

Problems and Opportunities in the Cattle Business

Wray Finney
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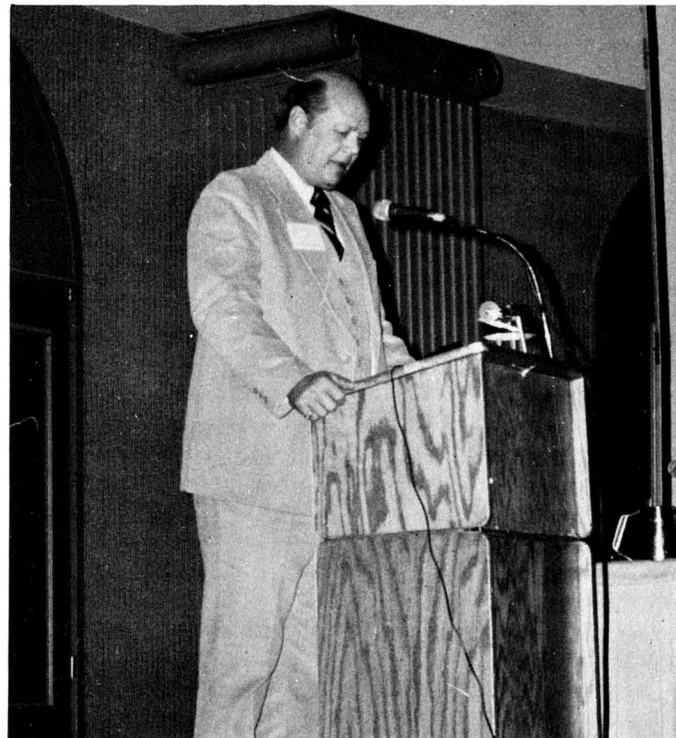
Dr. Jarrett:

The next speaker on our program comes also with very impressive credentials. Mr. Wray Finney from Ft. Cobb, Oklahoma is a 7th generation cattleman. He is past president of the American National Cattlemen's Association which is now merged and changed its name to the National Cattlemen's Association which serves more than 260,000 cattlemen throughout this country. He was born in Oklahoma. A graduate in agricultural journalism, he also did graduate work at the University of Wisconsin School of Banking. As past president of the Oklahoma Cattlemen's Association, he was named man of the year in Southwest agriculture by the Progressive Farmer. He has a long list of awards and recognitions for his service to the livestock industry. He is married and has two children. His wife is also equally active in the efforts of his industry. It is a pleasure for me to introduce to you, Mr. Wray Finney.

Thanks very much, Jim, ladies and gentlemen. It is a pleasure for me to be here today. I follow a long line of very impressive speakers. John White I have known several years, and I always hate to follow John, but in this particular case today, I am glad I do. I have a few choice words to say about the USDA. And John is unfortunately not here to defend himself, he has already gone back to Washington. And, if he had been after me, my speech would probably not been as good.

I particularly appreciate the hospitality you have offered me. Since I arrived last night, everyone has been so friendly, they have been so interested in being sure that I felt at home, and that I had everything I needed.

As president of the American National Cattlemen's Association, I was the last president of that organization, a long history, organizing in 1898, and we formed into the National Cattlemen's Association on September 1 by a merger with the National Livestock Feeders Association. Now we are one group and the statistics that were offered in the introduction are not quite correct in that we now represent some 280,000 cattlemen around the country. It is an organization that I think will have a great deal to do with the future of the cattle industry. But as president of ANCA I traveled all over the country. I spent about 20,000 miles a year in a commercial air liner. I am not exactly what you call a "white knuckle traveler" but I sure



have never been comfortable yet on one of those big birds. And I think I have got every reason to be that way. I have never seen an insurance booth at a bicycle shop. I never have spent two hours circling a train station, either. But I went around the country a great deal, talking to a great many kinds of groups. I understand I sometimes get like a Baptist preacher. A southern Baptist preacher. I am not a preacher nor a southern Baptist, but I understand I get a little evangelistic now and then. And, if you do not know what a southern Baptist is, by the way, keep your eye on the White House and you will learn.

