



**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 Hones in on Environment in 2011

The National Cattlemen's Beef Association has identified environmental issues as a top policy priority in 2011. NCBA Chief Environmental Counsel Tamara Thies said the Environmental Protection Agency is playing "Wheel of Regulation" and inflicting costly consequences on rural America. One of her concerns is EPA's Total Maximum Daily Load (TMDL) for the Chesapeake Bay.

"EPA is disregarding its authority under the Clean Water Act, ignoring current agricultural practices to protect water quality, not allowing for sufficient time for public input and basing TMDL allocations on factually flawed data. The worst part is, EPA will use this nonsense as the model elsewhere. Our goal is to work closely with members of Congress to stop EPA's careless actions," Thies said. "EPA

built the model, admits that it is flawed and moves forward."

In the latest step in its review of the National Ambient Air Quality Standards (NAAQS), EPA established the foundation for unprecedented regulation of dust. According to its Second Draft Policy

"This administration's regulatory overreach is costly and inappropriate and must be stopped so that our economy can start thriving again."

Assessment for Particulate Matter (PM), EPA may consider regulating dust at levels twice as stringent as the current standard. The proposed regulation is expected to be released this spring, with the final rule expected in late 2011.

"Even with use of management practices to control dust, it would be

virtually impossible for many industries including agriculture to comply," said Thies.

EPA is also in the process of regulating ammonia. Thies said EPA's actions on this matter are "essentially illegal but they are doing it anyway." She said EPA's own Clean Air Scientific Advisory Committee rejected EPA's approach to regulate ammonia because of a lack of a valid scientific foundation.

"The EPA wants to push regulations through the process.

They don't consider the consequences. That's because EPA has hired a bunch of activists with agendas," said Thies. "It is unfortunate for agriculture and the U.S. economy. This administration's regulatory overreach is costly and inappropriate and must be stopped so that our economy can start thriving again."

President Must Eliminate Burdensome Regulations

Earlier this week, President Obama signed an Executive Order titled "[Improving Regulation and Regulatory Review](#)" that seeks to review all federal regulations and eliminate those that are preventing job creation and economic growth.

The National Cattlemen's Beef Association (NCBA) welcomed the Executive Order, but NCBA President Steve Foglesong said he hopes the President is serious about improving the federal regulatory system and not just making a politically-popular statement.

"Over the past two years, the signal this Administration has sent to U.S. cattlemen and women and to businessmen and women across the country is that Washington knows best by pushing excessive, burdensome regulations on those of us trying to make a living," Foglesong said. "From the U.S. Department of Agriculture's (USDA) Grain Inspection, Packers and Stockyards (GIPSA) proposed rule on livestock marketing to the Environmental Protection Agency's regulatory rampage - this Administration's regulatory agenda to-date won't just

stymie growth in the U.S. beef cattle industry, it could kill the industry as we know it."

The Executive Order directs all federal agencies to conduct reviews of federal regulation "that may be outmoded, ineffective, insufficient, or excessively burdensome, and to modify, streamline, expand, or repeal them in accordance with what has been learned."

Lean Beef Plays Important Role in a Healthy, Balanced Diet

The National Cattlemen's Beef Association (NCBA) in July 2010 submitted comments to the U.S. Department of Agriculture (USDA) related to its report of the Dietary Guidelines Advisory Committee (DGAC). It is anticipated that USDA and the Department of Health and Human Services (HHS) will jointly issue final guidelines by the end of January. NCBA's comments asked the agencies to change the DGAC's recommendation which encourages Americans to "shift food intake patterns to a more plant-based diet" and recommend "only moderate amounts of lean meat, poultry and eggs."

According to NCBA's comments on the DGAC report, "a dietary recommendation to shift food intake patterns to a more plant based diet fails to recognize the fact that Americans' diets are already plant-based... Americans are already consuming over 70 percent of their calories from plant foods."

NCBA points out that the DGAC report also notes that the current meat and bean group is the only food group consumed in recommended amounts.

