



# Beef Business

► A look at current issues affecting the cattle industry

## Livestock industry hails passage of forest management and wildfire prevention package

The U.S. House of Representatives Natural Resources Committee passed, on a voice vote, the Restoring Healthy Forests for Healthy Communities Act, H.R. 1526, legislation to prevent the continuation of catastrophic wildfire events by improving federal forest management. The bill was offered by Committee Chairman Doc Hastings (R-Wash.) and includes prescriptive measures offered by various western congressional members whose districts are threatened by catastrophic wildfire and forest mismanagement.

According to the Public Lands Council (PLC) and the National Cattlemen's Beef Association (NCBA), the wildfire and forest management package's resounding passage through committee signals legislators' recognition that current practices of federal forest and range management, combined with extreme drought, are creating dangerous and economically and environmentally damaging conditions across the West.

"Decades of mismanagement have turned our U.S. Forest Service and Bureau of Land Management lands into a tinderbox," said PLC President and Hesperus, Colo., rancher, Brice Lee. "Over the years, ranchers who count on the grass resources for their livelihoods have been told they must scale back grazing. Not only has this been economically damaging for their families and their communities, it has also contributed to a massive overload of fuel. H.R. 1526 sets this upside-down situation straight."

— Source: PLC.

## Canada Beef pleased import levy introduced

Canada Beef and Ag Minister Gerry Ritz announced an amendment to the *Beef Cattle Research, Market Development and Promotion Levies Order* to include an import levy on beef cattle, beef and beef products. The import levy will treat importers in the same manner as Canadian cattle and beef purchasers, with all paying the equivalent of \$1 per head of cattle.

Canada Beef is mandated to promote the marketing and production of beef cattle, beef and beef products for the purposes of

interprovincial, export and import trade. In order to support its business plan, Canada Beef is empowered by the *Farm Products Agencies Act* to impose levies or charges on persons engaged in the importation of beef cattle, beef or beef products into Canada.

"These regulations give Canada Beef the right to collect a levy on imports of beef cattle, beef and beef products, something that has not been done before on other agricultural products coming into Canada," says Canada Beef Chairman Chuck Maclean.

Agriculture and Agri-food Canada has worked with Canada Beef to obtain the information from Canadian Border Services to enable collection of the levy. Collection of the levy is estimated to be worth between \$600,000 and \$800,000 annually, depending on market conditions, and the organization hopes to collect the levy as early as September 2013.

— Source: Canada Beef.

## NFU president says nutrition agreement makes farm bill more difficult

National Farmers Union (NFU) President Roger Johnson issued the following statement in response to the U.S. House of Representatives' agreement on farm bill nutrition program cuts:

"Rather than try to reach a workable figure in reducing funding for important social safety net programs, the House Republican leadership has taken a hardline political stance by proposing a \$40 billion cut to the nutrition title of the farm bill.

"This is not progress. Instead of offering a strategy that would cut even deeper into efforts to help those in need, House leadership should appoint conferees to start the process of reaching a compromise with the Senate's farm programs in August.

"The farm bill extension expires on Sept. 30, and any delay beyond that date will add unnecessary uncertainty to the livelihoods of America's farmers, ranchers, rural communities and the more than 16 million people who are employed in agriculture. Time is limited and few legislative days will be available in September. The House Majority should stop making the farm bill even more difficult and start the conference process by naming conferees immediately."

— Source: NFU.

## Ag secretary announces funding to support small and emerging rural businesses

Ag Secretary Tom Vilsack July 31 announced that projects in 30 states and the Commonwealth of Puerto Rico will be funded to support small and emerging rural businesses. The USDA remains focused on carrying out its mission, despite a time of significant budget uncertainty. The announcement is one part of the department's efforts to strengthen the rural economy. Rural Business-Cooperative Service Administrator Lillian Salerno made the announcement on behalf of Vilsack during a visit to highlight the activities of the Memphis Bioworks Foundation Inc., regarding an ongoing project that was previously announced.

"The Obama administration has been working to create economic opportunities in rural communities and bring well-paying jobs to the people who live there," Salerno said. "Strategic investments in rural businesses like the ones we are highlighting not only help to deliver more products and services to local customers, they also contribute to rural revitalization and economic development in the small towns where these businesses are located."

The funding was made available through the Rural Business Enterprise Grant (RBEG) program, which promotes development of small and emerging businesses in rural areas. RBEGs may also be used to help fund distance-learning networks and employment-related adult education programs. Eligible applicants for the program include public bodies, nonprofit corporations and federally recognized Indian Tribes.

— Source: USDA.

## Missouri livestock associations work to overturn HB 253 veto

Five associations representing Missouri's livestock industry have stepped up to support the first across-the-board tax cut for all Missourians in nearly 100 years. Livestock associations joining the effort include the Missouri Pork Association, Missouri Cattlemen's Association (MCA), Missouri Dairy Association, Missouri Egg Council and the Missouri Chapter of the Poultry Federation.

“Family farms are small businesses, and we are proud to promote small-business growth and expansion in Missouri, as well as increase our competitiveness with other states,” said Jimmie Long, chairman of the Missouri Cattlemen’s Policy and Legislative Affairs Committee and cattleman from Cole Camp. “Today, farmers work in a global economy and state policies make a difference in terms of the regulations, cost of doing business and ability to compete. We believe House Bill 253 would allow us to do all of those things better.”