As John White and others mentioned, we have some problems in agriculture today. The film of Jerry Litton, a great film and a great man, displayed some of these problems. It has gotten awfully bad. If you have been in the grain-growing business or in the cattle business for the last few years you know exactly what I am talking about. I happened to be in both, so I am doubly blessed. But it has been a problem. In fact, it has become so bad at home, the other day I started walking across the street from the office over to get a cup of coffee and I heard this loud racket, this loud noise, and I looked, and one of our farmers was walking down the street and he was making a terrible racket. He was cussing, he was smoking and he was drinking and making just a spectacle of himself. About that same time our Baptist preacher in the

town was coming from the post office and saw this mess going on and he walked up to him right quick and he stopped him and he said, "Mister, I am 69 years old and I have never smoked, and I have never drank, and I have never cussed." And the old farmer looked at him just a minute and said, "Yes, brother, and you ain't never farmed either."

Well, I can tell I am with people on my side. And I say hurray for our side. We have got to say that to stay in this business. Hurray for our side. I do not know whether you know the origin of that statement or not. But it seems about a thousand years ago in Coventry, England, there was a lady named Lady Godiva. And Lady Godiva for years had tried to convince her husband, the then Lord of Coventry, to lower the taxes for the citizens of Coventry, but to no avail. Finally she just kept on, and on, and on and the Lord finally agreed. He said, "Yes, Lady Godiva, I will lower the taxes for the citizens of Coventry if you will agree to ride down the main street of Coventry on the back of a white horse, without any clothes on." Well, as you know, Lady Godiva agreed and so the next morning she rode down the main street of Coventry on the back of a white horse without any clothes on. And she rode side-saddle that day, and half the folks in town said "hurray for our side." Not for the same reason, but I say hurray for our side, too!

Problems and opportunities in the cattle business. There are plenty of them, as you well know. You as bovine practitioners, if you are not even involved in the business yourself, you are certainly involved with people that are. We have a lot of critical problems. I want to talk about some of those problems this morning and some of the opportunities that go with it. I imagine you are wondering to yourself, or I hope you are at least. I am only going to talk about what I consider the most critical problem. What does he think are the most critical? Is it imports, low prices, high production costs, tax policies, consumer advocacy, public and private land use, Food and Drug Administration, bless them, EPA (that's "ape" spelled backwards by the way) or is it OSHA, the organized society to harass agriculture? Well, it is none of the above, none of these I have mentioned, because I only consider them as symptoms of the real problems facing us in the cattle business, and agriculture in general. I think there are two very basic problems. First, it seems to me there is a very definite concentrated effort to destroy the economic system that has made this country what it is today. The best-fed, best-housed, best-clothed, most pampered nation in the world. And second, it is the seemingly helplessness of agriculture in general, and cattlemen in particular, to do something about what is happening in this country. On the surface, according at least to one survey, we are doing pretty well. In fact, we should not worry, at least according to this survey, because 90% of the people in this country indicate that they believe in the free enterprise system. But the facts are very different and other surveys con-

tradict. Possibly the people just generally *think* they believe in the free enterprise system and really do not understand how it works.

Take one example. A Harris poll this last spring talked about what it would take to do an economic boycott in this country. Thirteen percent of the responded said they would take an active part in an economic boycott and I thought we had learned the answer to that one a few years ago, but evidently we have not. Twenty-five percent said they would join plus 40% said they would support such an action and 10% said they would oppose it. Well, this is a part of the free enterprise system and it does relate to supply and demand, but I think they are doing it for the wrong reason because the same survey coupled with this showed that there is a growing mistrust in general of business. They are concerned that we are not trying to balance our profits with the public health. Now we have argued continuously—we in the Cattlemen's Association and I'm sure you have too—that increased technology in this country will result in plentiful and economical food. That survey indicates such an answer will not work because 8 out of 10 people say cut down on technology if it means feed additives, insecticides, herbicides and other chemicals,

There is one other survey you need to be aware of conducted by the Chamber of Commerce with our high school students around the country. Sixty-one percent of the nation's high school students said they saw no need for profit. Sixty-two percent said government should provide the jobs in this country. Forty percent could not name one advantage of capitalism over communism. Fifty-five percent said the best way to improve our standard of living was to give workers more wages, not to increase their productivity. And 50% think that the government contributes most to national prosperity. With this in view and in mind, I do not think that there is any wonder that I view the future of the cattle industry and business in general with some trepidation.

