BEEF USA National Cattlemen's Beef Association



In this Issue

PLC, NCBA Hail Passage of Grazing Improvement Act

Canada, Mexico Invited to Join TPP

EPA Proposes Dust Standard

Legislative Watch

New on the Web

Against All Odds, Senate Moves on Farm Bill

Cattle Fax Update

NCBA's Cattlemen to Cattlemen

Your NCBA

Contacts: Mike Deering, mdeering@beef.org

Mary Geiger, mgeiger@beef.org

202-347-0228

Beltway Beef is a weekly report from Washington, D.C., giving an up-to-date summary of top policy initiatives concerning the cattle industry; direct from the National Cattlemen's Beef Association (NCBA). Please feel free to reprint in full or in part. If you would like to include NCBA's logo, contact us at 303-694-0305.

Cattlemen's Capitol Concerns

PLC, NCBA Hail Passage of Grazing Improvement Act On Tues., June 19, 2012, legislation to improve stability and efficiency in the who is a cattle rancher from Nevada

improve stability and efficiency in the federal lands grazing permit process was approved by the U.S. House of Representatives as part of an omnibus package of lands bills. The bipartisan, 232 to 188, vote signals the strong, broad-based support for the Grazing Improvement Act (H.R. 4234), introduced by Congressman Raúl Labrador (R-Idaho).

This legislation, should the Senate choose to pass it, would provide certainty for today's public lands ranching industry and for future generations of ranchers, according to <u>Public Lands Council</u> (PLC) President John Falen.

"This is a great example of a bipartisan majority coming together to pass

commonsense legislation," said Falen, who is a cattle rancher from Nevada and member of the National Cattlemen's Beef Association (NCBA). "This legislation extends the life of grazing permits from 10 to 20 years and provides greater certainty to ranchers by codifying annual, bipartisan appropriations language that allows for permit renewal despite the regulatory backlog. This bill will benefit the environment, while also saving taxpayer dollars. Stability in the federal grazing permit renewal process keeps the associated private base-property lands economically viable as ranching units, which in turn prevents the fragmentation of open space."

Senator John Barrasso (R-Wyo.) introduced a companion Grazing

Improvement Act (S. 1129), which was considered during a March 22, 2012 hearing of the Senate Energy and Natural Resources Subcommittee on Public Lands and Forests.

Joe Guild, Chairman of NCBA's federal lands committee, said it is time for Congress to stand firm with the providers of food for this country.

"This bill reduces bureaucratic red tape and limits the potential for costly, excessive lawsuits," said Guild. "The radical environmental groups trying to demagogue this important legislation realize that improving the efficiency and effectiveness of public lands management reduces their opportunities to drive their anti-grazing agenda through process-based lawsuits."

Canada, Mexico Invited to Join Trans-Pacific Partnership — NCBA Says Two Largest US Beef Markets Essential to Trade Talks

President Obama announced back-toback this week that the United States and the other countries negotiating the Trans-Pacific Partnership (TPP) have extended an invitation to Canada and Mexico to join the TPP trade negotiations. In addition to the United States, the current TPP countries are Australia, Brunei Darussalam, Chile, Malaysia, New Zealand, Peru, Singapore, and Vietnam. National Cattlemen's Beef Association Vice President and Texas cattleman Bob McCan commended the announcements.

"NCBA welcomes the addition of Canada and Mexico to the Trans-Pacific Partnership. Canada is the top export market for U.S. beef and Mexico is the second-largest," said McCan. "With American allies like Canada and Mexico at the table, TPP will strengthen bonds between nations and encourage global security in the Pacific Rim."

According to McCan, TPP has the potential to be the beginning of a new era in global trade where tariff and nontariff barriers are eliminated and standards are based on sound, objective science instead of what he called political protectionism. He said this agreement could likely become much more than a multi-lateral free trade agreement. He added that eliminating tariff and non-tariff barriers promotes greater economic stability and job creation in all countries, which will strengthen bonds between nations and encourage global security in the Pacific Rim.

NCBA Associate Director of Legislative Affairs Kent Bacus said he is hopeful that by the conclusion of 2012, all negotiations will conclude. Bacus said NCBA is pushing for a strong sanitary and phyto-sanitary (SPS) title in the final trade negotiation.

"A strong SPS title will end a lot of the political barriers and non tariff barriers that U.S. beef has been subjected to for so long. We cannot afford to perpetuate politically-motivated standards as a justification for public safety," said Bacus. All TPP countries must agree to and abide by the highest SPS standards possible."

EPA Proposes Dust Standard

The Environmental Protection Agency (EPA) today, June 15, 2012, proposed its long awaited dust standard that sparked controversy within the agricultural community. The controversy arose when EPA staff announced the administrator would be "justified" in doubling the stringency of the current, so-called dust standard, officially known as the National Ambient Air Quality Standard for coarse particulate matter. The National Cattlemen's Beef Association (NCBA) welcomed news from EPA that it plans to retain the current standard, however; the issue involving farm dust is far from over, according to NCBA Deputy Environmental Counsel Ashley McDonald.

