



NCBA Congressional Recess Packet

February 2012



Working every day to produce safe, nutritious beef for your family and to ensure a sustainable beef industry for this generation and for generations to come.



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“The momentum from 2011 needs to not only carry on to 2012, it needs to be bigger. Our voices need to be louder. We need to make sure every U.S. representative and senator understands that their votes in Washington affect our farms and ranches across the nation.”

~ J.D. Alexander, NCBA president



Dear Fellow NCBA Member,

First and foremost, thank you for all you do each and every day to raise healthy cattle and produce the safest, most wholesome beef in the world. The days can be long and often are challenging but the work you do is honorable. Not only are you producing food for a growing global population, but you're creating jobs, contributing to your local economies, educating tomorrow's beef producers and caring for the health and well-being of your animals. I couldn't think of a livelihood more rewarding or more important.

As I am sure you recall, the National Cattlemen's Beef Association (NCBA), with your help and the hard work of our state affiliates, had several key victories in Washington, D.C., in 2011. From passage of the three free trade agreements with Colombia, Panama and South Korea to stopping the U.S. Department of Agriculture's Grain Inspection, Packers and Stockyard's Administration's proposed livestock marketing rule (the GIPSA rule) and from ensuring the Department of Transportation did not require farmers and ranchers, like you and me, from getting commercial drivers' licenses to stopping the Environmental Protection Agency (EPA) from further regulating farm dust — our voices were heard on Capitol Hill and within federal agencies. But we must not stop there.

The momentum from 2011 needs to not only carry on to 2012, it needs to be bigger. Our voices need to be louder. We need to make sure every U.S. representative and senator understands that their votes in Washington affect our farms and ranches across the nation. While NCBA's staff in Washington will work each day to educate them about the U.S. beef industry, they cannot do it alone. Lawmakers will be in their home districts next week, and I encourage you to make a connection with your representatives and senators. Attend a townhall meeting. Visit them at their district offices. Make a connection with your elected officials while they are home.

It is important to note that votes could be taken this week on the Highway Bill in the U.S. House of Representatives and floor consideration is pending in the Senate. NCBA supports giving states the option to increase truck weights with an additional axle and opposes efforts to delay action by including another study on truck weights. At minimum, provide farmers and ranchers the ability to haul agricultural commodities up to 100,000 pounds. Furthermore, we support transportation exemptions for farmers and ranchers, including an hours of service exemption during harvest times and commercial driver's license exemption for agriculture. We oppose language prohibiting the transportation of horses in double deck trailers.

Inside this packet, you will find key information to share with your lawmakers about issues they could be voting on in the near future. You will find one-pagers on the estate tax and transportation as well as information on NCBA's 2012 policy priorities and a snapshot of the U.S. beef industry.

If you have any questions, please contact Kristina Butts in NCBA's Washington, D.C., office at 202-347-0228 or at kbutts@beef.org. Thank you again for all you do. Join me and let's make 2012 a banner year for the U.S. beef cattle industry.

Sincerely,

J.D. Alexander
NCBA President



The U.S. Beef Cattle Industry



*The United States accounts
for **7 percent** of cattle
worldwide but produces
20 percent of beef*

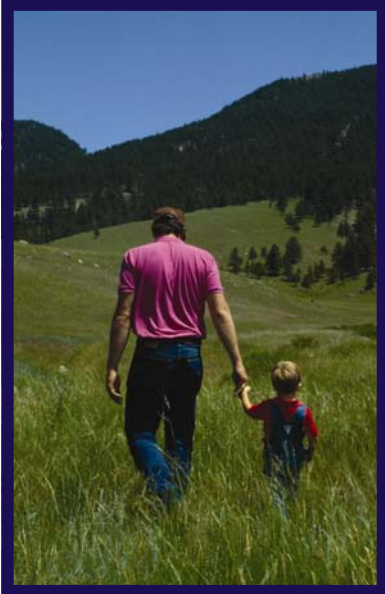
*On average,
American's spend
\$357.27 per year on
beef products.*

The U.S. Beef Cattle Industry by the Numbers:

- ◆ 90,769,000 head of cattle in the United States in January 2012
- ◆ 742,000 beef herds in the United States
- ◆ The U.S. cattle industry is a \$44 billion business – farm gate receipts
- ◆ U.S. beef exports in 2011 totaled \$5.4 billion, which is a 33 percent increase over 2010 export totals.
 - ◆ Top export markets: Mexico, Canada, Japan, South Korea and Russia



