



**National Cattlemen's  
Beef Association**

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*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.*

# Beltway Beef



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## Cattlemen's Capitol Concerns

### Study Supports Need to Reform Ethanol Mandate

In response to a new economic study on the impact of corn ethanol production on food prices and commodity price volatility, a coalition of livestock and poultry groups is urging Congress to reform the federal Renewable Fuels Standard (RFS), which mandates the amount of ethanol that must be produced annually.

Conducted by Thomas Elam, Ph.D., president of FarmEcon LLC, an Indiana agricultural and food industry

consulting firm, the study found that federal ethanol policy has increased and destabilized corn, soybean and wheat prices to the detriment of food and fuel producers and consumers.



*Dr. Tom Elam gives a presentation on the impact of the renewable fuel standard.*

The RFS, first imposed in 2005 and revised in 2007, this year requires 15.2 billion gallons of ethanol to be produced. Most of that amount is

blended into gasoline at 10 percent.

"The increases we've seen in commodity prices are strongly associated with the RFS mandate," said Elam. "At the same time, we haven't seen the promised benefits on oil imports or gasoline prices. This means that while Americans are forced to pay more for food, they're also not seeing lower prices at the pump; it's a lose-lose situation."

As a Senate Biofuels Investment and Renewable Fuels Standard Market Congressional Study Group examines several aspects of the RFS, the study will provide critical facts needed to reform the current standard. Read the rest of this article [here](#).

### NCBA Comments on EPA's Dust Standard

The National Cattlemen's Beef Association (NCBA) made clear its position on any attempt by the Environmental Protection Agency (EPA) to lower the coarse particulate matter (PM) standard as part of the National Ambient Air Quality Standards (NAAQS) during one of two public hearings hosted by EPA.

"NCBA represents tens of thousands of America's cattlemen and women who provide much of the nation's supply of food. Our members are proud of their tradition as stewards and conservators of America's lands and waters," said Ashley McDonald, NCBA Deputy Environmental Counsel, during the hearing. "Cattle producers across the country would be adversely affected if EPA lowers the dust standard, especially those in the West, Southwest and Midwest,

and we urge the agency to retain the current standard as proposed." Every five years, the EPA is required to review scientific studies associated with "criteria pollutants" regulated under the NAAQS of the Clean Air Act to determine if the pollutant is regulated appropriately. One of the criteria pollutants is PM, which includes dust. The coarse PM emitted from cattle operations is fugitive particulate matter or fugitive dust, which is the result of windblown dust and cattle movements.

During Tuesday's hearing, McDonald made it clear that if the PM NAAQS is further reduced, it will be virtually impossible for current agricultural facilities, including feedlot operations, to demonstrate compliance.

"NCBA believes regulations designed to protect the public health can only

achieve that goal when they are based on a solid scientific foundation," said McDonald. "Over the past 30 plus years, many experienced medical and public health experts in respiratory diseases, epidemiology, toxicology and clinical treatment have noted that coarse PM has never been demonstrated to have adverse health effects at ambient levels."

NCBA supports the Farm Dust Regulation Prevention Act, proposed by U.S. Senator Mike Johanns (R-Neb.) and Congresswoman Kristi Noem (R-S.D.). The legislation essentially would exempt farmers and ranchers from federal dust regulations if it is regulated at the state or local level.

## NCBA Holds Beef 101 Educational Series on Capitol Hill — Educational Series Helps Congressional Staff Understand the Beef Industry

Representatives from the National Cattlemen's Beef Association (NCBA) and the Nebraska Cattlemen gave an overview of the U.S. beef industry to congressional staff members as part of NCBA's "Beef 101" educational series.

Beef 101 is an educational series for members of Congress and their staff. The program was developed to bridge the knowledge gap between elected officials and the beef industry. The session featured a presentation by University of Nebraska-Lincoln professor Tom Field, Ph.D., who gave a general overview of the U.S. beef industry. Field told roughly 40 attendees that the \$220 billion beef industry is largely family-owned, with 97 percent of beef producers located on family farms, ranches and feedyards.

