



**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

### US Free Trade Agreement with South Korea to be Implemented March 15

#### — NCBA: Now is the Time to Rebuild the Cattle Herd to Meet Increasing Demand

United States Trade Representative Ron Kirk announced Tues., Feb. 21, 2012, that the free trade agreement between the United States and South Korea (KORUS FTA) will be implemented on March 15, 2012. National Cattlemen's Beef Association (NCBA) President J.D. Alexander praised the announcement.

next 15 years, which will result in more Korean consumers buying more U.S. beef at a more affordable price. This may very well be the most monumental bilateral trade pact our industry has ever witnessed."

Alexander said while the immediate effects of increased exports are

think long term," he said. "Think about where demand is heading and look beyond the borders of the United States. Now is the time to retain heifers and rebuild what has now become the smallest U.S. cowherd more than five decades. In order to meet increasing demand, we have to have the beef. Now is the time."

"NCBA was a key player in working vigorously to ensure passage of the trade pact with South Korea. We are pleased to see a smooth implementation process taking place and commend

*"When the KORUS FTA is implemented, our competitive advantage will be secured. The KORUS pact will phase out a 40 percent tariff on U.S. beef over the next 15 years, which will result in more Korean consumers buying more U.S. beef at a more affordable price. This may very well be the most monumental bilateral trade pact our industry has ever witnessed."*

~ NCBA President J.D. Alexander

Ambassador Kirk for his steadfast commitment to expanding trade opportunities for farm and ranch families like mine," Alexander said. "When the KORUS FTA is implemented, our competitive advantage will be secured. The KORUS pact will phase out a 40 percent tariff on U.S. beef over the

positive for cattlemen, he urged them to think long term about the effects increased demand will have on already tight beef supplies.

"With increasing demand and tightening supplies, movement of the KORUS FTA should encourage cattlemen and women to think beyond the current prices for live cattle and

According to Alexander, implementation of the KORUS FTA and expanding opportunities to sell U.S. beef in other international markets is critical to the sustainability of family farms and rural economies.

"Ten percent, or approximately 12 million American jobs, depend on exports. With 96 percent of the world's consumers living outside U.S. borders, it's critical that we expand our opportunities to sell beef in the international marketplace if we want to keep American family farms in business," said Alexander.

### - NCBA Accepting Summer 2012 Public Policy Internship Applications -

The NCBA government affairs office in Washington, D.C., is currently looking to hire public policy interns for summer 2012. NCBA offers a unique internship for students interested in the beef industry and federal policy. Interns will have the opportunity to engage with NCBA staff on several fronts including policy, communications and membership. Interns will work closely with the lobbying and regulatory teams to advance policies important to the beef industry. [Click here](#) for more information and to download the application. Applications are due by March 12, 2012.

The full-time internship will begin May 29, 2012 and end Aug. 17, 2012. To apply, interested college juniors, seniors or graduate students should submit the application, an official college transcript, two letters of recommendation and a resume to [internship@beef.org](mailto:internship@beef.org).

## Federal Court Validates Cattlemen's Concerns on EPA's Scientifically Shoddy Approach — Court Rules Components of EPA Criteria for Florida Nutrient Standards Arbitrary and Capricious

The Florida Cattlemen's Association (FCA) and the National Cattlemen's Beef Association (NCBA) on April 28, 2011, challenged the Environmental Protection Agency's (EPA) determination letter and final rule establishing numeric nutrient criteria (NNC) for Florida's lakes, rivers, streams and springs. The lawsuit, which was filed in the U.S. District Court for the Northern District of Florida in Tallahassee, resulted in a mixed ruling on Feb. 18, 2012. Judge Robert L. Hinkle invalidated the criteria for streams as well as certain aspects of the downstream protection values for lakes ruling them "arbitrary and capricious." This action ultimately prevents EPA from implementing its proposed criteria for these water bodies in the state of Florida. While the Court upheld several of EPA's arguments, FCA and NCBA are encouraged by the outcome.

"We hope the ruling prompts EPA Administrator Lisa Jackson to pullback from implementing federal nutrient criteria in Florida and properly return the authority back to the state where it belongs. Just as importantly, EPA must be stopped from applying this flawed model to other watersheds across the country," said NCBA Deputy Environmental Counsel Ashley Lyon. "EPA's science based approach should be stopped. Criteria must be based on science. EPA's approach is not based on science and was rightly invalidated."

According to Jim Handley, FCA executive vice president, the court's ruling stating that EPA's reference method used to derive the NNC

is arbitrary and capricious should force EPA to rightfully return the issue to Florida.

"EPA needs to scratch this rule. It isn't good for Florida. It isn't good for America. We are not alone in our opposition to the NNC rule. Florida Attorney General Pam Bondi and Florida Agriculture Commissioner Adam Putnam as well as their predecessors have challenged the rule on behalf of Floridians. Furthermore, Florida's own Department of Environmental Protection asked EPA to rescind this rule," said Handley. "EPA is overreaching with this mandate and their methodology is flawed as evidenced by this ruling. EPA has little to no regard for farmers and ranchers and obviously no respect for congressional intent. In light of the court's ruling, Administrator Jackson should remove the federal criteria and allow the state to move forward with its own rule."

Handley said the NNC rule will cause substantial financial damage to an already struggling economy. This rule is estimated by EPA to cost Florida approximately \$113 million in implementation costs and roughly \$35 million annually. However, other experts predict this rule carries a much heftier price tag. A study conducted by the Florida Department of Agriculture and Consumer Services, the University of Florida and Soil and Water Engineering Technology, Inc., concluded that the economic impact could easily reach \$3.1 billion in implementation costs and annual costs could top \$974 million. The study also predicts 15,000 agricultural jobs will be lost.

