



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.



VOLUME 2, ISSUE 1

JAN. 5, 2012

Beltway Beef

Cattlemen's Capitol Concerns

Livestock, Poultry Groups Urge Congress to Reject Egg Production Mandate

A coalition of livestock and poultry organizations including the National Cattlemen's Beef Association (NCBA); the National Pork Producers Council; the Egg Producers of America; the American Farm Bureau Federation; the American Sheep Industry Association; the National Farmers Union; the National Turkey Federation; and the National Milk Producers Federation, sent a [letter](#) urging Congress to "reject additional costly and unnecessary animal rights mandates proposed by the Humane Society of the United States (HSUS)." NCBA Executive Director of Legislative Affairs Kristina Butts said legislation to mandate on-farm production practices, like the HSUS agreement with the United Egg Producers (UEP) would do, sets a dangerous precedent to allow the federal government to set prescriptive production practices.

"While the HSUS-UEP agreement currently only applies to egg production by amending the Egg Inspection Act, this legislation could create a very slippery slope to allow

bureaucrats in Washington, D.C., to tell farmers and ranchers how to raise their animals. Cattlemen take their responsibility to care for their animals very seriously and for more than two decades have voluntarily participated in industry-led, science-based production practice programs and initiatives," Butts said. "Beef industry programs, like the Beef Quality Assurance program, are based on practical experience and the most up-to-date science. They are updated regularly to ensure the use of the newest scientifically sound information and provide flexibility to meet the diversity of the industry. They should never be misconstrued as the basis for regulatory or government mandated production practices."

The coalition pointed to the World Organization for Animal Health (OIE) as evidence that mandated prescriptive production practices are not in the best interest for promoting animal care. According to the letter, "OIE has recognized that prescriptive standards, such as those proposed, are not in the best interest of

promoting true animal welfare because they cannot be adapted for different farming models and they hinder efficient modifications as new science becomes available."

The letter also pointed to European egg production mandates that have resulted in increased production costs for producers and higher costs for consumers. In Germany, a 2010 enriched cage regulation has resulted in 20 percent less production. Meanwhile, in Britain, hen housing conversion has increased operating costs by as much as 8 percent.

"Ultimately, European animal housing requirements have cost consumers and farmers alike. We respectfully contend that the European experience is not one American livestock farmers or consumers should want to replicate," the coalition penned. "While our organizations continue to make considerable animal care investments with an eye toward continued animal welfare improvements, this proposal would stifle the industry for years to come."

Cattle Industry Convention Attracts Topnotch Entertainment

The 2012 Cattle Industry Convention and National Cattlemen's Beef Association (NCBA) Trade Show Feb. 1-4, 2012, in Nashville, Tenn., has more in store for participants than one may expect. NCBA President Bill Donald said establishing NCBA policy positions and providing tools and information to help cattle producers become more profitable are NCBA's top priorities at convention but emphasized the importance of having a good time.

"We work hard at convention but we

never fail to have a good time. Nashville is home to some of the best entertainment in the country and convention participants will have several opportunities to capitalize on all the city has to offer," said Donald.

On Thurs., Feb 2, 2012, convention participants will take part in a *Honky Tonk Party*, sponsored by Boehringer Ingelheim Vetmedica, at the Gaylord Opryland Hotel featuring Bluegrass favorites the Cumberland Highlanders and Ronnie Reno sponsored by RFD-TV. The following day, Bayer Animal

Health is sponsoring a *Cowboy's Night at the Opry and Barn Dance*, where country music stars including Josh Turner, The Oakridge Boys, Charley Pride, Little Jimmy Dickens and more will take the stage at the Grand Ole Opry. Local artists will keep attendees entertained throughout the week on various stages around the NCBA Trade Show.

To register for the 2012 Cattle Industry Convention, visit www.beefusa.org or call 303-694-2851.

Clarification Provided for Former MF Global Customers

— Customer Claims Due Jan. 31, 2012

According to National Cattlemen's Beef Association Vice President of Government Affairs Colin Woodall, cattlemen and women impacted by the bankruptcy of MG Global must file a claim with the trustee by Jan. 31, 2012. He said in order for producers to recover some or all of their losses, it is essential that producers file a claim as soon as possible.

