

Historical overview of beef production and beef organizations in the United States

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Abstract

The objective of this article, adapted from the book *Building the Beef Industry*, is to summarize the 100-yr history of the National Cattlemen's Beef Association. Because the activities of the Association through the years largely parallel major developments in the beef industry, this is essentially a history of beef production in the United States. Early cattle industry leaders recognized that many problems—and opportunities—could be better addressed by working in concert with other cattle producers. Yet free-spirited cattle producers, known for their individualism and independence, were difficult to organize. Two attempts at national associations failed before the National Live Stock Association, organized in 1898, sustained and after several name changes became the National Cattlemen's Beef Association. Some challenging areas that demanded cooperation by producers included roundups on the open range, disease control or eradication, development of export markets, restriction of competing imports, continued access to public lands, restrictions on packer monopoly and collusion, limited government help, resistance to government price controls and beef boycotts by consumers, expanded beef research, and self-help beef promotion. The oldest issue for western cattle producers has been the public domain. The “biggest cattle deal ever” was the government purchase-and-slaughter program in 1934, when 8.3 million cattle were slaughtered, reducing the cattle population by 11%. A “transportation revolution” occurred when the railroads put trail drivers out of business; when trucks put the railroads out of the business of transporting cattle; when local auction markets, made viable by trucks and trailers, put terminal markets out of business; and when packing plants moved from terminal markets to the proximity of new commercial feedyards. Among the great legislative victories for the Association were the Packers and Stockyards Act of 1921, the Counter-Cyclical Meat Import Act of 1979, and the Beef Promotion and Research Act of 1985, which authorized the \$1/animal check-off and made nearly \$80 million a year available for beef programs.

Key Words: Beef Production, History

Introduction

Originally presented to the Western Section of ASAS in Davis, CA on June 21, 2000, this paper is drawn from a book titled *Building The Beef Industry*. I was commissioned by the National Cattlemen's Foundation to write the 100-yr history of the National Cattlemen's Beef Association (NCBA) for its Centennial Celebration in 1998.

It was a 5-yr project, including research at a dozen libraries and museums across the country. In addition, 25 of the then-living past presidents and former executive officers of NCBA, which has had five different names during its history, were interviewed on audio and video tape. It was a \$400,000 project, made possible by a grant from the Monfort Family Foundation of Greeley, CO.

As the research progressed, it became apparent that the history of the Association largely paralleled the development of the industry. The problems, the issues, and the changes in the industry were addressed by associations—state and national—which proved that “cattlemen in concert” could solve many problems that an independent cattle producer, rugged and independent as he might be, could not handle alone.

This realization began in the early 16th century with the formation of the *Mesta* in Mexico City, the first cattlemen's association, which is believed to be the first association of any kind in the Western Hemisphere. Thus, this history be-

gins with the 1493 introduction of cattle to the New World and the soon-to-follow cattlemen's associations.

Cattle production in the Western Hemisphere all began with Christopher Columbus, who on his second voyage to the New World in 1493 debarked cattle at Hispaniola, now Haiti and the Dominican Republic. In 1519, 25 yr later, Hernando Cortez took offspring of these cattle to Mexico to establish ranches. Often these cattle ran wild and later came to the United States by way of Texas and California.

The Americas' First Association

It did not take long for progressive cattle producers to realize the need to work together to protect their interests. In 1529, 10 yr after Cortez brought these cattle to mainland Mexico, the town council of Mexico City ordered the establishment of a cattlemen's association to control theft and to preserve their monopoly.

Thus, the *Mesta* became the first known livestock association in the Americas, and probably the first association of any kind. As a quasi-governmental organization, the *Mesta* promulgated several regulations that sound familiar today. One was the rule that each owner should have his own brand and it should be registered in a brand book kept in the capital city.

Another rule was that all brands had to be different, so the owners of animals could be identified. Cropping the ears of an animal for identification was prohibited because such identification could easily be altered.

More Spanish cattle were brought to Florida in the 1500s. Weighing approximately 275 to 360 kg when grown, these cattle eventually became known as Florida Crackers or Florida Scrubs, some of which are still around today.

