



**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

### House, Senate Urge EPA to Adjust Ethanol Mandate — NCBA Backs Policymakers' Quest to Bring Relief to US Cattle Ranchers

The [National Cattlemen's Beef Association](#) (NCBA) stands with 156 U.S. Representatives and 26 U.S. Senators in their quest to bring commonsense to Washington, D.C., and relief to rural America by encouraging Environmental Protection Agency (EPA) Administrator Lisa Jackson to implement a waiver to the Renewable Fuel Standard (RFS). Last week, more than 150 representatives signed a [letter](#) to Administrator Jackson and on Aug. 7, nearly [30 senators did the same](#).

In the House, the letter was a bipartisan effort led by Congressmen Bob Goodlatte (R-Va.); Jim Matheson (D-Utah); Steve Womack (R-Ark.); and Mike McIntyre (D-N.C.).

"The RFS mandate has created a domino effect. Tightening supplies have already driven up the price of

corn, and the extreme weather being experienced by much of the nation will only further increase prices. I am pleased that my colleagues in the Senate have joined me and 155 other Members of the House of Representatives in urging EPA Administrator Jackson to act now to make a critical reduction in the RFS for 2012," said Rep. Goodlatte.

NCBA President J.D. Alexander said his organization supports American ethanol. Alexander, who is a cattleman from Nebraska, said corn-based ethanol has done a lot to stabilize many rural communities in his state and yields a co-product, dried distillers' grains, which many cattlemen use as a feed ingredient. Alexander, like many of the members of Congress urging EPA to issue the waiver, is seeking a level playing field for cattlemen to compete "head-to-

head" for a bushel of corn in one of the worst droughts in the nation's history. According to the U.S. Department of Agriculture, roughly 70 percent of cattle producing regions are suffering from drought conditions.

The Senate letter was also a bipartisan effort led by Senators Saxby Chambliss (R-Ga.) and Kay Hagan (D-N.C.).

"A waiver from the corn-ethanol mandate will provide much needed relief for livestock and poultry producers suffering from record high corn prices brought on by the worst drought in 50 years," said Sen. Hagan.

The RFS requires 13.2 billion gallons of corn-based ethanol to be produced in 2012 and 13.8 billion gallons in 2013, amounts that will use about 4.7 billion and 4.9 billion bushels, respectively, of the nation's corn.

### NCBA Not Letting the Dust Settle on Dust Standard

As the public comment period for the National Ambient Air Quality Standard (NAAQS) continues through the end of the month, the [National Cattlemen's Beef Association](#) (NCBA) is urging its members to contact the U.S. Environmental Protection Agency (EPA) concerning the NAAQS for particulate matter (the dust standard).

In June EPA agreed via a consent decree with environmental petitioners that it will issue the final standard in December of this year.

The dust standard requires cattle producers in arid parts of the country to spend hundreds of thousands of dollars to mitigate dust.

"Even though EPA held true to its promise to propose to retain the current standard for farm dust, cattle producers should still be concerned because a final standard could end up being a lowered standard," said Ashley McDonald, NCBA deputy environmental counsel. "A lower dust standard means one thing—more regulation. More regulation means one thing—more costs to cattlemen. NCBA encourages cattlemen to strongly voice their opinion during the current public comment period that ends August 31."

Costs to farmers and ranchers could affect their ability to expand their

operation, hire new employees, or invest in innovative production or conservation practices.

"There is zero scientific evidence showing farm dust causes negative health effects at ambient levels," said McDonald. "Lowering this standard will place great burdens on the cattle industry and all of agriculture."

If you would like to send a letter to EPA voicing your support of the current dust standard, click [here](#).

## BLM Attempts to Include 'Wildlands Order Version 2.0' in Guidance Documents

Just last week, the Congressional Western Caucus (CWC) brought to light what appears to be the Obama administration's revival of the congressionally blocked "Wildlands Order," this time in the form of two new Bureau of Land Management (BLM) guidance manuals on managing lands with "wilderness characteristics." It is unclear when the manuals, dated March 2012, were posted on the BLM website, but according to Dustin Van Liew, Director of Federal Lands for the [National Cattlemen's Beef Association](#) (NCBA), neither industry nor anyone else was given notice of the new guidance until last week, when the CWC discovered the manuals and issued a press release.

