

Industry Link

Livestock groups find U.S. Forest Service planning rule unworkable

The Public Lands Council (PLC), the National Cattlemen's Beef Association (NCBA) and the American Sheep Industry Association (ASI) said the USDA Forest Service ignored concerns of industry and members of Congress, disregarded federal statute and defied logic in its preferred alternative forest planning rule, which, according to a Programmatic Environmental Impact Statement released by USDA on Jan. 26, 2012, will be issued as the final rule in 30 days. John Falen, PLC president and Nevada rancher, said the alternative plan is very similar to the proposed planning rule released as a draft in early 2011 that would have devastating long-term effects on ranchers' ability to access and responsibly manage the land and its resources.

"Rather than listening to concerns from those of us who have devoted our livelihoods to raising livestock on federal lands, the Forest Service is continuing down a path with this forest planning rule that will have long-term, chilling effects on my ability to do my job," Falen said. "If implemented, this final rule will thwart multiple-uses and will have rippling effects on the health of rural economies by shifting the focus from multiple-use to non-use and 'preservation' on the 155 forests and 20 grasslands that constitute the National Forest System."

Margaret Soulen Hinson, ASI president and Idaho producer, said ASI, PLC and NCBA are extremely disappointed that the Forest Service opted to retain the requirement to "maintain viable populations of species of conservation concern" in the preferred alternative forest plan. She said the term "maintain viable population" does not appear in federal statute and has already proven a problem under the current planning rule, as it is ill-defined and nearly impossible to achieve. Soulen Hinson said there is no scientific consensus on what level of any given population is "viable" or how it is to be managed, and added that the new rule expands the provision beyond vertebrates to all species, including fungus and moss.

NCBA President and Montana cattleman Bill Donald said many aspects of the draft rule, which NCBA, PLC and ASI found unworkable and commented on, are still included in the preferred alternative planning rule. Specifically, Donald said the requirement that the agency use the "best available science" would likely incite litigation. He added that the creation of a new category of protected species, completely unrelated to Endangered Species Act called "species of conservation concern" and determined at the whim of the regional forester, will negatively impact the livestock industry's ability to access forest lands to raise healthy animals. Donald said the modified alternative is in ways worse than the draft rule.

"It seems that the Forest Service is intent on locking-up the forest system and locking-out ranchers from land that we have responsibly managed for decades," Donald said. "The Forest Service needs to scrap this aberration and work with multiple-use industries and members of Congress on a planning rule that truly will preserve the health and sustainability of forest lands across the country."

Donald, Falen and Soulen Hinson said NCBA, PLC and ASI support certain aspects of the rule, such as the requirement that individuals who object to plans and plan amendments must have filed formal comments during the public comment period. They said this provision will prevent "radical environmental litigators" from purposefully abstaining from involvement until the time is right to sue.

Report from the Beltway

As we go to press, thousands of cattlemen and women are heading to Nashville, Tenn., for the 2012 Cattle Industry Convention and National Cattlemen's Beef Association (NCBA) Trade Show. This month we share some of the items in NCBA's *Beltway Beef* newsletter, which presents NCBA's take on what's happening in Washington, D.C. Many of these topics will be discussed in great length and from various viewpoints in Nashville, where "NCBA's take," for all intents and purposes, will be established.

NCBA opposes legislation to mandate on-farm production practices

The NCBA criticized legislation (H.R. 3798) introduced by Rep. Kurt Schrader (D-Ore.) that would codify an agreement between the Humane Society of the United States (HSUS) and the United Egg Producers (UEP) establishing federally mandated egg production practices. NCBA President Bill Donald said the legislation would set a "dangerous" precedent for allowing the federal government to dictate on-farm production practices and disregards decades of work the cattle industry has undertaken to develop science-based, voluntary animal care programs.

"America's farm and ranch families are committed to raising healthy animals, which are the foundation of a safe, wholesome food supply," Donald said. "Decades ago, our farmers and ranchers voluntarily took it upon themselves to work with veterinarians, animal health specialists, university researchers and with each other to develop animal care practices and guidelines. That is why the programs have been so successful, certainly not because politicians in Washington, D.C., mandated them."