"The turmoil caused by the MF Global bankruptcy has had a direct impact on many cattle producers but the best path forward is to file a claim as quickly as possible," said Woodall.

If questions arise when filling out the form, producers can [click here](#) for clarification or email questions to MFGITrustee@hugheshubbard.com. Questions can also be directed to the Trustee's call center at 1-888-236-0808. Commodities customer claims must be received by the Trustee on or before Jan. 31, 2012. Woodall said NCBA has been monitoring this situation and will continue to update members when new information becomes available.

[Click here](#) for instructions to file a claim.

NCBA Comments on Non-O157 STEC Regulation

The National Cattlemen's Beef Association (NCBA), on Dec. 21, 2011, submitted [comments](#) to the U.S. Department of Agriculture's (USDA) Food Safety and Inspection Service (FSIS) on the agency's proposal to require sampling and testing of beef trim for six additional strains of Shiga toxin-producing *E. coli*, including 026, 045, 0103, 0111, 121 and 0145. Todd Allen, vice chairman of the beef industry's safety committee and past president of the Kansas Livestock Association, an affiliate of NCBA, said the beef industry is committed to producing, deliver and serving wholesome and healthful beef products. However, he said there is still research that needs to be conducted to fully understand and close knowledge gaps regarding non-O157 STECs.

Specifically, Allen said NCBA urged FSIS to gather more science and information, to reevaluate its cost analysis and to reevaluate the proposed March 5, 2012 effective date.

"The beef industry supports the establishment of realistic food safety objectives to protect public health. But cattle producers are concerned with the decision to declare six additional strains of non-O157 STECs as adulterants," Allen said. "We are hopeful USDA will consider all comments and work with the beef industry and all stakeholders on this and other critical food safety issues."

Legislative Watch

S. 1528 - Farm Dust Regulation Prevention Act

To establish a temporary prohibition against revising any national ambient air quality standard applicable to coarse particulate matter (dust), to limit Federal regulation of nuisance dust in areas in which such dust is regulated under State, tribal, or local law.

The House version, H.R. 1633, passed on Thurs., Dec. 8, 2011. NCBA urges a **YES** vote S. 1528.

Key Sponsor: Sen. Mike Johanns (R-Neb.)

S. 1061 / H.R. 1996 – Government Litigation Savings Act

Will amend the Equal Access to Justice Act (EAJA) to prohibit organizations with a net worth exceeding \$7 million from filing for EAJA funds; require EAJA filers to show a "direct and personal monetary interest" in the action to be eligible for payments; and cap the attorney fees. NCBA urges a **YES** vote on S. 1061 / H.R. 1996.

Key Sponsors: Rep. Cynthia Lummis (R-Wyo.), Sen. John Barrasso (R-Wyo.)

H.R. 3097 – The Renewable Fuel Standard Flexibility Act

To partially waive the renewable fuel standard when corn inventories are low.

NCBA urges a **YES** vote on the Renewable Fuels Flexibility Act.

Key Sponsors: Reps. Bob Goodlatte (R-Va.) and Jim Costa (D-Calif.)

H.R. 2414 – Farmers' Freedom Act of 2011

Exempts certain farm vehicles from certain federal requirements (for a commercial driver's license, drug testing, medical certificates and hours of service). Prohibits federal transportation funding to a state from being terminated, limited, or otherwise interfered with as a result of the state's exempting a covered farm vehicle from any state requirements governing the operation of that vehicle.

Key Sponsor: Rep. James Lankford (R-Okla.). NCBA urges a **YES** vote on H.R. 2414.

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.

Make 2012 the Year for Permanent Estate Tax Relief

By Kent Bacus, NCBA manager of legislative affairs



If you're like me, you enjoy watching the History Channel and Discovery Channel. I enjoy learning about other cultures and civilizations and listening to experts discuss how mankind has advanced throughout the years and make predictions on what the future will hold. Lately, a theme has revolved around what will happen on Dec. 21, 2012. Many ancient cultures have predicted that some major, perhaps apocalyptic, event will happen on that day. Perhaps the ancient Mayans

were a few days off. For the beef industry, our real concern is what will happen after Dec. 31, 2012.