Described as "Wildlands 2.0" by Rep. Rob Bishop (R-Utah), Chairman of the Subcommittee on National Parks, Forests and Public Lands, these manuals are strikingly similar to Interior Secretary Ken Salazar's Wildlands Order, which has been statutorily blocked by Congress since April 2011.

"I am troubled and angered by similarities found between the contents of the hand books and the defunct Wild Lands proposal. This is clearly an effort to establish 'Wild Lands 2.0' and abandons all previous commitments Secretary Salazar made to me and many other Western members to work openly and collaboratively on new land management practices," said Bishop in a statement. "I expect a prompt response from Secretary Salazar and will continue to pursue this issue to ensure that the livelihoods of westerners are protected."

Consistent with the Federal Land Policy Management Act (FLPMA), these manuals give guidance to the BLM to "inventory" lands; however, NCBA believes the manuals diverge from statute when they call for management to "maintain wilderness characteristics", which clearly goes beyond the scope of simply inventorying land for specific characteristics. Additionally, the use of open-ended public nominations of areas perceived to have "wilderness characteristics" will open the door to wasteful, burdensome processing on the part of the agency.

"These documents provide boundless opportunities for radical environmental groups to nominate lands and induce endless evaluation by the agency in order to decide whether wilderness characteristics exist," said Van Liew. "While NCBA recognizes the authority of the BLM under the FLPMA to inventory lands for wilderness characteristics and other attributes, there exists no authority for the agency to then manage to maintain or give priority to 'wilderness characteristics' over other multiple uses. This guidance lies far outside the agency's statutory authority."

NCBA and the Public Lands Council (PLC) are in contact with the House Committee on Natural Resources, the CWC and Rep. Bishop to discuss the administration's apparent attempt to bypass Congress' wildlands block.

### 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 Sponsor: Sen. John Barrasso (R-Wyo.)

#### H.R. 5961 – Farmer's Privacy Act

To provide reasonable limits, control, and oversight over the Environmental Protection Agency's use of aerial surveillance of America's farmers. NCBA urges a **YES** vote on H.R. 5961. Key Sponsor: Shelley Moore Capito (R-W. Va.)

#### 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 Sponsor: Frank Lucas (R-Okla.)

*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.

## Waiving the Ethanol Mandate to Provide Relief to Producers and Consumers

By Rep. Bob Goodlatte (R-Va.)



Food or feed? We should not put our nation's livestock producers in the position of having to choose one over the other. But federal law has done just that. As a severe drought continues to hold our nation in its grip, concerns over the corn crop and soaring prices are on the minds of nearly every livestock producer. Drought maps show that farmers from Nebraska to Virginia are facing some of the driest conditions seen in the United States in nearly 50 years.

Unfortunately, government policies are only adding to this difficult situation by diverting increased food and feed stocks into fuel, leading to diminished supplies for livestock and

food producers. The Renewable Fuel Standard (RFS) mandates that 36 billion gallons of renewable fuels be part of our nation's fuel supply by 2022. Almost the entire mandate is currently being fulfilled by corn ethanol. As the amount of corn being used for fuel goes up each year, the problem grows worse. In 2011, five billion bushels of the corn supply was used for ethanol – equal to nearly 40 percent of the U.S. corn crop. Last year was the first year ever that ethanol production used more of our corn supplies than feeding livestock and poultry in the U.S.

As we confront the reality of tightening corn supplies, especially during this extreme drought, there are real concerns about having enough to satisfy both the RFS and the needs of our livestock and food producers. There is no doubt that this policy has driven up the price of corn, which has exceeded \$8.00 per bushel. An enormous increase in the price of corn has a direct impact on the bottom line of livestock producers. As herd sizes shrink, resulting increases in food prices are ultimately passed down the line in the form of higher grocery bills for families. In fact, the U.S. Department of Agriculture (USDA) has already estimated that food prices will rise by 3 to 4 percent in 2013.

