

EXHIBIT 1



P.O. Box 370 Vale, OR 97918
(541) 473-ECON (3266) Fax (541) 473-4170 jnalivka@fmtc.com

Opening the U.S. Beef Market to Canadian Cattle Over 30 Months of Age

John S. Nalivka
November 27, 2007

USDA recently opened the U.S. market to Canadian cattle over 30 months of age. This decision was consistent with a risk assessment for BSE based on OIE standards and also was a sound decision with regard to industry economics concerning cow slaughter on both sides of the border.

The economic well-being of the packing industry is highly dependent upon achieving a competitive cost structure through achieving the benefits of economies of scale, but ultimately plants must achieve a balance between capacity and utilization of that capacity. As industry dynamics have led to a great deal of structural change, capacity has been an increasingly critical issue for the past decade. The packing industry had already consolidated prior to closure of the U.S. – Canadian border in May 2003. Achieving an economic utilization rate was made even more difficult with closure of the border.

The impact of a supply of Canadian cattle on the U.S. beef industry must be viewed individually with regard to the fed beef industry or the cow beef industry. This current decision to allow cattle over 30 months of age affects the cow packing and processing industry.

Since the closure of the U.S. - Canadian border in May, 2003, a number of new Canadian beef slaughter plants have been built and the capacity of existing plants has been expanded. At

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the same time, several U.S. beef slaughter plants shut down in response to under-utilization of capacity, including Tyson's plant in Boise, Idaho and Smithfield's plant in Gering, Nebraska. There has been continual consolidation in the cow/bull packing sector resulting in the loss of at least four previously independent buyers. The APHIS regulation which was challenged in *R-CALF I* and *R-CALF II* restored the ability of U.S. packers to acquire Canadian cattle less than 30 months of age, principally grain-finished cattle marketed out of feed lots. The regulation challenged here would restore that traditional relationship for older cattle; principally cull cows from beef and dairy herds. Many U.S. plants slaughtering cull cows and bulls are dependent upon these Canadian cattle in order to utilize capacity. Currently, the annual slaughter capacity of U. S. cow plants is 6.1 million head. Much damage has already been incurred by U.S. packers and packing house workers, particularly those dependent upon supplies of OTM cattle. Much U.S. packing capacity has been lost in the past four and one half years and if the new rule is enjoined, that loss of U.S. packing capacity and jobs will continue.

In today's environment of a continually evolving industry adjusting to changing consumer demand, globalization, environmental issues, labor issues, changing currency exchange rates, weather, and rising energy costs, the burden posed by unnecessary regulations can only hinder the economic welfare of the entire supply chain. Through consolidation, the packing industry continues to adjust to rising costs and this impact trickles through the supply chain down to the cow-calf producer. The industry can best adjust and limit any negative impact when these adjustments occur as the result of market forces.

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U.S. Cow Slaughter Plants

April 2007

Plant	Location	Corporate Control	Daily Capacity
XL Four Star Beef	Omaha, NE	X L Beef - Calgary, Alberta	1,200
XL Four Star Beef	Nampa, ID	X L Beef - Calgary, Alberta	1,000
Packerland	Green Bay, WI	Smithfield	750
Murco	Plainwell, MI	Smithfield	700
Sunland	Tolleson, AZ	Smithfield	500
Central	Center Hill, FL	Private	500
FPL Food	Augusta, GA	Private	1,450
Caviness	Hereford, TX	Private	1,500
L & H	San Antonio, TX	Private	1,000
Martin	Godwin, NC	Private	700
Brown	Gaffney, SC	Private	600
Hallmark Meat	Chino, CA	Private	600
Lone Star	San Angelo, TX	Private	550
San Angelo	San Angelo, TX	Private	500
Central Valley	Tulare, CA	Private	500
Minnesota Beef	Buffalo Lake, MN	Private	300
Schenk	Stanwood, WA	Private	220
Dale T. Smith & Sons	Draper, UT	Private	200
Gulf Pack	San Benito, TX	Private	200
Kluener	Cincinatti, OH	Private	200
Walt's	Mt Vernon, WA	Private	170
Los Banos Abattoir	Los Banos, CA	Private	150
Midway	Centralia, WA	Private	70
Emmpak Foods	Milwaukee, WI	Cargill/Excel	1,500
Taylor	Wyalusing, PA	Cargill/Excel	1,400
Beef Packers, Inc.	Fresno, CA	Cargill/Excel	1,300
Gibbon	Gibbon, NE	American Foods Group, LLC	1,500
Green Bay Dressed Beef	Green Bay, WI	American Foods Group, LLC	900
Long Prairie	Long Prairie, MN	American Foods Group, LLC	800
Long Prairie-St Paul	S. St. Paul, MN	American Foods Group, LLC	700
Cimpl	Yankton, SD	American Foods Group, LLC	400
Total daily cow slaughter capacity listed			22,060
Total daily cow slaughter capacity			22,587

