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To: Hays, Ron

Subject: U.S. Cattlemen's Association Responds to Beef Checkoff Lawsuit



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U.S. Cattlemen's Association Responds to Beef Checkoff Lawsuit

USCA (August 13, 2012) - The U.S. Cattlemen's Association (USCA) responded today to the announcement by the Organization For Competitive Markets (OCM) that it has filed a lawsuit in partnership with the Humane Society of the United States (HSUS) against the U.S. Department of Agriculture (USDA), the Cattlemen's Beef Board (CBB) and the Beef Promotion Operating Committee (BPOC) seeking an injunction to halt the flow of beef checkoff funds to the National Cattlemen's Beef Association (NCBA). OCM leadership announced its lawsuit on Thursday, August 9, citing audits that have uncovered the misappropriation of checkoff funds as well as an Inspector General's report that found fault with USDA's administration and oversight of commodity checkoff programs. The Inspector General is expected to release in the near future a separate audit report examining specifically the beef checkoff, its contractors and checkoff oversight.

"USCA will not support OCM's willing involvement of HSUS, a known opponent of U.S. ranchers and animal agriculture, in this lawsuit partnership," said Leo McDonnell, USCA Director, Columbus, MT. "We doubt that HSUS has any true concerns about how checkoff dollars are administered and, in fact, if the organization's long-term goal is to eliminate animal agriculture, then the complete demise of commodity checkoffs supports that plan. While cattle producers have serious concerns about the beef checkoff, these issues would be better handled within the industry and by the industry itself."

"Unfortunately, language in the Beef Act and Order requires that checkoff work be conducted by industry organizations through contracts with the CBB, rather than allowing the CBB to contract directly with service providers for promotion, research and education about beef," noted Jon Wooster, USCA President. "USCA has worked diligently over time to facilitate changes in the law so the program is more responsive to a changing beef industry, more

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efficient and more transparent. In fact, today USCA will be involved in ongoing meetings with other national groups and USDA officials in Denver about accomplishing exactly that."

"We are disappointed that OCM has felt the need to work cooperatively with The Humane Society of the United States, an organization that reportedly already faces charges under RICO statutes on racketeering, obstruction of justice and malicious prosecution in a law suit brought by Ringling Brothers Circus' parent company Feld Entertainment, Inc.," continued Wooster. "HSUS has been increasingly questioned on their fund-raising programs that apparently misrepresent their efforts and accomplishments and we are disappointed than OCM has chosen to align themselves with this group which has certainly demonstrated their animosity to animal agriculture and cost our industry countless dollars.

"USCA urges the CBB and USDA-AMS to react to this lawsuit proactively by moving immediately to develop short-term plans that will ensure a seamless continuation of current checkoff programming by other contractors in the event the plaintiffs in this case successfully obtain the injunction they are seeking from the court," said Wooster. "We must move forward with a solution-oriented approach in order to achieve the sort of meaningful revisions to the overall program that will finally restore producer trust and confidence in beef checkoff. USCA stands ready to work with the CBB and USDA as this process moves forward.

Established in March 2007, USCA is committed to concentrating its efforts in Washington, DC to enhance and expand the cattle industry's voice on Capitol Hill. USCA has a full-time presence in Washington, giving cattle producers across the country a strong influence on policy development. For more information go to www.uscattlemen.org.

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