During the 1600s, nearly every ship from Europe brought a few cattle to begin a cattle industry in Virginia and New England. In 1625, on Manhattan Island, a wall was built between the Dutch commons and their outlying farms for protection against wild animals and Indians. This is the wall for which today's Wall Street is known.

State Associations Led the Way

Two centuries later, state associations led the way to progress. The Colorado Stock Growers, now Colorado Cattlemen's Association, was the first to organize, in 1867. This was followed by Wyoming Stock Growers Association in 1873, Texas in 1877, and Montana in 1885.

You will note my attention to associations. My study of the last 500 yr shows that most improvements, except for scientific research, and most progressive developments in the cattle industry were initiated by associations.

The First National Convention

The first national gathering of cattlemen was called in 1883 by George Loring, U.S. Commissioner of Agriculture. It was in Chicago during the time of the National Fat Stock Show. Mr. Loring was concerned about the 1881 embargo by the British government on American cattle and beef, allegedly because of pleuropneumonia, and was proposing federal legislation to deal with contagious diseases.

Almost immediately, the proposal drew opposition from Texas cattlemen, who thought the real target was Texas Fever, and from other western cattlemen, who thought the meeting was dominated by market and packer interests. But the legislation finally passed and, in 1884, the Bureau of Animal Industry was established.

A second national convention was called in 1884, at which time a permanent organization was to be formed, called the National Cattle Growers Association of America. This was the first known attempt to form a national federation of cattle producer organizations. But organizing cattlemen into one national organization—an admirable objective—was a formidable task. Note these words from one of the speakers:

There has ever been an unfortunate spirit of distrust and suspicion pervading this greatest of all industries (the cattle industry), which has during many years prevented that concert of action which was so desirable and important.

Of late years, however, we have begun to learn something of the sweet uses of adversity. Foreign governments have discriminated against us from without, and contagious

diseases have threatened us from within; railroad and stock yards companies have preyed upon us; legislatures and congresses have turned deaf ears to our appeals, and we have been compelled to turn to each other for consolidation and support.

Distrust and Suspicion

Yet the distrust and suspicion among cattlemen prevailed. On the day after the Chicago convention closed, another convention had been called in St. Louis and drew a huge crowd. The St. Louis Chamber of Commerce claimed that 10,000 people attended and called it the "largest convention ever held in the world." Amid much pomp and circumstance, including an address by General William T. Sherman, commander of Union troops in the Civil War, the National Cattle and Horse Growers Association of the United States was organized.

A year later, both organizations held a second convention, but attendance was low and they decided to merge. The name of the new organization would be Consolidated Cattle Growers Association, with proposed headquarters in Kansas City. The new organization held only two conventions, however, and both were poorly attended.

The Worst Winter

Then came the winter of 1886–87, the worst ever recorded for cattle producers. It put so many western producers out of business that the new Consolidated Cattle Growers Association faded away.

The previous winter had been quite harsh and, going into the fall of 1886, the ranges were overgrazed by thin cattle. In November 1886, snow fell over the Western Plains until a Chinook came down in January, bringing warm winds that partially melted the snow. A howling blizzard then swept the plains for 4 d, dropping temperatures to -32°C in Montana and -29°C in Colorado. The melting snow froze into an impermeable crust over remaining forage. Cattle drifted and piled up against fences and in draws.

Ranches reported 10 to 90% of their herds lost, although reliable accounts were 25 to 50%. One observer claimed it was possible to walk along the Platte River from Greeley to Julesburg, Colorado (about 240 km) by stepping from one dead carcass to another. Another ranch manager reported to his absentee owners in the East a 125% loss—50% steers and 75% cows.

Fight Monopoly with Monopoly

During the 1880s, a group of cattlemen who were upset with the "packer monopoly" concluded that "the only way to fight monopoly is with monopoly." In 1887, the American Cattle Trust, patterned after the Standard Oil Trust, which had initiated an economic revolution in 1882, was organized with offices in New York. Directors included some of the most substantial cattlemen in the West.

