



## National Cattlemen's Beef Association

### In this Issue

[Idaho Rancher Urges Congress to Pass Grazing Improvement Act](#)

[Register Today for NCBA Spring Legislative Conference](#)

[Cattlemen Support Senate Bill on Permanent Estate Tax Repeal](#)

[NCBA, PLC Support Bill to Curb Manipulation of Clean Water Act](#)

[Legislative Watch](#)

[New on the Web](#)

[Time Has Come To End the Destructive Death Tax](#)

[Cattle Fax Update](#)

[Cattlemen to Cattlemen](#)

[Your NCBA](#)

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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

### Idaho Rancher Urges Congress to Pass Grazing Improvement Act

Legislation to improve stability and efficiency in the federal lands grazing permit process was considered by the House Subcommittee on National Parks, Forests and Public Lands. Idaho rancher Brenda Richards told lawmakers during the subcommittee hearing that passage of the Grazing Improvement Act (H.R. 4234), introduced by Congressman Raúl Labrador (R-Idaho), will provide certainty for today's public lands ranching industry and for future generations of ranchers as well.

and ensure the natural resources of the West continue under the careful stewardship of ranching families."

For more than a decade, federal lands ranchers have relied on language being included into annual appropriations bills to allow the U.S. Forest Service and the Bureau of Land Management to renew grazing permits on federal lands

*"This bill will stimulate rural economies and job growth, save taxpayer dollars and ensure the natural resources of the West continue under the careful stewardship of ranching families."*

~ Brenda Richards

"Ranching is the career we have chosen," said Richards, who ranches with her husband and three sons in Owyhee County, Idaho, in testimony on behalf of the [Public Lands Council](#), the National Cattlemen's Beef Association and the [Idaho Cattle Association](#). "Passage of the Grazing Improvement Act is important for future generations. This bill will stimulate rural economies and job growth, save taxpayer dollars

under current terms and conditions until the environmental documentation is complete. Richards said the Grazing Improvement Act codifies that language, extends the life of grazing permits from 10 to 20 years and implements a more balanced appeals process.

"Codifying the appropriations rider language is fundamental to the Grazing

Improvement Act. By allowing for grazing permit renewals despite agency paperwork backlogs as well as extending the life of grazing permits and providing greater certainty to ranchers in the appeals process, this bill will provide environmental, economic and government cost-saving benefits," Richards said. "Stability in the permit renewal process keeps private lands economically viable as ranching units, which in turn prevents the fragmentation of open space."

Senator John Barrasso (R-Wyo.) introduced a

companion Grazing Improvement Act (S. 1129), which was considered during a Senate Natural Resources Subcommittee on Public Lands and Forests hearing March 22, 2012. Richards commended the lawmakers for working to make necessary reforms to the grazing permit process and urged Congress to pass the legislation immediately.

### Make Your Voice Heard

### Register Today to Attend the 2012 NCBA Legislative Conference

From the estate tax to the 2012 Farm Bill and the Department of Labor's proposed on-farm child labor regulations, lawmakers in Washington, D.C., need to hear from cattlemen and women about how legislation and regulations impact cattle operations nationwide. Attending the 2012 NCBA Legislative Conference April 17-19 in Washington, D.C., will give cattlemen and women the opportunity to meet with key congressional and agency influencers and articulate policy priorities of our industry for the future. [Click here](#) for more information about the conference.

Registration for the conference can be completed [online](#) or by [downloading](#) a registration form and mailing it to NCBA.

The conferences will be held at the [Dupont Circle Hotel in Washington, D.C.](#) For room reservations, please call (202) 483-6000 or (866) 534-6835 Mon.-Fri. 9:00 a.m. - 5:00 p.m. EDT. Please reference "NCBA 2012" for a group rate.

If you have questions or need assistance registering for the conference, contact Valerie Proni at [vproni@beef.org](mailto:vproni@beef.org) or 303-850-3326.

## Cattlemen Support Senate Bill on Permanent Estate Tax Repeal

The National Cattlemen's Beef Association (NCBA), representing generations of farming and ranching families across the nation, strongly supports legislation that will fight for full, permanent repeal of the estate tax. Senator John Thune (R-S.D.) introduced the Death Tax Repeal Permanency Act (S. 2242) to abolish the federal estate tax, which according to NCBA President J.D. Alexander, is an unnecessary tax on small businesses and farm and ranch families across the country. The bipartisan legislation is identical to the bill (H.R. 1259) introduced in the U.S. House of Representatives by Kevin Brady (R-Texas).

