

Testimony
on behalf of the
National Cattlemen’s Beef Association
with regards to

“The Next Farm Bill: Livestock Producer Perspectives”

submitted to the
United States House of Representatives
Committee on Agriculture
Subcommittee on Livestock and Foreign Agriculture
David Rouzer, Chairman
submitted by

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**National Cattlemen's
Beef Association**

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Chairman Rouzer, Ranking Member Costa, thank you for allowing me to testify on behalf of the United States Beef industry today. I am Craig Uden, a fourth-generation cattleman from Elwood, Neb. and I am a partner in Darr Feedlot Inc., a commercial cattle feeding operation.

My wife Terri and I also own and manage three commercial cow-calf operations. My daughter Blair and her husband are involved in agribusiness and they own a registered Red Angus operation in Minnesota. My son Andrew lives in Lincoln, NE and owns a high tech agriculture company that runs data analytics, and he still finds time to run cattle. I have always been active in helping to shape the ever-challenging and changing beef industry. I believe in giving back to an industry that has been good to me, and while I have stepped aside from the day to day management, I still enjoy buying and selling cattle and building relationships within this industry. People in the cattle business work towards a common goal to improve and learn so that their industry is sustainable for future generations.

I am currently serving as NCBA President, and I have been involved in a number of positions on the local and state level, including past chairman and elder of Trinity Lutheran Church in Lexington, Nebraska, member and past chair of the Dawson County Cattlemen, and a 4-H leader. Along with serving on the Nebraska Beef Council, I have served on the Nebraska Cattlemen's Board of Directors as a committee chairman and vice chairman, the Nebraska Cattlemen's Research & Education Foundation, and am involved in the Nebraska Feedlot Council. I am also a member of Nebraska Ag Builders and sit on the Foundation Board of Alpha Gamma Rho Fraternity.

Today I would like to discuss the 2018 Farm Bill and the cattle industry's priorities as you all begin to assemble this important legislation. Development of this next farm bill is an important process for livestock producers. Whether directly or indirectly, the programs that are included in this Farm Bill have lasting effects, and sometimes a dramatic impact on livestock producers. We will oppose agriculture policies that pit one industry group against another, distort market signals, and inadvertently cause economic harm to the livestock sector.

The vast majority of my fellow livestock producers believe the livestock industry is best served by the process of free enterprise and free trade. Market freedom works better in our industry than government-regulated markets which deter innovation and distort production and market signals. We continue to oppose attempts to narrow the business options or limit the individual freedom of livestock producers to innovate in the marketing of their product.

We also oppose inclusion of a "Livestock Title" in the next farm bill. Items with industry-wide support can be included in the "Miscellaneous Title." I ask for the support of members of this committee in opposing a Livestock Title in the next farm bill.

The vast majority of cattle producers, oppose the involvement of the federal government in determining how their cattle are marketed. The beef industry continues to transition toward more value-based marketing methods. These systems allow cattle producers to capture more of the value of their cattle, while also allowing producers to better market to their consumers and their specific needs and requests. We believe these market signals have helped drive a significant

improvement in Quality Grade, a predictor of a satisfactory eating experience. It is vitally important that we continue to protect each individual producer's ability to market their cattle in the way that best benefits their business.

With that being said, NCBA must reiterate our opposition to the Grain Inspection, Packers and Stockyards Administration (GIPSA) interim final rule on competitive injury. The rule has been opposed by the vast majority of cattle producers since it was first introduced in 2010. In issuing the interim rule, GIPSA ignored the comments submitted by thousands of cattle producers in opposition to the rule, the decisions of eight separate federal appellate courts and the intent of language included by Congress in the 2008 Farm Bill.

Our analysis of the interim final rule leads us to believe that if this rule is implemented, the packers will offer one price for all cattle, regardless of quality. Packers have indicated that they are not willing to open themselves up to frivolous lawsuits and the legal risks this change in the competitive injury standard would create. GIPSA claims the rule is needed to protect producers. However, we believe, since it would eliminate value-based marketing programs, it would in fact negatively impact producers and make it more difficult to provide the types of beef products that consumers are clamoring for. We do not want to see any attempt to bring this, or a similar discussion, forward in a new Farm Bill.

In that same vain, NCBA also opposes any attempts to restrict the ownership of livestock. There have been times previously that a handful of members of Congress have proposed language placing restrictions on packer ownership of livestock, commonly referred to as the "packer ban." These types of restrictions would limit the marketing options available to our producers and would represent interference in the marketplace by the federal government which we adamantly oppose. Furthermore, attempts to put a "packer ban" in place have been tried in the past and have failed under both Republican and Democrat control of Congress.

NCBA would also like to reiterate its opposition to country-of-origin labeling (COOL) and any mandatory COOL programs. Repeal of the previous mandatory program was necessary since, after six and a half years of implementation, it provided no market benefit to beef producers. On top of that, it also violated trade agreements with two of our largest and vital trading partners. I ask the committee to resist any attempt to reinstate this failed program within this Farm Bill or any other congressional vehicle.

Overall, we believe that the Farm Bill is no place for activities which restrict our market freedoms. Our priority for the 2018 Farm Bill is to finally have one that does not include provisions like the ones above, or any others similar to it.

Another 2018 Farm Bill priority for NCBA is the protection of conservation programs. Several of these programs authorized in previous farm bills have played an important role in assisting farmers and ranchers in the enhancement of our nation's natural resources for food production, wildlife habitat, and water quality. In Nebraska, the Environmental Quality Incentive Program (EQIP) is improving habitat for grassland-nesting birds under consideration for listing as threatened or endangered species, enhancing the health of grazing lands, improving water quality, improving soil quality, and reducing soil erosion. One important feature of EQIP has

been its focus on livestock operations, and we would like to see continued funding to preserve this program. Federal funds spent on conservation are a good investment in our country's natural resources and the sustainability of agriculture and wildlife.

