamentally changes the way property taxes are established.

"CI-121 is a very complex and far-reaching initiative with unforeseen consequences for all Montanans," said MFPE President Amanda Curtis, whose union is one of the plaintiffs. "In fact, they tried this stunt in California and, as expected, it has been a spectacular failure. The Attorney General and Secretary of State have a legal duty to review and inform the public of the risks involved and to protect Montana businesses, but they failed to do so and that's why we are being forced to file this suit. Not a single Montanan should sign any petition until they have all the facts."

The suit being brought against the State of Montana asserts that the Attorney General refused to evaluate whether now CI-121 would cause significant harm to businesses, despite the Montana law mandating his review of "proposed ballot issues."

"As a Montana farmer, CI-121 has me very concerned," said Ron Ostberg, a farmer from Fairfield. "This proposed change to the Montana Constitution could have a devastating effect on Montana farmers and ranchers since it would shift the state's tax burden onto family farms like mine. That could crush us."

The plaintiffs are requesting an injunction on the collection of signatures and that the Secretary of State send CI-121 to the executive director of legislative services for its review by an appropriate interim committee pursuant to Montana law. The suit also seeks a declaration that the Attorney General's review of CI-121 was defective for failing to evaluate its impacts on businesses, and a directive that the Attorney General take this action.

#### WHO HAS MORE RIGHTS?

#### 4 MULTINATIONAL BEEF PROCESSORS OR 300 MILLION U.S. CONSUMERS

Here is a good reason why we need truthful Mandatory Country of Origin Labeling on all beef sold in the U.S., including restaurants. There were two cases of BSE, or what we used to call mad cow, found <u>from two different locations</u> in Brazil in June 2021. These cattle were older cows (10 and 11 years old) that were slaughtered in what is termed <u>emergency situations</u> at two different packing plants. Emergency situations brings to mind that these cattle maybe could not walk which is a common symptom of advanced BSE in cattle. How often do they slaughter cattle in these emergency situations at an inspected packing plant? The other very serious question to ask here is why did it take them from June to September to get these positive test results back.

As American beef producers we also wonder why China halted all beef imports from Brazil when these test results came back positive in early September, yet the U.S. kept importing beef from there and still does. As a matter of fact, the U.S. has imported three times more Brazilian beef so far in 2021 than we did in the same time period of 2020.

At least 80% of consumers polled in surveys are for labels that state whether the beef they are buying is truly an American product. A mandatory label on each package stating it is from cattle that were born, raised, and harvested in the U.S. is the best solution if these facts are documented. All other beef sold should use a blank label that does not meet these requirements.

The Montana Cattlemen's Association supports these bills circulating in Washington DC that will do this and we hope you will also:

Senate bill 2716 American Beef Labeling Act of 2021 Senate bill 2623 U.S.A. Beef Act

If you care about this issue let your urban friends and relatives know, and have them contact their U.S. congressional delegates. With their support, we can get this done.

## This has been done before. This can be done again.

## The Way to Fix a Flawed Compromise is to De-couple "Negotiated" from "Spot"

#### **OP-ED BY GILLES STOCKTON**

Senate Bill 3229 is said to be a compromise merging the 50/14 concept proposed by Senators Grassely and Tester with a bill that enhances mandatory price reporting advanced by Senator Fischer. The original version of the 50/14 proposal would require that half of the fed cattle be purchased on the "negotiated spot" market, and Senator Fischer's contribution would require mandatory price reporting of all fed cattle sales, along with the publishing of a library of forward and formula contracts.

Because less than twenty percent of the fed cattle are sold on the "negotiated spot" market, which is then used to price the remaining eighty percent - this clearly results in inadequate "price discovery." Absolutely! The number of "spot" market sales must be increased, and fifty percent is a good target. However, the flaw in this proposal is coupling "negotiated" with "spot." A "spot" market is a "cash" market for immediate delivery. A "negotiated" market is one where the buyer and seller agree in private on the sale terms.

The problem in any "negotiated" market is that there is a built-in bias in favor of the buyer. This is because the seller has already invested their money in the cattle and have a lot to lose if the market goes down. Buyers, on the other hand, have time on their side and other cattle from which to choose. This dynamic results in a lower "negotiated" price than what "supply and demand" conditions would otherwise warrant. Economic research confirms this downward bias.

If half of the cattle are required to be sold on the "negotiated spot" market, this will result in lower overall cattle prices. The solution is to de-couple "negotiated" from "spot" and require instead the use of an electronic/video auction market mechanism for the "spot" marketing of fed cattle.