The cattle business is the last segment of free enterprise in this country. We are very badly burnt at this point, but at least we are still surviving. And if I intended to restructure the economic system in this country, I think I would consider the cattle business as my primary target. Because if we fail, the rest of the economy is close behind. The result will be a truly socialist society. Now, some of these attacks on the cattle business are rather blatant in their openness. Some are very carefully hidden. They are manifested in two different ways, in my opinion. First, there is this concept of not eating meat in their attacks from the diet and health viewpoint. And the second is land reform disguised as environmental concern. There is not enough time to discuss the whole subject today and I won't even try. I just want to talk about one. **This thing of the growing non-meat philosophy in my opinion is probably the most serious problem that immediately faces the cattle industry. Our**

church leaders, members of Congress, the bureaucracy, other government officials, our medical community, the health food advocates, world hunger activists, environmentalists, are all talking about not eating meat. And they are supported by the nation's media. For example, the May, 1977 *Cosmopolitan*, that paragon of virtue for women, had several fine articles. "Why Am I So Peculiar? Everyone Else Is Normal." Or, "Men's 12 Worst Sexual Fears." There is also an article in there entitled "Eating Without Meat." The author asks the question, why vegetarianism? And then she answers her own question. Perhaps because meat is growing more expensive or because you want to avoid the antibiotics, preservatives and hormones with which even the choicest cuts are loaded. You may also be concerned about the way meat eating squanders the world's protein resources. She flatly stated, "Our livestock eats far more protein in plant and grain form than it provides as meat on the table." Her article was loaded with untruths and half-truths. But unfortunately, it is not against the law to lie about nutrition. Many people do and I think they ought to go to jail when they do it.

Take Food Day, 1977, successful I suppose because they had a meatless dinner in the White House. That was not quite true and I criticized that particular event with great vigor. But I was wrong. They did use some animal protein. They had some cheese sauce on their broccoli. But most of the meal was without animal protein. I sent a telegram to President Carter urging him to reconsider, allowing this kind of a meal in the White House that would project such a diet to the American people, without meat, which I consider necessary to the human diet. I received an answer from one of his aides, "Thank you very much for your views, we'll keep them in mind as we look at the future." We did get an answer in the press. And then the White House staff said they had no control over the menu. It was to be potluck. Well, at home when the church has a potluck dinner, every family brings several different dishes. We never know when we get there if there is going to be more salad or more meat or more vegetables or more dessert. It is somewhat uncertain. Usually it balances, but it still is an uncertain meal. Evidently the White House has a different definition of potluck, because this meal was both planned and catered. But anyway, they had it. The Carters did not attend! Neither did most of the members of Congress that were invited. Secretary Bob Bergland did attend. His assistant secretary, Carol Forman, attended the meeting and then ate and broke bread with them. They said it was a very good meal. This particular event is sponsored annually by a group called a Center for Science in the Public Interest. They are the group that came up with the slogan "Food for People, Not for Profit." Some people say you created a tempest in a teapot. As president of the American National Cattlemen's Association I received more mail on this particular issue than any other during my term of office. And here is one I just

want to read:

