

July 16, 2019

Joint Hearing of the Livestock and Foreign Agriculture Subcommittee and
General Farm Commodities and Risk Management Subcommittee

Testimony of Kelley Sullivan Georgiades

Good morning, Mr. Chairman and distinguished members of the committee. My name is Kelley Sullivan Georgiades, and I am a 4th generation cattle producer from Crockett and Navasota, Texas, where I own and operate Santa Rosa Ranch.

I am here today on behalf of the 142-year-old Texas and Southwestern Cattle Raisers Association to share our opinion on the current state of the cattle industry and our most pressing challenges for the future.

Our nation is home to 94.8 million head of cattle. My home state of Texas has 13 million, more than any other state and almost double the number of the next closest.

The beef we produce not only provides Americans with a high-quality, safe and nutrient-dense form of protein, but the Texas cattle industry is also the leading contributor to the state's agricultural economy with annual sales in excess of \$12 billion, nearly half (49%) of the total for all commodities.

Though the cattle industry is robust and resilient, it is certainly not without its challenges.

I would encourage the members of this committee to pursue policies that help address these challenges and secure a strong future for our nations cattle producers.

Chief among these issues is trade.

For cattle producers, maintaining and building demand for U.S. beef products is essential. The simple fact is that 96% of the world's consumers live outside of the United States. These customers have become a necessary part of the industry. In 2018 we sold more than \$8.3 billion in U.S. beef products abroad.

Foreign consumers often demand cuts that are not highly sought after in the domestic market. If you go to a steakhouse in the United States, it is doubtful that you will find beef tongue listed among the ribeyes and other top beef cuts. Yet, in those countries who are our largest export markets, such as Japan, South Korea, Mexico, Canada and Hong Kong, beef tongue and other beef varietal cuts are a delicacy and fetch a premium price.

That premium and the additional demand from foreign consumers increases the value of each animal sold in the U.S. by almost \$300 per animal.

We would like to see that value increase because, for many cattle producers, that \$300 per animal may already be the difference between a successful business and bankruptcy. It cannot shrink. We are a low-margin industry.

The most important thing this Congress can do for American ranchers is to approve the U.S.-Mexico-Canada trade agreement (USMCA).

Mexico and Canada, combined, buy \$2 billion in U.S. beef products every single year. That's nearly a quarter of all U.S. beef exports each year and accounts for \$69 of those \$300 realized by U.S. producers as a result of trade.

USMCA keeps the good aspects of NAFTA—unrestricted, duty-free access for U.S. beef and cattle—and does not attempt to incorporate failed policies from the past, like mandatory country of origin labeling.

Failure to maintain free trade with Mexico and Canada would be devastating to cattle producers, and it has also left other trade breakthroughs pending.

The “wait and see” concern is particularly true with Japan, where U.S. beef faces a 38.5% tariff. Though Japan is still the number one destination for U.S. beef, the lower tariffs available to countries like Australia may soon begin to hamper our growth in Japan if we don't act quickly. We have already seen the moderating of export totals to Japan, in spite of their increase in beef demand as a nation.

I implore the members of this body and the entire U.S. Congress to do two things on trade moving forward.

1. Reject calls for failed policies of the past, like M-COOL.
2. Quickly ratify USMCA on behalf of America's ranchers and beef producers.

While trade is our singular focus at the moment, there are many other concerns in our industry that I and others from TSCRA and the industry will continue to discuss. Those range from the “fake meat movement” to the accurate portrayal of sustainability in ranching and needed regulatory reforms.

Finally, I would be remiss if I didn't conclude by thanking this body for your work on behalf of America's cattle producers. That is especially evident in your work on the 2018 Farm Bill, which maintains a strong conservation title and provides funding for a more robust U.S. only Foot-and-Mouth Disease vaccine bank. Thank you for those two vitally important components and your continued attention to their implementation.

Thank you, and I look forward to your questions.



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Kelley Sullivan Georgiades graduated with a B.A. in Communications from Texas A&M University in 1992, where she was recognized as a Distinguished Student in the College of Liberal Arts. Mrs. Georgiades is also a graduate of the TCU Ranch Management Program and, along with her father, is the owner and operator of Santa Rosa Ranch, the largest breeder of Brangus and Ultrablack cattle in the United States. She previously served as Chief Marketing Officer for Southern Funds Group, an alternative asset management firm and was Vice President of Sales and Marketing at Sullivan Interests with her three brothers.

