

Legislative Outlook

The beef industry experienced wins in 2015 and is posed to tackle policy issues in 2016.

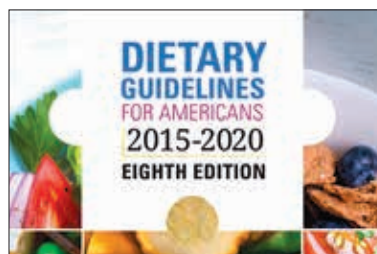
by Stephanie White

It is easy to say 2015 has been a whirlwind of a year for cattle producers, and the National Cattlemen's Beef Association (NCBA) has been a strong force in pushing positive legislation for U.S. cattlemen.

Along with all the battles that cattlemen have faced this year, the wins that have come should not be unrecognized. NCBA has taken the lead when it comes to

policy wins for 2015, and one of the more notable issues was the release of the 2015 Dietary Guidelines for Americans, which is released by the U.S. Department of Health and Human Services and the U.S. Department of Agriculture (USDA).

In a webinar providing a 2016 legislative outlook for the beef industry, NCBA Senior Vice President of Government Affairs Colin Woodall says, "We (NCBA) worked with USDA Secretary Tom Vilsack, to ensure that he had all the data that was out there. We also helped him with some proactive public relations campaigns through the spring and the summer that also helped him positively. Our effort with the 'Beefs on My



Plate' campaign that was pushed by NCBA was successful."

The Beef on My Plate campaign encouraged people to take pictures of their beef inspired meals and to post them to social media outlets.

"This campaign generated a pretty significant response and we had some pick up with the national media," Woodall says. "Secretary Vilsack said that this campaign definitely helped his



options, when looking at the final set of guidelines."

Woodall also shared that beef has been returned to the plate for the 2015 set of dietary guidelines. "This is a solid win for us in the beef industry. Now we just need to make sure we work to fix the overall process for down the road."



Tax extender package

Right before Christmas, the Omnibus Appropriations Bill was passed by Congress and signed by the President.

“A large portion of this had to do a lot with tax provisions,” Woodall explains. “A lot of the provisions from Bush’s tax cut years had expired through the Obama administration. For many years we had been handling this one year at a time. Once they would expire we would try to get them to extend for another year and that is just problematic across the board,” shared Woodall. “Congress would wait until the last minute to act on a lot of these provisions. They do that by passing retroactive laws to re-establish these programs, which then would expire again at the end of the year.”

Woodall says this approach has been an issue for producers because there’s been no certainty.

“If you don’t have the certainty of what your tax liability is going to be, it is hard to make those investments,” Woodall says. “We have been able to make some significant strides on these tax extender programs.”

Woodall states that three in particular were most important. One is Section 179. This provision allows a small business to expense up to \$500,000 on any sort of capital investment that is up to \$2 million of value.

“That is extremely significant when it comes to tax liability,” he explains. “Without this program the exemption would only be \$25,000. That number is quite a bit different than half a million. To take this expensing amount and make it permanent, which is what we were able to do, and then tie it to inflation gives us certainty on Section 179 for the foreseeable future.”

Woodall adds, “Making something permanent in Washington, D.C., it is a bit of a misnomer, because any future Congress or administration could change it again. For right now, we know that we do not have to work to get this extended year in and year out.”

Another topic of importance to cattle producers and land measures is the Conservation Easement Tax Incentive. This was also made permanent. In

conjunction with Sec. 179 is Bonus Depreciation.

“This (Bonus Depreciation) is one we were not successful in making permanent, but we were able to get some certainty in place through 2019,” Woodall says.

“The reason we wanted this to be several years out is because we do expect a new administration and a new Congress to take a real stab at comprehensive tax reform. This will give us another opportunity to look at Bonus Depreciation and see what we can do to make that permanent.”

There is a definite positive about making Section 179 and the Conservation Easement Tax Incentive permanent for cattle producers.

“The good news is that we don’t have to spend as much political capital in an overall comprehensive tax reform situation we otherwise would,” Woodall says.

“So this will free up some time and resources to be able to work on things like making Bonus Depreciation permanent and addressing things such as the death tax, which remains a major priority for NCBA.”

NCBA policy wins did not stop at tax issues but moved to situations of outside trade conflicts with other countries.

Trade policy

“To continue to talk about the wins that we had on the omnibus, we had one that is extremely exciting and a long time coming — that is the repeal of Country of Origin Labeling (COOL),” Woodall says.

“COOL has been a burr under our saddle since the 2002 Farm Bill and we have been working through many different political vehicles over the years to try to get a resolution to this. Several things came together to make this happen.”

He says one of the biggest drivers was the threat of retaliation from Canada and Mexico against the United States.

“The World Trade Organization (WTO) found that our COOL program violated our trade agreements four times. So in four different hearings WTO ruled against us. The WTO came out in early December saying that Mexico and Canada’s retaliation was going to be at a level of about \$1 billion. Once that number came out, Congress after all these years got the message that this was no longer a threat, but it was a reality. Fortunately the omnibus was being worked on so this gave us the opportunity to repeal COOL.”

Another provision that was included in the Omnibus Appropriations Bill has to do with the overall regulatory process at the USDA Animal and Plant Health Inspection Service (APHIS). This is the agency that is charged with keeping consumers safe as a domestic industry. It also looks at plant health and other species of livestock. One of its other responsibilities is to look at other countries that want to export product into the United States.

Woodall says, “We are all about trade, we just want to make sure that trade is based on sound science. We want to make sure that countries can send us product that is not going to cause animal health problems in the United States.”

Woodall used the example of foot-and-mouth disease and shared that some of the countries that want access still have a problem with foot-and-mouth.

“There is nothing in the Omnibus Bill that prevents any country from taking action and sending beef into the United States, but what we were able to get is a change in the regulatory process to have Congress hold APHIS accountable in insuring that site visits to these countries are completed and reports of those visits are shared with the industry,” Woodall states.

“Most importantly the documents that are utilized



Congress repealed Country-of-Origin Labeling (COOL) in December.

in formulation to these particular rules for these countries are translated into English so U.S stakeholders have the opportunity to review everything and understand what is being submitted.”

He shared that these were all problems that have been experienced in the past and that he wanted to make sure that things were clear.

Woodall says, “All we are asking is to make sure we have as much certainty as possible that any trade agreement is going to protect the health of the domestic herd.”

Another successful win on behalf of both cattle producers and haulers was the elimination of the 30-minute Department of Transportation (DOT) rest rule.

“There was a comprehensive transportation bill put into place and completed by Congress late in the fall,” he explains.

“One of the things we were able to get in there was the elimination of the 30-minute DOT rest rule that said every eight hours drivers have to have a break for 30 minutes of rest. That does not include refueling, checking your truck or things like that. It had to be flat rest. Our concern was you can’t leave a pot load of cattle on the side of the road during the summer without a little air moving through, so it became an animal welfare issue. That was our biggest concern so that we do not have any animal rights issues pop up while they are trying to get their mandatory 30 minutes of rest in. We were successful at getting this taken off the transportation bill.”

Woodall says “As we head into 2016, we are never without lack of issues here in Washington.”

He listed some 2016 issues that NCBA will be tackling during this next year including EPA-WOTUS (Waters of the United States), the Trans-Pacific Partnership, antibiotics and market volatility. **HW**



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