Here in cow/calf country there tends to be a distrust of auction markets. This is probably because most of us have been burned when a load of calves or culls were sold for less than they should have. As a result of these bad experiences, many ranchers prefer to market their calves by "negotiating" with a trusted buyer. The feeling is that not only is one avoiding the risk of a bad sale, you are also avoiding the four percent auction fee, along with the shrink when your calves wait three or four hours to be weighed after already being on a truck or two.

There is, therefore, a legitimate reason to prefer to "negotiate" rather than sending the calves to the auction barn. However, an electronic/video market overcomes many of those objections. And one does not really avoid the four percent marketing fee because the buyer with whom you "negotiate" also has costs that need to be covered. The only reason that the "negotiated" market for feeder calves works as well as

it does is because a significant number of calves are sold at the auction barns or through the electronic/video auctions. This provides an honest reference. Ultimately, the most efficient and most accurate way to arrive at optimum "price discovery" is through an auction. It may not be perfect, but auctions are, in the long run, better than all of the alternatives. And as an added bonus, the prices derived at a public auction is open for all to see.

In the fed cattle market, there is no honest reference, because all "spot" market sales are "negotiated." We mitigate that to some degree by mandatory price reporting. A better solution would be to require that the "spot" market be conducted through an electronic/video auction where not only is "price discovery" more accurate, the market information is public.

Why stop there, why not require that all fed cattle be sold in an electronic/video auction? Just as in the case of the electronic/video sales for the future delivery of feeder calves, an electronic/video auction for future delivery of fed cattle would work very efficiently. As with feeder calves, where a base price is set at the time of the sale and adjusted at the time of delivery, appropriate terms can be incorporated in the contract.

We are told by the beef packers, their captive economists, and the NCBA that it is absolutely essential that most of the cattle be marketed through alternative marketing agreements (AMA) - better known as "captive supply." Otherwise, they contend the quality of the cattle will deteriorate and consumers will stop buying beef. Maybe or maybe not, but by employing an electronic/video market mechanism, operated by an independent marketing company, packers could enter into forward delivery contracts where the base price would be adjusted at the time of delivery to compensate for actual carcass quality.

Such a market would preserve all of the alleged benefits of the current "captive supply" system, except that the packers would not be able to manipulate cattle prices in their favor. If the "spot" market sales were also reached through an electronic/video auction, the entire market for fed cattle will be open and competitive. Optimum "price discovery" would result.

This in turn would allow the feeder calf market to be more competitive. Instead of the current situation where the continual losses by the feeders are passed down to the cow/calf producers, actual supply and demand conditions would prevail. In 1921 they solved the monopoly problem of their day by requiring that cattle be purchased in an open and competitive forum. This requirement allowed smaller packing firms the opportunity to compete in an honest market along with full transparency of the resulting sales. It worked then, and it will work now.

## **OFFICIAL ANNUAL BALLOT**

#### For MCA Voting Members Only ~ Must Own Cattle

In keeping with MCA's by-laws, all policy matters must be submitted to membership for approval or disapproval. If you have any questions, please call or email. Please vote and mail this ballot back to the MCA office by **February 15, 2022**.

#### \*EXPLANATION OF MCA OFFICERS AND DIRECTORS TERMS:

Officers: President, Vice-President, Secretary and Treasurer serve two-year terms.

<u>Directors</u>: Two directors are elected from each district; four at large directors elected from any part of Montana; one business director; one Native American director, for a total of 12 directors. Directors are nominated and elected by the majority vote of the membership within each district and serve three-year terms.

The following Officers w	vere nominated for a two	year term. All n	nembers who own cattle may vote for Officers.
		Approve Y or I	<u>1</u>
President:	Gilles Stockton		Write in
Vice-President:	Wally Congdon		Write in
Secretary:	Richard Liebert		Write in
Treasurer:	Jan McDonald		Write in
		ors may only be	. All members who own cattle may vote for at large voted on by MCA members in those districts (see map)
Western Distric	st. Drugo Loo	Approve Y or	_
western distric			Write in
0 / 15:1:4	Ken Morris		Write in
Central District	: John Wagner		Write in
	Brad Hamlett		Write in
Eastern District	t:		Write in
			Write in
At Large:	Doug Campbell		Write in
At Large:	Newell Roche		Write in
Please retur <u>I</u>	cattle and am a voting me on completed ballot no la February 15, 2022 to: ox 536 ~ Vaughn,	ter than	Western Central Eastern  LINCOLN PLANEAD GADER TOOLE HILL  SANDERS LINE PRILIPS VALLEY ROOSDATT  TEDN DOOTULAL  LINES CASCAL  LI