The current drought and diminishing corn crop will devastate our economy if the mandate is not waived. However, the Obama administration has at its disposal a tool that would provide drought relief, if only temporarily – a reduction in the government mandated RFS. That is why I sent a letter to U.S. Environmental Protection Agency (EPA) Administrator Lisa Jackson on August 2, urging an immediate waiver of the RFS for this year.

Representing dozens of states from coast to coast, 155 bipartisan members of the U.S. House of Representatives responded to my

initiative and joined me in signing this letter. Likewise, 26 senators sent a similar letter voicing their support of a waiver to the EPA this week.

EPA has the authority, by law, to reduce the required volume of renewable fuels in any year based on severe harm to the economy or environment of a state, a region or the United States. Today's conditions make a waiver necessary. The members of the House who signed this letter are not the only ones who agree with the need for a waiver. Recently several livestock groups, using the Administrative Procedures Act, petitioned the Administrator to use her authority to begin the process to waive the mandate. A wide range of organizations – including energy, hunger, environmental, grocery manufacturers and restaurant groups – have also raised concerns about the federally mandated RFS. The time for action is now in order to provide immediate relief from the RFS.

The growing concern over corn supplies and soaring prices are a clear signal that Congress must reopen the RFS debate. Last October, I introduced the Renewable Fuel Standard Elimination Act (H.R. 3098) and the Renewable Fuel Standard Flexibility Act (H.R. 3097), which alters the RFS to give relief to our livestock and food producers and consumers of these products. The legislation will link the amount of corn ethanol required for the RFS to the amount of the U.S. corn supplies. H.R. 3097 provides a mechanism that would reduce the RFS when USDA reports that U.S. corn supplies are tight, based upon the ratio of corn stocks to expected use. For example, if this policy was in place now, the legislation would trigger a 25 percent reduction in the RFS. The RFS mandate has created a domino effect. I am a strong supporter of renewable fuels, when they compete fairly in the marketplace. However, the current ethanol policy is unfair and causing unintended, negative consequences for American consumers, livestock farmers and food manufacturers. I hope that this legislation will serve as a springboard for congressional action on a long-term legislative fix of this broken RFS policy and help ensure sure that we have enough corn supplies to meet all of our demands.

My prayers are with America's farmers that we will soon see relief from this drought – both in the form of much-needed rain and federal action to waive the ethanol mandate.

## CattleFax Update

On Wed., Aug. 8, market prices traded generally higher today - especially for agricultural commodities. Live cattle futures traded more than \$1/cwt. higher. Feeder cattle futures contracts traded more than \$1.50/cwt. higher. The CME reported the Feeder Index at \$136.77/cwt., down \$0.53. Boxed beef cutout values added more than \$1.50/cwt. Grains traded higher ahead of Friday's USDA crop production report. Corn futures closed up \$0.08/bu. to \$0.16/bu. Soybean futures traded more than \$0.16/bu. higher. Chicago and Kansas City wheat futures traded more than \$0.07/bu. higher.

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* Aug. 14-18. This episode features stories from Land O' Lakes Purina Feed discussing sustained nutrition and how their products can help cattle get the nutrition they need to be profitable.

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

**NCBA Takes Top Awards at Agricultural Media Summit:** At the Agricultural Media Summit in Albuquerque, N.M., NCBA's *Beltway Beef* blog received a first place award for best blog, along with receiving first place for our *Beltway Beef* audio series. *National Cattlemen*, NCBA's monthly publication, was awarded top association publication. The Agricultural Media Summit is a joint meeting of the American Agricultural Editors' Association, the Livestock Publications Council and the American Business Media Agri-Council. The meeting is the largest in the United States of the agricultural industry's top writers, editors, photographers, publishers and agricultural communications specialists.

**NCBA-PAC in Action:** The latest issue of the NCBA-PAC newsletter, IMPACT, will be out soon. Be on the lookout for your copy! Contact Anna Lee, NCBA-PAC director, at [alee@beef.org](mailto:alee@beef.org) with any questions.



## 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).