

**Statement
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Two-thousand-and three, when BSE (Bovine Spongiform Encephalopathy) in Canada triggered a ban on cattle imports was an eye-opener for U.S. cattlemen. It was predicted that U.S. cattle prices would increase by 5% or 6%. Instead cattle prices jumped 27%.

How could this be because Canadian imports were only 3% of the supply?

With reflection, we learned that prices improved by 27% because the ban on Canadian cattle disrupted the beef packers captive supply mechanism. Suddenly packers could not draw on Canadian cattle to manipulate prices and temporarily lost control of the market.

Since NAFTA was introduced in 1994, cattle producers had been receiving 6% lower prices because of the increased supply imported from Canada, but 21% lower prices because packers strategically manipulated the cattle market.

When I say cattle producers lost 27% in potential revenues I mean Mexican, Canadian, and U.S. cattlemen. We all lost.

It is time that we do something about this. Intolerable is too mild a word to describe my feelings of outrage.

From 1994 to 2003 Montana cattle producers received 27% lower prices. This is money that was taken out of my home town, Grass Range, and out of the economy of Billings, the state of Montana and our whole region.

For a short time we have had better cattle prices at the expense of Canadian ranchers but now the Canadian captive supply cattle are again in the pipeline and cattle prices are headed down. And this comes at a time when the monopoly power of the Beef Packers is growing.

The giant Brazilian firm JBS is rapidly buying up U.S. packing firms, a move that will increase monopoly concentration to over 90%.

What can we do?

NAFTA must be renegotiated, and the beef packing cartel must be reined in. President Obama has promised to renegotiate NAFTA. We must hold him to his word.

In our discussions with agricultural representatives from Mexico and Canada, it is clear that NAFTA is not working for Mexican and Canadian farmers, and it is certainly not working for U.S. farmers and ranchers. We also learned that it is not working for consumers.

So who exactly is NAFTA working for?

President Obama. Renegotiate NAFTA NOW!

President Obama. JBS must not be allowed to buy more U.S. packers. Stop the mergers NOW.

President Obama, you promised to issue a ban on packer ownership of livestock. Cattle producers have worked with academics, legal experts, and leaders in Congress on rules to require packers to actually bid for fat cattle. Imagine that – Packers actually bidding for supply in a free and fair auction.

President Obama, you promised and we are ready and willing to work with you.