## ANNUAL MEMBERSHIP RENEWALS WERE DUE JANUARY 1, 2022. IF YOU HAVE NOT YET RENEWED YOUR DUES, PLEASE COMPLETE THE FORM BELOW OR RENEW ONLINE

AT: mca@montanacattlemen.org/Membership

	Annual Membership January 1—December 31, 2022
Name:	
Ranch Name:	
	County:
State: Zip:	Phone:
Email:	
Own cattle:YesNo	Tribal member:YesNo
Membership Dues:	OR ~ Optional Premier Memberships:
Cattle Producer ~ \$50	Gene Autry level ~ \$100 per year
Associate Member ~ \$50	Roy Rogers level ~ \$150 per year
College Student ~ \$25	John Wayne level ~ \$200 per year
Junior Member ~ \$25 (Age 18 & younger)	Additional Optional Contribution
TOTAL AMOUNT SUBMITT	<u>red:</u> \$

Only members owning cattle have voting rights ~ One member—one vote Associate members do not own cattle but are supportive of MCA goals

Join online at www.montanacattlemen.org ~ OR ~ mail this completed form along with your check to:

MONTANA CATTLEMEN'S ASSOCIATION P.O. Box 536 ~ Vaughn, MT 59487

Please make copies of this membership form for multiple memberships or to share with your friends and neighbors.

Your continued support of Montana Cattlemen's Association is very much appreciated!

# Vilsack: Biden's new plan for meat processing industry includes crackdown on anti-competitive practices

January 4, 2022 (KWWL)-- Tom Vilsack, the US Secretary of Agriculture, says along with the \$1 billion in grants and loans, the White House's plans for the meat processing industry includes a crackdown on what they call "anti-competitive practices."

This crackdown has already started and the USDA and the Department of Justice have teamed up to pursue multiple allegations of price fixing in the poultry industry. They've already won settlements so far.

In addition to the DOJ investigation, the Department of Agriculture announced it will be creating and monitoring an online portal within the next 30 days for people to report anti-competitive practices.

However, Vilsack says an issue the USDA is facing is the lack of clarity around what an anti-competitive practice is.

"Does it require that the entire industry be impacted and affected by a discriminatory practice," Vilsack said. "Or is it only necessary that a farmer show that he or she has been treated unfairly."

To solve this Vilsack says the USDA is revamping a one hundred year old law, the Packers and Stockyards Act. The Act was initially intended to protect meat industry workers from unfair practices. Vilsack says they plan to clarify what the Act qualifies as an anti-competitive practice.

With the Act, the USDA will also propose a new payment method for poultry farmers instead of the current tournament style. This method is supposed to reward top growers, but according to Vilsack, it's led to a non-transparent payment process.

The USDA also plans to take a closer look at the "Product of the USA" label. Currently a company can use the label as long as their product was processed in the US, even if the animals are from overseas.

More information about grants and where to report anti-competitive practices can be found on the USDA website.

### TESTER INTRODUCES BILL TO SUSPEND BRAZILIAN BEEF IMPORTS AMID SAFETY CONCERNS

### Legislation calls for inspection of safety risks following repeated reporting issues

Nov. 18, 2021 ~ Following repeated issues with delayed reporting of Bovine Spongiform Encephalopathy (BSE), or Mad Cow Disease, in Brazilian beef, U.S. Senator Jon Tester today introduced legislation to suspend Brazilian beef imports to the United States until experts can conduct a systematic review of the commodity's safety.

"Montanans demand the highest level of safety and certainty in their beef, and Brazilian imports aren't making the cut," said Tester. "Folks expect their beef to have been rigorously tested against the strictest of standards, and concerns about Brazilian imports not only jeopardize consumer trust, but present a serious risk to Montana producers. We owe it to our domestic producers and consumers to halt Brazilian imports until we can guarantee their beef and reporting standards are making the grade."

On September 3, 2021, Brazil announced two cases of atypical BSE that were detected in June of the same year. Most countries report similar cases to the World Organization of Animal Health (OIE) immediately – with both the United Kingdom and Germany this year reporting cases to OIE within days of their occurrence earlier this year – but Brazil reported its cases more than 2 months after the fact, breaking trust with the OIE and global trading partners. This has been a routine occurrence, with Brazil also waiting months or even years to report similar cases in 2019, 2014, and 2012.