The Trust was sizeable and vertically integrated. It included ranches in Texas, New Mexico, Colorado, and Wyoming encompassing 218,934 cattle as well as feeding farms in Nebraska, a packing plant in Chicago, and contracts for canned beef with France and Belgium. (Could this be a forerunner of today's alliances?)

Although the trust reflected the mood of cattlemen in that day—and probably in this day—it was not a financial success and was liquidated in 1890.

Other Developments

A few other significant developments toward the end of the 19th century include the following:

1880: Mechanical refrigeration was first used; few inventions have had more far-reaching or more lasting impact on the cattle and beef industry.

1884: Along with the establishment of the Bureau of Animal Industry, the Animal and Plant Inspection Service was established.

1889: The first dipping vats were used at the King Ranch in Texas.

1889: The *Record Stockman* was founded.

1890: The first Meat Inspection Act became effective.

1898: The National Live Stock Association became the first successful national organization and, after several name changes, is known today as the National Cattlemen's Beef Association.

Trail Drives

Another major activity in the last half of the 1800s was the trail drives, mostly from Texas to points north. During the Civil War, when many Texas men went to war, their wives and families moved into town for protection from Indians. And their cattle, as many as 6 million, ran wild, gaining the description Texas Longhorns.

Most of the trails led to new cattle towns with railheads, such as Abilene and Dodge City, Kansas, where the cattle would be loaded onto railroad cars for shipment to packer towns such as Chicago, Kansas City, St. Louis, and Boston. Other trails led to Wyoming, Montana, and the Northwest to stock the free ranges there.

By 1890, an estimated 10 million cattle went "up the trail." But as the new mode of transportation, the railroads, laced the western half of the country, the fabled trail drivers became victims of new technology.

Another National Association

By 1897, cattle prices were good—100 to 300% higher than 7 or 8 yr earlier when there was a national panic—and a couple of visionaries in Denver realized the time was ripe to organize another national association. They were John W. Springer and Charles F. Martin. Martin was manager of the Associated Press in Denver and had been editor of the *New Mexico Stockman*.

John Springer had an impressive background; he was an attorney, a state representative in his native Illinois, and a banker in Dallas before moving to Denver, where he was engaged in banking, mining, ranching, and politics. Recognized as one of the greatest orators in the nation, he was a Colorado nominee for Vice President of the United States.

The Denver Chamber of Commerce was looking for a worthy project, so they were receptive to a proposal by Springer and Martin. It was to invite cattlemen from across the nation to meet in Denver for the purpose of forming a new national association. Not surprising, Springer became the first president and Martin became the first secretary.

A New Triad

As the country entered the 20th century, the cattle industry and the economy of the West were dependent on a new triad: railroads, stockyards, and packers. And cattlemen had trouble with all three. With the railroads, the problems were high rates, slow trains, and the unavailability of cars when they were needed.

Hard times soon recurred. Cattle prices dropped from an average of \$24 to \$15/animal in 1905. At the annual convention of the National Live Stock Association that year, President Frank Hagenbarth of Utah quoted a letter from a rancher in New Mexico: "We have had a devil of a rough deal these last few years that we begin to doubt the honesty and good intentions of every one. It may not be the packers, it may not be the commission men, it may not be the sheepmen or even the railroads, but some way every man's hand seems to be against us these days."

To which Hagenbarth added, "When level-headed men feel this way, all is not right."

The Association at that time represented cattle, sheep, goats, hogs, and horses. Because of sheep wars in the West, a group of rebel cattlemen split off to form the American Cattle Growers Association. Since then, most species groups have had their own association.

Another point of contention in the National Live Stock Association was voting rights by states, just as it is today. Voting was based on financial support; in fact, state associations could buy voting rights for \$10/vote. That was an issue in 1905—whether states that pay more dues should have proportionately more votes—and it is still an issue in 2000.

The Public Domain

The longest and most persistent issue has been the public domain. At the first convention in 1898, Wyoming Governor William A. Richards lambasted the eastern-dominated Congress for not understanding the needs of the western cattlemen. One early proposal, which resurfaced year after year, was to deed the public lands to the states, which in turn would sell to stockmen in order to get the lands on the tax rolls.

