

Testimony

on behalf of the

National Cattlemen's Beef Association

with regards to

“Perspectives on the Livestock and Poultry Sectors”

submitted to the

United States Senate Committee on Agriculture, Nutrition and Forestry

Senator Pat Roberts, Chairman

submitted by

Jennifer Houston

East Tennessee Livestock Center, Sweetwater, TN

President

National Cattlemen's Beef Association

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**National Cattlemen's
Beef Association**

Chairman Roberts and Ranking Member Stabenow, thank you for allowing me to testify today on behalf of cattle producers across this great nation. My name is Jennifer Houston, currently I serve as President of the National Cattlemen's Beef Association (NCBA). My husband Mark and I are cow-calf producers and own and operate East Tennessee Livestock Center in Sweetwater, Tennessee. Over the years we have participated in every aspect of the cattle industry except for owning a feed yard or packing plant.

Mr. Chairman, I would like to start by thanking you and other members of this committee who have been helpful over the last few weeks as we have dealt with the recent fire at the Tyson Plant in Holcomb, Kansas. We also support the work of Secretary Perdue and look forward to the results of the United States Department of Agriculture (USDA) investigation. All these efforts show that Congress and the Administration understand this plant was a vital component of the beef supply chain, and we appreciate your help in securing a quick response and assistance from USDA and the Commodity Futures Trading Commission (CFTC). This situation in Kansas highlights the importance of both interagency coordination and the need for Congress to give agencies the regulatory tools needed to respond to these issues in real-time.

This is the reason why NCBA strongly encourages the Committee to continue its work to push for a much-needed CFTC Reauthorization and a timely Mandatory Price Reporting Reauthorization. These agencies are vital to having functioning cattle markets for our producers across the nation. NCBA strongly supports Mandatory Price Reporting (MPR) and appreciates the work that USDA employees do every day to provide the cattle industry with market data that assist our members in making sound business decisions. We're currently updating our policy for this issue as we await USDA to conclude their study on the current 5-area reporting regions and with those findings, we will then work on advocating for sound enhancements that are backed by research. This is perhaps the most studied MPR reauthorization we have seen, and it shows that we want facts to drive the decision making, not emotions. NCBA continues to receive our policy directly from our members at the grassroots level across the nation. We work to paint the entire picture which requires us to also coordinate effectively with industry participants, congress, and federal agencies to ensure our positions are the best for the market to thrive. Mandatory Price Reporting has always had a consensus approach to its reauthorization and NCBA hopes that it will continue to work in that fashion to achieve what is best for the livestock industry. NCBA's goal is to have Mandatory Price Reporting policy that is driven by verifiable facts and not formed by speculation of possible "what ifs".

NCBA and its members also appreciate your continued help in asking the Department of Transportation (DOT) to provide flexibility under Hours of Service (HOS) for the cattle we are still trying to move to other packing facilities in the wake of the fire. Unfortunately, DOT has yet to grant NCBA's HOS flexibility request to further assist moving these cattle. The pressures created by recent events illustrate why NCBA has and will continue to push for flexibility in Hours of Service from DOT for livestock haulers across this country who need flexibility when hauling live animals.

While the domestic market continues to be the dominant source of our livelihood, the future growth of the U.S. beef industry relies on competitive market access to a growing global

consumer base in areas such as Asia. In 2018, we sold over \$8 billion of U.S. beef to foreign consumers, with one-quarter of those sales coming from Japan. While demand for U.S. beef is strong in Japan, we cannot remain competitive if the restrictive 38.5 percent tariff remains in place. For this reason, NCBA strongly supports President Trump's effort to level the playing field in Japan with a bilateral trade agreement and we hope that agreement is implemented as soon as possible. Likewise, the Chinese market holds a lot of promise for U.S. beef exports, but not until we resolve the retaliatory tariffs and remove the non-science-based trade barriers on U.S. beef. We also still need Congress to ratify the U.S.-Mexico-Canada agreement (USMCA) as soon as possible to send a message to the rest of the world that the United States is open for business.

NCBA strongly supports passage of the USMCA because it allows U.S. beef producers to continue being the dominant source of beef in North America by having duty-free, unrestricted access to a strong consumer base in Canada and Mexico. Additionally, it ensures continued protection from failed policies like Mandatory Country-of-Origin Labeling (MCOOL).