I would like to mention today something that my fellow producer David Clawson discussed during a recent Senate Agriculture Committee Field Hearing in Manhattan, KS. He testified about the need for a stronger and more sufficient foot-and-mouth disease (FMD) vaccine bank.

Please let me be very clear, an FMD outbreak is of great concern to the beef industry. FMD is highly contagious and has the potential to spread widely and rapidly, debilitating cloven-hoofed animals, such as cattle, swine, and sheep. The rapid spread of FMD can cause severe meat production losses; therefore, a widespread outbreak of the disease would have disastrous economic consequences. Analysts estimate that an FMD outbreak in the United States could potentially cost our nation's livestock producers billions of dollars in the first 12 months alone.

An FMD outbreak has the potential to cause enormous economic losses to not only livestock producers, but also to auction markets, slaughterhouses, food processors and related industries, as well as consumers. The economic consequences also include trade disruptions and decreased tourism.

NCBA will be requesting the support of this committee for the creation of a larger and more adequate FMD vaccine bank within the 2018 Farm Bill. We feel that this vaccine bank is vitally important to the beef industry as FMD is still a threat as countries around the globe continue to grapple with this disease. APHIS has publicly stated that our current FMD vaccine supply is insufficient to deal with a large scale outbreak in the U.S. and that a larger vaccine bank is needed. APHIS has also noted that expanding the current FMD vaccine supply is not an inexpensive investment, however having sufficient quantities of vaccine readily available and deployable to control an FMD outbreak would appear to be a critical part of the USDA APHIS mission. Rapid control of FMD protects the security of the U.S. food supply, limiting the economic damage from livestock losses due to the disease, and also shortens disruptions to trade and commerce that would occur as long as FMD goes uncontrolled due to a lack of vaccine.

For all of these reasons, we support additional funds dedicated to the development of a more adequate FMD vaccine bank in the amount of \$150 million dollars a year for five years. In addition, we support more work around Foreign Animal Disease preparedness that will continue to shed light on our response plans that recognize the limitations of current vaccination capabilities in an FMD outbreak.

Research is another topic that is of great importance to the beef industry. We support increased funding for research on production practices, genetics, animal diseases, economics, nutrition, food safety, and environmental impacts. The research components of USDA and our Land Grant Universities continue to provide critical knowledge to our industry allowing us to be the most efficient and effective producers possible. The impact of environmentally sensitive lands and species on agricultural operations is a critical component in advancing animal agriculture. Increased investment in this type of research is vital to the security and viability of our agricultural industry and overall food supply.

Trade is vital to the beef industry, and protecting trade promotion programs such as the Foreign Market Development and the Market Access Programs within the 2018 Farm Bill, are important to us. Ninety-six percent of the world's consumers reside outside U.S. borders. We recognize that the growth and profitability of the U.S. cattle and beef industry is closely tied to our ability to market our products to those consumers. We support international trade policies that aggressively pursue expanded market access for U.S. beef, enforce trade agreements that are based on internationally recognized standards and guidelines, and hold our trading partners accountable for their international trade commitments.

Since I am here testifying on behalf of the cattle industry, I wanted to briefly mention an item of great concern to our producers down in Texas, and that is the ongoing problem of Cattle Fever Ticks. These ticks carry and spread a blood parasite that causes Bovine Babesiosis commonly known as Texas Cattle Fever or Cattle Fever, a devastating disease for the industry. Symptoms of Cattle Fever include anemia, seizures, high fever, aggressiveness and jaundice, resulting in decreased milk production, poor weight gain, damaged hides and leading to death in 90% of cattle not previously exposed. They were effectively eradicated from the United States in 1943, after which a Permanent Fever Tick Quarantine Zone was established along 500 miles of Texas' southern border with Mexico, to contain natural fever tick movements to the United States/Mexico border.

NCBA is working closely with USDA-APHIS Veterinary Services to adequately respond to current fever tick outbreaks and protect against further outbreaks in the United States. The hope is to improve current technologies and develop new ones, and also to encourage all public lands to be required to comply with the same regulations as private land owners, for the prevention and treatment of cattle fever tick. NCBA would encourage continued work between USDA-APHIS, the Texas Animal Health Commission, and any other interested parties to work in collaboration to eradicate this pest.

I wanted to also take a moment to mention our support for the programs established under the permanent disaster provisions of the 2014 Farm Bill. Currently we do not have any suggestions on ways to improve these programs. However, with the ongoing rangeland fires occurring in the Midwest and Texas, barring any concerns that may arise from these tragic events, we will not seek any changes within the 2018 Farm Bill.

Finally, I ask that you help us protect the national beef checkoff. The checkoff is a producer-led and funded research and promotion program which has helped our industry with food safety, nutrition, recipe development, and the successful "Beef, It's What's For Dinner" advertising campaign. The success of the checkoff is why the majority of beef producers in this country still support it. In fact, several states have passed local referendums to increase their state checkoffs because they know it is a sound investment in our future. The checkoff, however, has come under attack by a small minority who don't want to pay or support the checkoff. We will fight any attempt to attack, change, or kill the national beef checkoff. We have a model that is working well, and we need to let it continue its positive work for the beef industry.

Thank you again for the opportunity to provide testimony today on behalf of NCBA and the beef industry. We look forward to working with this committee and a wide range of interested stakeholders to help craft a bill that helps agriculture move forward in the best possible way. Working towards conservation program improvements, protecting research funding, keeping the government out of cattle marketing, and allowing producers to manage decisions regarding the checkoff, are issues of critical importance. On behalf of all cattle producers, thank you and we look forward to working with each one of you on the development of the 2018 Farm Bill.