



**National Cattlemen's
Beef Association**



Beltway Beef

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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 Supports First Attempt to End US, Mexico Trucking Dispute

The Obama administration last week released a proposal to resolve an ongoing trade dispute with Mexico over allowing foreign truckers onto roads in the United States. When the U.S. banned Mexico's trucks from operating north of the Mexican border, it prompted a series of tariffs on several U.S. products totaling approximately \$2 billion. Mexico is one of the largest trade partners for the United States. Consequently, the tariffs have resulted in a decrease of U.S. exports of some products to the neighboring country. Although U.S. beef was not among the commodities hit with tariffs, Colin Woodall, vice president of government affairs of the National Cattlemen's Beef Association, said the administration's announcement is a good first step for all of agriculture.

"The Obama administration's announcement is a step in the right direction and comes not a moment too soon," said Woodall. "It is critical for all farmers and ranchers and for the entire U.S. economy that this long-running U.S.-Mexico trucking dispute comes to an

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immediate resolve. The retaliatory tariffs Mexico has placed on U.S. agricultural exports as a result of this dispute is costing the United States an enormous amount of money and jobs for U.S. workers. This is a good first step but it is of little value if our countries do not move forward to end the dispute as expeditiously as possible."

The announcement by the Obama administration includes a blueprint that was sent to Congress outlining principles the White House would push. President Obama could end the ban without congressional approval, but he is seeking to get policymakers on board. President

Obama has expressed a goal to double exports in the next five years. Woodall said he believes that is possible if market access and defense are priorities.

"We cannot expect to double exports if we allow disputes like this one to linger rather than seek immediate resolve. Mexico has been, and continues to be, an outstanding trading partner for U.S. cattlemen and women," he said. "Jeopardizing this trade relationship would be detrimental to the U.S. beef industry."

Russia Doubles Quota Allocation for US Frozen Beef

In late December 2010, Russia's Ministry of Economic Development (MED) announced an increase of the U.S. frozen beef quota allocation from 21,700 to 41,700 metric tons. The National Cattlemen's Beef Association (NCBA) Chief Economist Gregg Doud said this announcement is great news for the U.S. beef industry and is the result of hard work by the Office of the U.S. Trade Representative (USTR).

"We thank USTR for their work to negotiate and secure this increased quota allocation," Doud said.

"Seven years ago, there was not much of a market for U.S. beef in Russia. In 2010, however, the market for U.S. rounds in Russia helped drive our beef prices."

According to the American Meat Institute, the increased quota allocation represents more than an estimated \$75 million in additional 2011 frozen beef exports. Additionally, through November 2010, the United States exported more than \$147 million in beef products to Russia and more than \$3.67 billion worldwide.

"Increasing export market opportunities for U.S. beef products is a priority for NCBA and for cattle producers across the country," Doud said. "Doubling the quota allocation for frozen beef is great news and puts the United States on pace to export a record dollar amount of beef in 2010. We look forward to working with USTR and all stakeholders in the industry to continue this momentum in 2011."

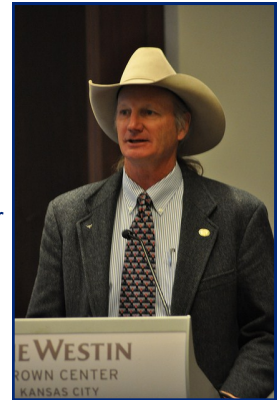
NCBA, Cattle Industry Prepare for Annual Convention

The National Cattlemen's Beef Association (NCBA) is making final plans for the 2011 Cattle Industry Convention and NCBA Trade Show, which will be Feb. 2-5 in Denver. Bill Donald, NCBA President-elect, said NCBA members' input during the policy process at convention is critical to deciding how the organization will tackle specific legislative and regulatory issues.

"Our industry is facing challenges today larger than any we've seen in recent history," Donald said. "From regulatory proposals coming out of the Environmental Protection Agency (EPA) that will protect us out of business to the U.S. Department of Agriculture's (USDA) proposed rule on livestock and poultry marketing that would take our industry back in time 50 years, U.S. cattlemen and women are extremely concerned policy proposals coming out of Washington, D.C. Next month, producers from across the country will have the opportunity to come together to discuss and debate these and many other issues and hear from leading industry experts on a host of issues."

