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**Submitted to the U.S. House
Committee on Agriculture
Subcommittee on Livestock and Foreign Agriculture**

"The Next Farm Bill: Livestock Producer Perspectives"

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On behalf of the United States Cattlemen's Association (USCA), thank you for calling this hearing on livestock producer perspectives in the next Farm Bill. USCA represents cow-calf producers, backgrounders, and feedlot operators from across the country and was founded on the principle that a grassroots effort by U.S. cattle producers can work positively and effectively with the U.S. government to reform U.S. agriculture policy and ensure a fair, competitive marketplace.

The upcoming 2018 Farm Bill will be written in a time of agricultural economic downturn. Net farm income has decreased 46% since 2014; the largest three-year percentage drop since the Great Depression. Labor costs are forecast to rise 5.4% in 2017, followed by a 5.2% rise in farm debt. If realized, net farm income will drop another 8.7% in 2017.

In recent years, the U.S. cattle industry has experienced the largest loss of equity ever. Historically, the livestock industry is an ever-changing marketplace due to its dependence on foreign market factors, domestic and international policies and consumer trends; however, today's marketplace has created a highly volatile and discriminating arena for U.S. producers. The upcoming 2018 Farm Bill represents a crucial opportunity to reestablish market fundamentals and ensure a fair opportunity for success for U.S. cattle producers. On behalf of USCA and our members, the below comprise our 2018 Farm Bill priorities.

Inclusion of a "Livestock Title"

As the industry and Congress look to drafting the next Farm Bill, the focus must include the development of a livestock-specific title. The 2018 Farm Bill provides a vehicle to address modernization of the Mandatory Price Reporting law for Boxed Beef & Cattle; continued emphasis on public-private partnerships in conservation; and addressing industry concerns such as transportation and environmental regulations. Simply including these items in a "Miscellaneous Title" of the Farm Bill is a huge disservice to the needs of the U.S. cattle industry. USCA stands ready to serve as an industry partner in the development of a livestock title overview detailing specific opportunities that are available to address current antiquated laws.

Farmer Fair Practices Rules

USCA supports the clarification of The Packers and Stockyards Act of 1921 via the "Farmer Fair Practices Rules". The P&S Act was originally passed "to regulate the sale of livestock by farmers to the more economically powerful livestock buyers." The Act passed following a long list of existing antitrust laws: the Sherman Antitrust Act of 1890, the Federal Trade Commission Act of 1914, and the Clayton Act of 1914. Congress recognized that while these existing laws addressed issues of anti-competitive and collusive behaviors in U.S. markets, they did not address the subject of individual producers interacting with the highly-concentrated meatpacking sector. Thus, the P&S Act directly addressed this issue with its most critical portion of the law,

which states: “It shall be unlawful for any packer or swine contractor with respect to livestock, meats, meat food productions, or livestock products in unmanufactured form, or for any live poultry dealer with respect to live poultry, to: engage in the use of any unfair, unjustly discriminatory, or deceptive practice or device; or make or give any undue or unreasonable preference or advantage to any particular person or locality in any respect, or subject any particular person or locality to any undue or unreasonable prejudice or disadvantage in any respect.”

The intent of the proposed rule and interim rules that make up the Farmer Fair Practices Rules are sound and sorely needed. USCA urges the USDA Grain Inspection, Packers and Stockyards Administration to carry out its mission of promoting “fair and competitive trading practices for the overall benefit of consumers and American agriculture.” USCA encourages Congress to protect our family farms and ranches from unjust and anticompetitive buying practices by supporting the Farmer Fair Practices Rules.

Protect the U.S. Livestock Herd

An uptick in proposed trade agreements with regions and countries affected, or in close proximity, with Foot-and-Mouth Disease (FMD) is a threat to the overall health of the U.S. cattle herd. The domestic industry must not be compromised at the sake of expanded trade; we need to ensure that FMD is not brought through our borders. It has been calculated by the World Organisation for Animal Health (OIE) that a FMD outbreak within the United States could result in \$14 billion in losses calculated to include both farm income and the effect on consumers and international trade relations. An adequate vaccine bank is essential to protect our cattle herds. It is imperative that adequate vaccine supplies be developed and maintained according to the best science available. USCA opposes any action that jeopardizes the health and well-being of the U.S. cattle herd and supports the adequate authorization and funding of a FMD Vaccine Bank in the next Farm Bill.

USCA members in Texas are experiencing an expanding presence of fever tick beyond the Permanent Quarantine "Buffer" Zone between Mexico and the U.S. Since this past November, an infected area in excess of 80,000 acres has been discovered approximately 120 miles outside of the buffer zone.

The USDA-Animal and Plant Health Inspection Service-Veterinary Services (APHIS-VS) and Texas Animal Health Commission are working together to find new, effective and cost-efficient ways to better eradicate ticks. USCA will be submitting a request of up to \$6 million through the Emergency Livestock Assistance Program to help offset the costs associated with eradicating cattle fever ticks and preventing the spread of this significant threat to the U.S. cattle industry. This funding is also critical for providing a longer-lasting and more effective injection site for cattle; an injection that provides immunity and also kills the tick; increased options for the

treatment of wildlife, particularly white tail deer; and discovering a method for treatment of the nilgai population, for which there currently is none.

This funding is critical to preventing the spread of cattle tick fever; a disease that will cause enormous economic losses to the U.S. cattle industry and inflict irreparable harm to the safety and health of the U.S. cattle herd.

Origin Labeling

At the close of 2015, the country or origin labeling (COOL) program was repealed. Since this time, confusion in the marketplace has mounted as retailers and distributors have worked to adhere to the revised labeling policies. The complete repeal of COOL represents a significant industry challenge, however workable compromises remain on the table. Currently, USDA Food Safety and Inspection Service is dealing with origin claims on a 'case-by-case' basis, with no framework to carry out labeling requests, and consumers are now voicing their concerns about the lack of information and consistency in labeling at the meat counter. The confusion in the marketplace is an issue that needs to be addressed by the industry. The industry must find common ground on this issue.

Trade

Export markets are vital to the beef industry. USCA supports trade promotion programs such as the Foreign Market Development and the Market Access Programs within the 2018 Farm Bill. The Foreign Market Development program maintains a network of staff that assess threats to and opportunities for U.S. beef markets, while also building relationships with potential foreign market access points. Market Access Programs work to construct sales channels and increase visibility of U.S. beef through the planning of meat-cutting seminars, cooking classes, and distribution of product samples. Studies have shown that for every dollar spent by the U.S. Meat Export Federation, Market Access Programs will return \$3 to \$4 in market partnerships and customers. This funding signals a commitment by the U.S. beef industry to be a consistent and reliable global supplier of high-quality, safe, and affordable beef products.

Conclusion

USCA appreciates the opportunity to submit a statement for the record on livestock producer perspectives on the upcoming 2018 Farm Bill. In the year ahead, USCA will continue to provide commentary on sound policy solutions that will ensure a fair and competitive marketplace for all U.S. cattle producers, while safeguarding the U.S. cattle herd against foreign animal diseases. With the above goals in mind, we are confident that the industry can come together to produce a 2018 Farm Bill that will allow U.S. cattle producers to continue producing the highest quality beef in the world.