



Beef Business

► A look at current issues affecting the cattle industry. Compiled by **Shelby Mettlen**, assistant editor

Farmers call for action to stop estate tax increases

The American Farm Bureau Federation (AFBF) is urging Congress to pass legislation blocking a recent IRS proposal that would result in higher estate taxes for farmers and ranchers. The IRS's plan for more restrictive rules for using valuation discounts would make it more difficult for farmers and ranchers who operate family-owned partnerships, LLCs or corporations to transfer their farms and ranches to the next generation.

The *Protect Family Farms and Businesses Act* (H.R. 6100 and S. 3436), introduced in the House by Rep. Warren Davidson (R-Ohio) and in the Senate by Sen. Marco Rubio (R-Fla.), would stop the IRS from implementing its proposed restrictive estate tax discount valuation.

"Individuals, family partnerships and family corporations own over 97% of our nation's over 2 million farms and ranches. Farm Bureau believes that America values these family-owned farms and ranches because of the food, fiber and fuel they produce; the contribution that agriculture makes to job creation and the economy; and the open space that farming and ranching protects," AFBF President Zippy Duvall wrote in letters thanking Davidson and Rubio for introducing the bills.

In addition to calling for congressional action, Farm Bureau is also urging farmers and ranchers to tell the IRS how the proposed changes could impose significant new tax costs onto their family-owned businesses and threaten the ability of families to pass businesses on to the next generation.

Source: AFBF.

'Thank an American Farmer or Rancher' helps students connect with ag

"Thank an American Farmer or Rancher," a Thanksgiving-themed activity for pre-K to first-grade students, helps teachers explain where food comes from, courtesy of the American Farm Bureau Foundation for Agriculture. Through this activity, teachers also ask students to write, draw or create

thank-you letters or cards for America's farmers.

A free lesson plan and a letter from a farmer, suggestions for books to read, class discussion ideas and more are available online.

"Most Americans have never been to a farm and didn't even grow up near one, but they are ready to learn more about

where their food comes from," said American Farm Bureau Federation (AFBF) President Zippy Duvall. "Thank an American Farmer or Rancher" is a fun classroom activity that helps young learners make the connection between farms and ranches and the food they eat."

Classroom ideas include:

► Complete a free sample lesson from "Farm

a Month" and read a free sample letter from a pumpkin farmer, followed by a discussion about farming in America.

► Pull up a picture of a Thanksgiving Day plate or ask students to name common holiday foods such as turkey, cranberries, green beans, potatoes and stuffing, then discuss the agricultural origins of each item.

Source: AFBF.

Global conference advances beef sustainability

Advancing zero deforestation in beef production, assessing the overall sustainability of the beef value chain and connecting consumers and sustainability were just a few of the topics discussed at the 2016 Global Conference on Sustainable Beef (GCSB) hosted Oct. 4-7 at the Fairmont Hotel in Banff Springs, Alta., Canada. Nearly 225 beef value chain stakeholders from 15 countries around the world participated in seminars and moderated discussions focused on advocating for continuous improvement in the global beef value chain. The conference was co-hosted by the Global Roundtable for Sustainable Beef (GRSB) and the Canadian Roundtable for Sustainable Beef (CRSB).

"We were delighted with the mixture of people that attended the conference," said

Dennis Laycraft, president of the GRSB.

"We covered a number of critical industry topics on beef sustainability and fostered discussions that brought people together. With that, I think we achieved what we had hoped for — we are bringing more interest and recognition to sustainability and the role of the beef industry."

The conference, themed "Building On Experience: Regionally and Globally," offered more than 15 interactive sessions and 50 presentations on areas of beef sustainability and continuous improvement.

Source: Global Conference for Sustainable Beef.

USCA comments on proposed changes announced by CME Group

The United States Cattlemen's Association (USCA) issued the following statement on the announcement made by the CME Group that a proposal is being considered to switch to a cash settlement process for its live futures. The CME Group also announced that modifications to the physical delivery process would be considered.