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Annual

6,098,418



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U.S. Cow Slaughter Plants

August 1997

Plant	Location	Corporate Control	Daily Capacity
Green Bay Dressed Beef	Green Bay, WI	American Foods Group	900
Excel	Sterling, CO	Cargill	1,150
Northern States Beef	Omaha, NE	ConAgra	1,000
Armour-Nampa	Nampa, ID	ConAgra	1,200
S&C Beef Processors	Montgomery, AL	ConAgra / SSI	800
Packerland	Gerrig, NE	Gillet Holdings	300
Packerland	Green Bay, WI	Gillet Holdings	500
Black Hills	Rapid City, SD	Goldberger Foods Inc.	600
Federal Beef	Fargo, ND	Goldberger Foods Inc.	750
Western	Sealey, TX	IBP	100
Tama	Tama, IA	IBP	1,200
Gibbon	Gibbon, NE	IBP	1,400
Los Banos Abattoir	Los Banos, CA	Private	50
Fruitland	Jackson, MO	Private	75
Carlton	Carlton, OR	Private	100
Graff	Pierce City, OR	Private	100
McCabe	Taylorville, IL	Private	100
Sixty Six Pack	Tucumcari, NM	Private	100
Orvis Brothers	Modesto, CA	Private	120
Amend	Des Moines, IA	Private	150
San Angelo	San Angelo, Tx	Private	150
Talone	Escondido, CA	Private	150
Braunfels Meats	Sealy, TX	Private	200
Ferry Brothers	Ferndale, WA	Private	200
Florida Pack	East Palatka, FL	Private	200
Middlebury	Middlebury, VT	Private	200
G & G Meats	Snohomish, WA	Private	200
Kluener	Cincinnati, OH	Private	200
Gulf Pack	San Benito, TX	Private	200
Karler	Albuquerque, NM	Private	200
Meyers Meats	Cincinnati, OH	Private	200
McGee	Mexico, MO	Private	200
Smit and Son	Boyden, IA	Private	200
Minnesota Beef	Buffalo Lake, MN	Private	200
Hallmark Meat	Chino, CA	Private	240
Schenk	Stanwood, WA	Private	250
Valley Meats	Brookville, IN	Private	300
Perretta	Brier Hill, PA	Private	300
Alpine	Stockton, CA	Private	300
McCabe	Springfield, IL	Private	300
Lovett & Sons	Hastings, NE	Private	300
Cuelho Meats	Tulare, CA	Private	300
Ferrara Meat	San Jose, Ca	Private	350
Lee Meats	Alma, GA	Kenosha Beef International	350
Martin	Godwin, NC	Private	400
Wellington Quality Meats	Wellington, KS	Private	400
Service	Joplin, MO	Private	450
Shamrock Meats	Los Angeles, CA	Private	500
Robzens'	Scranton, PA	Private	500
Murco	Plainwell, MI	Private	500
Brown	Gaffney, SC	Private	500
Evans Meat	San Angelo, TX	Private	550
Caviness	Hereford, TX	Private	700
Moyer	Souderton, PA	Private	600
Pine Valley	Norwalk, WI	Private	600
Supreme Beef	Ladonia, TX	Private	700
Shapiro	Augusta, GA	Private	1,200
BPI	Fresno, CA	Private	800
Cornhusker	Omaha, NE	Private	800
L & H	San Antonio, TX	Private	1,000
Peck Foods	Milwaukee, WI	Private	1,100
Taylor	Wyalusing, PA	Private	1,250
Central	Center Hill, FL	Private	500
Cimpl	Yankton, SD	Rosen's Diversified	400
Long Prairie-St Paul	S. St. Paul, MN	Rosen's Diversified	700
Long Prairie	Long Prairie, MN	Rosen's Diversified	700

