



## 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

### What the Fiscal Cliff Package Means for Farmers

Congress gave its final approval on Tuesday to a bill which, for now, takes America off the edge of the "fiscal cliff" for the time being, but still leaves the country hovering near the edge and agriculture producers without a full farm bill.

By a vote of 257-167 vote in the House, passage of the bill came after a day of drama on Capitol Hill. As it stands, the bill permanently extends the 2001 and 2003 tax rates for individuals with income below \$400,000 and below \$450,000 per couple, with an increase in tax rates for incomes over these thresholds from 35 to 39.6 percent. The capital gains tax rate for higher incomes will

rise from 15 to 20 percent.

On the estate tax, a top priority for the [National Cattlemen's Beef Association](#) (NCBA), the exemption level remains at \$5 million (\$10 million per couple). Unfortunately, the top tax rate on the value of the estate over the exemption level increases from 35 to 40 percent. Fortunately, estate tax exemptions remain tied to inflation, maintain the step up in basis and allow for spousal transfers.

"We pushed to keep the estate tax exactly the way it was. We were able to keep the exemption levels tied to inflation so they will increase over time," said NCBA Vice President of

Government Affairs Colin Woodall. "It's not perfect, but it is now permanent and we can focus on other ways to protect the estates of cattlemen and women."

The package extends the 2008 Farm Bill until Sept. 30, 2013, and authorizes limited disaster assistance for fiscal years 2012 and 2013, with \$80 million for livestock indemnity payments, \$400 million for the livestock forage disaster program and \$50 million for emergency assistance for livestock. Funding for these programs is subject to receiving the money from appropriations committees.

### Animal Disease Traceability Rule Publication Delayed

After announcing that the final Animal Disease Traceability (ADT) rule would be published in the Federal Register on Dec. 28, 2012, the U.S. Department of Agriculture's (USDA) Animal and Plant Health Inspection Service (APHIS) announced last week that the rule would not be published on that date. Instead, the agency said the final rule will be published the first week of January, making the effective date early March, or 60 days from when the rule is published.

On Dec. 20, 2012, Agriculture Secretary Tom Vilsack made an announcement about the ADT rule and mentioned important provisions included in the rule. Under the final rule, unless specifically exempted, livestock moved interstate would be required to be officially identified and

accompanied by an interstate certificate of veterinary inspection or other documentation, such as owner-shipper statements or brand certificates. [National Cattlemen's Beef Association](#) (NCBA) Chief Veterinarian Dr. Kathy Simmons said NCBA will thoroughly analyze the rule once it is published in the Federal Register.

"NCBA has been an industry leader in working diligently with USDA APHIS to ensure cattlemen's concerns are addressed in this new animal disease traceability program," said Simmons. "We're encouraged that many of the priorities of cattlemen and women have been considered in this final rule. Cattlemen and women are looking for a rule that does not come with additional costs and does not hinder

the speed of commerce."

Among the priorities included in the rule are that brands will be recognized when accompanied by an official brand inspection certificate as means of official identification for cattle. The rule will also allow flexibility in tagging procedures and paperwork. Most important to cattle producers, according to Simmons, is the Secretary's announcement of separate rulemaking for beef cattle under 18 months of age.

"Raising healthy cattle is a top priority for cattlemen," Simmons said. "NCBA remains supportive of an animal disease traceability program for cattle health purposes, and we encourage APHIS to continue working with industry leaders on animal health issues."

## **New Faces, Organizational Changes for the House Natural Resources Committee**

Along with the 113th Congress being sworn in today, changes to committees will be made, one of them being the House Natural Resources Committee. The committee considers legislation about American energy production, mineral lands and mining, fisheries and wildlife, public lands, oceans, Native Americans, irrigation and reclamation. Chairman Doc Hastings (R-Wash.) recently named Subcommittee Chairmen for the new Congress.

Hastings also announced the establishment of a new Subcommittee on Public Lands and Environmental Regulation, which will be chaired by Rep. Rob Bishop (R-Utah), who previously chaired the former Subcommittee on National Parks, Forests and Public Lands. The new subcommittee will retain its jurisdiction over all public lands including the National Park System, U.S. Forests, Bureau of Land Management lands and national monuments, and will acquire jurisdiction over matters related to the National Environmental Policy Act (NEPA). The Natural Resources Committee has primary jurisdiction over NEPA in the House of Representatives and oversight and legislative efforts regarding NEPA were previously handled at the full committee.

[Public Lands Council](#) (PLC) Executive Director and [National Cattlemen's Beef Association](#) (NCBA) Director of Federal Lands

Dustin Van Liew said the establishment of this subcommittee will allow authority over NEPA to be exercised in a more focused manner.

"PLC is pleased at this reorganization and placing of NEPA under Rep. Bishop's subcommittee, as NEPA reform will be a priority issue for us moving forward," said Van Liew.

Hastings also announced the 26 Republicans expected to serve on the committee in the 113th Congress. The list has been recommended by the Republican Steering Committee and is expected to be officially adopted this month by the Republican Conference and the House.

The full committee will be made up of 26 Republicans and 21 Democrats. Five newly-elected Republican members will join the committee, including Kevin Cramer (R-N.D.), Steve Daines (R-Mont.), Doug LaMalfa (R-Calif.), Markwayne Mullin (R-Okla.) and Chris Stewart (R-Utah). Rep. Cynthia Lummis (R-Wyo.) will remain on the committee. The Democratic members of Congress joining the committee are Tony Cardenas (D-Calif.), Jared Huffman (D-Calif.), Raul Ruiz (D-Calif.) and Steven Horsford (D-Nev.).

