

9/15/05

Secretary Johanns, \_\_\_\_\_, and other honored guests. My name is Jim Hanna, and I am here today to represent ICON, Independent Cattlemen of Nebraska. We are the newest and fastest growing agricultural organization in the state with a membership of nearly 700 cattle producers. ICON is affiliated with R-CALF USA, whose Nebraska membership has tripled in the last year and numbers nearly 2,000. I would like to introduce our president Chris Abbott from Hyannis, vice president Bob Rothwell, also from Hyannis and \_\_\_\_\_ (And we have other ICON members with us in the audience today.)

Our vision is quite simple; we intend to promote policies that will insure our members have the ability to remain independent business men and women in an economically and socially sustainable environment. We strongly believe the future viability of U. S. agriculture is dependant on the following:

- Restoration of competitive marketplaces for our products as they leave the farm gate.
- Enforcement of current regulation and attention to new regulations that would assure no one industry segment or entity is able to assert undue influence over any other and,
- Emphasis on the welfare of and promotion of domestic producers and their products.

Our comments today, while not specific to the six questions you have posed to us, are intended to respond to the broader issues you have raised. The goal of any farm legislation should be to enhance the climate for America's farmers and ranchers. Mr. Secretary, with all due respect, your department and the administration must understand that discussions of government subsidization, rural development and the like are secondary to the more pressing problem of the lack of profitability we see in agriculture today. Until we come to grips with creating a business structure in which the cash generated by the sales of our farm and ranch products is sufficient to pay for the land, cover the operating debt and the overhead; and provide a modest profit, we will never attract young people back to the land or reverse the decline of our rural communities. U. S. consumers have access to the safest, most diverse and inexpensive food supply in the world, however, they must understand that the cost to produce it is constantly on the rise. Recently, some have been critical about the costs of raw commodities, especially cattle. While it is true that cattle have reached new, but certainly not unreasonable price levels, it should be noted that the percentage of the cost of beef at retail attributable to the cost of the animal continues to decline. In other words, cattle producers are receiving an ever smaller share of each dollar generated by the retail sale of beef.

With these comments in mind, ICON submits that the following items are critical for inclusion in the 2007 Farm Bill.

First, a comprehensive Competition Title must be drafted in order to assure that the more concentrated segments of our industry do not unduly influence the independent business structure that is the hallmark of our farmers and ranchers. This title, at a minimum, should address topics such as:

- Limits on a meat packer's ability to own and control cattle in excess of 14 days prior to slaughter
- Prohibiting discriminatory pricing by outlawing any transaction containing an unreasonable preference or advantage in the procurement of any agricultural commodity where terms offered one producer are withheld from smaller volume producers and,
- Enacting reforms that would end unfair practices in agricultural contracts including:
  - Requiring contracts to be in plain language
  - Prohibiting termination of contracts capriciously or as a form of retribution and,
  - Making unenforceable any provisions in a contract that would waive the rights of producers.

ICON firmly believes the fate of our family cattle production businesses lies in our ability to enhance competition for our products. Vertical integration and further concentration in agriculture will bring with it diminishing interest by the next generation and continued degradation of our rural communities.

Our second concern is that a least-cost and logical mandatory country of origin law remains a part of the Farm Bill package. Recent free trade agreements continue to expose the domestic live cattle industry to greater and greater threats from imports of cattle and beef products. U. S. producers must be given a tool to delineate and differentiate their product. It is entirely unreasonable to imagine we can compete with foreign cattle producers, who have access to vastly cheaper inputs, less regulation and/or significant government subsidies. Our hope is that America's consumers will recognize the value of supporting our domestic industry and the safety and wholesomeness we can afford them. Other COOL issues that need to be addressed include:

- Inclusion of Mandatory Individual ID as a method to establish origin
- Simplification of the required labels
- "Grand fathering" of domestic cattle born prior to the implementation date
- Expansion of the program to include all retail outlets and,
- Restriction of the application of the USDA Grade Shield to products only from animals, born, raised and processed in the United States.

Congress has once passed the provision for COOL, consumer groups applaud it, organizations representing cattle producers across the country are demanding it, Mr. Secretary, I implore you, we must make COOL viable and we must implement it now.

In closing, I would like to thank the USDA and Secretary Johanns for taking the time to listen to the concerns of Ag. producers across the nation. These are critical times in farm and ranch country. The Independent Cattlemen of Nebraska will continue to advocate for changes that will assure our children, our communities and our businesses have a bright and profitable future.

We welcome your questions and comments, and look forward to providing continued input as the next Farm Bill is crafted.

With all Respect,



Chris Abbott  
President, ICON

OFFICE OF THE EXECUTIVE  
SECRETARIAT, USDA

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"Those who won our independence  
believed liberty to be the secret of  
happiness and courage to be the  
secret of liberty." -Louis D.  
Brandeis, Supreme Court Justice  
1916-1939.

# Independent Cattlemen of NEBRASKA

Like us, you are probably an independent producer. You may be wondering:

- **Why do we need another organization?**

The existing beef organizations serve the entire cattle industry, from calving lot to dinner plate. Independent Cattlemen of Nebraska (ICON) recognized the important services they provide, but feels that an industry-wide organization cannot fully represent, promote, and protect the specific interests and needs of Nebraska's cow-calf producer, feeder, and packer equally.

