



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.



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Beltway Beef

Cattlemen's Capitol Concerns

NCBA to Comment on Clean Water Act Guidelines

The Clean Water Act (CWA) is legislation that cattle producers are very familiar with. Under Section 319 of the CWA, the nonpoint source program, producers can utilize grant dollars to install and implement environmentally friendly practices on their operations. The program is administered by the Environmental Protection Agency (EPA) in the form of state grants, which then are distributed to producers by the state.

EPA announced it was taking comments on [revised guidelines](#) for states in administering the Section 319 program. The [National Cattlemen's Beef Association](#) (NCBA) believes the 319 program is an important program

for cattle producers and supports efforts to streamline the process for states. The revised guidelines, according to EPA are to "provide updated program direction, an increased emphasis on watershed project implementation in watersheds with impaired waters, and increased accountability measures."

According to NCBA Deputy Environmental Counsel Ashley McDonald, the most significant change anticipated to the guidelines is that they will require half of the funds issued to states to be used for implementation projects of watershed-based plans and more specific requirements for Total Maximum Daily

Load (TMDL) development than previous guidelines.

"These changes cause some concern for NCBA. While we recognize the need to prioritize efforts to maximize environmental benefit of these dollars, it is important to remember that states are best able to determine the wisest use of these dollars on the ground," said McDonald, adding that NCBA is submitting comments on the issue. "In an economy where the entire country continues to tighten the belt on their budgets, especially at the state level, EPA should not create more red tape, but should be working with states to provide them with adequate tools to address water quality issues."

NCBA Environmental Stewardship Award Calls for Entries

The 23rd annual [Environmental Stewardship Award Program](#) (ESAP) has officially opened its nomination season for 2013. Established in 1991 by the [National Cattlemen's Beef Association](#) (NCBA), the program has recognized the outstanding stewardship practices and conservation achievements of U.S. cattle producers for more than two decades. Regional and national award winners are honored for their commitment to protecting the environment and improving fish and wildlife habitat while operating profitable cattle businesses.

Seven regional winners and one national winner are selected annually by a committee of representatives from universities, conservation organizations, and federal and state agencies. The nominees compete for

regional awards based on their state of residency, and these seven regional winners then compete for the national award. Candidates are judged on management of water, wildlife, vegetation, soil, as well as the nominee's leadership and the sustainability of his or her business as a whole.

"Environmental stewardship and conservation have long been the focus of farmers and ranchers, who are America's foremost land stewards," said NCBA President J.D. Alexander. "Responsible use of land and resources is a priority for cattlemen and women. The ESAP award highlights efforts by producers who are committed to conservation and sustainability efforts."

Any individual, group or organization is eligible to nominate one individual

or business who raises or feeds cattle. Past nominees are eligible and encouraged to resubmit their application; previous winners may not reapply. The applicant must also submit one nomination letter and three letters of recommendation highlighting the nominee's leadership in conservation.

The program is sponsored by Dow AgroSciences; the U.S. Department of Agriculture's (USDA) Natural Resource Conservation Service (NRCS); the U.S. Fish and Wildlife Service; the National Cattlemen's Foundation (NCF); and NCBA.

Applications for the 2013 ESAP award are due Mar. 1, 2013. For more information and a complete application packet, visit www.environmentalstewardship.org.

NCBA Urges Congress to Continue Conservation Easement Tax Credit

Last week the [National Cattlemen's Beef Association](#) (NCBA) joined the National Rifle Association, the Congressional Sportsmen's Foundation, the Land Trust Alliance and other advocacy groups in urging Congress to extend a tax deduction for the donation of conservation easements by private landowners.

First passed in 2006, the tax incentive encourages donations of conservation easements to protect important natural and historic resources on private lands. Before it expired at the end of 2011, it helped America's land trusts work with willing landowners to conserve roughly one million acres of farms, ranches, forests and natural habitat every year. Agricultural landowners who donated a conservation easement worth more than \$1 million can take as much as \$800,000 in tax deductions.

Under the program landowners can retire the development rights on their land by donating a conservation easement, which keeps agricultural land in productive use, protecting important fish and wildlife habitat, and conserving scenic and historic heritage across America. Before the incentive was passed, landowners received little or no tax benefit from donating what may be their family's most valuable asset.

"This incentive is a win for farmers, ranchers and the environment,"

said NCBA's Associate Director of Legislative Affairs Kent Bacus. "Donating a conservation easement is a good way for landowners to participate in conservation efforts while maintaining private property rights and possibly realizing significant federal tax benefits."

There are currently bills in Congress to make this tax incentive permanent. The House bill (H.R. 1964), sponsored by Rep. Jim Gerlach (R-Pa.), has 309 cosponsors, including majorities of both parties in the House. The Senate bill (S. 339), sponsored by Sen. Max Baucus (D-Mont.), has 27 cosponsors.

Bacus added that the reason to make the tax incentive permanent instead of an on-again, off-again program is that it makes it very difficult to educate potential donors, and donating a conservation easement is a lengthy and expensive process that many landowners will not begin without knowing this incentive will be in place at the end.

"The conservation easement tax credit is an important tool for farmers and ranchers, and we will continue to urge Congress to include it in any end-of-year tax package," said Bacus.

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. 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.)