Estate Tax

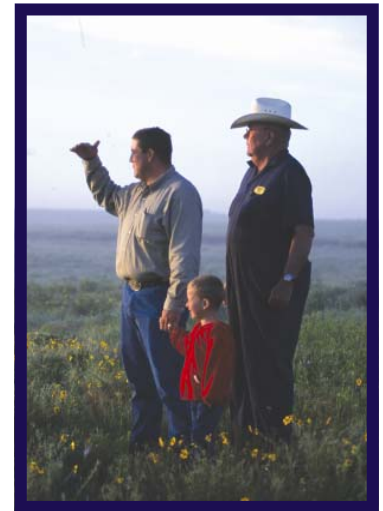


Harming America's Legacy of Family Ranching

- ◆ In rural America, the estate tax is considered one of the leading causes of the breakup of multi-generation family farms and ranches.
- ◆ Most of the time, these assets have already faced taxes two and three times over the course of a lifetime.
- ◆ For asset-rich and cash-poor family businesses, the appraised value of rural land is extremely inflated when compared to its agricultural value.
- ◆ At the time of death, farming and ranching families are forced to sell off land, farm equipment, parts of the operation, or the entire ranch to pay off tax liabilities.
- ◆ Death taxes hurt small and mid-sized family ranches, causing consolidation by bigger companies.
- ◆ This is not a tax on the wealthy elite in America. The wealthy can afford accountants and estate planners to help them evade the tax. It's a death warrant for small-to-medium sized family businesses.

Urging Permanent Solution to Long Term Problem

- ◆ In December 2010, Congress passed temporary estate tax relief effective through December 31, 2012. For now, estates worth more than \$5 million per individual, \$10 million per couple are taxed at a rate of 35 percent. The temporary estate tax relief package also contains a spousal transfer, reinstates stepped-up basis, indexes the estate tax exemption for inflation.
- ◆ Unless Congress acts to provide permanent relief, the estate tax will revert back to staggering pre-2011 levels where estates worth more than \$1 million will be taxed at a rate of 55 percent.
- ◆ NCBA supports the Death Tax Permanency Repeal Act, introduced by Rep. Kevin Brady (R-Texas). NCBA urges all members of Congress to support the Death Tax Permanency Repeal Act. If a full and permanent repeal is not possible, NCBA supports making the 2010 package permanent.



NCBA Facts

Did you know?

Ninety-six percent of American farms and ranches are owned and operated by families. Eliminating the estate tax is an important step in stimulating the nation's economy.



Nearly half of the 147,000 cattle producers NCBA represents operate businesses that have been in the family for more than 50 years.



Fifteen percent of cattle producers operate businesses that have been in the family for more than 100 years.



Transportation

Getting Beef Safely from Pasture to Your Plate

The Highway Bill

The current Highway Bill expires at the end of March 2012. As the House and Senate consider a new Highway Bill (H.R. 7 and S. 1813), NCBA encourages Congress to take the following positions:

- ◆ Support giving states the option to increase truck weights with an additional axle. Oppose efforts to delay action by including another study on truck weights. At minimum, provide farmers and ranchers the ability to haul agricultural commodities up to 100,000 pounds.
- ◆ Support transportation exemptions for farmers and ranchers: Hours of Service Exemption during harvest times and Commercial Driver's License exemption for agriculture.
- ◆ Oppose language prohibiting the transportation of horses in double deck trailers.



What do Cattlemen Need in the Highway Bill?

Transportation rules and regulations are inconsistent and hinder the flow of commerce for small businesses. Inconsistencies lead to greater transportation costs that strain the budgets of family-owned cattle operations. NCBA encourages improvements in shipping efficiency and safety by creating greater consistency of truck weights and vehicle operator requirements.

NCBA supports giving states the option to increase truck weight limits to 97,000 pounds with inclusion of a sixth axle on trucks. Increasing hauling capacity will result in a more efficient and safe transportation system with fewer trucks on the roads.

NCBA supports allowing the purchase of permits for commercial vehicles to haul farm commodities up to 100,000 pounds.

NCBA supports a uniform mileage exemption for farm use vehicles more than 26,000 pounds gross vehicle weight.

NCBA supports uniformity and reciprocity of farm exemptions across state lines for drivers licenses and opposes federal requirement of commercial driver's licenses for farmers and ranchers.