Another proposal was that 1.6 million ha of public lands be leased to users for \$0.05/ha, with the proceeds being used to develop "water for the West at no cost to the public." For

the past 102 yr, public lands has been an issue at every national convention of cattle producers.

How Much Government to Accept

How much government help to accept was another hot issue, as it continues to be. In his 1903 address, President John Springer declared, "Let it be understood here and now, that the American stockman proposes to take care of himself, and that he is not supplicant at the doors of the federal Congress for any subsidy, for any bonus or for any policy which seeks "forty acres and a mule."

Of course, consistency was not always considered a virtue—then or now. Cattlemen had no qualms about government help with meat inspection, with disease control, with market information, with tariffs and quotas on imports, with enhancements on exports, with school lunch purchases, or food stamps, and so on; all of these were considered "for the public good."

Largest Ranch in the World

In 1911, Murdo Mackenzie, a colorful immigrant from Scotland, manager of the Matador Land and Cattle Company, headquartered in Trinidad, Colorado, and a personal friend of President Theodore Roosevelt, was president of the National Live Stock Association. With World War I on the horizon, Mackenzie was hired by a French financier to resign his presidency and go to Brazil to produce beef for export to France. Mackenzie organized the Brazil Land, Cattle and Packing Co. into the largest ranch in the world, with nearly 4 million ha and 250,000 cows.

After World War I, Mackenzie returned to the United States to work for the meat packer Wilson & Co. The ranch in Brazil was divided in 1950, and most of it was sold to King Ranch of Texas and to Armour International.

The Value of Beef Exports

Exports of beef were important to U.S. cattlemen throughout the 20th century. In 1909, Henry A. Jastro, Manager of Kern County Land, Cattle and Water Company, at Bakersfield, California, was president of the Association. In a speech, he said, "Our foreign trade in live animals and meat products is in a very unsatisfactory condition. The price of our surplus (exports) largely fixes the price of our livestock at home, and the importance of increased foreign outlets cannot be over estimated."

A year later, Jastro reported that exports of meat animals and packing house products for the past 12 yr had "averaged about \$200 million annually, equal to about one-seventh (14%) of our annual domestic production." That figure compares to about 5% in the early 1990s and 12% in 2000.

While trying to keep the doors open for beef exports, cattlemen pushed for higher tariffs on imported hides and leather goods—another battle which they lost, because urban consumers in the East had more votes in Congress than did western cattlemen. Explained President Jastro in 1914, "The

problem is deeper seated than the tariff, and is chargeable to the indifference of Congress to the needs of the West."

Another speaker at that 1914 convention had a more emotional explanation of the problem: "Gentlemen, we have too many lawyers, ignorant of the needs of this industry, in Congress. Lawyers are a national infliction, and you can't get rid of them."

The Consent Decree

In 1916, the national convention was held in El Paso, Texas. With World War I raging in Europe and the eminence of American involvement, cattlemen were torn between their patriotism for country and their disdain for packers. Some believed the wild fluctuations in the market were intentionally caused by the "Beef Trust." "Beef Trust" was the name given to the "Big Five" packers, Swift, Armour, Morris, Cudahy, and Wilson, who were making unprecedented profits.

At the urging of the Market Committee of the American National Live Stock Association, the Federal Trade Commission conducted a study that was presented to President Woodrow Wilson in July 1919. It was terribly damaging to the packers and could have resulted in criminal charges.

The packers then proposed what was called "The Consent Decree." In it, they admitted no guilt but did consent to the following, among other things:

- To sell all their holdings in public stockyards
- To sell all their interests in stockyard railroads and terminals
- To sell all their interests in market newspapers
- To dispose of all their interests in public cold storage warehouses
- To forever disassociate themselves from the retail meat business
- To forever disassociate themselves from wholesale groceries
- To submit perpetually to the jurisdiction of the U.S. District Court under an injunction forbidding conspiracy or monopoly.

But cattlemen did not believe the packers would live up to this consent decree without expensive legal battles for cattlemen, so they pushed for federal legislation to control the packers.