Missouri’s livestock associations are the first agricultural organizations to partner with other grassroots and business advocacy organizations to help bring much needed tax relief and government accountability to all Missourians.

“Agriculture is the state’s number one industry, and the tax relief represented in this proposal could offer a great boost to our economy, farmers across the state and the families of our members,” said Bob North, chairman of the Missouri Pork Association and hog farmer from Lebanon.

— Source: MCA.

### **Farmers, ranchers share tax reform priorities with Congress**

As the Senate Finance Committee takes a hard look at what should stay and what should go in the tax code, farmers and ranchers are urging lawmakers to consider comprehensive reforms that address individuals, as well as corporations.

Like their Senate counterparts, House lawmakers have said they intend to address tax code reform this fall. Earlier this year, Farm Bureau shared farmers’ and ranchers’ tax priorities with a number of House Ways and Means Committee tax-reform working groups.

More than 96% of farms and 75% of farm sales are taxed under IRS provisions affecting individual taxpayers, according to Farm Bureau. Any tax-reform proposal that fails to include the individual tax code will not help, and could even hurt, the bulk of agricultural producers who could lose business deductions, but not benefit from lower corporate rates.

In a recent letter to Sens. Max Baucus (D-Mont.) and Orrin Hatch (R-Utah), chair and ranking member, respectively, of the Finance Committee, American Farm Bureau Federation (AFBF) President Bob Stallman focused on some of the much-needed tax tools that help producers deal with the uncertainties of farming and ranching.

Among those tools is cash accounting, which “combined with the ability to accelerate expenses and defer income gives farmers and ranchers the flexibility to manage their tax burden on an annual basis,” Stallman explained.

— Source: AFBF.

### **NFU signs coalition letter supporting competitive rail markets**

NFU was among a group of 37 organizations that sent a letter to the U.S. Senate Committee on Commerce, Science and Transportation urging action to strengthen competition in the U.S. rail transportation market.

“Family farmers and ranchers — and the rural communities in which they live — need access to fair rates for rail shipments,” said NFU President Roger Johnson. “NFU has long advocated for the protection of captive shippers, and federal regulators haven’t kept pace with an increasingly anti-competitive business climate for users of rail transportation.”

The top four shippers control 90% of freight rail service, and 78% of the 28,000 places where cargo is picked up have access to only one rail carrier. Not coincidentally, rail rates have increased two-and-a-half times more than both trucking rates and inflation.

The joint letter stated: “Lack of competition in the freight rail industry is hurting American manufacturers and producers. Importers frequently pay lower rates for transporting their foreign-made goods inside the United States than U.S. producers and manufacturers that often are dependent on a single railroad for service. Moreover, excessive domestic rail rates are making our exports less competitive in the world marketplace, cost American jobs and drive up the prices American consumers pay for a wide range of products from electricity to food. The nation needs a pro-competitive national freight rail transportation system to ensure fair prices and reasonable service for rail-dependent shippers.”

— Source: NFU.

### **NFU joins suit to support COOL**

NFU President Roger Johnson issued a statement after the NFU Board of Directors voted unanimously July 29 to intervene in a recently-filed country-of-origin labeling (COOL) lawsuit seeking an injunction to vacate and halt the implementation of the USDA’s final COOL rule:

“We strongly support USDA’s final rule

because it addresses the issues previously brought forth to the World Trade Organization and preserves the consumer’s right to know where their food comes from.

“NFU is joining with the U.S. Cattlemen’s Association (USCA) in efforts to defend COOL. We are thankful for USCA getting the process started. We have fought long and hard for the implementation of COOL, and will continue to do so for as long as it takes.

“The packer-producer organizations that have filed the suit against the USDA are continuing to refuse consumers’ right and desire to know where their food comes from.”

The aforementioned suit’s plaintiffs include the NCBA, American Meat Institute (AMI), Canadian Cattlemen’s Association, Canadian Pork Council, National Pork Producers Council, North American Meat Association (NAMA), American Association of Meat Processors and Southwest Meat Association.

— Source: NFU.

### **Legislation introduced to prevent EPA from releasing producer information**

U.S. Sens. Charles Grassley (R-Iowa) and Joe Donnelly (D-Ind.) introduced legislation July 23 that protects the personal information of livestock producers from dissemination by the Environmental Protection Agency (EPA). The Farmer Identity Protection Act (S. 1343) comes in response to the EPA’s release of livestock and poultry producers’ names and other personal information to three radical environmental groups through a Freedom of Information Act (FOIA) request in February and again in April. The release divulged names, addresses, geographic coordinates, and, in some cases, telephone numbers and email addresses of more than 80,000 producers in 29 states.

“Livestock producers are grateful to Senators Grassley and Donnelly for introducing this legislation,” says NCBA past president and Pilger, Neb., cattle feeder J.D. Alexander. “Unlike other businesses, cattlemen and women live, work and raise their families on their operations. We have a reasonable expectation of privacy on our private property, and there is no conceivable reason for the EPA to release this type of information.”

EPA claims it lacks statutory authority to protect livestock producers’ personal information. The Farmer Identity Protection Act would unequivocally provide the agency with the ability to prevent such farm-specific releases from happening in the future, allowing the agency to provide information to outside parties only in aggregate without individually identifying information, or with the producer’s consent.

— Source: NCBA.

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