Field, who runs a family cattle operation in Colorado, explained to attendees the current beef industry is made up of 751,000 beef herds totaling approximately 30 million cows and 26 million feeder calves. He also stated that since the 1970s, the U.S. has lost 43 percent of cow-calf producers, and that the beef cow inventory is at its lowest number since 1952. This decline even continued during a



*Dr. Tom Field presents the Beef 101 education series.*

"relatively high level" of profitability from 1999 to 2011. Drought, land values, input costs, downward turn of the U.S. economy, increasing age of the average cattleman, media and government regulatory overreach are all contributing factors to the decreasing cattle inventory and loss of cow-calf producers.

However, Field emphasized how efficient and skilled U.S. cattlemen and women are, stating that the United States accounts for seven percent of the world's cattle, but provides 20 percent of global beef production, a number unmatched by any other beef producing country in the world.

"The Beef 101 series is a great way for members of Congress and their staff to learn about the beef industry and get up to speed on current issues affecting cattlemen and women," said Michael Kelsey, Executive Vice President of Nebraska Cattlemen. "More than anything, this series provides an accurate picture of what the beef industry is made of; good, hard-working people."

Nebraska cattlemen Chris Bolte, manager of Bruning Farms, and Travis Sinn, manager of Sinn Ranch, both family-owned farms, each gave a short speech on their respective cattle operations and answered questions from congressional staff.

### 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.)

#### H.R. 6083 – Federal Agriculture Reform and Risk Management Act

The House version of the 2012 Farm Bill. NCBA urges a **YES** vote on H.R. 6083. Key Sponsors: Frank Lucas (R-Okla.)

#### H.R. 956 / S. 1211 — Preservation of Antibiotics for Medical Treatment Act

Amends the Federal Food, Drug, and Cosmetic Act to require the Secretary of Health and Human Services (HHS) to deny an application for a new animal drug that is a critical antimicrobial animal drug unless the applicant demonstrates that there is a reasonably certainty of no harm to human health due to the development of antimicrobial resistance attributable to the nontherapeutic use of the drug. NCBA urges a **NO** vote on PAMTA. Key Sponsor:s: Rep. Louise Slaughter (D-N.Y.), Sen. Dianne Feinstein (D-Calif.)

*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 border security and a comprehensive rule for BSE. 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.

## The Regulatory War

By Ashley McDonald, NCBA Deputy Environmental Counsel

Always a hot topic in Washington, D.C. is “regulatory overreach.” This phrase has been the battle cry for many industries over the past few years, and the cattle industry is no exception. As one of the top two enforcement priorities for the U.S. Environmental Protection Agency (EPA), the cattle industry has seen an attack from all sides. We are fighting issues from dust and greenhouse gas regulation to preventing your ditches and dry washes from becoming a “water of the United States.” EPA is a power hungry bureaucratic machine, and it is in their own self-interest to continue to stretch their authority and gain power over every aspect of our operations. War has no doubt been declared on both sides, but while EPA may have won a few battles, NCBA will fight to ensure the cattle industry wins the war.



Let's examine where the agency has gone over the past few years. Immediately upon arrival, EPA Administrator Lisa Jackson declared carbon dioxide and other greenhouse gases a direct threat to human health and she went on to promulgate three major rules that will raise input costs to farmers and ranchers and subject them to permitting requirements for their emissions starting in 2016. That year as well, the agency published staff recommendations that the dust standard should be lowered to double the stringency of the current standard, subjecting cattle producers across the country to expensive regulations and fines for driving down a dirt road or cattle moving in pens.

Next the agency dropped another bomb, usurping states' rights in the Chesapeake Bay watershed by taking over all aspects of the Clean Water Act and setting a TMDL (total maximum daily load) for the 64,000 square mile watershed. While the usurpation of the states' rights is atrocious, it pales in comparison to the economic impact this rule will have. Nutrient loadings have been set so low that only completely idling land is an option. Not only will municipal ratepayers in the region pay more for their water bill, but a 20 percent reduction in the amount of farmland in the watershed is relied upon by EPA in order for states to meet their obligations under the TMDL. Bad data and false assumptions plague the EPA “model” that developed the nutrient loadings, so much so that NCBA and other agricultural groups had an analysis done on these assumptions and found that not only was EPA's model wrong in the amount of nitrogen and phosphorus that came from agriculture, but the model simply would not count

many of the conservation measures producers had put on the ground.