- **Why not just join R-Calif?**

R-Calif needs local and state affiliates in every state to solidify and further the work it does in Washington. Nebraska is more heavily tied to the livestock industry than any other state, yet lacks an R-Calif affiliate made up of producers. Your membership in ICON will assure that your voice will be heard by your representatives in Washington, and on state and local issues which are beyond the scope and ability of R-Calif. Our goal is to preserve and enhance our rural lifestyle. We must reverse the declining standard of living on the ranch, the farm, and in our rural communities. We need your involvement to accomplish our goal.

- **What does the "Independent" in Independent Cattlemen of Nebraska mean?**

We call ourselves Independent Cattlemen because we believe that the spirit of Independence that once epitomized our industry has been lost in the power shift from cattlemen to packer. We're all aware that the goals of the meat industry are not the same as ours. It is time

this was acknowledged and openly discussed. Our goal is to restore a more equal division of power across the industry. Independent voices must be heard at state and federal levels. We will be those voices.

- **What are the dues for ICON and how will they be used?**

Active memberships in ICON are \$50 per calendar year. Initial dues for R-Calif members will be \$35 for the first calendar year. Your dues will support the organization in the following ways:

1. We will open, equip, and staff an office in Hyannis, NE.
2. We will develop effective communication across the organization.
3. We will create materials and host events to educate the consumer, elected officials, media, members, and others in the industry about ICON and what we stand for and believe.
4. We will maintain and develop our website, [www.independentcattlemen.com](http://www.independentcattlemen.com).

- **Why do we need this and why now?**

Why now? Because there is a need! Nebraska's unique ranching and farming industry is in jeopardy. Complex issues have arisen around us while we've been working our farms and ranches. Without a strong grass-roots organization to speak for us, we've allowed the other meat industry sectors to claim that they represent us. Trade and health issues being decided today will influence every aspect of our lives, from who buys our cattle to what our land is going to be worth. ICON wants to amplify your voice, making it heard across Nebraska and the nation.

- **What are the issues?**

BSE, the Canadian border, the export market, box beef imports from Canada, County-of-Origin labeling, enforcement of the Packers and Stockyards Act of 1921, Central America Free Trade Act, and mandatory animal ID are some of the issues which will come to a head in the next few months. As a member, we'll want your input on these issues. We'll advocate for you, and see to it that your voice is not squelched by others who think they know what you want.

- **Is this just about ranchers?**

No. This is about the economy of the state of Nebraska and the survival of rural America. Agriculture is the number one industry in the state of Nebraska, and cattle are the largest sector in that industry. Cattle and grain production go hand in hand. We want our rural communities to thrive and grow. Everyone gains from thriving farms and ranches. Let's never forget that.

We look forward to working with you as charter members of this new Nebraska organization. With your help, we can assure FAIR trade, open markets, a healthful product, a satisfied consumer base, and we'll have an industry which can offer a home for the next generation.

Do you own cattle Yes No  
ICON Membership

1 year \$50.00/member  
R-CALF USA and ICON Membership  
1 year \$85.00/member

Name \_\_\_\_\_  
Company \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_ Zip \_\_\_\_\_  
State \_\_\_\_\_  
County \_\_\_\_\_  
Fax \_\_\_\_\_  
Email \_\_\_\_\_  
Credit Card # \_\_\_\_\_  
Visa MC Exp. Date \_\_\_\_\_

Signature \_\_\_\_\_

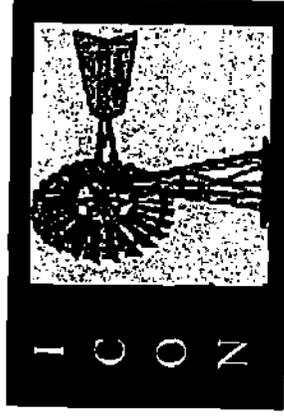
\*Voting members must own cattle. Annual voting dues are \$50.00 per year per member (one member/one vote)

\*Associate members do not own cattle and do not have voting rights.

Please mail application and dues (cash, check, money order, or credit card information) to the address below. Contributions for gifts to ICON are not tax deductible as charitable contributions. However, they may be tax deductible as ordinary and necessary business expenses.

Recruited by \_\_\_\_\_

Independent Cattlemen of Nebraska  
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Huyannis, NE 69350  
Phone 308-282-2826  
website: independentcattlemen.com



"ICON"

# Independent Cattlemen of Nebraska

Solid as a windmill--  
always working for the  
independent producer.

*There were many icon's that helped  
make this nation great, icons, like the  
covered wagon, railroads or even the  
telegraph. Some think of farmers and  
their plows. Others think of oregon range  
and cowboys. There is an icon which  
deserves some recognition. Not the Colt  
revolver or the Winchester 38, but the  
windmill. The windmill is always  
working for you. Always pumping  
life-giving water from the ground.  
Always drawing its power from the  
lightest breeze or breaking for a storm.*

*Think of Independent Cattlemen of  
Nebraska as a windmill -- always  
working for you -- always finding its  
power and direction from its  
membership.*

*There is something new in Nebraska.*

**"ICON"**