Packers and Stockyards Act

The new president of the Association in 1919 was a United States Senator and a tenacious rancher from Wyoming, John B. Kendrick. Some historians would later call him "the greatest man in the West." Senator Kendrick wrote a bill that would greatly restrict packers. But packers claimed this was unfair and a conflict of interest for the president of the National Live Stock Association (NLSA) to be writing such legislation, and they waged a huge campaign of adver-

tising and lobbying against it. So another member of Congress picked up sponsorship of the bill, changed the language slightly, and in 1921 got passed the Packers and Stockyards Act, under which we still operate.

This perhaps is the greatest single legislative victory for the industry, because of 1) the time required to get it passed (6 yr); 2) the scope of the Act, in that it applies to the entire livestock industry; and 3) its sustainability.

Let Us Cooperate

During those legal and legislative battles, the principal spokesman for the packers was Thomas E. Wilson, President of Wilson & Co. and President of the Institute of American Meat Packers (now American Meat Institute). In 1919, Mr. Wilson took a train to Kansas, where he addressed the Kansas Livestock Association. “What the industry needs,” Mr. Wilson said in effect, “is more cooperation between producers and packers—cooperation in educating the housewife on the merits of our product.”

But NLSA officers were skeptical, thinking it was another ploy to detract their determination for federal legislation to regulate packers. After the Packers and Stockyards Act of 1921 was passed, however, the Association invited Mr. Wilson to their 1922 convention in Colorado Springs, where he made the same pitch about cooperation.

This time, the cattlemen agreed. In late 1922, the National Live Stock and Meat Board was formed for the purpose of promoting all red meats: beef, pork, and lamb.

The Great Depression

The two decades of the 1920s and 1930s were the worst in cattle history. During World War I, the government had requested increased meat production and cattlemen responded. Then came the crash, followed by the Great Depression, and the market could not handle the increased production. Exports practically dried up, because Europe was essentially bankrupt. Cattle prices were cut in half from the wartime high of \$0.40/kg. By 1933, U.S. unemployment had reached 24.9%, average annual income dropped to \$376 (on farms to \$74/yr), 2,294 banks had failed, and the average market price for cattle, if indeed a market could be found, was \$17.78/animal.

Then came the most devastating drought in history, and the Dust Bowl. Dust storms were so severe that some towns burned lights by day. Grasshoppers and rodents devoured feed supplies, even fence posts. Water holes gave out and wells dried up. Many cattlemen hauled water by wagon or truck, but that was a losing battle. Cattle were dying by the thousands, and cattlemen began to reconsider their independent stance.

The New Deal

In 1933, Franklin D. Roosevelt was elected President with the promise of a “New Deal” and “a chicken in every pot.” The New Deal consisted of many new social programs,

plus a host of new farm programs and farm agencies under the direction of Secretary of Agriculture Henry A. Wallace.

The Agricultural Adjustment Act (AAA) in 1934 was the first attempt by government at supply management. It paid farmers to reduce acreage or supplies of basic commodities, and it established price supports based on a new concept, parity. This was a method of measuring agricultural equality, based on 1910–1914 prices.

Cotton, wheat, rice, tobacco, hogs, and milk were declared basic commodities, but not cattle. That would lead to a national debate.

At the 1934 Convention of the American National Live Stock Association in Albuquerque, New Mexico, the largest convention in years and the most controversial ever, about 1,500 cattlemen showed up to express their strong convictions. The debate was so heated that President Charles Collins of Kit Carson, Colorado refused to take a vote, knowing that it would split the Association. The issue was left to each state association to act as it might choose.

Texans immediately held a rump session and voted for the plan to declare cattle a basic commodity. Jay Taylor of Amarillo, Texas, later to become Association president, called Representative Marvin Jones, Chairman of the House Agriculture Committee, and urged him to proceed. Thus, Congress approved cattle as a basic commodity and appropriated \$63 million for a purchase-and-slaughter program. The price offered ranged from \$4 for calves to \$20 for fatter cows.