One of the most important issues facing family farmers and ranchers and small business owners nationwide is the future of the estate tax, more commonly referred to as the death tax. The death tax is one of the leading causes of the breakup of multi-generation family farms and ranches. At the time of the death, farming and ranching families are forced to sell off land, farm equipment, parts of the operation or the entire ranch to pay off tax liabilities on assets that have likely been taxed two or three times over the course of a lifetime. This outdated tax is not a tax on the wealthy. The wealthy can afford accountants and estate planners to help them evade the tax. The death tax hurts family-owned farms and ranches hardest.

Unfortunately, this is not a new issue for farmers and ranchers. As you may recall, at the end of 2010, Congress and the White House agreed to a two year tax package that included temporary estate tax relief. For now, estates worth more than \$5 million per individual or \$10 million per couple are taxed at a 35 percent rate. The two-year estate tax package also reinstated stepped-up basis, indexes the estate tax exemption for inflation and contains a spousal transfer of any unused estate tax exemption amount. The tax package also included a two-year extension of 2001 and 2003 income tax rates for all income levels, set the capital gains tax rate at 15 percent for two years and included a two year patch for the alternative minimum tax. All of these issues must be addressed by the end of 2012.



As Congress begins the second session of the 112th Congress, it's time, once again, to turn our attention to providing permanent relief from the death tax. If Congress fails to act by the end of this year, the estate tax will revert to a staggering \$1 million exemption with a 55 percent tax rate. Increasing production costs, rising property values and an uncertain tax code make it difficult to form a business plan, much less plan for the future of your estate. We cannot afford for the estate tax to continue being a political football that is punted year after year. We need permanency in the tax code.

As the oldest and largest national organization representing cattlemen, the National Cattlemen's Beef Association (NCBA) will work tirelessly seeking full and permanent estate tax relief. Members of Congress have already begun working on this issue. In fact, Congressman Kevin Brady (R-Texas) introduced

the Death Tax Permanency Repeal Act and has support on his legislation from more than 190 bipartisan members of Congress. NCBA is a staunch supporter of Congressman Brady's legislation. If a full repeal is not achievable, NCBA supports making the 2010 estate tax package permanent.

While there has been some discussion of movement toward comprehensive tax reform in

both the U.S. Senate and the U.S. House of Representatives, it is difficult to predict what Congress and the White House will do this year. One thing is certain, however, Congress and the White House need to hear from you about why we need permanency in the estate tax. They need to know that the estate tax is not a political football. They need to understand that there are no political points to be earned by punting this issue to a later day or by kneeling on the ball to run out the clock. Join us as we continue to fight for permanent estate tax relief.

As we begin 2012, many of us are striving to keep those New Year's resolutions we announced to our friends and families as an attempt to improve ourselves physically, intellectually or financially. For the sake of all Americans, let us hope that one of the resolutions of Congress and the White House is providing permanent estate tax relief in 2012.

CattleFax Update

On Wed., Jan. 4, commodity markets closed at generally higher prices, and energy prices continue to improve on Iranian threats to disrupt oil supplies. Values have increased 13 percent since making December lows. Live cattle futures closed a few cents higher. Feeder cattle futures closed more than \$1/cwt. higher for most contracts. The CME reported the Feeder Index at a new all-time high of \$146.47/cwt., up \$0.57. Boxed beef prices were less than \$1/cwt. softer on moderate volume. The Choice- Select spread is now at \$13.72. Lean hog prices ended the day \$0.70 to \$1.25/cwt. lower. Grains contracts traded mixed. Corn futures closed relatively flat, soybeans gained roughly \$0.02/bu., and Chicago wheat futures lost around \$0.07/bu.

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*, January 10-14. We will sit down with an expert panel sponsored by Boehringer Ingelheim Vetmedica, Incorporated, and learn more about how to identify and eliminate biosecurity concerns on cattle operations.

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

Tune into Nashville for the Largest Trade Show in the Cattle Business: It's not too late to register. Trade show only registration is available onsite. Join your fellow cattlemen in Nashville, February 1-3 for the 2012 NCBA trade show. This event is for you. For more information visit www.beefusa.org or call 303-694-0305.



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.