"We learned from the last two reviews of this standard that a final standard can look very different that the proposal. It is important to note that EPA's action today is simply a proposal from the agency and not the final standard," said McDonald.

The final standard is scheduled to be released by EPA in December of this year. McDonald said NCBA encourages EPA to stick with the proposed standard and not lower the final standard. She said lowering the standard would throw a large section of the country into nonattainment.

McDonald said cattlemen are really in search of certainty when it

comes to rules and regulations being promulgated by EPA and other agencies. This is why NCBA fully supports the Farm Dust Regulation Prevention Act introduced by Senator Mike Johanns (R-Neb.) and Congresswoman Kristi Noem (R-S.D.). The legislation would provide permanent relief and regulatory certainty by exempting the agricultural community from EPA dust regulations. The legislation has passed the U.S. House of Representatives, but the Senate version (S. 1528) has not been brought up for a vote.

"The fact is, farmers and ranchers want and need certainty about this issue. Regulatory uncertainty is unnecessary and unproductive," said McDonald. "If EPA follows through and does not revise the dust standard, such an action would only provide us with certainty for five years and provides no relief to those producers who are spending more than \$1,000 per day on dust control measures right now."

NCBA supports EPA's plan to retain the current standard, but will continue working with Congress to move towards a more permanent solution.

Legislative Watch

H.R. 1259 / S. 2242 – Death Tax Repeal Permanency Act

To fully and permanently repeal the estate tax. NCBA urges a **YES** vote on the Death Tax Repeal Permanency Act Key Sponsors: Rep. Kevin Brady (R-Texas), Sen. John Thune (R-S.D.)

S. 1129 – Grazing Improvement Act

To make improvements to the efficiency and stability of the federal lands grazing permit process. NCBA urges a **YES** vote on S. 1129. Key Sponsors: Sen. John Barrasso (R-Wyo.)

S. 2245 / H.R. 4965 – Preserve the Waters of the United States Act

To prevent the Environmental Protection Agency and the Army Corp of Engineers (Corps) from using their "guidance" document to expand their jurisdiction of waters under the Clean Water Act.

NCBA urges a **Yes** vote on S. 2245. Key Sponsors: Sens. John Barrasso (R-Wyo.), Dean Heller (R-Nev.), Jim Inhofe (R-Okla.) and Jeff Sessions (R-Ala.) and Reps. John Mica (R-Fla.), Nick Rahall (D-W.V.), Frank Lucas (R-Okla.) and Collin Peterson (D-Minn.)

H.R. 5381 – Commonsense Legislative Exceptional Events Reforms Act of 2012 (CLEER Act)

To amend the Clean Air Act to exempt exceptional event demonstrations, like dust storms, and for other purposes. NCBA urges a **YES** vote on the CLEER Act Key Sponsor: Rep. Jeff Flake (R-Ariz.)

For a full list of legislation NCBA is monitoring <u>click here</u>.

New on the Web

Check out the <u>Beltway Beef blog</u> for inside perspectives on issues affecting U.S. cattlemen and women. You will find updates on legislation to amend the Clean Air Act and more. You can sign up on the blog to receive an email when new information is posted. You can also follow us on <u>Twitter</u>, be a fan of us on <u>Facebook</u>, check out our latest photos on <u>Flickr</u> or watch video updates on our <u>YouTube</u> page. For audio, visit and subscribe to the Beltway Beef <u>Podcast</u>. You can also subscribe to our <u>podcast</u> on iTunes.

Against All Odds, Senate Moves Ahead on Farm Bill

The Senate's version of the 2012 Farm Bill concluded today, June 21, 2012. The Senate finalized votes on the 73 amendments selected for consideration. The bill passed by a huge bipartisan majority with a 64-35 vote.



Colin Woodall is the vice president of government affairs for NCBA

Like many of us who have a vested interest in this legislation (S. 3240), I was pleasantly surprised by the bipartisan efforts made to move this bill through the Senate very efficiently and without much partisan rhetoric. Both Chairwoman Debbie Stabenow (D-Mich.) and Minority Leader Pat Roberts (R-Kan.) should be commended for their leadership on this very important piece of legislation. Their transparency and willingness to listen to all vested interests was very refreshing for the National Cattlemen's Beef Association and other like-minded organizations. NCBA stands firm in our commitment to support this legislation.