A lady from Seattle, "I am dismayed over your telegram to President Carter regarding his choice of menu on Food Day." I thought he didn't have a choice! But anyway she said, "Meat is a luxury. It is not for the poor or starved. It isn't totally usable by our bodies and thereby not, as you said, essential to healthy maintenance." And she ended her letter this way. "Please, for life's sake, educate yourself on nutrition as well as the state of our world food problems, and be a demonstration and an education, not an ignorant spokesman of greed and self-interest. Sincerely and most adamantly, Mrs. E. L." Well, I think there is a very definite move to criticize meat by the scientific community, by celebrities, by government officials, and they get headlines. For example, the November issue of *Reader's Digest* says "eat less meat and reduce your chances of getting cancer." Or an article this summer in the *Chicago Daily News*, "to stop heart attacks, start with children and don't let them eat hamburgers or hot dogs." Or Jack Youngblood, defensive end for the Los Angeles Rams, says, "The normal American diet of steak, potatoes, ice cream and white bread is a killer. That's heart attack and stroke country." Or how about this from the *New York Times* magazine, "Beef is enemy number one because so much grain is wasted in fattening up cows to produce the kind of beef Americans prize." Fatten up cows, sure! Or one of the dietary goals established by the U. S. Senate select committee on human nutrition and human needs that says, "Decrease consumption of meat and increase consumption of poultry and fish." This one statement, in my opinion, is and will affect demand beyond all belief if it goes unchallenged. Now, we have challenged and we have been promised a revision of that particular goal. But the damage has already been done. A reference to meat related to fish and chicken will be taken out, as I understand it, but they did leave in the reference of poly- and poly-unsaturated fats. Consequently, I think the damage is even more serious. The damage is being done. The USDA just recently announced in their recommended school lunch program that you only use three eggs per five lunches in the nation's schools, and the USDA nutritionist recently reflected on dietary goals and was very gleeful that meat consumption, if the diet was followed, would go down by 48%. She was very disappointed that an alternative diet would only decrease it 25%. Then the General Federation of Women's Clubs at their convention even in the face of all kinds of opposition, had an entire session on dietary goals and it's now the study topic for their organization for the balance of the year.

There are others in the game. There is an HEW official who recently said society can reap substantial benefits from dietary modification involving less fat-containing foods like fatty meats. Or Congressman Fred Richmond, a member of the House agriculture committee, representing that great agricultural area, Brooklyn, recently said that consumer groups want to

know how much is enough meat. Fred Richmond, by the way, was our main foe as we tried and did pass the Beef Research and Information Act through Congress. Fred fought us harder. Freddy is against bigness. He is against a large farm, he thinks that they should be in small labor-intensive units using hand tools. It is a burning desire of his to break up large operations. He considers bigness bad. Of course, his own net worth is about 12.5 million dollars, but he still is against bigness. And then Senators Kennedy, McGovern and Swicker called on the Surgeon General recently to come up with a nutrition and health report to develop a national nutrition policy. They would like the report to be similar to the one that was on tobacco. Of course, all of these senators are members of the Senate committee on nutrition.

John White said this morning that they had broadened the actions of the USDA. Well, in my opinion they have broadened it too far. For example, Carol Tucker Forman, the Assistant Secretary of Agriculture, who formerly was the executive director of the Consumer Federation of America. I know Carol, I know her very well. I have dealt with her for several years. I will say one thing about her, she is articulate, she is smart, she is a very good advocate for her beliefs. When she is against you, you know it! She does not go around behind your back. We objected very strongly to her appointment. We did everything we knew to stop the appointment. She, of course, was aware of it. I went in afterward to bury the hatchet with her, and I want you to see it right back here! But, Carol recently outlined new USDA policies. Policy proposals that, if carried out, will totally restructure the role of the USDA in agricultural production. **She wants the government to decide what is good for you to eat and what isn't!** She wants to base that on dietary goals, by the way, which have been criticized by the American Medical Association, the American Dieticians Association, most of the leading medical specialists in the world. Yet, they still go ahead with it. She wants the government to determine what you eat and what you don't eat! Then she wants a large, massive program to educate the public on this, and in doing so, penalize the producers of the bad foods and reward the producers of the good food. Because she is using dietary goals as a basis, I wonder where meat stands as a good or bad food in her eyes? She is the one that Jerry Litton spoke of about how lucky Americans are! Carol Forman as the Assistant Secretary for Agriculture has ordered her people (who by the way control \$9 billion of the \$14 billion this year that USDA spent) to say no longer is food a bargain. No longer shall we say that it is only 17% of our disposable income. Because as far as she is concerned, that isn't true. And she's made a very definite directive in the department she controls to not talk about that area. She doesn't believe it. She is also concerned about the increase in food costs. She says that 60% of the increase in retail food costs last year were due to marketing, distribution and packaging.