In addition to participating in policy discussions, NCBA members will also have the opportunity to hear from Richard Picciotto, the highest ranking New York City Firefighter to survive the September 11, 2001, attacks and author of Last Man Down, and Karl Rove, former deputy chief of staff and senior advisor to President George W. Bush. Picciotto and Rove will be featured keynote speakers during the General Sessions.

Additionally, convention attendees will also have the opportunity to attend a tailgate party at Invesco Field, home of the Denver Broncos, as well as to be entertained by Larry the Cable Guy and cowboy poet Baxter Black.



NCBA President-elect Bill Donald

NCBA Identifies Transportation as a 2011 Priority

The National Cattlemen's Beef Association's (NCBA) policy division recently set policy priorities for 2011. Cattlemen and women will be heading to Denver, Colo., Feb. 2-5, for the 2011 Cattle Industry Convention and NCBA Tradeshow to establish 2011 policies. Colin Woodall, NCBA vice president of government affairs, said NCBA staff compiled five priorities to set the stage for policy development at this year's convention. One of the five priorities is transportation. Woodall said this is an ongoing issue but is sure to intensify this year. To create resolve, Woodall said consistency is key. Specifically, he said NCBA supports standardizing truck length and weights for vehicles to allow gross weight exceeding 80,000 pounds for livestock haulers across all states.

"Basically, we are seeking uniformity in transportation laws across all states. The weight limit for producers hauling cattle varies state-to-state, which is burdensome, confusing and costly for cattlemen. If someone is hauling cattle from Alabama to Florida, there should be no variance in the total weight that producer can haul," said Woodall. "We support adding additional axles to livestock and semi-trailers to

increase breaking power and place less total weight on each axle making transporting livestock safer and less stressful on U.S. roadways. This would also result in fewer trucks on the road." Woodall said the transportation of cattle affects the beef industry's ability to do day-to-day operations and the "exorbitant" costs can be detrimental to the livelihood of producers and cattle marketers. At the upcoming convention, Woodall expects NCBA members to continue their efforts to develop policy that helps alleviate the cost of transporting cattle.

"We must make it a priority to help states adopt efficient and uniform transportation laws that increase allowable weight, length and trailer requirements," he said. "Transportation costs are a real problem in rural America that often takes the backseat in Washington, D.C., but we plan to work with other organizations to bring this issue to the forefront in 2011."

New on the Web

Check out the [Beltway Beef blog](#) for inside perspectives on the latest policy issues impacting cattle producers. This week features commentary on the recently finalized mandatory nutrition labeling rule; and more. 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.

Remembering the Cow that Stole Christmas

It was the morning of Dec. 23, 2003, when the call came in from the U.S. Department of Agriculture. Beef industry



Steve Foglesong is a cattle producer from Illinois and currently serves as president of the National Cattlemen's Beef Association.

leadership at the national and state levels had practiced for this moment, but it was still a shock to learn that a cow of Canadian origin in Washington State had tested positive for *bovine spongiform encephalopathy* (BSE). By this time, much was known about these misfolded proteins called prions and how to prevent their spread to other cattle via feed. It was also well known that these prions were in

no way a threat to human health as long as "specified risk materials," such as the brain and spinal cord potentially containing prions were removed during processing and not being eaten.

The industry-led ban on the importation of cattle and ruminant meat and bone meal from Europe back in 1989 and the ruminant-to-ruminant feed ban back in 1997 had prevented BSE from ever getting a foothold in the United States. To this day, there has never been a native born case of "classic" style BSE in the U.S. and only two "atypical" positive tests after 20 years of searching for these prions in our cow herd. This successful example shows our producers' commitment to providing the world's best and safest beef. It is a prime example of how industry-led initiatives working proactively with government partners can make a difference in cattle health and food safety.

Despite our proven success, this Christmas Grinch is the gift that unfortunately keeps on giving.