"By once again introducing legislation to repeal this onerous tax, lawmakers on both sides of Capitol Hill have demonstrated an understanding and appreciation for the immense burden this tax places on American cattle producers who are hoping to pass their operation on to the next generation," said Alexander. "The death tax is detrimental to the farmers and ranchers who live off the land and run asset-rich, cash poor family-owned small businesses."

Reducing the tax burden on ranchers has always been a top priority for NCBA and the beef cattle community. For decades, NCBA has urged full and permanent repeal of the estate tax. Alexander said the Death Tax Repeal Permanency Act would completely stop the federal government from considering death as a taxable event.

## NCBA, PLC Support Bill to Curb Manipulation of Clean Water Act

U.S. Senators John Barrasso (R-Wyo.), Dean Heller (R-Nev.) and Jim Inhofe (R-Okla.) introduced legislation (S. 2245) to prevent the Environmental Protection Agency (EPA) and the Army Corps of Engineers (Corps) from using their clean water guidance to expand the regulatory regime under the Clean Water Act (CWA). National Cattlemen's Beef Association President J.D. Alexander said the legislation puts up a roadblock to EPA's end-run around the rulemaking process and Congress.

"EPA has an obsession with avoiding accountability. This administration has made clear its preference to use guidance documents as opposed to going through the rulemaking process. This allows the activists turned government officials to avoid public scrutiny and bypass the consideration of legal, economic and unintended consequences," said Alexander.

The document that triggered this legislation was the CWA jurisdiction guidance, which was proposed by EPA and the Corps April 26, 2011, and is expected to be finalized soon. The guidance essentially attempts to give EPA and the Corps jurisdiction over all types of waters under the CWA. According to Public Lands Council President John Falen, if the guidance is finalized, the only thing livestock producers can be clear and certain about is that any wet or dry stream, ditch and pond on their land could easily be subject to federal regulation and costly permits.

### 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 / H.R. 4234 – 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 / H.R. 4234. Key Sponsors: Sen. John Barrasso (R-Wyo.), Rep. Raul Labrador (R-Idaho)

#### S. 2245 – Preserve the Waters of the United States Act

To prevent the Environmental Protection Agency and the Army Corp of Engineers (Corps) from using their "guidance" document to expand their jurisdiction of waters under the Clean Water Act.

NCBA urges a **Yes** vote on S. 2245. Key Sponsors: Sens. John Barrasso (R-Wyo.), Dean Heller (R-Nev.) and Jim Inhofe (R-Okla.)

#### H.R. 4278 – Preserving Rural Resources Act

To clarify Congress' intent in providing regulatory relief to farmers and ranchers under the Clean Water Act's (CWA) Dredge and Fill Section 404 program.

NCBA urges a **YES** vote on the Preserving Rural Resources Act

Key Sponsor: Rep. Robert Hurt (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 the sage grouse, country-of-origin labeling, the farm bill, lean finely textured beef and more. 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.

## Time Has Come To End the Destructive Death Tax

By U.S. Senator John Thune (R-S.D.)



Yesterday, I joined with 34 of my Senate colleagues to introduce the *Death Tax Repeal Permanency Act (S 2242)*. This legislation will permanently abolish the federal estate tax, better known by ranchers, farmers, and family business owners across America as the “death tax.” I believe the death tax is destructive, misguided, and inefficient, and that our economy, small businesses, family farms, and ranches that are expected

to be transferred to future generations will benefit enormously from its demise.

America’s family businesses, farmers, and ranchers were spared from the wrath of the federal estate tax in 2010, but unfortunately this was merely a short reprieve. The current rate of 35 percent on estates worth more than \$5 million per individual expires at the end of the year and will be raised to 55 percent on estates worth more than \$1 million. Successful entrepreneurs and small business owners across America are once again subject to a punitive tax on their hard work, making planning and passing on farms, ranches, and businesses to the next generation even more difficult. As it stands today, more than 70 percent of family businesses do not survive to the second generation, and nearly 90 percent of family businesses do not survive to the third generation.

In the current economic climate, where small businesses have borne the brunt of job losses, repealing the death tax once and for all will provide an immediate means to strengthen our economy by allowing small business owners to invest more in their enterprises and less in accountants and lawyers. This legislation is a companion bill to HR 1259, introduced by Representative Kevin Brady and which has over 200 bipartisan cosponsors in the House.