Total daily cow slaughter capacity listed

31,235

Total daily cow slaughter capacity

31,616

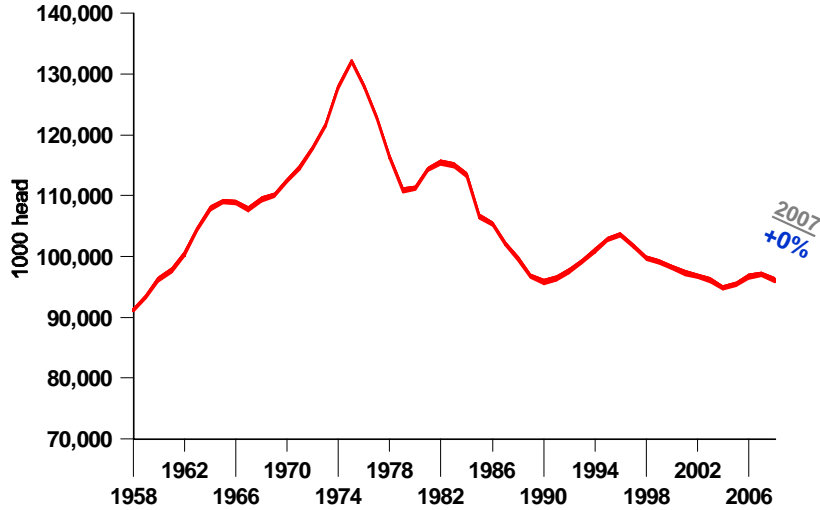
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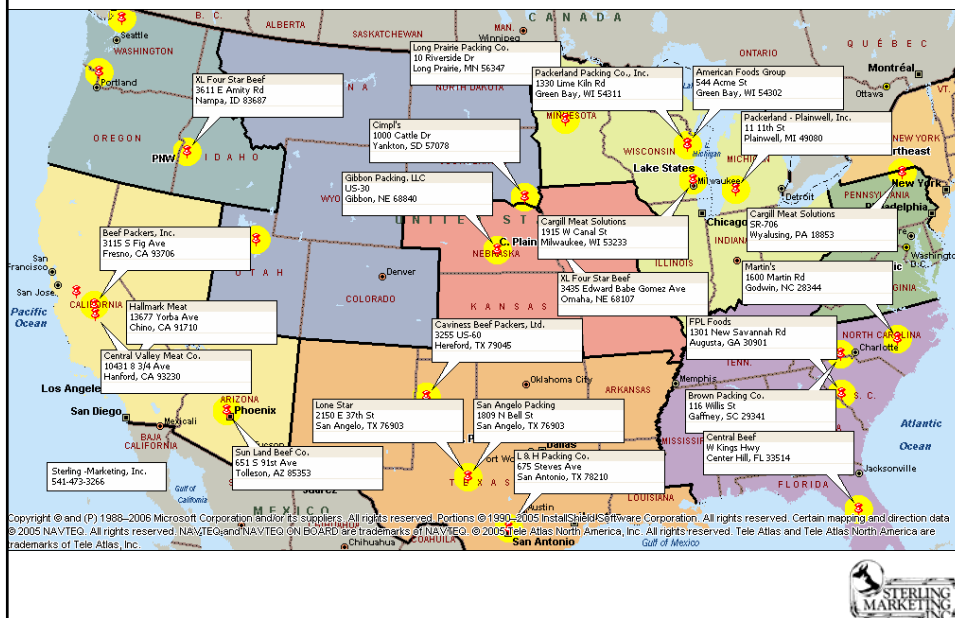
8,536,424

U.S. Cattle Inventory

Herd rebuilding began in 2004, but was slowed significantly by drought.