Brazil enjoys preferential market access on the global stage due to its designation as a "negligible risk" exporter by OIE. While rare, one-off instances of atypical BSE do not necessarily indicate systemic issues with the health of Brazilian cattle herds, repeated delays in reporting suggest an overly lax food safety regime and raise concerns about the reporting of additional dangerous diseases such as Foot-and-Mouth Disease, African Swine Fever, and Avian Influenza.

Tester's bill would ensure that Brazilian beef is safe to eat before it is brought back into U.S. markets by imposing a moratorium on Brazilian beef until a group of food safety and trade experts has made a recommendation

regarding its import status. The legislation is supported by the U.S. Cattlemen's Association, the National Cattlemen's Beef Association, and R-CALF USA.

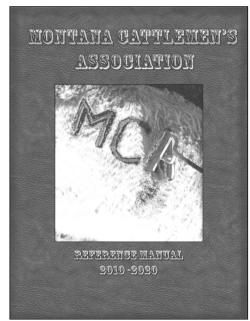
"We cannot wait for an endemic animal disease to reach our borders before we take action," said Leo McDonnell, Director Emeritus, U.S. Cattlemen's Association. "There is a clear and present threat associated with the importation of Brazilian beef imports that we need to halt immediately. Further, the establishment of a working group will allow all stakeholders of the U.S. beef and cattle industries to have a voice in evaluating the threat to American producers and consumers posed by beef and beef products imported from Brazil. USCA thanks Senator Tester for his ongoing efforts to suspend beef trade with countries that pose a risk to the health of the domestic cattle herd."

"US cattle producers have a longstanding track record of meeting USDA's rigorous oversight standards in order to promote public health, food safety, animal health and well-being – and any country who wishes to trade with the United States must be held to those same standards," said Ethan Lane, National Cattlemen's Beef Association. "We appreciate Senator Tester's leadership on this important issue and look forward to working with him and this Administration to hold Brazil accountable."

"R-CALF USA greatly appreciates Senator Tester's leadership in protecting both the U.S. food supply and the U.S. cattle industry from the possible introduction of beef from a country with a long history of food safety infractions," said Bill Bullard, CEO, R-CALF USA. "American consumers and cattle producers deserve no less."

As the only working farmer in the Senate, Tester has been a champion for ensuring food safety across the nation, and has repeatedly raised concerns about the safety of Brazilian beef. Following repeated reports that Brazilian beef exports were rotten or otherwise unsafe, Tester introduced similar legislation to assess the quality of Brazilian beef and poultry in 2019.

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#### INITIATIVE 121 Opinion ~ (See page 5)

The proponents of Constitutional Initiative 121 suggest it will cut \$175 million in residential property taxes mostly in the recreational areas of Montana. Many of the homes in these areas are 2<sup>nd</sup> homes or rentals for tourists. A large portion of these cuts will be replaced by tax increases to small businesses, farmers, ranchers and/or a sales tax. New schools, roads, health centers, and other public services have been or are being built in these areas. Teachers, police, firefighters and additional city and county employees are needed.

Montana Homeowners in Flathead, Missoula and Bozeman have seen a 30-40% increase in the value of their homes. Some longtime residents on fixed incomes are struggling to pay the increased property taxes. This is a problem but CI-121 is not the fix. This idea was tried in California and it wreaked havoc with their budgets, families, small business, public schools and communities all over the state of California.

There are better ways to deal with the high increase in residential property values without giving huge tax breaks to rich out-of-staters. We could expand the Elderly Homeowner/Renter tax credit and the Land Value Property Tax Assistance Program. If done properly these programs could offset the impact of higher property taxes for Montana families.

Another way we could reduce property taxes for all Montana homeowners is by repealing the centrally assessed business property tax cuts in the 1990's for the large telecom, cable, railroads, gas and oil companies. This has cost Montana \$100 million a year for the last 25 years. If Verizon, ATT, Spectrum, BNSF and other large corporate monopolies paid their fair share we could cut property taxes for all homeowners.

If approached or emailed by a petition gatherer, please Do Not Sign to CI-121.

#### SHUTDOWN WATCH

January 14, 2022 ~ USCA Capitol Update

With a little less than five weeks until the government runs out of funding, top Congressional leaders met on Thursday to discuss moving forward with a spending deal by the February 18 deadline.

Agencies are currently operating under a continuing resolution (CR) to which Congress agreed in December, and this is their second time doing so in the fiscal year. The CR has also delayed implementation on the Infrastructure Investment and Jobs Act, the hallmark piece of legislation completed in President Biden's first year.