The agency next instituted the Florida numeric nutrient criteria (NNC) rule, again railroading the state's rights under the Clean Water Act. That rule too will come with a heavy price tag, with estimates that the federal rule will cost the state more than 14,000 in job losses and cost agriculture over \$3 billion in implementation costs. The list of overreaching federal regulations that directly hurt cattle operations continues, with ammonia regulation under the Clean Air Act, pressure on states to develop more nutrient reduction regulations, a guidance document expanding “waters of the U.S.,” and new reporting rules. While the cattle industry is bruised and bloody from these actions, the agency has also felt the sting of defeat, and NCBA's win column is increasing. In the face of a tough re-election campaign, the Administration has decided to pull back in its war against farmers and ranchers. You

will remember the heat the agency took over their consideration of lowering the dust standard, and eventually NCBA was successful in getting the Administrator to promise she would not propose to lower the standard. EPA also decided not to move forward with its plan for regulating ammonia under a Clean Air Act standard for oxides of Nitrogen. And just this month, EPA withdrew a controversial reporting rule it had proposed back in October of 2011 that would have put our industry at risk of increased attacks from animal rights activists and terrorists.

The war is not yet won. The number of people involved in agriculture and living in rural America continues to decrease, while the knowledge gap about our industry continues to widen. Cattle producers must be outspoken about the measures we have put in place to protect the environment and how the U.S. cattle industry is more sustainable than anywhere else in the world. The knowledge gap does not reside with consumers alone. It is prevalent with regulators, congressmen and senators. NCBA works every day to close this gap and limit the number of harebrained regulations that seem to flow so easily out of the capitol city. While NCBA will not win every battle, we intend to win the war and keep ranching a viable way of life.

## CattleFax Update

On Wed., July 18, energy markets traded at higher prices, while agricultural and financial markets were mostly mixed. Live cattle futures traded \$2.50 to \$3.00/cwt. higher, while feeder cattle futures contracts traded limit (\$3/cwt.) higher in most cases. The CME reported the Feeder Index at \$139.39/cwt., down \$0.27. It was the seventh consecutive day of lower prices. The boxed beef cutout traded lower as middle meat demand continues to weaken. Grains traded mostly higher in the nearby contracts. Corn futures traded from \$0.10/bu. to \$0.15/bu. higher into the July 2013 contract. Soybean futures traded up to \$0.44/bu. higher through the March 2013 contract. Chicago wheat futures traded up to \$0.18/bu. higher, and Kansas City wheat futures traded more than \$0.05/bu. higher in most instances.

For recent market news and analysis, visit [www.CattleFax.com](http://www.CattleFax.com).

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

Don't miss NCBA's *Cattlemen to Cattlemen* July 24-28. Viewers get a special look at stories from the vault as the show revisits some of the most popular segments since its inception in 2007.

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

**Register Today to Attend 2012 Summer Conference:** Mark your calendars and make plans to attend the 2012 NCBA Summer Conference July 25-28, 2012, in Denver, Colo. The 2012 Cattle Industry Summer Conference will feature meetings of the National Cattlemen's Beef Association, Cattlemen's Beef Promotion and Research Board, American National CattleWomen, Inc. and National Cattlemen's Foundation. Here cattle industry members will meet in both NCBA Policy committees and subcommittees, as well as joint committees and subcommittees to discuss current developments, to work on initiatives developed at convention and to make plans for the upcoming fiscal year that begins October 1. For more information on the conference and to register, [click here](#).

**NCBA PAC in Action:** Rep. Pete Olson (R-Texas) sited the NCBA Washington, D.C., office on July 19. Olson discussed with NCBA staff important issues such as regulatory overreach and the 2012 Farm Bill. Rep. Olson (left) is pictured below with Colin Woodall, NCBA Executive Director of Legislative Affairs.



## 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](mailto:membership@beef.org).*