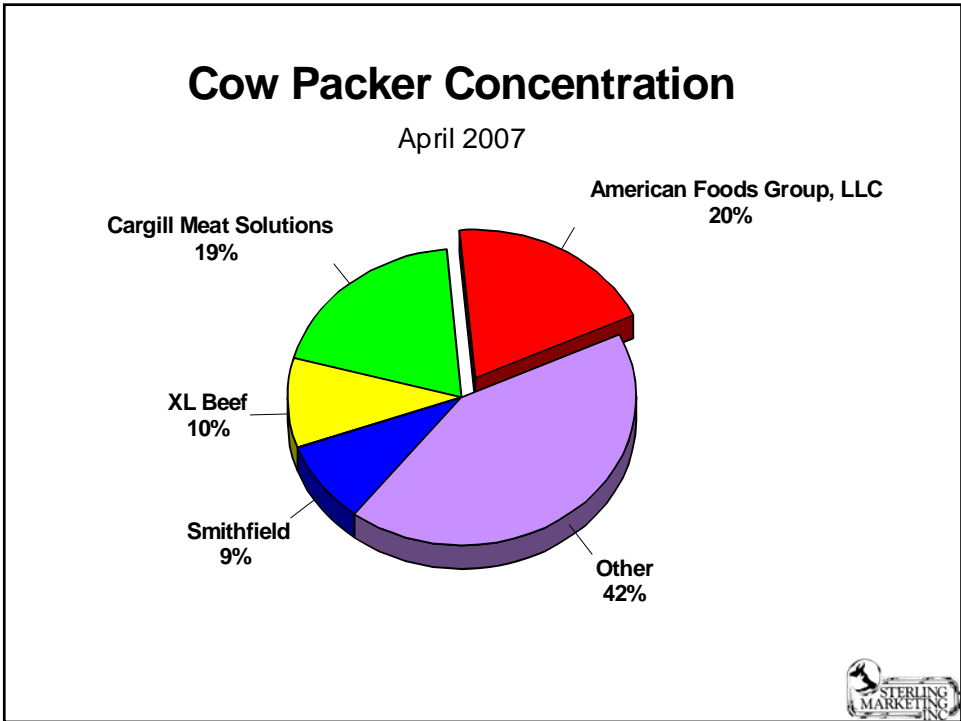
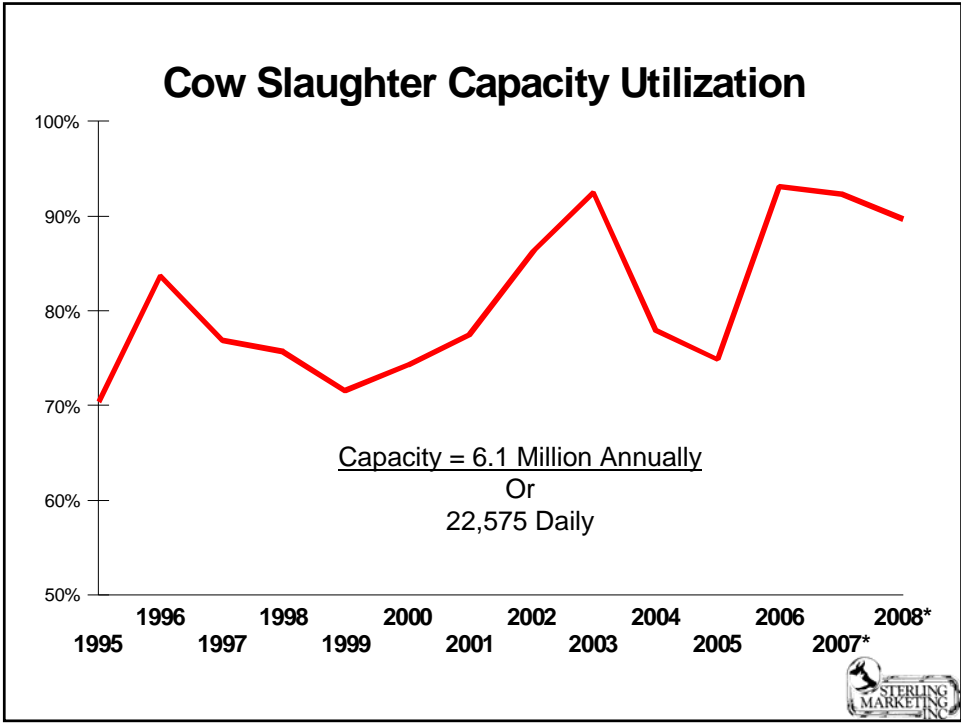