Texas cattleman and medical doctor Richard Thorpe said the fact is

that many Americans are "overfed and undernourished." He also said the report's plant-based diet recommendation directly contradicts the report's recognition of animal sources of protein as the 'highest quality proteins.' Current dietary guidelines recommend daily consumption of 5-7 ounces of meat and beans daily. On average, U.S. consumers eat 1.7 ounces of beef daily.

"There is overwhelming scientific evidence showing the value in a diet that includes high-quality animal protein such as lean beef balanced with fruits, vegetables, whole grains and low and non-fat dairy. That is what we call a well-balanced diet that combats obesity and contributes to healthy kids," Thorpe said. "In fact, the DGAC report recognizes the health-value of lean beef. That is why it is perplexing that the Committee would recommend this shift. NCBA has historically supported USDA's dietary guidelines. We are hopeful the agencies will change the DGAC's report and not recommend a shift to a plant-based diet or language that implies Americans need to further limit their intake of lean meat. Anything less than USDA and HHS recommending a well-balanced, nutrient-packed diet will be unacceptable."

NCBA Supports Efforts to Finalize Pending Trade Agreements

Expanding international trade opportunities is a priority for the National Cattlemen's Beef Association (NCBA) in 2011. Colin Woodall, NCBA vice president of government affairs, says NCBA sees opportunities to work more with the U.S. House of Representatives in the 112th Congress to develop and expand international trade.

"The clock is ticking on President Obama's goal to double exports in five years. But here at NCBA, we support the President's goal and are ready and willing to help him achieve it," Woodall said. "Finalizing the U.S.-Korea Free Trade Agreement in December and setting a target congressional approval date is encouraging to U.S. cattlemen and women. Looking ahead, though, we are hopeful the President will also put forward a timeline to finalize the pending trade agreements with Panama and Colombia as well."

Historically, South Korea was the third largest importer of U.S. beef with \$815 million in sales, which accounted for two-thirds of Korea's total beef imports. When this agreement is finally signed, sealed and delivered, it would phase out Korea's 40 percent tariff on beef imports, with \$15 million in tariff benefits for beef in the first year of the agreement alone and about \$325 million in tariff reductions annually once fully implemented.

The Colombia Trade Promotion Agreement (TPA) was signed by the U.S. Trade Representative and the Colombian trade minister on Nov. 22, 2006. Under the agreement, Colombia would open its markets to all U.S. beef and beef products and would immediately eliminate the 80-percent tariff on prime and choice cuts.

The United States and Panama concluded negotiations on a free trade agreement on Dec. 19, 2006. Panama agreed to accept imports of all U.S. beef and beef products. Additionally, the 30-percent tariff on prime and choice cuts would be immediately eliminated and the duties on all other cuts would be phased out over 15 years.

Woodall said it is clear trade will be a priority for the House Ways and Means Committee as committee Chairman Dave Camp (R-Mich.) has called a hearing on the pending trade agreements with South Korea, Panama and Colombia for Jan. 25, 2011.

"For far too long, the United States has sat on the sidelines while our competitors complete trade deals. 2011 is the year for that to change," Woodall said. "Last year was a great one for U.S. beef exports. Finalizing these agreements, however, would ensure that momentum continues in 2011."

New on the Web

Check out the [Beltway Beef blog](#) for inside perspectives on the latest policy issues impacting cattle producers, including President Obama's new government-wide regulation review; NCBA's 2011 policy priorities; a Ninth Circuit Court ruling that gives ranchers their voice back in environmental lawsuits; expanding trade; 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.

NCBA Remains Concerned with Total Maximum Daily Load Process



Tamara Thies is NCBA's Chief Environmental Counsel

On Dec. 29, 2010, the Environmental Protection Agency (EPA) finalized the Total Maximum Daily Load (TMDL) for the Chesapeake Bay watershed. While cleanup of the Chesapeake Bay is a laudable goal, the National Cattlemen's Beef Association (NCBA) is concerned about the unprecedented, uninformed and unlawful process EPA used to strong-arm the states' agricultural and business communities affected by the rule. EPA's actions are particularly egregious with regard to its treatment of agricultural operations located in the Bay region. Agricultural producers should be alarmed by the fact EPA intends to use the Chesapeake Bay effort as a model for other watersheds across the country, including the Mississippi River Basin.

