The Voice of the Cattle Industry

National Cattlemen's Beef Association
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Proposed GIPSA Rule

Proposed Rule Would Hurt Our Industry and Take Away Opportunities

Innovative Marketing Arrangements Allow Producers to Meet Specific Consumer Demand

- Value-added marketing programs reward producers for investing in genetic improvements and herd-management practices to produce high-quality cattle they can then sell for a premium.
- This enables producers to stay in control of their own businesses, as "price makers" rather than "price takers."
- A study by the Grain Inspection Packers and Stockyards Administration (GIPSA) concluded that alternative marketing arrangements gave producers the ability to buy or sell higher quality cattle; improve supply chain management; and obtain better prices.
- ***At the end of the day, we are not just cattle producers, we are beef producers, and we must be in tune with our consumers' preferences at local retail meat cases.***

How the GIPSA Rule Will Affect You

- The GIPSA rule **creates a trial lawyers bonanza** that will hurt livestock producers. Under the new definitions in the proposed rule, "competitive injury" and "likelihood of competitive injury" are re-defined and made so broad that mere accusations, without economic proof, will suffice for USDA or an individual to bring a lawsuit against a buyer (packer or processor).
- The GIPSA Rule **jeopardizes Alternative Marketing Arrangements** (AMAs) that allow cattlemen to get paid for value they add. GIPSA takes away incentives to pay premiums and other economic incentives to produce higher quality beef products.
- This Administration has already taken over the financial industry and the auto industry. They've passed a government-run health care plan and have taken over the student loan industry. Now the government is trying to **dictate the way livestock producers market their animals**.

The GIPSA Rule by the Numbers

- Reduce the U.S. GDP by $14 billion
- Put 104,000 Americans out of work
- Increase retail prices by 3.33 percent
- Reduce consumer demand by 1.68 percent

**These numbers were compiled by John Dunham and Associates. USDA has not conducted a comprehensive cost-benefit analysis to date.*

The GIPSA Rule: What's next?

- Initially, the U.S. Department of Agriculture only allowed 60 days for public comment on the proposed GIPSA rule and did not conduct an economic analysis. After receiving more than 60,000 comments on the proposed rule, USDA agreed to conduct an economic analysis. However, despite **requests from 147 members of Congress and from industry stakeholders, Secretary Vilsack has said he will not allow any additional comment period.**
- NCBA urges the administration to be open and transparent and **allow all stakeholders time to comment** on the economic impact this proposed rule will have on all involved in the U.S. cattle industry.
- In June, the House of Representatives passed legislation to fund the U.S. Department of Agriculture (USDA), Food and Drug Administration and related agencies for fiscal year 2012. Importantly for cattlemen, **that legislation included language to defund USDA's proposed livestock and poultry marketing rule.**
- **NCBA urges Congress to include language to strike the current defunding language from the 2012 agriculture appropriations bill.**

- Contact the National Cattlemen's Beef Association at 202-347-0228 or www.beefusa.org -