

Agriculture by Marcia Merry

Crisis in U.S. beef production

The Wilderness lobby and food cartel companies are acting in concert against beef producers.

The grazing fee is the spotted owl of the cattle industry," in the words of Pamela Neal, a Washington, D.C. activist for holders of permits to graze cattle on government rangeland in the West. Earlier this summer, the House of Representatives passed a measure to hike grazing fees on these lands, which are controlled by the federal Bureau of Reclamation under the Department of the Interior.

This action occurs at the same time that the packing industry, controlled by the major cartel companies—Cargill, IBP (Iowa Beef Processors), and ConAgra—has imposed a go-slow policy on buying beef cattle, and imposed low prices, which together are slaughtering the ranchers and farmers, not the meat animals.

As of 1990, the total cattle inventory in the United States numbered a little over 100 million head, dairy and beef cattle combined. This was way down from the 130 million head peak over the past 25 years. Even though meat yield per animal is up, this does not make up the difference in terms of minimum tons of meat needed for the national meat supply.

The low prices have forced thousands of ranchers out of operation. The average age of cattle ranchers has gone up to 55 years. Under the massive number of layoffs hitting the country over recent months, households are not buying the beef and other quality foods they need and want.

In the face of this, the food cartel companies are complaining that demand has dropped; they are unilateral-

ly paying farmers less, while the consumers continue to pay more. There has been a decline in wholesale beef prices to farmers of \$15 per hundred-weight over only the April 15 to Aug. 15 period. In the meantime, the price charged the consumer has been stable, and the wholesale-to-retail beef price spread has stretched to record levels for each of the past six months.

Nebraska Senators Bob Kerrey (D) and James Exon (D) have asked the Department of Justice to review the wholesale-to-retail price spread in beef. They point out that the retail food industry had a 26.6% return on business investment in 1990, while farmers, overall, had a 4% return even under the most exaggerated U.S. Department of Agriculture figures.

In this context, the prospect of higher grazing fees is devastating. About 20% of the calves that go into the feedlots in the Midwest come from the West. In the Western states, between 60-80% of the beef cattle producers use public lands.

The House measure would raise grazing fees by 33% each year to a minimum of \$5.09 per animal unit per month by 1995. After that, the fee could be increased by 33% a year.

The two main lobbying groups favoring full enactment of this proposal, which must pass the Senate and be signed into law, are the National Wildlife Federation and Wilderness Society. These are part of the panoply of environmentalist groups who receive money from the cartel-connected companies and foundations. For

example, Archer Daniels Midland (ADM), which operates in tandem with Cargill, funds the American Farmland Trust.

Pamela Neal, the head of the Public Lands Council, an organization representing the holders of the 31,000 grazing fee permits, says that the environmentalist groups' goal "is to make the United States cattle free by 1993."

In fact, ADM has started test marketing its beef-substitute, called "Harvest burgers," in Indianapolis, Indiana. They are made from extruded soymeal product.

Neal's organization, whose members cover the 14 Western states, said that it costs ranchers about \$14 per animal unit per month to run cattle on public land. This includes providing water and fencing. That is only a few cents less than what it costs to raise cattle on privately owned, fenced pastureland. A press release put out by the Public Lands Council states that if the new House bill becomes law it will destroy the livestock industry.

Pamela Neal described the various tactics and arguments of those demanding increased grazing fees. She said that the environmentalists have not gotten anywhere by saying that the ranchers are harming the environment, so they have changed their tactics and are saying the use of the lands is a "subsidy."

"In fact, if the ranchers are driven off, it will mean an increased investment on the part of the government. These [public lands] are millions and millions of acres which the government has a responsibility to manage. Now the livestock ranchers do the work," she charged.

There are currently 31,000 permits. Permits can represent 1-25 ranchers in an association. Neal warned, "The U.S. government is making a major policy decision if they price farmers off the public lands."