USCA Marketing Committee Chair Allan Sents commented, "The need to evaluate the current state of the livestock marketplace is real; however, the changes proposed by the CME Group, as announced this week, will not address the concerns of producers across the country. Rather, the proposal to switch to a cash settlement is a step in the wrong direction. Price discovery achieved from actively traded futures contracts with multiple buyers and sellers far outweighs an increasingly thinner traded cash market."

"The proposed changes will do nothing to impact the amount of high-frequency, overly speculative trading, which is one of the real issues that must be addressed if we are to achieve market stability. Efforts must instead be made toward encouraging "long" participation and addressing the many issues currently within the futures market, not the settlement process."

Sents concluded, "The CME Group, industry stakeholders, and producers across the country must acknowledge the significant issues within today's livestock market. Until a hard review and assessment of these issues is taken, our country's producers will continue

to feel the consequences on their bottom line.”

Source: USCA.

NFU defends family beef producers

As the weakened farm economy continues to take a toll on family farmers and ranchers, the National Farmers Union (NFU) is criticizing meatpackers for driving down prices for independent beef producers. Data released last week showed that family cow-calf producers are losing nearly \$300 per cow while the packers' profit margins have increased by approximately \$75 per cow, compared to a year ago.

“We've seen a lot of family cattle operations go out of business in the last 30 years because the packers have an enormous amount of power and control over the beef market,” said NFU President Roger Johnson. “Beef production is at an all-time low, but beef prices continue to decline faster than they have in history. Yet, the packers' cash profit margins have been on the rise. The situation is incredibly unfair for family producers.”

Industry consolidation has left control of more than 85% of the beef market in the hands of four beef producers — Cargill, Tyson, JBS and National Beef Packing Co. — and the lack of transparency and competition has created a volatile market for family farmers, Johnson explained. Through their domineering market control, the “meatpackers are increasingly dictating the terms of production, marketing and pricing for cattle producers.”

“Think about how long a rancher spends raising a calf to weaning or slaughter weight and the amount of money they lose, and compare that to the time it takes for the packer to kill, cut up and package the meat and the amount of profit the packer makes. Packers have enormous market power, and they use it against us, including by importing meat from other countries to drive our prices even lower,” he added.

In December 2015, Congress repealed the country-of-origin labeling (COOL) requirements for beef and pork, allowing meatpackers to import cheaper beef products and not have to identify where the animal came from on the package label.

“Unfortunately, our policies favor the international meatpackers instead of the family cattle ranchers. We must give producers the tools they need to compete, whether through correction of inadequate trade agreements, by reinstating COOL or amending mandatory price-reporting laws. Congress needs to put the interests of America's family farmers and ranchers

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before the interests of multinational corporations,” Johnson concluded.

Source: NFU.

NFU representatives ensure family farmers and ranchers have a seat at the table for international policy development

NFU representatives appealed to international policymakers this week, requesting that the perspective of family farmers and ranchers be better represented in the global food security and nutrition arena. NFU Vice President of International Relations Dave Velde and North Dakota Farmers Union President Mark Watne attended the United Nations’ Committee on World Food Security (CFS) 40th Anniversary Plenary Session on behalf of the World Farmers’ Organization (WFO).

“Family farmers and ranchers are engaged on many of the same issues that CFS tackles as a committee, which ultimately impacts the work carried out by international bodies like the World Trade Organization (WTO). It is important that producers are involved in international discussions at the formative stages to help advise the policies that eventually shape the business and livelihoods of farmers around the world,” said Watne, who presented before members of the committee in Rome, Italy.

Established as an inclusive international and intergovernmental platform to coordinate on matters of food security, CFS promotes a multi-stakeholder approach to international policymaking on issues related to food, nutrition, sustainability and more. Yet, farmers and ranchers have not historically been invited to the table.

“We were appreciative to present to the Committee today. This was another important step to ensure farmers and ranchers have a voice at the table,” Velde said. “We’re optimistic about the progress we’ve made thus far with international leaders and officials, and we’ll continue to work to secure the role of the family farming industry in the relevant discussions moving forward.”

