



**National Cattlemen's
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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.

Cattlemen's Capitol Concerns

NCBA Commends Committee Support of Farm Dust Bill — Dust Bill Heads to House Floor with Bipartisan Support

The U.S. House of Representatives Committee on Energy and Commerce yesterday, Nov. 30, 2011, voted in support of H.R. 1633, the Farm Dust Regulation Prevention Act of 2011.

The legislation passed (33-16) through the full committee with bipartisan support and will head to the full House of

Representatives for a vote. National Cattlemen's Beef Association (NCBA) Deputy Environmental Counsel Ashley

Lyon said this "commonsense" legislation is gaining momentum and will receive bipartisan support when brought to a vote in the coming days.

"Allowing federal agencies to continue regulating farmers and ranchers to the point of no return is not something we will sit by and allow to happen," said Lyon. "We have to bring some accountability to regulatory agencies. They must be aware of the economic impact their actions are having on farm and ranch families throughout the country. We commend

Congresswoman Kristi Noem (R-S.D.) for introducing this legislation and the original cosponsors Leonard Boswell (D-Iowa), Larry Kissell (D-N.C.) and Robert Hurt (R-Va.). We also commend members of Congress from both sides of the aisle for supporting this commonsense bill."

"Allowing federal agencies to continue regulating farmers and ranchers to the point of no return is not something we will sit by and allow to happen. We have to bring some accountability to regulatory agencies."

~Ashley Lyon

The Farm Dust Regulation Prevention Act of 2011 would do multiple things to ensure clean air while also providing regulatory certainty for farm and ranch families, according to Lyon. She said the legislation recognizes that dust from agricultural activities has never been shown to have a health impact at ambient levels. It first gives states and localities the authority in regulating dust by preventing the federal standard from applying where states or localities already have dust measures in place. In places where

there is no state or local control, it also would exempt farm dust from the Clean Air Act unless the administrator of the Environmental Protection Agency can prove it is a significant health problem and that applying the standard is worth the costs.

"It is important that state and local governments determine what regulatory action to take regarding dust. As we all know, dust

depends on geography," Lyon continued. "All regions of the country are very different and local and state governments must be allowed to set policies that make sense. The federal government's one-size-fits-all mentality is neither practical nor scientific."

If H.R. 1633 passes the House, it will move to the Senate, where it was introduced by Senators Mike Johanns (R-Neb.) and Charles Grassley (R-Iowa) and has support from 26 bipartisan senators.

USDA Proposes to Change Disaster Designation Process

The U.S. Department of Agriculture's (USDA) Farm Service Agency (FSA) recently proposed a rule to amend disaster designation regulations. Specifically, the proposal would delegate the designation authority to FSA state officials, remove the requirement that a request for a disaster designation be initiated and submitted by a State Governor or Indian Tribal Council to the secretary of agriculture, add a simplified disaster designation in severe drought situations and change the USDA Secretarial disaster designation process from six steps to two steps for natural disasters, including special provisions for certain drought situations. NCBA will continue analyzing the proposed rule, which can be found online on [FSA's website](#), and will provide comments to FSA. The deadline to submit comments is Jan. 13, 2012.

NCBA Urges No Appeal on WTO Ruling —NCBA President Pens Letter to USTR Chief

National Cattlemen's Beef Association (NCBA) President Bill Donald penned a letter to U.S. Trade Representative Ron Kirk on Nov. 28, 2011, urging him not to appeal the most recent World Trade Organization (WTO) ruling on the country of origin labeling (COOL) case filed by Canada and Mexico. Donald said NCBA has reviewed the WTO report and believes the ruling was based on a solid and thorough analysis of the issue. Rather than allocating time and resources on an appeal, Donald encouraged Ambassador Kirk to find a meaningful and effective way to bring the United States into WTO compliance and avoid jeopardizing two of the most important markets for U.S. beef.

In 2010, Mexican consumers purchased \$819 million worth of U.S. beef. Canadian consumers purchased \$733 million of beef from the United States. Through September of this year, Mexican consumers purchased nearly \$733 million of U.S. beef, which is a 25 percent increase over the same period in 2010. Canadian consumers have already outpaced last year's numbers by purchasing \$788 million worth of U.S. beef so far this year.