Under the agreement between HSUS and UEP, HSUS agreed to stop pursuing state ballot initiatives regarding egg production practices if UEP would work

with HSUS to pursue federal legislation mandating increased cage sizes, among other things. Donald said while the legislation, which was referred to the House Committee on Agriculture, currently only applies to the egg industry, it creates a slippery slope to allow the federal government to dictate how farmers and ranchers raise all animals.

"This ill-conceived legislation could set the model for a one-size-fits-all approach to cattle production. Unfortunately, one-size-fits-all doesn't work with cattle producers, who are in diverse settings in all 50 states," said Donald. "... Instead of mandating production practices and increasing regulatory burdens on America's farmers and ranchers, we urge members of Congress to reject this legislation and to work with food producers to empower and enable them to continue raising the healthiest, safest and most wholesome food supply in the world."

CME group MF Global update: advocating on behalf of customers

— by Bryan Durkin, CME Group COO and managing director, products and services

For many in the agricultural community, the failure of MF Global shook the very foundation on which the hedging industry is built. Since the beginning of this unprecedented ordeal, the CME Group has advocated on behalf of our members and customers, and we will continue doing everything in our power to ensure that another failure at the firm level does not happen again. Most important to us is that all customers affected see their property returned — as much as possible, as soon as possible.

Our work with the Bankruptcy Trustee has already helped to accelerate that process. We successfully transferred 15,000 customer accounts and \$1.45 billion in the week following the MF Global bankruptcy. We also provided a guarantee of \$550 million to the trustee to speed the return of funds, and pledged an additional \$50 million from CME Trust. After more than two months into the bankruptcy proceedings, customers have seen 72% of their funds returned. We continue to provide updates to this process, and all information related to this situation can be found at www.cmegroup.com/mfglobal.

Ag organizations encourage more consistent transportation rules, regulations

The NCBA was joined by 10 organizations representing American agriculture to urge the House Committee on Transportation and Infrastructure to increase clarity, consistency and efficiency of transportation rules and regulations as the committee prepares to write a new Highway Bill. The organizations sent three letters to Chairman John Mica (R-Fla.) and Ranking Member Nick Rahall (D-W.Va.) urging the

committee to give states the option to increase truck weights with an additional axle; to create more consistent transportation rules across state lines; to provide exemptions for agriculture from certain federal requirements; and to oppose the inclusion of language to ban the use of double-deck trailers to transport horses.

Kent Bacus, NCBA associate director of legislative affairs, said antiquated transportation rules have hindered the ability of cattlemen to transport cattle and have impeded the flow of commerce.

"Cattlemen need the ability to move their cattle. Unfortunately, there are rules on the books right now that have made it difficult for them to do so," Bacus said.

To read the letters, visit <http://bit.ly/yio0Y2>.

Industry groups urge U.S. government to work with Taiwan to resolve trade issues

The NCBA joined forces with the American Meat Institute (AMI), the National Meat Association (NMA), the National Pork Producers Council (NPPC) and the U.S. Meat Export Federation (USMEF) to urge U.S. Secretary of Agriculture Tom Vilsack and U.S. Trade Representative Ron Kirk to make it a priority to resolve issues affecting exports of U.S. beef and pork to Taiwan.

According to the letter, non-science based standards put in place by the government of Taiwan have been detrimental to the U.S. beef and pork industries. Specifically, the letter said Taiwan has pursued a policy of inspecting U.S. beef and pork imports for beta-agonists like Ractopamine, which are commonly used in safe and controlled manners in the U.S. and other countries. It said these unscientific import barriers have resulted in 16% declines of exports of U.S. beef and pork to Taiwan in 2011 compared to 2010 export values. The letter also said despite a 2007 commitment from Taiwan to the World Trade Organization (WTO) establishing a maximum residue level for Ractopamine in beef and pork, Taiwan has yet to establish science-based standards for imports of beef and pork.