NCBA Urges Members of Congress to Support the Following Bills Related to Transportation

- ◆ **Safe and Efficient Transportation Act of 2011** (H.R. 763 / S. 747) - Gives states the option to increase truck-weight limits to 97,000 pounds with inclusion of a sixth axle on trucks. H.R. 763 was introduced by Rep. Michael Michaud (R-Me.). S. 747 was introduced by Sen. Mike Crapo (R-Idaho).
- ◆ **H.R. 3265** - Waives certain driving restrictions during planting and harvest seasons for producers who are transporting agricultural goods. H.R. 3265 was introduced by Rep. Sam Graves (R-Mo.)
- ◆ **Farmers' Freedom Act of 2011** (H.R. 2414) - Exempts certain farm vehicles (including the individual operating the vehicle) from certain federal requirements governing the operation of motor vehicles. H.R. 2414 was introduced by Rep. James Lankford (R-Okla.)



2012 Priority Issues

Ensuring a Sustainable U.S. Beef Industry for this Generation and the Next



Estate Tax

- ◆ In rural America, the death tax is one of the leading causes of the breakup of multi-generation family farms and ranches.
- ◆ In December 2010, Congress passed temporary estate tax relief effective through Dec. 31, 2012. For now, estates worth more than \$5 million per individual or \$10 million per couple are taxed at a 35 percent rate. The current estate tax package also includes a spousal transfer, a stepped-up basis and indexes the estate tax exemption for inflation.
- ◆ Congress must act this year to provide permanent estate tax relief and certainty to America's farmers and ranchers. NCBA 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. If Congress fails to act, the death tax will revert back to staggering pre-2001 levels where estates worth more than \$1 million were taxed at a 55 percent rate.

Farm Dust Regulation

- ◆ The current dust standard requires cattle producers in arid parts of the country to spend hundreds of thousands of dollars to mitigate dust. While EPA has indicated it will not propose to lower the standard for farm dust in 2011, this does not solve the problem for all cattle producers.
- ◆ Unfortunately, EPA does not always do what it says it will. For example, in 1996, EPA proposed to remove the dust standard altogether, only to bring it back in the final rule. Then, in 2006, EPA proposed to exempt farm dust. That exemption disappeared in the final rule.
- ◆ The Farm Dust Regulation Prevention Act of 2011, which provides permanent relief and regulatory certainty, passed in the U.S. House. Cattlemen urge the U.S. Senate to pass this legislation.

Equal Access to Justice Act

- ◆ 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 become a means for radical groups to target ranchers by challenging in court their rights to natural resource uses.
- ◆ Cattlemen support the Government Litigation Savings Act 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.

2012 Farm Bill

- ◆ Cattle producers support a reduction of the federal deficit while assuring funding for farm bill priorities. NCBA believes the farm bill should minimize direct federal involvement in agricultural production and preserve the individual's right to manage land, water and resources.
- ◆ Cattlemen's top priority for the 2012 Farm Bill is to eliminate the livestock title, which resulted in the U.S. Department of Agriculture's Grain Inspection, Packers and Stockyards Administration's (GIPSA) livestock marketing rule as well as Country-of-Origin-Labeling. In addition, cattlemen urge Congress to include a permanent fix for the remaining GIPSA rule provisions that were not finalized in 2011.
- ◆ Conserving and sustaining the land and its resources is a priority for cattlemen across the nation. That is why NCBA supports improving the attractiveness, accessibility and efficiency as well as maintaining funding of existing conservation programs to encourage voluntary participation by beef producers.

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.
- ◆ NCBA supports giving states the option to increase truck weights with an additional axle to livestock and semi-trailers. This will increase braking power and place less total weight on each axle, making livestock transportation safer and less stressful on U.S. roadways.
- ◆ NCBA supports uniformity and reciprocity of farm exemptions across state lines for drivers' licenses and opposes federal requirement of commercial driver's licenses for farmers and ranchers.

Key NCBA Contacts

Colin Woodall

NCBA Vice President of Government Affairs
cwoodall@beef.org

Kristina Butts

NCBA Executive Director of Legislative Affairs
kbutts@beef.org

Dustin Van Liew

NCBA Director of Federal Lands
dvanliew@beef.org

Ashley Lyon

NCBA Deputy Environmental Counsel
alyon@beef.org

Kent Bacus

NCBA Associate Director of Legislative Affairs
kbacus@beef.org

Mike Deering and Mary Geiger

Communications
mdeering@beef.org or mgeiger@beef.org

Visit us online at www.beefusa.org or call at 202-347-0228

Also visit our blog at www.beltwaybeef.com.



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.