Within 8 mo, the government purchased 8.3 million cattle, reducing the national population by 11%. The average price paid was \$13.50/animal. It was the biggest cattle deal ever!

As a 10-yr-old lad at the time, one of my most memorable events is that day when they came and shot our cattle, cattle that I had fed, watered, petted, and in several cases given individual names.

World War II

Conditions for cattlemen improved slowly after that, but real progress came only after the bombing of Pearl Harbor on December 7, 1941, that “day of infamy” that ushered in World War II.

Within 2 yr, industrial employment increased dramatically and workers experienced a new phenomenon of time-and-a-half for overtime, resulting in national income doubling. Consumers had money and they wanted beef. But there wasn’t enough beef for everyone, because 30% of total production was reserved for the armed forces. So cattlemen became frustrated with price controls on meat, food stamps, and rationing, which led to a black market.

After World War II, battles by cattlemen continued over public lands, tax issues, imports, animal health, and issues with bureaucrats—some of which have not been resolved 50 yr later.

Foot and mouth disease was a fear for much of the last century. In 1947, the Association was successful in getting killed the Argentine Sanitary Treaty, which had been pigeon-

holed by the Senate Foreign Relations Committee for 12 yr. That treaty, first proposed in 1935, would have allowed beef imports from areas of Argentina declared free of foot and mouth disease. The Association claimed this was strictly an animal health issue, although proponents claimed it was a non-tariff barrier. But in 1994, the National Cattlemen's Association and the U.S. government changed their opinion. Under the General Agreement on Tariffs and Trades (GATT), they relented to fresh meat imports from Argentina and agreed to "regionalization."

Import Legislation

During the 1950s and 1960s, the term "Trade Not Aid" became popular with editorial writers, but not with cattlemen. Economists estimated that beef imports were depressing the market and costing U.S. cattlemen \$0.03/kg on live cattle. It was not until 1964 that the Association was able to get a law limiting beef imports.

But that law was flawed. It allowed imports up to 7.5% of domestic production. So, in periods such as 1975–1977, when the United States had record production and liquidation, the law allowed imports to increase and further depress prices. In 1978, inflation began to get out of control and President Jimmy Carter, feeling pressure from consumer activists, opened the gates to imports, which triggered a \$0.22/kg drop in fat cattle prices.

This whetted the resolve of the Association to obtain better import legislation, which came on December 31, 1979, when President Carter signed the Meat Import Act of 1979 with a counter-cyclical formula. This meant that as U.S. production increased, foreign imports would decrease, and visa versa, which has worked well and was a major legislative victory.

Transportation Revolution

In 1946, there was an invention by a Texas rancher called the "Gooseneck Trailer." It was an oddity and one of several developments in the "Livestock Transportation Revolution." Initial import and export transportation was by water. Then, in the 1800s, millions of cattle were moved on foot in trail drives. In the late 1800s, the railroads arrived to put the trail drivers out of business and facilitate the expansion of large terminal markets.

Associated with the Transportation Revolution was a Marketing Revolution. The first public livestock auction opened in 1904 in Union, Iowa, and by 1952 there were 2,500 public auctions. The first motor truck delivery of livestock was in 1911 in Indianapolis, Indiana. The expanded use of trucks and trailers in time put the railroads out of business, which put the auctions into business, and which eventually put the terminal markets out of business. Also, in the decade following World War II, as transportation shifted from rail to truck, the large packing companies moved from the terminal markets and began to build near the new feedyards.

Technology and Research

Whereas most cattlemen continue to proclaim their "self reliance," all cattlemen today rely on technology/research, some of it by government agencies, developed through the years. A few examples follow:

- 1840 Corn sheller and hammer mill invented
- 1870s Silage introduced
- 1898 *Feeds and Feeding*, by Dean W. A. Henry
- 1915 Revised edition of *Feeds and Feeding*, by F. B. Morrison
- 1920s Urea introduced into cattle diets
- 1945 *Nutrient Requirements of Beef Cattle* first published
- 1948 Vitamin B₁₂ discovered
- 1950 Diethylstilbestrol isolated, approved for use in food animals in 1954
- 1966 Screwworms eradicated in the United States

Beef Boycotts

Cattlemen always have been sensitive to consumer attitudes about beef, and consumers always have been quick to blame cattlemen for high meat prices, as well as for high prices of all foods. The result has been a dozen or more beef boycotts in the 20th century, several led by labor unions.