The groups urged Secretary Vilsack and Ambassador Kirk to make it a priority to restore full access for U.S. beef and pork to Taiwan in 2012.

2012 NCBA policy priorities taking shape

As NCBA members were making their way to Nashville, Colin Woodall, NCBA vice president of government affairs, shared his predictions as to what the top priorities will be as NCBA members set policy priorities for 2012 and establish new policy positions.

"Based on where we left off in 2011, I fully expect that NCBA will hone in on five primary priorities for the new year," he said.

#1. The estate tax, or, more appropriately labeled, the death tax. This issue "impacts every single cattle producer and small business owner in the country," Woodall said. "As a result of a last-minute tax package passed in

December 2010, estates worth more than \$5 million per individual or \$10 million per couple are taxed at a 35% rate. This temporary relief from an outdated tax will end Dec. 31, 2012.”

NCBA supports a permanent repeal of the tax and fully supports the Death Tax Permanency Repeal Act introduced by Rep. Kevin Brady (R-Texas). If a full and permanent repeal is not possible, NCBA supports making the 2010 package permanent.

#2. The 2012 Farm Bill. Woodall called NCBA requests relatively simple: Save taxpayer money by eliminating the livestock title.

“Cattlemen are independent people who do not need big government setting up shop on their farms and ranches,” he explained. “We can attribute the job-killing rule on livestock marketing proposed by the U.S. Department of Agriculture Grain Inspection, Packers and Stockyards Administration (GIPSA) and mandatory Country of Origin Labeling to the livestock title that became reality during the 2008 Farm Bill deliberations.”

#3. Transportation. “NCBA supports making transportation policies more efficient for cattle producers by supporting legislation to create uniform transportation laws across all states and helping states adopt transportation laws that increase allowable weight, length and trailer requirements,” Woodall said. “The bottom line is uniformity across state lines.”

Woodall said NCBA would continue to work to make sure there is no federal requirement of commercial driver’s licenses for farmers and ranchers.

#4. The Equal Access to Justice Act (EAJA) was designed to level the playing field between small businesses and individual citizens and the federal government. EAJA allows plaintiffs to recover legal costs from the federal government when they prevail in a case against the government. Although EAJA was intended to protect citizens’ rights, it has been hijacked by radical groups targeting ranchers by challenging, in court, their rights to natural resource uses.

NCBA supports the Government Litigation Savings Act (GSLA) to bring transparency and accountability to EAJA. It would prohibit organizations with a net worth exceeding \$7 million from filing for EAJA funds, require that EAJA filers show a “direct and personal monetary interest” in the action to be eligible for payments and cap the attorney fees activists claim to be owed. The GSLA passed out of the House Judiciary Committee late in 2011. NCBA will urge the full House to consider this important legislation.

#5. Farm dust regulation. The Farm Dust Regulation Prevention Act of 2011, which provides permanent relief and regulatory certainty, passed in the U.S. House a couple months ago. NCBA will be marching the halls of Congress urging the U.S. Senate to pass this legislation. It will be an uphill battle, but one that is worth the fight.

Additional priorities, he said, will include:

Garnering support for NCBA’s Political Action Committee (NCBA-PAC).

“In the last year, the NCBA-PAC has gained momentum, becoming one of the leading animal agricultural PACs in the country, but we must continue to acquire the funds necessary to ensure a political climate in Washington, D.C., that understands the importance of the U.S. cattle industry to the U.S. economy and

global food security,” Woodall said.

Sustainability. “NCBA and the Beef Checkoff Program are focusing on educating consumers about the important role cattlemen play in sustaining the land and its resources for future generations,” Woodall said. “Together, with our members, we will assume a leadership role in defining what sustainability means and how cattlemen can continue the journey of

producing the most sustainable beef possible. We will also devote resources to helping producers understand the latest in trends and technologies that will assist in making their operations more sustainable.”

For reports from the Cattle Industry Convention, visit www.4cattlemen.com, Angus Production Inc.’s meeting coverage site for the event.