Specifically, our bill will repeal the federal estate tax; repeal the generation skipping transfer tax; make permanent the maximum 35 percent gift tax rate and a \$5 million lifetime gift tax exemption; and maintain the stepped-up basis provisions important to family farms, ranches, and businesses.

At a time when Congress should be focused first and foremost on economic growth and job creation, repealing the death tax would unleash new economic activity. According to a study by former Congressional Budget Office Director Douglas Holtz-Eakin, repealing the death tax would create 1.5 million additional small business jobs and it would shave almost a percentage point off the unemployment rate.

The death tax is not only destructive to family businesses, farms, and ranches it is highly inefficient and unnecessary. Consider that estate and gift taxes combined only bring in about one percent of all federal revenue. In 2009, for example, federal estate and gift taxes amounted to \$23 billion. This is less than three days’ worth of federal government spending at our current rate. And according to some studies the cost of compliance with this onerous tax is even higher than the amount it actually collects. In fact, a former member of the Council of Economic Advisors during the Clinton Administration estimated the total compliance burden from the estate tax at \$26 billion each year.

A death in the family should not be a taxable event. It makes no sense to require grieving families to pay a confiscatory tax on their loved one’s farm, ranch, or nest egg that has been built from income already taxed when originally earned. Often, this tax is paid by selling family assets like farms, ranches, and businesses. Other times, employees of the family business must be laid off and payrolls slashed – or businesses liquidated – just to pay the burdensome death tax.

This legislation is supported by the National Cattlemen’s Beef Association, the American Farm Bureau Federation, the U.S. Chamber of Commerce, and over 50 other organizations representing a wide variety of interests.

While some in Congress, along with President Obama, believe that a few modifications to the death tax will suffice, many of us believe that the ultimate solution to the heartache and economic distress caused by this destructive tax is its complete repeal. It is time to bury the death tax once and for all.

*Senator John Thune (R-S.D.) is a member of the tax-writing Senate Finance Committee, as well as the Agriculture, Commerce, and Budget Committees.*

## CattleFax Update

On Wed., March 28, live cattle futures closed more than \$1/cwt. lower. Actively traded feeder cattle futures closed about \$1.20/cwt. lower. The CME reported the Feeder Index at \$153.90/cwt., down \$0.15. The Choice cutout on the spot market was down more than \$1/cwt. Spot market wholesale beef prices continue to trade below last year's values. Rounds, chucks, flanks, short plates, and 50s trimmings all trade below year ago levels. The Choice-Select spread on the spot market hit its lowest level of the year with Select boxes trading at an \$0.08/cwt. premium to Choice. Estimated packer margins continue to be poor with lower beef and by-product values and cash live cattle trading at steady to slightly higher prices. Grains traded lower ahead of the USDA Prospective Plantings report this Friday. Corn futures lost \$0.11/bu. on old crop and about \$0.14/bu. on new crop. Soybeans declined mostly \$0.03/bu. Chicago and Kansas City wheat futures lost nearly \$0.10/bu.

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 hear some innovative ideas to efficiently increase the rate of gain on calves and how to provide the best possible grazing experience for cattle. Plus, we'll hear from members of Congress about their efforts to provide permanent relief from the estate tax.

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 to Attend 2012 Legislative Conference:** Mark your calendars and make plans to attend the 2012 NCBA Legislative Conference April 17-19, 2012, in Washington, D.C. Attending the NCBA Legislative Conference 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. For more information on the conference and to register, [click here](#).

**NCBA-PAC In Action:** Congressman Randy Neugebauer (R-Texas) met with NCBA staff to discuss current issues, including the 2012 elections, the fiscal year 2013 federal budget, the farm bill and more.

NCBA-PAC is gearing up for the 2012 Young Cattlemen's Conference (YCC) May 31-June 7, 2012. The 2011 YCC class raised a record-breaking \$74,000 for the NCBA-PAC during a live auction. We need your help surpassing that record. This is possible with your generous contributions of items for the 2012 YCC auction. If you have an item to donate to the auction, please contact NCBA-PAC Director Anna Lee at [alee@beef.org](mailto:alee@beef.org) or at 202-879-9129. All items must be received by June 1, 2012.



## 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).*