Congress made it very clear in the Clean Water Act (CWA) statute that it intentionally designed the law to "recognize, preserve, and protect the primary responsibilities and rights of the states to prevent, reduce, and eliminate pollution." In keeping with this mandate, Congress designed the TMDL framework as follows: States have primary authority for the development of water quality standards which can be either numeric or narrative and must be based on "sound scientific rationale;" states identify waters within their borders that do not meet water quality standards; states establish a TMDL, which is a comprehensive "pollution diet" that sets maximum amounts of pollutants a specific waterbody can handle and still meet the water quality standards set by the states; states assign facilities affecting a waterbody acceptable pollutant loads in a complicated CWA permitting process. Congress intentionally severely limited the involvement of the EPA in the TMDL process. The EPA has statutory authority to approve or disapprove of state action or inaction, and in very limited circumstances has authority to establish a TMDL subject to public review.

In brazen disregard of congressional intent, the EPA went much further than Congress ever envisioned when it established the TMDL for the Chesapeake Bay. For example, without congressional authority, the EPA decided to force implementation of the TMDL to be under its terms by requiring the six states within the Chesapeake Bay watershed and the District of Columbia to submit

"Watershed Implementation Plans" (WIPs) containing nitrogen, phosphorus and sediment reduction goals based on EPA-determined criteria by June 2010. States were required to submit revised drafts by Sept. 1, 2010. EPA rejected all state WIPs that were submitted claiming they did not "provide sufficient reasonable assurance that pollution controls identified could actually be implemented to achieve the nitrogen, phosphorus, and sediment reduction targets by 2017 or 2025." After numerous EPA threats and other coercive actions, states submitted revised WIPs that were ultimately approved by the EPA.

Examples of EPA threats and coercion include EPA revising the TMDL to require more reductions from point sources; objecting to state-issued permits; requiring individual permits for facilities in a state that is covered by a general permit; objecting to point source permits if EPA believes nonpoint source controls are insufficient; requiring offsets for new or expanded discharges in permits in the state; and withholding federal funds that state rely on for development, among others. EPA also announced plans to propose new regulations that affect animal feeding operations (AFOs) by December 2012, and finalizing those rules by December 2014. For example, EPA plans to expand the definition of a concentrated animal feeding operation (CAFO) to encompass smaller AFOs, define more stringent permit conditions related to the land application of manure, "improve" offsite manure management by expanding the definition of a CAFO to include third party land application areas, and update state technical standards.

Federal implementation of TMDLs is troubling because controlling nutrient and sediment loads means it will be the EPA, and not state or local government, that largely controls zoning decisions, home construction, urban stormwater runoff, and farm regulation in the Chesapeake Bay region. This is not what our founding fathers had in mind when they set up our government. The long tentacles of the EPA must be cut off to prevent further destruction of the U.S. economy by making doing business in America so difficult that more and more jobs are shipped overseas.



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.

CattleFax Update

The fed cattle market was \$2 to \$3 higher this week as cattle in the South sold for \$108, while trade in the North was collected at mostly \$108 to \$108.50 live and \$172 to \$173 dressed. Trade volumes were light to moderate. The boxed beef market was also higher on the week as asking prices were raised sharply as it became apparent that fed cattle values would rise. Volume slowed as the prices increased. Feeder cattle prices were quoted steady to \$2 higher this week while calves were mostly steady. Slaughter cows were even to \$2 better. Trade volumes remained limited in many of the regions due to adverse weather conditions. Corn prices were higher this week as a USDA crop report came out this week that noted lower yields and crop size than expected.

For recent market news and analysis, visit www.CattleFax.com.

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

Don't miss NCBA's *Cattlemen to Cattlemen*, Jan. 25-29, 2011. Viewers will learn what one Nebraska cattleman is doing to prevent scours on his operation. Additionally, the episode will profile a saddle maker and highlight efforts made to make the rider and the horse more comfortable.

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.