U.S. Cow Plants - 2007

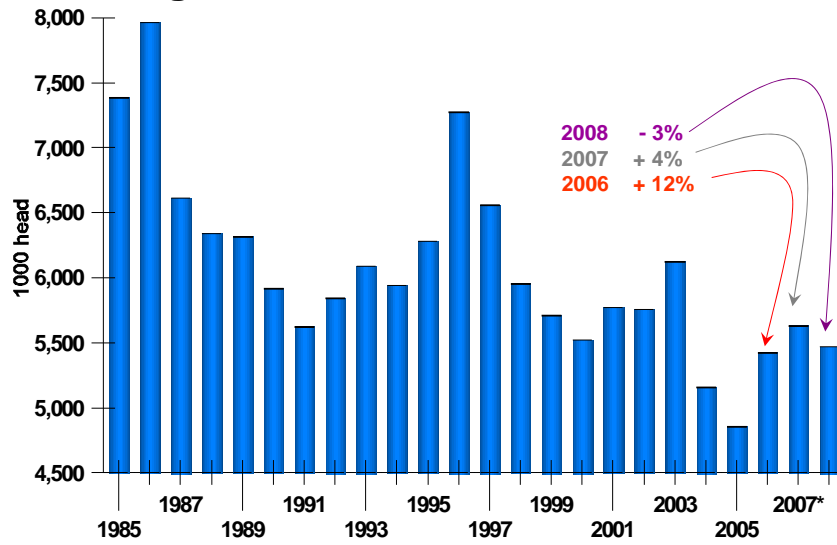


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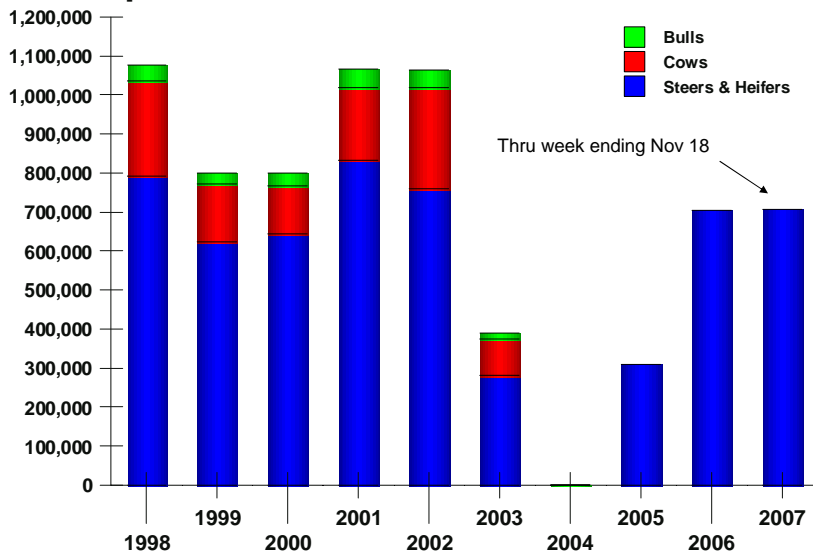




Cow Slaughter



U.S. imports of Canadian cows



5-Yr Ave for Cows = 192,182 = 3,696 weekly = 739 daily