Two amendments that would have been deal breakers for NCBA to support this bill are not present in the final Senate version of this legislation. First off, the amendment (#2252) proposed by Sen. Dianne Feinstein out of California did not make it to the list of amendments up for consideration. This amendment would codify an agreement made by the Humane Society of the United States (HSUS) and the United Egg Producers. This amendment would, for the first time, take animal care out of the hands of the experts and give that control to the federal government. Allowing the federal government to set on-farm production mandates with a one-size-fits-all approach is quite frankly dangerous. While this amendment pertains only to egg production, there is absolutely no assurance that this will not be used as a blueprint for the entire livestock community. In fact, I feel comfortable saying that HSUS and their out-oftouch congressional allies will not stop with eggs.

HSUS has one goal and that is to end animal agriculture. We will not stand by and let that happen. In fact, cattlemen should know that in a blog post by HSUS leader Wayne Pacelle, he attributes his defeat in getting this amendment attached to the farm bill to efforts made by the pork and cattle communities. This happened because grassroots farmers and ranchers frequently visited elected leaders in Washington, D.C, made several phone calls and flooded mailboxes in staunch opposition of the federal government attempting to strip animal care decisions away from the experts. We will once again unite and work to keep this dangerous legislation out of the House version of the farm bill.

The other amendment vehemently opposed by cattlemen and women was offered by Sen. Chuck Grassley from Iowa. This amendment (#2170) would stop packer ownership of cattle. This is nothing new from the Senator. He makes this attempt during every farm bill and at every given opportunity. Fortunately, because of the cattle community's work on educating and staunchly opposing the U.S. Department of Agriculture's Grain Inspection, Packers and Stockyards Administration's rule on livestock marketing the so-called GIPSA rule - we were able to stop this amendment from even being considered. This amendment and ideology is based on ill-conceived notions that packer ownership of cattle manipulates the price of cattle for cattlemen. In fact, a USDA-funded study that resulted from the 2002 Farm Bill clearly defines that a packer ownership ban would have negative financial implications of family farmers and ranchers. The study also illustrates that the negative impact would trickle down to the consumer level by increasing meat prices and reducing choice at the grocery store. We will be working to ensure this amendment doesn't show up on the House side either.

Although the amendment process was certainly concerning in its early stages, all is well for cattlemen and women thanks to their outspoken grassroots advocacy and affiliation with NCBA, which was the only national cattle organization representing them on these very important issues. This legislation, as written, incorporates all NCBA priorities. Bottom-line, there is no livestock title, conservation programs - specifically EQIP (Environmental Quality Incentives Program) - are maintained and the research title is sustained. All this is done with more than \$20 billion in savings to the American taxpayer. We support this legislation and will continue working with the House to ensure amendments that would interject the federal government into production agriculture are left out of the legislation or soundly defeated. As we focus our efforts on working with the House Committee on Agriculture to ensure another version of this legislation that is positive for cattlemen, I must stress the importance of family farmers and ranchers being engaged in this process.

CattleFax Update

On Wed., June 20, the livestock, energy and financial markets traded lower as the U.S. Federal Reserve hinted at economic weakness.

Live cattle futures contracts traded mostly \$0.35/ cwt. lower. Feeder cattle futures traded down more than \$0.50/cwt. The Chicago Mercantile Exchange reported the Feeder Index at \$153.37/cwt., down \$0.40. The boxed beef cutout was steady, while the Choice-Select spread stands near \$18/cwt.

The pork cutout is at its highest level of the year valued above year ago levels for only the second time this year.

Grains traded mixed after the recent two-day rally. Corn futures lost about \$0.01/bu. on old crop and new crop traded about \$0.03/bu. higher. Soybean futures traded about \$0.13/bu. higher. Chicago and Kansas City wheat futures both traded more than \$0.15/bu. higher.

For recent market news and analysis, visit www.CattleFax.com.

Don't Miss Out on NCBA's Cattlemen to Cattlemen!

Don't miss *NCBA's Cattlemen to Cattlemen* June 26–30. Leaders from Dow AgroSciences and expert cattlemen discuss the benefits of good forage and pasture management programs.

NCBA's Cattlemen to Cattlemen debuts each Tuesday at 8:30 p.m. The show also airs Wednesday at 10:30 a.m. and on Saturday at 9 a.m. (all times are Eastern). Don't forget that you can also watch <u>NCBA's Cattlemen to Cattlemen online</u> anytime by visiting our website. Follow us on <u>Twitter</u> and become a fan on <u>Facebook</u>.



Your NCBA

Registration Open for 2012 Cattle Industry Summer Conference: Register today to attend the 2012 Cattle Industry Summer Conference July 25-28 in Denver, Colo. At this meeting, cattlemen and women discuss policy priorities and lay the framework for policy decisions at the annual convention. Click here to register to attend the 2012 Cattle Industry Summer Conference.



The National Cattlemen's Beef Association (NCBA) has represented America's cattle producers since 1898, preserving the heritage and strength of the industry through education and public policy. As the largest association of cattle producers, NCBA works to create new markets and increase demand for beef. Efforts are made possible through membership contributions. To join, contact NCBA at 1 -866-BEEF-USA or **membership@beef.org**.