

# Omnibus Legislation Affects Cattlemen

*Federal appropriations bill passes; holds key provisions for cattle producers.*

With bipartisan support, Congress passed the \$1.15 trillion *Omnibus Appropriations Bill* Dec. 18, funding

much of the government through fiscal year 2016. National Cattlemen's Beef Association (NCBA) President Philip Ellis

said the bill contained several victories for cattlemen and women. Coming within days of facing

retaliation from two of the United States' largest trading partners, the bill repeals mandatory country-of-origin labeling for beef.

"COOL has plagued our industry for many years now, costing us millions and driving us to the brink of retaliation from two of our largest trading partners," said Ellis. "Cattle producers have had to bear the cost of this failed program for far too long, and we commend the leadership of Senate Agriculture Chairman Pat Roberts, House Agriculture Committee Chairman Mike Conaway and Representative Jim Costa (D-Calif.) for ensuring the United States is brought back into compliance with our trade obligations."

The COOL statute requires meat to be labeled with the country where the animal from which it was derived was born, raised and harvested. (It also applies to fish, shellfish, fresh and frozen fruits and vegetables and certain nuts.)

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Canada and Mexico brought cases against COOL to the World Trade Organization (WTO), which ruled that it violated U.S. international trade obligations, discriminating against Canadian and Mexican livestock sent to the United States to be fed out and processed. The decision authorized Canada and Mexico to put retaliatory tariffs on U.S. goods going to those countries — the No. 1 and No. 2 U.S. export markets. The WTO set the retaliation level at \$1 billion annually.

The National Pork Producers Council supported the move to repeal COOL, because according to Iowa State University economist Dermot Hayes, the average U.S. pork producer currently is losing money on each hog marketed, and those losses would have been exacerbated significantly under retaliation from Canada and Mexico.

## **Other legislation within the omnibus**

The omnibus maintains Congressional oversight to ensure the *2015 Dietary Guidelines for Americans* remain within the scope of nutrition and health and are based on the latest nutritional evidence. Kristina Butts, NCBA senior executive director of government affairs, said the guidelines serve as the foundation for federal nutrition policy and that it is critical the recommendations are based on the latest science.

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— **Brenda Richards**

“Americans should enjoy a well-balanced diet with foods they enjoy,” said Butts. “Beef is an excellent source of several key nutrients like zinc, iron and protein, and numerous studies have shown positive benefits of lean beef in the diet. We’re pleased Congress continues to be engaged in the process. It is important the role of the *Dietary Guidelines* continues as Congress intended — to provide nutrition advice based on sound science.”

Additionally, Ellis said the bill requires a more stringent regulatory process for allowing beef imports from regions with a history of animal disease outbreaks.

“America’s cattle producers are strong supporters of trade,” said Ellis, “but we must have strong safeguards in place and do our due diligence to ensure the health and well-being of our domestic herd is not sacrificed.”

Continued assurance on several environmental regulations is also maintained in the bill. Specifically, the bill prohibits the Environmental Protection Agency (EPA) from requiring livestock producers to obtain *Clean Air Act* permits or report greenhouse gas emissions on livestock operations. EPA’s *Waters of the United States* rule is not addressed in the omnibus. However, the nationwide stay is still in place.

Brenda Richards, Public Lands Council president, said the increase in wildfire management funds is critical as the recent drought and lack of federal forest management has ignited several massive fires this year.

“Wildfires are a significant threat to our forests and rangelands, as well as our homes and lives,” said Richards. “When a fire does break out, however, we need the appropriate resources to put it out. Additionally, we appreciate the continued blocking of the sage grouse listing, which will give producers more flexibility to address prescriptive Resource Management Plans. Livestock grazing is one of the best management tools we have to maintain healthy landscapes, reducing the risk of wildfire and allowing our natural resources to thrive.”

Richards added that the bill also continues to block the Secretarial Order 3310, preventing the Department of Interior from designating *de facto* wilderness areas, which diminishes multiple-use on our nation’s public lands.

Also key for cattlemen and women is passage of tax extenders

legislation, passed in the House Dec. 17 and the Senate Dec. 18. Section 179 is permanently extended at \$500,000, up from \$25,000 previously. Bonus depreciation is set at 50% for property acquired during 2015, 2016 and 2017 and phases down, with 40% in 2018, and 30% in 2019. Additionally, the conservation easement tax credit is made permanent.

“These provisions are vital to providing

a stable environment for farmers and ranchers like myself to plan for the future,” said Ellis, a Wyoming rancher. “We have had to rely heavily on last-minute tax extender legislation over the past several years, but making these provisions permanent will allow businesses to invest in equipment and property with the financial certainty required.”

The comprehensive bill passed by both

the House and Senate is positive news for the cattle industry. To see a video release on this omnibus legislation, please see the front page in the December issue of the *Angus Beef Bulletin EXTRA* available online at [www.angusbeefbulletin.com/extra](http://www.angusbeefbulletin.com/extra).



**Editor’s Note:** This article is compiled from releases from NCBA and NPPC.