These prion Christmas ghosts, now seven years past, continue to wreak havoc on our industry, not because of some misplaced consumer sentiment about the safety of American beef, but because governments have struggled to convert the mantle of trade based on sound science into practice.

Cattle Fax has estimated that 13.5 billion pounds of beef was not exported from the U.S. over the past seven years due to BSE related trade restrictions. This is roughly one-half of a year's beef production in this country, worth in excess of \$25 billion. In today's dollars that is about the same as what it would take to purchase about three-fourths of the entire U.S. beef breeding herd in the United States. Much of this beef was still produced and consumed domestically at lower prices, but the economic shock of it has reduced this size of this mighty industry and cost America thousands of jobs.



Seven years after the 'cow that stole Christmas,' BSE has slid down significantly on the list of economic forces shaping our industry. This is a testament to every one of the thousands of ranchers, cattle feeders and all those who work hard each day making the safety of U.S. beef job top priority as it is brought from the pasture to the plate.

Our customers outside the U.S. recognize the pride and quality of our product, demonstrated by the fact that the value of U.S. beef exports in 2010 is on pace to finally exceed the \$3.86 billion record of pre-BSE 2003. The ability of the American cattlemen and women to cultivate new customers around the globe is a powerful statement regarding the resiliency of everyone in this business.

There is still much to be done. China is still completely blocking access to U.S. beef. Japan's meritless 20-month age restriction and several other non-science based restrictions in other countries are still stopping at least \$1 billion in sales of U.S. beef around the world. This lack of market access appears to be more about the process of government-to-government interaction than science.

Agricultural trade has expanded tremendously since countries via the World Trade Organization have reduced tariffs and opened markets. U.S. beef producers have benefitted from these agreements. Yet, one of the unique challenges in agricultural trade today involves the inability for governments to resolve sanitary and phytosanitary barriers to trade. It is frustrating beyond belief to cattlemen who understand that World Organization for Animal Health (OIE) international guidelines are the template to be followed, but that few nations have stepped up to the plate to follow them.

Despite these and numerous other challenges, U.S. beef producers have been a resilient and generally profitable group over the past seven years. They're a group that despises subsidies and prefers instead to grow demand for their product by efficiently producing what the consumer wants. They're also a group that increasingly understands that 96 percent of their potential customers do not reside in the United States and that future growth in their industry is tied to building relationships with customers overseas.

Seven years later, the legacy of the 'cow that stole Christmas' may be that America's beef producers have a renewed sense of commitment both to the American consumer who stuck with us during those uncertain hours and to folks in other countries who may be experiencing the best beef in the world for the first time. Our message today is simply to say thank you for your support of our industry.

CattleFax Update

The fed cattle market was quoted mostly \$.50 to \$1 lower this week with trade in the South in a full range of \$105 to \$106.50, while the North was primarily \$105 to \$105.50 live and \$168 to \$170 dressed. Volumes nationwide were light to moderate. The boxed beef market advanced as short bought buyers coming out of the holidays competed for quick ship items. Ends and trimmings continue to be in the most demand. Volumes on that side remained limited. Feeder cattle prices were \$2 to \$5 higher as compared to pre-holiday levels while calves were \$5 to \$10 firmer, again compared to before the holidays. Slaughter cows over that period were mostly \$2 to \$5 higher. Corn values dropped modestly this week.

Visit www.cattlefax.com for more information.

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

Don't miss NCBA's *Cattlemen to Cattlemen*, Jan. 18-22, 2011, as we take a look at some of our favorite cooking segments with NCBA Chefs Shenoa French and Laura Hagen. They'll demonstrate how to make beef kabobs; cold weather comfort food; and a great stress-free meal. Plus, tune in to see Baxter Black. There's never a dull moment when he stops by!

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

It's time for a Rocky Mountain Round-up! It's not too late to register! Join your fellow cattlemen in Denver, February 2-5 for the 2011 Cattle Industry Convention and NCBA Trade Show. Registration is available onsite. Come for all four days, one day or even just for the trade show. This event is for you!

For more information visit <http://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.