H.R. 3098 — Renewable Fuel Standard Elimination Act

To amend the Clean Air Act to repeal the Environmental Protection Agency's (EPA) renewable fuel program. NCBA urges a **YES** vote on H.R. 3098. Key Sponsor: Rep. Bob Goodlatte (R-Va.)

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.

Costa Calls on Congress to Reform the RFS



By Rep. Jim Costa (D-Calif.)

My grandparents scratched out a living in the dairy business when they first came here from the Azores and my parents carried on that tradition. But today in my home state and nationwide, cattlemen, dairymen and livestock producers are facing the perfect storm of shrinking corn supplies and soaring feed prices.

One of the toughest droughts in over 50 years has stricken the heart of our country and scorched this year's corn and wheat crops. These challenges are only compounded by a misguided policy to divert food into our gas tanks.

Since June 2012, feed prices have jumped over 60 percent nationwide adding pressure to producers already struggling to stay afloat. The Renewable Fuel Standard (RFS) is not the only factor causing the increase in feed prices, but it is a factor.

This rapid increase in feed prices has had a dramatic effect on livestock producers in my home state and nationwide. Because of this an estimated 100 dairies in California may shutter their operations by the end of the year due to sales or bankruptcy. When I talk to my local cattle, dairy and livestock producers, they resoundingly point to higher feed prices as one of their greatest challenges to staying in the black.

Currently, about 45 percent of the nation's corn supply goes to the production of ethanol in order to fulfill the RFS. In 2011, we as a nation put more corn into our fuel supply than we used to feed livestock and poultry for the first time ever. Our continued reliance on corn-based ethanol to fulfill the RFS means that the demands on our corn supply will continue to increase as we move toward the full implementation of the RFS in 2022. With corn prices hovering around \$7.80 per bushel, we can no longer ignore the added pressure that diverting corn supplies to fulfill the RFS has placed on our food supply.

What many in Washington fail to see is that this isn't just about providing relief to cattlemen, dairy and livestock producers. The RFS has become a de facto tax on every family's grocery budget. Inflated corn prices create higher feed prices that are then

passed along to American families' already stretched-thin grocery budget. It is estimated that food prices could climb as much as 4 percent next year according to the U.S. Department of Agriculture (USDA). Stabilizing food prices starts with removing artificial pressure to our food supply.

According to the National Council of Chain Restaurants, the RFS costs chain restaurants up to \$3.2 billion annually, which in turn is passed onto customers. Quick-service restaurants specifically have seen upwards of \$2.5 billion in additional costs due to the RFS while full-service restaurants have faced increases upward of \$691 million. This is simply unsustainable.

Last month, the Environmental Protection Agency (EPA) announced that they refused multiple requests to waive the RFS from governors, 156 Members of Congress and various agriculture groups. Citing that evidence of a "significant economic harm" was insufficient, the administration choose to ignore the calls from producers who are struggling to make ends meet.

Now more than ever, it has become apparent that the RFS is in dire need of reform. That is why I intend to reintroduce the Renewable Fuel Flexibility Act next Congress with Rep. Bob Goodlatte (R-Va.). This legislation would create a relief valve for producers when corn supplies are tight by triggering an automatic reduction in the RFS. Had this legislation been in place already, producers would have seen automatic relief without putting them at the mercy of EPA.

The RFS as it currently stands is a broken policy. The government cannot control the weather or this drought, but it can free our food supply from the unintended consequences of our ill-conceived ethanol policy. It is time for Congress to revisit the debate over the RFS. We need commonsense solutions that give the flexibility needed to protect agriculture and provide price stability in our nation's food supply.

CattleFax Update

On Wed., Dec. 12, a holiday mentality continues to permeate the markets as most segments traded relatively mixed. Equities traded mostly lower, agricultural commodities traded generally lower and most energy contracts traded higher. Live cattle futures traded relatively uneven. Feeder cattle futures traded \$0.30 to \$0.60/cwt. higher. The CME reported the seven-day average Feeder Index at \$147.21, up \$0.02/cwt. Boxed beef values were uneven with ribs finding some slight discounts after yesterday's highs. Corn futures closed \$0.03/bu. lower. Soybean futures closed uneven. Chicago and Kansas City Wheat futures closed more than \$0.10/bu. softer.

For recent market news and analysis, visit 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* Dec. 18-22. The Culinary Innovations Team prepares beef dishes the whole family will love. Plus, see how NCBA Executive Chef Dave Zino is helping develop new recipes for the beef industry.

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 for the 2013 Cattle Industry Convention: Did you know that your registration for the 2013 Cattle Industry Convention in Tampa, Fla., includes a ticket to the hottest show in town? The Cattlemen's Beach Bash! Wrap up convention with a night filled with great music from the legendary Beach Boys followed by an after party with the Bellamy Brothers. For more information or to register click [here](#) or call 303-694-0305.

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 for more information.

Beltway Beef Policy Video Update: NCBA Vice President of Government Affairs Colin Woodall gives an update on policy issues affecting cattlemen and women nationwide during NCBA's Beltway Beef monthly policy update. Our government affairs office works on all policy issues affecting cattle producers and the beef industry including: international trade, tax and credit issues, animal health, property rights, environment, federal lands issues, marketing and much more. See the update [here](#).



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.