The first boycott was in 1902 in New York, but the most widespread and far-reaching boycott was in the early 1970s. President Richard Nixon, feeling pressure from consumer activists, imposed a price freeze on beef on March 19, 1973, and at the same time announced that the freeze would be lifted on September 12. Cattle feeders, anticipating higher prices when the freeze was to come off, held cattle until they were 90 to 136 kg above desired weights.

The Wreck

Thus, when the freeze was lifted on September 12, as promised, the supply of fed cattle was too burdensome and prices plummeted, dropping 33% in 3 mo. At the same time, grain prices increased as much as 65%, triggered by a grain deal with the Soviet Union. The short-term effect was losses of \$100 to \$200/animal on fed cattle.

The long-term effect was numerous bankruptcies and mergers in feedyards, all of which became known as "The Wreck." Cattle numbers dropped from a record 175 million in 1975 to 95 million in 1990. American National Cattlemen's Association (ANCA) President Gordon Van Vleck of California testified before the Senate Agriculture Committee in 1975, "The entire beef industry has sustained operating losses of \$5 billion, plus a reduction in inventory value."

But fortunately, for those who survived, some good came from The Wreck.

Following the 1973 consumer boycotts, it became clear that more money was needed to tell the beef story. The National Live Stock and Meat Board, organized in 1922 and charged with this responsibility, had done a credible job but had always been short on funds. A monetary check-off had

always been voluntary, with rates of \$0.02 to \$0.10 cents/animal sold, but few cattlemen supported it.

The Executive Committee of the Texas Cattle Feeders Association (TCFA), of which I was the new executive, called an emergency meeting on a Saturday afternoon and decided to ask each member to contribute \$1/animal owned to an emergency fund to tell the cattlemen's story. On Sunday morning, I called in a couple of staff members and got out a mimeographed letter with an emotional appeal.

This proved to be a letter that would change the industry.

Within 3 wk, TCFA had \$519,000 cash on hand—more than four times its annual budget—and didn't know what to do with it. So TCFA had another emergency meeting and decided to send \$200,000 to the Meat Board and \$100,000 to ANCA (which was borrowing money to meet their payroll) and to keep the remainder. These funds revitalized all three organizations, resulting in their continued growth.

Time for a Check-off

This experience demonstrated that cattlemen, if challenged with the right programs, were willing to invest significant money to help themselves. In 1974, I proposed a national uniform legislated check-off, similar to the \$1/bale check-off that I had helped promote for the cotton industry. Through the years, a 227-kg bale of cotton had about the same value as a weaned calf. But cattle sold an average of 2.5 times during their lifetime, which meant that \$2.50/animal could conceivably be collected over time.

ANCA liked the idea and appointed a Beef Development Taskforce, which enlisted the support of nearly every cattlemen's organization—big or small—in the country. Despite opposition from consumer groups, as well as the American Farm Bureau Federation and the National Farmers Union, Congress passed the legislation in 1976 and the first producer referendum was held in 1977. It failed, as did the second referendum in 1980. But the third referendum passed in 1988—12 yr after the idea was first proposed.

Since then, the industry has had almost \$80 million a year—funded by cattlemen—for research, education, promotion, and producer information.

The check-off works. Studies have shown that producers get more than a \$5 return for each \$1 invested in research and promotion. Thus, for cattle producers, it proved to be one of the major developments of the 20th century.

Implications

Since Christopher Columbus brought the first cattle to the Western Hemisphere in 1493, it has amazed many cattle producers how history repeats itself. The problems and issues have changed surprisingly little. Likewise, since the first livestock association, the *Mesta*, was formed in Mexico City nearly 500 yr ago, it has been apparent that “cattlemen in concert,” as they used to say, could solve many problems that individual cattlemen could not.

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Notes

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