### **Legislative Watch**

Jan. 3, 2013, is the start of the 113th Congress. 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 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.

## Looking Forward for Agriculture



*By Rep. Kristi Noem (R-S.D.)*

America's farmers and ranchers have faced a lot of uncertainty over the past several years. With new regulations coming down the pipeline constantly and the threat of higher taxes and consequences of inaction on a farm bill always on the horizon in 2012, our agriculture community has rightly been on edge. This coming year should bring a little more certainty.

Just this week an extension of the current farm bill was approved through the end of the fiscal year. I have been fighting tooth-and-nail for a full, five-year farm bill, but unfortunately, the clock ran out.

When that happened, the priority became locking in some certainty for our crop producers and livestock owners that need to make decisions now while we continue to work toward an agreement on a long-term plan. As a lifelong farmer and rancher in South Dakota, I know just how important stable agriculture policy is, and that's why I supported the extension. I look forward to continuing to work to get a good five-year bill hammered out in the next several months.

Farmers and ranchers also have new, permanent certainty when it comes to the estate tax. In South Dakota, 98 percent of farms are family owned and operated, and most of these folks want to keep that land in the family for generations to come.

Unfortunately, the death tax threatens the ability for family farms to stay in the family. Many people know that the death tax is a very personal issue for me. When I was in college, my father died unexpectedly in a farm accident. On top of the grief of losing my role model, my family was also hit with the death tax. We had to decide to sell land or take out a loan to pay that tax. Death should not be a taxable event and I am continuing to work for a total repeal of the death tax. However, I am glad that we were at least able to prevent the massive increase that was scheduled to go into effect at the start of this year. Without the recently enacted legislation to avert the "fiscal cliff," the death tax would have reverted to a \$1 million exemption and 55 percent tax rate on any assets above that. Now, with the \$5 million exemption made permanent, we can continue to work toward total repeal.

As we look forward into the New Year, it's also important to recognize the success we have seen in the past year. There is one takeaway I want to particularly focus on, and that's the

importance of grassroots efforts. Since I have been in Congress, I have seen how when we band together against government overregulation, we can make a difference. The first example of this is with the Environmental Protection Agency's (EPA) talk of further regulation of farm dust. If EPA would have moved forward with more stringent rules, it could have forced many to stop farming on a windy day. I introduced legislation that passed the U.S. House to put a stop to this, and the uproar from rural communities also caused EPA to give assurances that further regulation of farm dust would not move forward.

Another great example came when the Department of Labor (DOL) tried to make it harder for young people to do work on farms and ranches. Like so many in rural communities, I grew up working cows, fixing fences and helping my dad during planting and harvest. I didn't just learn practical skills for life, but I also gained a strong appreciation for hard work, patience and persistence. Like so many parents, farm safety is critically important to me, but I don't believe Washington bureaucrats, many of whom have never spent a day on the farm, should be overregulating a young person's ability to learn these life lessons. I was proud of the wave of opposition that rose up from South Dakota and rural communities across the country against this infringement on our way of life, and was pleased when DOL rescinded its proposal.

I am proud of what our agriculture community has been able to accomplish together and look forward to working to further protect our way of life. As we see the average age of farmers and ranchers increasing, we need to promote rural life and encourage young people to stay in the family business. I will continue working on policies in Washington that will make agriculture a viable industry for our young people far into the future.

## CattleFax Update

On Wed., Jan. 2, markets traded mixed to higher to start the new year. Live cattle futures traded a few cents higher. Feeder cattle futures traded uneven. The CME reported the seven-day average Feeder Index at \$146.88, unchanged. Boxed beef values were mostly steady for Choice and higher on Select. Sales volumes continue to be relatively light. Corn futures closed more than \$0.06/bu. lower. Soybean futures closed dropped more than \$0.13/bu. Chicago and Kansas City wheat futures closed more than \$0.20/bu. lower.

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 a special edition of NCBA's *Cattlemen to Cattlemen* Jan. 8-12. The Culinary Innovations Team cooks up the show's most popular beef recipes, including a pesto-rubbed tri-tip roast the whole family will love.

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

**Pre-Registration for the 2013 Cattle Industry Convention Ends Soon:** Get your boots on the bay! Pre-registration and housing for the 2013 Cattle Industry Convention and NCBA Trade Show are closing on Jan. 11. Anyone needing to register after that date will need to do so onsite at the Tampa Convention Center and will need to call hotels directly for a reservation. Don't wait and register today! For more information call 303-694-0305 or click [here](#).

**NCBA Youth Contests:** Helping young people prepare for future leadership roles in agriculture is a key part of ensuring the beef industry continues to be progressive. As part of its role in shaping the future of the cattle industry, the National Cattlemen's Beef Association (NCBA) will host a number of youth contests at the 2013 Cattle Industry Convention and NCBA Trade Show. NCBA encourages all youth interested in agriculture to participate in the NCBA youth contests that will be held Feb. 6-9, 2013, in Tampa, Fla. Visit [www.beefusa.org](http://www.beefusa.org) for more information.



## 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).