Implementation of the 2018 Farm Bill is also very important to cattle producers and we appreciate Congress' support for the creation of the Foot and Mouth Disease Vaccine Bank (FMD Bank) and support for voluntary conservation programs. It is also important that the recently released sources sought process for the FMD Bank moves efficiently but expeditiously. We are now a year into implementation of the 2018 Farm Bill, and another day without the United States FMD vaccine bank is another day of uncertainty for our producers. We will continue to stress to USDA the importance of getting the FMD bank up and running as quickly as possible to better protect our industry from foreign animal disease which remains a constant threat to our producers.

In 2018, NCBA adopted policy to establish clear parameters regarding use of the term beef. Our members work hard each and every day to produce a safe, affordable and nutritious protein, and we firmly believe the word beef should be reserved for products derived from actual livestock raised by farmers and ranchers. That said, this issue is about far more than just nomenclature. Our efforts on alternative protein products, or what we at NCBA refer to as "fake meat," is about one main goal: ensuring sensible regulatory oversight so that all protein products can compete on a fair and even playing field.

NCBA's advocacy efforts in 2018 focused on cell-cultured products which have yet to enter the market. We were pleased to see USDA and the Food and Drug Administration (FDA) announce a dual-oversight agreement late last year. Under the framework, FDA will oversee cell collection, cell banks, and cell growth and differentiation. USDA will oversee the day-to-day production of cell-cultured meat and poultry products, nomenclature and labeling decisions, as well as any post-market activities like product recalls. NCBA believes that moving forward, both agencies must do their due-diligence to ensure these products are safe for consumption before market entry. Further, all major decisions should be made in a transparent manner that is science-based and allows ample opportunity for public input. To that end, we remain committed to working with both USDA and FDA moving forward.

Regulatory overreach is another area of critical concern for our industry. According to our members, 95% of which are family-owned businesses, regulatory compliance can consume as much as 40 hours of their work week. That is why regulatory reform has been of such great importance to NCBA and we are pleased to see the progress being made in areas such as the Waters of the United States (WOTUS) and the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA).

Earlier this month, the Environmental Protection Agency (EPA) finalized its repeal of the 2015 WOTUS Rule after federal courts found it illegal under the Clean Water Act and Administrative Procedure Act. After nearly four years of fighting in the courts, at EPA, and on Capitol Hill, vital property rights have been restored to cattle producers and landowners across the country. However, this victory was not achieved without support from Capitol Hill – thank you for continuing to reiterate Congress’ intent when it comes to the Clean Water Act’s application. EPA’s revised definition for “waters of the United States” will protect the nation’s water resource while simultaneously allowing cattle producers to do their jobs effectively. NCBA submitted substantive comments to EPA, outlining its support for the revised definition, in addition to specific recommendations. We look forward to the new rule’s finalization.

While WOTUS is certainly a top priority for cattle producers, equally important remains the protection of vital farm location information. Following a decision from the D.C. Circuit Court that manure emissions from routine agricultural operations were subject to hazardous waste reporting requirements under CERCLA and the Emergency Planning and Community Right-to-Know Act (EPCRA), the location data of nearly 200,000 livestock operations was put in jeopardy. Congress was extremely helpful in ensuring that livestock producers are not subject to needless emissions reporting requirements under CERCLA or EPCRA – last year’s passage of the FARM Act is a true example of bipartisan cooperation.

Another issue that has been of great concern to our cattle producers is avian predation on livestock. Birds such as black vultures (of which there are 4.6 million currently in the U.S.), ravens, and double crested cormorant—all protected under the Migratory Bird Treaty Act—prey on livestock during calving, often killing calves before delivery is complete. The loss of newborn animals is emotionally and financially traumatic and indemnity programs, where applicable, do not provide adequate compensation for losses. The U.S. Fish and Wildlife Service does issue depredation permits to affected farmers and ranchers, but the terms of the permit usually do not allow producers enough flexibility to protect their cattle herd. Simply put, our producers need more tools to control these exploding populations on their operations.

On behalf of all cattle producers, thank you for allowing me to testify today. NCBA looks forward to working with each of you in order to help the beef industry and our cattle producers continue to thrive. I hope that today’s hearing focuses on how we can continue to work together to support our cattle producers.