Mrs. Georgiades is an Executive Board Member of the Texas Beef Council, a commissioner with the Texas Agricultural Finance Authority, on the Board of Directors and past Chairman of the Association Promotion Committee for the Texas and Southwestern Cattle Raisers Association, a member of the International Trade and Marketing Committee for the National Cattlemen Beef Association, Captain of the Houston Livestock Show and Rodeo International Committee and various committees of the International Brangus Breeders Association. She is also on the Advisory Council of the Department of Animal Science at the Texas A&M University College of Agriculture and Life Sciences, on the Executive Team at the Texas Christian University Institute for Ranch Management and a graduate in the 13th class of the Texas Agriculture Lifetime Leadership Program (TALL), a Texas A&M AgriLife Extension Program.

Kelley is active in various aspects of the agriculture industry. She has traveled extensively, observing production systems on several continents around the globe and traveled to Japan and Korea in 2017 and returned to Japan and China in 2018 to study and visit the United States' largest importers of U.S. beef. She presented her observations during the General Session of the 2017 and 2018 Texas A&M Beef Cattle Short Course in front of 2,300 attendees and highlighted the trade opportunities that US Beef producers have in the Asia-Pacific region. Ms. Sullivan also testified in front of the U.S. House of Representatives' Ways and Means Committee in October 2017 to highlight the need to pursue bilateral trade agreements with the agriculture industry's largest trading partners and appeared in front of the U.S. International Trade Commission in November 2018 to give a producer's perspective on the newly-approved USMCA (U.S.-Mexico-Canada Agreement).

Mrs. Georgiades has worked extensively with Texas A&M AgriLife Extension to coordinate and execute various educational seminars, focused on improved production techniques for cattle producers as well as educating healthcare practitioners about the health benefits of beef in the diet. Within the health and nutrition arena, Kelley created a symposium called "Optimizing Protein Through the Healthspan" which was held at the University of Texas Medical Branch in Galveston, Texas in 2016. For the past several years, Kelley and Santa Rosa Ranch have hosted producer education seminars during the fall, focusing on proper bull selection, optimal forage production and animal health and nutrition, all in coordination with Texas A&M AgriLife Extension and Texas and Southwestern Cattle Raisers Association. In 2018, Mrs. Georgiades was honored as "Man of the Year" by the Texas County Agricultural Agents Association.

Kelley is a 5th generation BOI (Born On Island) from Galveston Island, where the Sullivan Family ran commercial cattle herds on the West End of the island and along the Texas Coastal Bend. She is the daughter of Gerald and Susanne Sullivan, the eldest of their five children (Kelley, Kristen [Berger], Todd, Johnny and Billy) and aunt of 13 nieces and nephews. Kelley was honored as "Woman of the Year" in May 2019 by the Galveston Regional Chamber of Commerce, based upon her accomplishments in the agriculture industry and setting an example for younger generations. Kelley and her husband, George Georgiades, were married on June 8, 2019, and will make their home on their ranch near Millican, Texas.

Truth in Testimony Disclosure Form

In accordance with Rule XI, clause 2(g)(5)*, of the *Rules of the House of Representatives*, witnesses are asked to disclose the following information. Please complete this form electronically by filling in the provided blanks.

Committee: Agriculture

Subcommittee: Livestock and Foreign Agriculture

Hearing Date: July 16, 2019

Hearing Title :

Reviewing the State of the U.S. Livestock and Poultry Economies

Witness Name: Kelley Sullivan Georgiades

Position/Title: Owner/Cattle Producer, Santa Rosa Ranch, Crockett and Navasota, Texas

Witness Type: Governmental Non-governmental

Are you representing yourself or an organization? Self Organization

If you are representing an organization, please list what entity or entities you are representing:

Texas and Southwestern Cattle Raisers Association

If you are a **non-governmental witness**, please list any federal grants or contracts (including subgrants or subcontracts) related to the hearing's subject matter that you or the organization(s) you represent at this hearing received in the current calendar year and previous two calendar years. Include the source and amount of each grant or contract. *If necessary, attach additional sheet(s) to provide more information.* **House Rules do NOT require disclosure of federal payments to individuals, such as farm program payments or assistance to agricultural producers.**

N/A

If you are a **non-governmental witness**, please list any contracts or payments originating with a foreign government and related to the hearing's subject matter that you or the organization(s) you represent at this hearing received in the current year and previous two calendar years. Include the amount and country of origin of each contract or payment. *If necessary, attach additional sheet(s) to provide more information.*

N/A