



**National Cattlemen's
Beef Association**

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Contacts:

Mike Deering,
mdeering@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.



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Cattlemen's Capitol Concerns

NCBA Satisfied with WTO COOL Ruling

The World Trade Organization (WTO) issued its [final ruling](#) on Country of Origin Labeling (COOL), which was originally released in November of 2011 and appealed on March 23, 2012, by the U.S. Trade Representative. [National Cattlemen's Beef Association](#) (NCBA) Vice President Bob McCan was pleased with the ruling.

"The World Trade Organization has been extremely clear that mandatory Country of Origin Labeling is a clear WTO violation. This most recent decision is very similar to the initial ruling made more than seven months ago," said McCan. "Instead of working diligently to bring the United States into WTO compliance, we wasted several months and taxpayer dollars on an

appeal process. This did nothing more than jeopardize our strong trade relationship with Canada and Mexico, the two largest importers of U.S. beef. The Obama Administration prolonged an issue that could have been resolved quickly."

McCan said NCBA has worked closely with Canada and Mexico to prevent retaliatory tariffs and to maintain trust with the two largest buyers of U.S. beef.

"NCBA worked with Canada and Mexico to prevent any retaliatory action that could have occurred from the unfortunate decision made by the U.S. government to appeal the initial ruling," said McCan.

He also noted that the United States must do more than demand WTO compliance from U.S. trade partners.

"Cattlemen deserve a government that fights for and protects our opportunities. We need a government that not only demands WTO compliance of our trade partners but one that ensures the United States is abiding by these same guidelines," said McCan. "We are committed to working with this administration and Congress to find a permanent solution to this issue in order to bring the United States back into compliance. It is absolutely critical that the United States leads by example."

Codex Decides to Move Ahead with Ractopamine Standards — NCBA Commends Decision, Hopeful for Science Based Trade Policies

The National Cattlemen's Beef Association (NCBA) is present at the Codex meeting taking place in Rome July 2 -7. Participating member countries expressed their views on the safety of ractopamine and today, July 5, 2012, the member countries voted in favor of the adoption of standards for Maximum Residue Levels (MRL) for ractopamine. According to NCBA Chief Veterinarian Kathy Simmons, this is a victory for U.S. cattlemen and women.

"It is paramount that science is the foundation for all decisions made in the international community. Today, the Codex Commission proved they are willing to trust science and make decisions based on facts rather than politics," said Simmons, who is in Rome for the Codex meeting. "We are very

pleased that we can move ahead on adopting international standards for ractopamine. We commend the commission for all their work."

Established by the Food and Agriculture Organization of the United Nations and World Health Organization in 1963, the Codex sets international food standards and codes of practice that contribute to the safety of food trade. The issue of ractopamine has historically caused unnecessary trade disruptions, according to Simmons.

She said ractopamine is recognized by the U.S. Food and Drug Administration (FDA) as a safe feed additive, but the lack of international MRL standards caused confusion. NCBA is hopeful the Codex decision will bring science back

to the forefront of policies set by U.S. trading partners.

"Standards not based on science create an unnecessarily volatile trading environment for U.S. exporters who are reluctant to ship products to countries with non-science based testing regimes," said Simmons. "Hopefully, the Codex decision to move forward with science based standards will translate into a shift in trade policy for other countries to adopt science based safety standards."

NCBA Disappointed in Greenhouse Gas Court Ruling — NCBA Attorneys are Considering Next Steps

The U.S. Environmental Protection Agency (EPA) was unambiguously correct” in moving to set limits on industrial emissions of greenhouse gases including carbon dioxide, a federal appeals court said.

A three-judge panel of the U.S. Court of Appeals in Washington ruled that EPA properly concluded that greenhouse gases are pollutants that endanger human health and that opponents don't have the legal right to challenge rules determining when states and industries must comply with regulations curtailing emissions of them. National Cattlemen's Beef Association (NCBA) Vice President Bob McCan said NCBA is extremely disappointed in the court's decision.

“We continue to believe that the Clean Air Act is not an appropriate vehicle to regulate greenhouse gases and we are certain this manipulation of the Clean Air Act goes against congressional intent. This issue can be most appropriately handled by Congress because it will have significant impacts on every farmer and rancher across this country,” said McCan. “As an energy intensive sector, these regulations will have a disproportionate impact on our industry by increasing costs for electricity, feed and fuel. I also worry about 2016 when the EPA will make decisions about regulating industries that emit relatively small amounts of greenhouse gases like schools,

hospitals, farms and ranches. When the American public stopped cap and trade legislation from becoming law by voicing their opposition to their elected leaders, President Obama would not let it rest and instead pursued his anti-jobs/anti-agriculture agenda through backdoor regulation.”

McCan said NCBA's attorneys are reviewing the opinion and considering next steps.

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 [click here](#).

New on the Web

Check out the [Beltway Beef blog](#) 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 [Twitter](#), be a fan of us on [Facebook](#), check out our latest photos on [Flickr](#) or watch video updates on our [YouTube](#) page. For audio, visit and subscribe to the Beltway Beef [Podcast](#). You can also subscribe to our [podcast](#) on iTunes.