Donald said the main concern of the oldest and largest national organization representing the U.S. cattle industry is that a failure to comply with the WTO decision will provide Canada and Mexico an

opportunity to place retaliatory tariffs on U.S. goods. Donald worries about far-reaching, unintended consequences that would occur with other U.S. trading partners as well.

"Not making the effort to comply could also undermine our ability to negotiate with other countries by sending the signal that the United States does not have to abide by these decisions," said Donald. "As a cattleman, my reputation for being fair and honest means everything to the success of my operation. If people cannot trust me, they won't do business with me."

He concluded his letter to Ambassador Kirk by stating that the only viable solution is to work with Congress on a statutory fix.

"Administrative changes by the United States Department of Agriculture are not enough to bring us into compliance. Statutory changes that modify red meat labeling under COOL will be the only way to provide compliance, protect our ability to export U.S. beef to Canada and Mexico and provide consumers with a meaningful labeling program."

Ambassador Kirk has until Jan. 18, 2012 to appeal the WTO ruling.

Legislative Watch

H.R. 10 - Regulations in Need of Scrutiny (REINS) Act of 2011

To require an up-or-down, standalone vote in Congress and the President's signature on all new economically significant rules before they can be enforced. The REINS Act could come up for a vote in the full House of Representatives NEXT WEEK.

NCBA urges a **YES** vote on the REINS Act.

Key Sponsor: Rep. Geoff Davis (R-Ky.)

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.)

S. 1528/H.R. 1633 - 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. NCBA urges a **YES** vote S. 1528 / H.R. 1633. Key Sponsors: Sen. Mike Johanns (R-Neb.), Rep. Kristi Noem (R-S.D.)

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. This week's features include updates on farm dust 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.

Evaluating Certification Programs

Tom Field, PhD, NCBA executive director of producer education



Beef markets have undergone significant transformation over the past several decades resulting in a variety of market niches and opportunities based on associating breed, management practices, feeding practices and a host of other verifiable claims with beef products. The market has provided economic incentives at a variety of levels to encourage participation in supplying the needs of these various market niches. In some cases, these incentives have been significant and as a result cattle producers have shown increasing interest in learning about program requirements and the process associated with becoming certified for participation. This article is designed to serve as an informational source that provides an overview of the roles and responsibilities associated with certified programs. It is not comprehensive in scope nor does it provide endorsement of any program.

Roles and responsibilities

Standards Creating Body – The creation of the standards typically lies in the hands of a market-oriented entity that desires to create a product differentiated by a specific attribute or set of attributes. The entities involved range from branded companies, retailers who desire that suppliers meet a specific set of production and processing standards, various participants in the supply chain, trade partners and even nonprofit organizations.

USDA – USDA's Agricultural Marketing Service (AMS) requires that a system be in place to verify or certify the authenticity of the attribute(s). To accomplish this mission, the USDA-AMS created a set of Process Verified Program (PVP) standards and a set of Quality System Assessment (QSA) standards to provide effective standardization with the marketing system.

Auditor – The auditor provides services under two basic categories – third party audits and second party audits. In the case of third party audits, the auditor determines whether the supplier has effectively met the requirements established by the standards. In this case, the auditing firm has no influence over the creation or modification of the standards. In the case of second party audits, the auditing firm has the opportunity to help develop and refine the standards.

Producer – The decision about participating in a certification system rests entirely on the independent decision-making process of an individual producer. It is absolutely critical that producers perform due diligence in determining which programs, if any, they chose to adopt. Even if a producer sees a quick market opportunity, they are advised to carefully and thoughtfully do their homework before participating in any program. The following questions are a starting point for making the decision to

participate in a certification program:

What are the standards and how do they fit into existing and future operational needs of the producer?

To what market(s) will the program provide access? Do those markets align with the producer's philosophies, management system and business goals?

What are the philosophies and objectives of those who designed the standards and are they in harmony with the producer's business values?

What costs will be associated with meeting the standards and are the returns sufficient to warrant incurring those costs?

How will meeting the standards in terms of day-to-day management, record keeping and data analysis impact operations, employees and management?

What are the training requirements for employees and management?

Do the requirements create new needs from my suppliers, partners, or customers?