She is very concerned about that so-called bad middleman that everyone talks about and no one understands. It is funny that she left out the biggest costs between the farm and the retail store—**labor**. And somewhat funny I suppose (although when you know that her husband happens to be the international vice president of the retail clerks' union, maybe you can understand it a little better), Carol tells me that she keeps home and business apart. I asked her one time if she had ever heard about bedroom diplomacy. I'll let you think about that one.

Well this kind of a proposal, frankly, is like so many others that come out of Washington. They make about as much sense as an appendix transplant.

Let me talk about Dr. Robert Angelotti for just a moment. Most of you have heard of him by now, and if you have not, you are sure going to. He is administrator of the USDA's food safety and quality service. He has predicted and is pretty well going to help it happen, that the use of animal drugs without veterinary supervision may be coming to an end. I am told that some of the people that he talks with also believe that veterinarians are really not qualified to offer prescriptions on animal drug products. He is assisted by the Food and Drug Administration's Donald Kennedy, the head of it, as you know, who is opposed to and has presented in the Federal Register a policy against low level feeding of antibiotics. This Thursday, we anticipate in the Federal Register a proposal that will totally outlaw the low level feeding of antibiotics, as far as a preventive-type medicine. It will require prescription use for therapeutic use of the feeding of antibiotics and will only allow certain qualified feed mills to mix the products and, consequently, makes the feed mill the drug store instead of the veterinarian or the animal health supplier. In fact, many people within the Food and Drug Administration say that their total objective is to get all animal health products under their use and to be allowed only by prescription. Some people would say, well, veterinarians would be for that. I don't believe that at all. We were talking last night, in fact, it will make liars out of everyone of us, you and I. You know, you do not have the capability of taking care of the prescription of every animal health product that is available today for animal use. You just cannot do it. I do not believe you are for it and I urge you, when it does appear in the Federal Register, and we think it will be the 16th, that you send individual comments in to the Food and Drug Administration to the hearing clerk. Your input will be tremendous in trying to combat these foolish kinds of proposals that are coming from emotion and not facts. I urge you to do it.

Well, this is only the tip of the iceberg of a problem that I think will get worse, in fact, I think it is already on us. I am not going to mention the churches, our physicians and others who are talking about it. But the continued activity about not eating meat without contradiction is going to affect demand more than anything else, I think, that has ever happened. It

may have already affected it.

We ran in the American National Cattlemen's a survey this last year. We asked several questions, but the most important in my opinion was this one. We asked the nation's media influencers, the leaders of the media, the broadcasters, the consumer advocates and all others, this question. "Do Americans eat too much beef?" I do not know whether you are ready for the answer or not, but here it comes. Fifty percent of the editorial page writers, the environmental writers and the science writers in this country said, yes, we eat too much beef. One hundred percent of the world food activists said so, but we expected that. Consumer advocates, 80% of them said we ate too much beef. And the one that somewhat shocked us was that 2/3 of the food page editors in the country said we eat too much beef. The one that makes me mad, because my taxes support it, the college and extension economists of this country, the land grant schools, of those people involved, 50% of them said, "Yes, we eat too much beef."

Redbook magazine recently ran a survey and 39% of their readers said they either abstained or had reduced their consumption of beef. Not meat-beef. Guess where you buy *Redbook* magazine? At supermarkets, of course. But it is not all bad. We do have a champion. *Playboy* magazine. I am told they are going to extol the virtue of that great American favorite, steak. Now, I do not know whether you have ever read *Playboy* magazine or not, but you now have an excuse. And you had better get each issue, because I am not sure when it is going to come out!

Well, this has created a tremendous jumble of regulations and people telling you to do this and you cannot do that. For example, the pages in the Federal Register where all regulation proposals appear jumped from 10,000 in 1955 to 60,000 in 1975. Since 1970 the annual rate of growth in regulation publishing in government has grown by 25%. In one product alone there are 200 laws, 41,000 regulations and 110,000 court cases, regulating this one product. And guess what it is? Ground beef. Ladies and gentlemen, we do not have to worry about Big Brother anymore—what we had better be looking at is Super Brother.