Through the World Farmers’ Organization (WFO), NFU has helped elevate the position of the world’s farmers in high-level international policy discussions. Last month, Velde was the sole farm organization representative on a panel before the General Assembly of the United Nations to discuss antimicrobial resistance.

More information about CFS is available at www.fao.org/cfs/cfs-home/en/. More

information on WFO is available at www.wfo-oma.com.

Source: NFU.

Old Meat Board recipes

Meat recipe booklets produced by the National Live Stock and Meat Board last century have new life, thanks to a novel booklet that celebrates their history. The full-color, 36-page booklet, called *Meat and How We Cooked It: 20th Century Culinary Gems from the National Live Stock and Meat Board*, has photos of Meat Board booklets from 1924 to 1963, along with recipes, tips and comments from those publications. Also included are contemporary beef, pork, lamb and veal recipes to show how far the industry has come to keep up with consumer tastes.

Meat and How We Cooked It: 20th Century Culinary Gems from the National Live Stock and Meat Board, has photos of Meat Board booklets from 1924 to 1963, along with recipes, tips and comments from those publications.

“The Meat Board booklets were a colorful reflection of their times,” according to Walt Barnhart, who created the booklet and has collected old Meat Board booklets for about 30 years. “This effort helps preserve their history and provides us a terrific look into the dietary habits of our predecessors.”

“*Meat and How We Cooked It* is a very appetizing way to walk through the red meat industry’s history,” according to John Huston, Meat Board president from 1980-1996. “Beef, pork and lamb are popular hubs of many American meals, and have been for decades. This unique recipe history really captures both where we were and how we got here.”

The Meat Board was established in 1922, and each year starting in 1924 the organization created recipe booklets to promote meals that contained the various meats. Millions of the booklets were distributed through butcher shops and grocery stores during the following 40 years.

In 1963 three divisions were created within the Meat Board (Beef Industry Council, Pork Industry Group and Lamb Committee), and collective meat recipe booklets became obsolete. The Meat Board was merged with the National Cattlemen’s Association (NCA)

in 1996 to form the National Cattlemen’s Beef Association (NCBA).

The title of the booklet has special significance, according to Barnhart.

“The title of the Meat Board’s first booklet in 1924 was *Meat and How I Cook It*,” he explains. “It’s appropriate that the title of this booklet more than 90 years later carries a complementary title.”

The booklet is being sold for \$5 each plus \$2 shipping and handling through Carnivore Communications LLC. For ordering information, write carnivorecomm@msn.com, or Carnivore Communications LLC, 7274 West Otero Ave., Littleton, CO 80128. Quantity discounts are available.

Source: Carnivore Communications LLC.

Government and industry groups ask court to overturn EPA water rule

The AFBF, along with dozens of agricultural, business and municipal entities, today asked a federal court to vacate the EPA’s and the U.S. Army Corps of Engineers’ *Waters of the United States* rule. The brief filed in the U.S. Court of Appeals for the Sixth Circuit lays out in detail the substance of the groups’ allegations. It follows a year of litigation over which the court had jurisdiction to hear challenges to the expansive and unlawful rule.

The coalition’s brief explains how EPA flouted important procedural safeguards designed to ensure a fair and thoughtful rulemaking process. EPA tactics included withholding key documents until after the public comment period had closed, ignoring and ridiculing critical public comments and issuing illegal “covert propaganda” in an effort to generate superficial public support for the rule.

“EPA set out to achieve a predetermined outcome and then manipulated the public notice-and-comment process to achieve that outcome,” AFBF General Counsel Ellen Steen said. “It treated the rulemaking process like a game to be won instead of a deliberative process for developing lawful and reasonable regulations.”

The brief also explains how the rule violates the limits of the *Clean Water Act* and the *Constitution*. Petitioners show how the rule relies on vague definitions that allow agency enforcers to regulate land features that look nothing like “navigable waters” and provides no fair notice to the public of what features are covered. In determining whether a low area where rainwater flows across a field is a “tributary,” the brief explains: “Regulators can reach any outcome they please, and regulated entities cannot know the outcome until they are already exposed to criminal liability, including crushing fines.” The brief asks that the rule be struck in its entirety.

Source: AFBF.

