

# Factors & Policies Affecting the Cattle Industry

8:30 a.m. session, Tuesday, Dec. 6, 2005

Presenter: Jim Weisemeyer, Informa Economics, Washington, D.C.

RAPID CITY, S.D. (Dec. 6, 2005) — The future of international trade and domestic farm policy look pretty promising to Jim Weisemeyer, vice president of trade policy at Informa Economics' Washington, D.C., office. At the opening session of the 19th Range Beef Cow Symposium, Weisemeyer outlined policy issues — ranging from free-trade agreements (FTAs) to animal identification (ID) — affecting the cattle industry.

**Trade resumption.** In the next few weeks, Japan is expected to announce its conditions to allow U.S. beef imports. However, Weisemeyer said, "It will take years for us to even get back to the 50% market share that we used to have."



Jim Weisemeyer outlined policy issues affecting the beef cattle industry. [PHOTO BY LYNN GORDON]

He encouraged cattle producers in the audience to root for the new FTAs with South Korea. "You will expand your beef exports to South Korea significantly once they settle their BSE (bovine spongiform encephalopathy) issues with us. And that 40% tariff on your U.S. beef will drop significantly once we have an FTA."

However, trade with Canada doesn't look as optimistic. Weisemeyer said Canada is quickly approaching self-sufficiency in marketing live animals. By the end of the month, its herd capacity will have increased 35%. An increase of 45% would put Canada at full self-sufficiency.

"They can no longer, and will no longer, trust U.S. trade policy," he said. "We have helped build a competitor that won't look back."

**WTO negotiations and the Farm Bill.** "Budget deficits are driving policy in the future years," Weisemeyer said. "The next farm bill will be leaner and greener," he added, citing House Agriculture Committee Chairman Larry Combest as his source.

Weisemeyer predicts the Doha round negotiations of the World Trade Organization (WTO) will mesh with the new Farm Bill, and he encouraged cattle producers to support the trade agreements. Both the Doha negotiations and the next Farm Bill are expected to be completed by December 2007.

"In the beef sector, you have a lot to gain because you have a very competitive product," Weisemeyer said. "You should all root for the trade agreements because you have the competitive advantage."

**Livestock policy issues.** Country-of-origin labeling (sometimes referred to as COOL or COL) continues to be a hot topic. However, Weisemeyer does not foresee implementation or repeal in the near future.

“Extension is easier than repeal. As long as the Republicans are in power, we’re not going to have mandatory COOL,” he said. “Most people I have talked to that have been in these issues over 30 years say that animal ID should come first. Then you ask the significant question, can you parlay that into country-of-origin labeling?”

Weisemeyer said he believes the livestock industry should have implemented a national animal identification system several years ago.

**State of the nation.** The U.S. economy is actually in good shape, though you may not feel it, he said. “We had a 4.3% increase in gross domestic product (GDP) in the third quarter. That’s very good, and the economy looks not too bad for next year, about 3%-3.5% growth. You may not feel it, but it’s still pretty good.”

The control of both the Senate and the House during the next two major elections is going to be very close, but Weisemeyer said the rural sector’s voice — and cattle producers’ voice — will continue to be heard. “Your issues are going to be listened to with ‘Dumbo ears’ by the Senate, the House and the White House. ... The rural sector votes consistently as a group, so that’s why your issues will be heard.”

— by Meghan Soderstrom, assistant editor, Angus Productions Inc.  
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