Producers are strongly advised to do extensive homework about a program and its impacts on their business operations (both short and long term) before deciding to participate. Remember not all that glitters turns out to be gold!

A good starting point to gain information is to visit the following websites:

USDA Approved PVP Program – <http://www.ams.usda.gov/AMSV1.0/getfile?dDocName=STELPRD3320450>

USDA Approved QSA Programs – <http://www.ams.usda.gov/AMSV1.0/getfile?dDocName=STELPRD3107505>

USDA "Never Ever" Program – <http://www.ams.usda.gov/AMSV1.0/getfile?dDocName=STELPRDC5066028>

USDA Official Listing Approved Companies to the Livestock Feeding Claims Audit Program – <http://www.ams.usda.gov/AMSV1.0/getfile?dDocName=STELPRDC5075806>

USDA resource list concerning animal well-being programs and audits – http://awic.nal.usda.gov/nal_display/index.php?info_center=3&topic_id=1782&tax_level=2&tax_subject=170

Once a cattle producer has good information in hand, communicates with suppliers and customers and carefully weighs the benefits and drawbacks of participating in a certification system, then a good decision can be made.

CattleFax Update

On Wed., Nov. 30, most markets were higher amid a variety of news. Private payrolls in the United States grew 200,000, which was nearly 130,000 more jobs than analysts expected. China announced it would lower bank reserve requirements. Finally, the Federal Reserve announced a globally coordinated effort to finance European debt problems. The Standard & Poor's 500 Index (S&P 500) railed more than 4 percent. Live cattle futures closed more than \$1/cwt. higher. Feeder cattle futures prices ended about \$1/cwt. higher as well. The CME reported the feeder index at \$143.17/cwt., down \$0.73. The wholesale beef prices ended \$0.50/cwt. lower. The cutout remains near the spring highs. The Choice-Select spread maintained a margin in the mid-to-upper \$18 range. Packer margins continue to be poor. Slaughter levels during the last three days are an estimated 10,000 head smaller than last week, but 2,000 head stronger than the week prior to Thanksgiving. Grain markets ended the day stronger. Soybean futures gained the most, adding \$0.06/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*, Dec. 6-10, 2011, as we learn more about the National Cattlemen's Beef Association. We examine NCBA's goals and talk with the leaders who help guide 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

NCBA Hosts First-Ever Telephone Townhall Meeting: In an effort to keep beef producers across the nation updated with the latest information on key policy issues, the National Cattlemen's Beef Association (NCBA) hosted its first-ever telephone townhall meeting with cattlemen nationwide Tues., Nov. 29, 2011. NCBA Vice President of Government Affairs Colin Woodall said this one-hour, toll-free call gave NCBA members the opportunity to hear updates from Washington, renew their membership to NCBA, contribute to the NCBA-Political Action Committee and ask questions directly to NCBA staff. Woodall said if NCBA members did not participate in this telephone townhall but would like to in the future, they need to contact NCBA's membership team at 1-866-233-3872 or e-mail Anita Graham at agraham@beef.org to ensure the organization has up-to-date contact information.

Don't Miss the World Class Educational Programs at the 2012 Cattlemen's College: Sponsored in part by Pfizer Animal Health, this educational seminar has been educating cattlemen on how to protect and sustain profitability for more than 18 years. This year's curriculum is designed to offer cutting edge concepts and solutions in 18 educational sessions and more opportunities for discussion and networking. Attendees gain direct access to the leading authorities on pressing industry issues as well as discussion with other producers facing similar challenges. New for 2012 Cattlemen's College will offer live cattle demonstrations in the arena on the trade show floor. Space is limited and pre-registration is required. For more information or to register visit www.beefusa.org or call 303-694-0305.

NCBA-PAC in Action: Representatives Marlin Stutzman (R-Ind.) and Steve Womack (R-Ark.) stopped by the National Cattlemen's Beef Association's (NCBA) Washington, D.C., office to visit with staff and learn more about policy issues affecting the nation's beef producers. Topics of discussion included legislation to prevent the further regulation of farm dust, the 2012 Farm Bill, the U.S. Department of Agriculture's proposed livestock marketing rule and more. To learn more about the NCBA-PAC, visit NCBA's website at www.beefusa.org.



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.