"We appreciated the opportunity to have a constructive Four Corners conversation today on

completing fiscal year 2022 appropriations," Appropriations Committee chairs Sen. Patrick Leahy (D-VT) and Rep. Rosa DeLauro (D-CT) said in a joint statement, referring to the meeting on Thursday of top Democrat and Republican on their panels in each chamber. "We look forward to further conversations in the coming days, with the shared goal of finishing our work by the Feb. 18 government funding deadline."

The reauthorization of Livestock Mandatory Reporting is tied to the Continuing Resolution. The program is set to expire on February 18. USCA believes that we cannot keep kicking the can down the road with yet another extension of the deadline - we must immediately implement much needed reforms to restore transparency to the cattle marketplace.

### The Department of Livestock Reports Brucellosis Found in Madison County Herd

**Helena, Mont.** – On Wednesday, January 5<sup>th</sup>, the Montana Department of Livestock received notice that an animal from a Madison County ranch within Montana's brucellosis Designated Surveillance Area (DSA) has been confirmed positive for brucellosis.

The positive animal tested as a 'suspect' on a whole herd test conducted in December 2021. Pathologists at the Montana Veterinary Diagnostic Laboratory collected tissues and forwarded the samples to the National Veterinary Services Laboratories in Ames, lowa where infection was subsequently confirmed. The ranch has been placed under quarantine and an epidemiological investigation has begun. The positive animal was tested negative the prior year, which allows the Department to reduce the scope of the disease investigation.

Voluntary whole herd testing is an effective method for DSA producers to protect their herd. Early detection of infections allows producers to find the disease before disease spreads within the herd, minimizes the time needed to clean up a herd and thereby shortens duration of quarantine, and allows herd owners to control when testing happens, often by pairing with other ranch management activities.

"A high rate of testing, much of it voluntary, is the primary reason we continue to find affected herds rapidly",

Zaluski said. "A robust testing program not only minimizes the impact to that operation but protects our state and our trading partners." Zaluski further praised Montana DSA producers for their high rate of compliance with brucellosis testing regulations.

Past cases of brucellosis in livestock were the result of transmission from infected wild elk as determined by an epidemiological investigation that included genetic fingerprinting (genotyping) of the cultured bacteria. The source of infection in the Madison County herd has not yet been determined.

This is the 11th brucellosis affected herd found since the creation of the DSA in 2010. Prior to the creation of the DSA, if two or more affected herds were detected in a two-year period, the State would have lost brucellosis Class Free Status. Currently, if new cases of brucellosis are found within a DSA, affected herds are no longer subject to depopulation and states can maintain Class Status.

The mission of the Montana Department of Livestock is to control and eradicate animal diseases, prevent the transmission of animal diseases to humans, and to protect the livestock industry from theft and predatory animals. For more information on the Montana Department of Livestock, visit: www.liv.mt.gov.

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NEWSLETTER

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## "BEEF ON EVERY PLATE"

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\*

\*\*\*\*\* One in seven Montanans struggle with hunger; one in five children in Montana live in households that struggle \*\* \* with hunger. USDA reports 11.5% of Montana households are "food insecure" and often skip meals or go to bed 💥 hungry, including the elderly and young children. Many on fixed incomes, single mothers, and the working poor 💥 \* simply cannot afford to purchase quality meat to feed their families. Montana Cattlemen's Foundation has organized \* the "BEEF ON EVERY PLATE" program to enable cattle producers to donate beef to help feed our neighbors. To \* \* date we have provided beef for over 317,000 meals!!

As cattle producers, we always have beef in the freezer. Unfortunately, this is a luxury that too many \*\* \* Montanans do not share. The need is overwhelming! If you wish to donate a cow, bull, or steer, please call the \* \* Montana Cattlemen's Foundation 406-467-2251 to make arrangements. For those who do not own cattle, cash \* \* donations are also needed to help pay for costs associated with processing the beef. Montana Cattlemen's \* ※ Foundation is working with the Montana Food Bank Network and others to distribute the hamburger throughout the ※

Montana Cattlemen's Foundation for Research, Education and Endowment is a non-profit tax-exempt charitable foundation organized under IRS tax code Section 501(c)(3). All of your contributions are fully deductible. There are no administration costs, so 100% of your donation goes to this program!

For more information please contact:

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Your Support Is Appreciated!

\*\*\*\*\*\*\*\*\*\* \*