What does it all mean? A society that says do not eat meat? That makes us either feel guilty or afraid if we do. A society that distrusts the world's best economic system and sees no need for profit. Does it mean price control, boycotts, unlimited imports, price rollbacks? The cattle business regulated as a utility, as to production and profit? Well, it has all been done or tried in the past. The one I am afraid of, though—does it mean a law to limit the consumption of certain foods in this country that the government feels we should not eat? Like beef? Well, I cannot answer my question, but I do know one thing. We are not helpless, even though sometimes we act like it. I am continually amazed that agriculture in general,

cattlemen, veterinarians, all of us, we gripe, we complain, we say why doesn't someone do something. Well, why don't you do something? All of us in the cattle business, in livestock, in all the agribusiness associated with it, have to get together. As a bovine practitioner I assume you are interested in a cow and her offspring. It is your business. When I hurt, you hurt. And I suggest to you that we must all be involved, that we support our organizations, that we work at the state and national level together. I suggest you join the state and national cattlemen's associations. We need to work together, not just on antibiotics and animal health matters—we need to work together on problems affecting the total industry. Because I consider this a fight for survival. Now, this isn't the raving of a mad man. I spent 18 months, working days, for the last three and one half years in our nation's capital. And after I have spent that much time, I become more convinced that that is the cruelest form of capital punishment. They say Washington, D. C. is 50 square miles surrounded by reality. And I agree totally. Those people up there have the opinion that the world revolves in those 50 square miles. After you get past the boundaries of the District of Columbia, nothing else ever takes place! It is called Potomac fever. Unfortunately, a lot of the people that work there that are paid by the government do have that fever. But the bad part about it, many of our elected officials do, too!

I have dealt with consumer advocates, I have dealt with environmentalists, the bureaucracy, and with Congress and most of the national media, and I do not consider what I am saying to you as ravings of a mad man. I think it is fact. Because I see ahead, unless we counteract such activities, tremendously less demand for beef and for meat, When this happens it means less livestock. When that happens you may already have too many veterinarians in this country. It is not a picture of the future, it is now. It is today. Maybe even yesterday.

There are a lot of answers that are available. A lot of people have them. We have got some research. We have got a lot of fine organizations that can do the job and have programs ready. But they do not have the people or the money. And I believe we can change public opinion. Because, you see, public opinion is just private opinion that makes enough noise to be heard.

What can you do? You can get informed on the critical issues that are affecting us today. You can inform your clients of those issues. You can get active, politically. I do not mean run for office. Some of you should. But get involved with people. I wonder, if I asked for a show of hands, and I am not, how many people in this room actually got out and knocked on doors and put up signs and put some money in a man's campaign? Most times when I do get a show of hands, about 10% actually do. Get involved politically. Support your organizations at the state and national level with both money and time. As a group,

work closely, work together with the organizations that are working for the same aims as you are, like the National Cattlemen's Association, that are politically involved.

Well, you have been very kind this morning. You have laughed at my jokes. You have listened to my opinions. And you have thrown nothing at the podium. And I appreciate that very much. I know I stepped on a few toes. I know I ruffled a few feathers. But, for your sake and mine, all of us must support the industry, and the organizations that are working in its behalf, because if we do not, in the future we may not have to worry about profit. What we may need to worry about is, can we sell our product? You know, you cannot prevent the bird of sorrow from flying over your head. That is an old Chinese proverb. It goes at the end like this—but you can prevent it from building nests in your hair. It seems to me we have

two choices as American citizens, as people involved in the livestock business. We can either complain and blame everybody else for all our problems or we can work together. Pulling together like a rope. Each strand pulling its weight. But, like the strands of a rope, we do have to pull that share, each of us. Each of us plays a key role in our future. Each of us can make our organizations what they should be. I think we can, I think we must. And I believe that we will do the job ahead that must be done. Because I think we will catch the spark that the poet talked about when he said,

*"Though thou has conquered earth and charted seas,
And planned the course of all the stars that be,
Adventure on, more wonders are in thee,
Adventure on, for from the simplest clue
Has come the greatest wonder men ever knew.
The next to lighten all men may be you."*