### Legislative Watch

#### H.R. 3856 – State Waters Partnership Act

To limit the authority of the Administrator of the Environmental Protection Agency with respect to certain numeric nutrient criteria.

NCBA urges a **YES** vote the State Waters Partnership Act.

Key Sponsor: Sen. Marco Rubio (R-Fla.), Rep. Steve Southerland (R-Fla.)

#### 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. 3798 – Egg Inspection Act Amendments of 2012

To amend the Egg Inspection Act to mandate on farm production practices.

NCBA urges a **NO** vote on H.R. 3798. Key Sponsor: Rep. Kurt Schrader (D-Ore.)

#### 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.

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

*For a full list of legislation NCBA is monitoring [click here](#).*

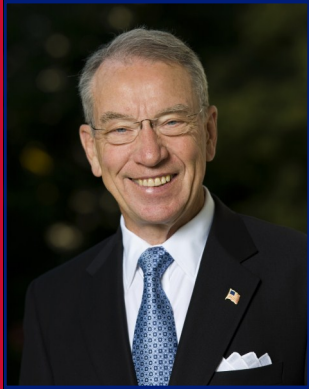
### New on the Web

Check out the [Beltway Beef blog](#) for inside perspectives on issues affecting U.S. cattlemen and women. You will find updates from the 2012 Cattle Industry Convention, the estate tax and on the Meatless Monday campaign. 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.

## Beef Producers, Exports Hurt by Stalled BSE Rule

By U.S. Senator Chuck Grassley of Iowa



International trade bolsters job creation here at home and helps foster economic activity in communities across the country. The beef industry plays a big role in the United States' trade portfolio.

Last year alone, U.S. beef producers exported to countries around the world nearly \$5.5 billion worth of product. And, it's generally agreed upon that increasing exports are the key to increasing demand for U.S. beef products.

Unfortunately, our own government is hindering progress in opening new markets for these products.

The problem lies in a comprehensive BSE rule for beef imports that would make the United States compliant with international trade standards set by the World Organization for Animal Health. The rule has been caught in the federal bureaucracy for several years, starting in 2004 shortly after BSE was discovered in a Canadian cow brought into the United States. Earlier this year the rule finally cleared the Animal and Plant Health Inspection Service, or APHIS as most cattle producers call it, but is now sitting at the Office of Management and Budget waiting for approval.

This continued inaction is hurting our producers. So I led, along with Senator Ben Nelson of Nebraska, a bipartisan group of senators in pressing the Office of Management and Budget to release a final comprehensive rule as soon as possible and help give U.S. trade negotiators a stronger bargaining position.

As it stands, the lack of a comprehensive BSE rule for beef imports puts our trade negotiators at a disadvantage when negotiating with other countries. At this time, a number of countries have placed non-science-based restrictions on U.S.

beef imports. For example, some countries don't allow U.S. beef over 30 months old into their country. Some of these nations use the fact that the United States has not formally adopted a comprehensive BSE rule to justify their own unfair trade barriers.

One example is Mexico, which has traditionally been one of the top export markets for U.S. beef. Since 2004, Mexico has not allowed the importation of U.S. cattle that are over 30 months of age. Estimates show that beef producers in the United States are losing \$100 million every year due to this restriction. By not having our own comprehensive BSE rule in place that would abide by the science-based criteria set forth by the World Organization for Animal Health, our trade negotiators are in a difficult negotiating position to press Mexico to eliminate their trade barrier.

By placing our own trade barriers on other products, it only serves to hurt the hardworking producers raising a quality product. It doesn't meet the common-sense test to create additional hurdles for our own producers.

By having a comprehensive BSE rule in place, the United States will show leadership on a global scale and give the U.S. Trade Representative and the Department of Agriculture a stronger position to press other nations to follow the World Organization for Animal Health's guidelines and adopt science-based BSE policies.

As a result, when nations base their decisions on sound science, we are confident more markets will be expanded or opened to U.S. beef. U.S. producers can compete in every market for every sale.

It's time the United States shows leadership and gives our international trade negotiators a stronger footing for dealing with beef issues.

## Your NCBA

**Registration Open for 2012 NCBA Spring Legislative Conference:** Mark your calendars and make plans to attend the 2012 NCBA Spring Legislative Conference and the Public Lands Council Legislative Conference April 16-19, 2012, in Washington, D.C. Attending the conferences will provide the opportunity to meet with key congressional and agency influencers and articulate policy priorities of our industry for the future. The conference will be held at the Dupont Circle Hotel and reservations can be made by calling 202-483-6000. Please reference "NCBA 2012" to receive the group rate.

Registration is available online by [clicking here](#). If you prefer to mail-in your registration, the form is available online by [clicking here](#).

## CattleFax Update

On Wed., Feb. 22, the commodity markets traded in a relatively calm fashion. However, energy futures continue to rally and are near 12-month price highs. Live cattle and feeder cattle futures closed a few cents higher, and most contracts trade near contract highs. The CME reported a new all-time high in the Feeder Index at \$155.72/cwt., up \$0.18. Wholesale beef prices advanced more than \$3/cwt. While trade volumes were low, prices are historically high considering the time of year. Prices should continue to move higher based on seasonal trends, especially with packers slowing production. Hide and offal values continue to improve with rising energy prices and are above \$13/cwt. on a live-animal basis for the fourth-consecutive day. Grains traded mixed. Corn and Chicago wheat futures lost about \$0.12/bu., while soybean futures gained 3 cents.

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

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

Next week on NCBA's *Cattlemen to Cattlemen*, viewers will learn a few tips from experts on how to prevent pinkeye from spreading through the herd. Plus, a South Dakota operation focuses on long-term calf health with early prevention programs.

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](#).



**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).*