A Look Back

By J.D. Alexander, NCBA President



J.D. Alexander is the president of NCBA and a cattleman from Pilger, Neb.

At NCBA we're all busy with summer work and the staff is working hard to prepare for the 2012 Cattle Industry Summer Conference at the end of the month in Denver, Colo. With nearly half of my term as NCBA president behind me it seems like a fitting time to look at some recent industry events and some of the major accomplishments we have achieved together. In June we saw major victories on several fronts as a result of our hard work in Washington, D.C., including a major win as the Senate passed its version of the farm bill.

Early drafts of the Senate farm bill and several amendments included language which could have been harmful to agriculture in general, and livestock producers in particular. Our grassroots membership worked hard with their members of the Senate to defeat those issues and last month the Senate passed a farm bill which stripped the livestock title out of the bill and avoided the inclusion of production mandates, two key areas of concern for NCBA members. Although there is much work to be done as the House prepares to work on their version of the bill, the wins in the Senate were major successes for NCBA and its membership.

Last month livestock producers also scored a win against big government regulation when the U.S. Environmental Protection Agency (EPA) announced its preliminary standard for dust regulation. EPA announced that it would leave the current standard in place and avoid placing dust restrictions on agriculture which would have effectively made it illegal to drive a pick-up truck down a gravel road in most areas of the country. This assurance that cattlemen and women won't be faced with crippling dust regulations based on an unscientific standard will help add to the confidence in our rural American businesses.

We've also made significant progress in the area of beef trade since the start of the year as well. With the enactment of three key free trade agreements (FTAs) and the inclusion of Canada and Mexico in the Trans-Pacific Partnership, U.S. cattlemen and women are gaining major market

advantages. The FTAs with Colombia, Panama and South Korea open important markets and level the playing field for U.S. beef. Including Mexico and Canada, the two largest buyers of U.S. beef in the TPP negotiations will help ensure that our products are allowed fair market access and that our trading partners are applying the same phyto-sanitary guidelines to U.S. beef as are used to determine access for other nations. By making certain U.S. beef is treated fairly and traded freely we're adding value to each and every animal in the country.

However, we also have to treat products from other countries with the same respect we ask of ours. In late-June, the World Trade Organization (WTO) found that mandatory country of origin labeling (COOL), in its current form is a violation of the North American Free Trade Agreement. NCBA had long predicted that outcome and worked hard with our trading partners on both sides of the borders to prevent the application of damaging tariffs to U.S. beef. Now that the final WTO ruling is in place, we're committed to working with USDA and members of Congress to ensure that we're meeting our obligations to our trading partners around the world.

Although we have accomplished much in a very short time, there is still a great deal of work ahead of us and we can't take our eye off the ball. The most pressing issue remains finding a permanent solution to the death tax issue. We cannot lose sight of that goal. Between now and the end of 2012, we will all be working hard in Washington, D.C., to find a solution that ends this burdensome tax and prevents the break-up of multi-generational farms and ranches. We must have a permanent solution in place before the end of the year and we'll be hard at work to ensure that happens.

Without the unwavering support of grassroots NCBA members, none of our achievements over the past six months and longer would have been possible and for that I'd like to extend a personal thank you to each and every one of you. I would also like to invite you to join us July 25-28, in Denver as we chart the course for the future at the end of July. Join us and make your voice heard as we work to provide a sustainable and successful future for cattlemen and women across the country.

CattleFax Update

The markets continue to trade relatively mixed, while grains trade sharply higher on weather concerns.

Live cattle futures traded a few cents lower. Feeder cattle futures contracts traded more than \$1.50/cwt. lower for the most part. The CME reported the Feeder Index at \$149.14/cwt., up \$0.45. The boxed beef cutout ended mixed, while the Choice-Select spread widened to \$17.73/cwt.

Corn futures traded \$0.55/bu. higher on old crop and new crop traded about \$0.34/bu. higher. Soybean futures traded about \$0.54/bu. higher. Chicago and Kansas City wheat futures both traded more than \$0.31/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* July 10 -14. Viewers get an inside look at the Federation of State Beef Councils and learn more about how they help put checkoff dollars to work.

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 NCBA's Cattlemen to Cattlemen online](#) anytime by visiting our website. Follow us on [Twitter](#) and become a fan on [Facebook](#).



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.

Beef Safety Executive Summary Online: 2012 marked the 10th anniversary of the annual Beef Industry Safety Summit, the premier beef safety event in the country. Safety experts involved in beef production, processing and marketing gather at this event to discuss both challenges and opportunities. Celebrating 10 years of progress, this year's Summit looked back at how much has been accomplished since the first Summit was held in San Antonio, Texas. However, industry leaders clearly communicated the importance of avoiding complacency. Recognizing the emerging safety challenges facing the industry, attendees at the 2012 Summit also received an update on the latest science, discussed current pathogen issues, identified knowledge gaps that need to be addressed, and shared information on best practices to enhance the safety systems currently in place. To access an online version of this year's Executive Summary, go to www.beefresearch.com. Click on Beef Safety Research and using the Beef Safety drop down menu bar on the left, click on Executive Summaries.



National Cattlemen's Beef Association

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.