



LEGISLATIVE REPORT

SAN DIEGO COUNTY COWBELLES

FEBRUARY 2020



MEASURE INTRODUCED IN HOUSE - EASIER TO REMOVE LIVESTOCK FROM PUBLIC LANDS

Last week, House Representative Adam Smith (D-WA) introduced H.R. 5737, the Voluntary Grazing Permit Retirement Act.

Currently, environmental advocacy groups are permitted to purchase public lands grazing permits from ranchers but cannot retire them without congressional authorization. This bill would require the Bureau of Land Management (BLM) and the U.S. Forest Service to permanently discontinue grazing on allotments where the current permittee has relinquished their grazing permit to a third party. This proposed law would allow environmental groups to buy permits from ranchers who willingly sell them and essentially retire them, ending grazing on the public lands that were once active, managed and used for grazing.

The term "willing seller" can however, be a misnomer. Often more extreme environmental groups turn to coercive tactics to extort permittees into opting out of their grazing preferences. Current promoters of the bill include the Western Watersheds Project, the Sierra Club and WildEarth Guardians among others.

The Act is contrary to the multiple use approach to public lands use and management mandated by federal law,

[Read The Full Bill Here](#)



PRESIDENT TRUMP SIGNS USMCA IN A HISTORIC WIN FOR U.S. CATTLE PRODUCERS

President Trump signed into law the U.S.-Mexico-Canada Agreement (USMCA). This bipartisan piece of legislation has been closely monitored by beef producers across the country since being drafted in 2018. The agreement is of particular note to cattlemen in large part due to the strong percentage of US beef that is exported to Canada & Mexico each year. NCBA President Jennifer Houston said, "This is a great day for America's cattle producers. Of course, the ratification of USMCA comes on the heels of a game-changing new trade deal with China, a new bilateral agreement with our largest export partners in Japan, and much-improved access to the European Union," Houston said. "Add that to the new waters rule that was finalized last week, new proposed grazing regulations, and new proposed rules that would provide much-needed relief the National Environmental Policy Act, and it's easy to see that 2020 is off to a truly historic start for U.S. beef producers."

After being ratified by the US, an implementation date for the USMCA will be set following Canada's approval of the agreement. Canada's House of Commons began its ratification process last week and is currently considering the measure. Canada is likely to issue final approval by April.

Following Canada's ratification, all three countries must meet the obligations outlined in the agreement before it can be fully implemented.

[Watch Video Here](#)



RANCHERS APPLAUD ANNOUNCEMENT OF NEW NEPA RULES

Jan. 9, 2020 – Ranchers across the country today hailed an announcement by Trump that he will promulgate new regulations to implement the National Environmental Policy Act (NEPA). "Over time, NEPA has evolved into a complex web of onerous processes and bureaucratic red tape," said fifth-generation Oregon rancher and Public Lands Council President Bob Skinner.

"Cattle producers across the country are grateful to President Trump for listening to rural America and providing this commonsense regulatory relief". NEPA was first enacted in 1970 to "create & maintain conditions under which man and nature can exist in productive harmony," and has not undergone substantive regulatory revision since 1986. Ranchers must undergo NEPA reviews for many reasons, but common examples include renewal of a term grazing permit, construction of range improvements, or to become eligible for participation in USDA programs. However, due to litigation, outside pressure, an abundance of caution, and a variety of other reasons, oftentimes these costly processes are further delayed and create an uncertain business environment for livestock producers. When finalized, the draft rules announced today will relieve that pressure, clarify exemptions, and eliminate redundancies.

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CYCLICAL HERD EXPANSION IS OVER - RECORD BEEF PRODUCTION IN 2020

The latest Cattle report issued by USDA confirms that cyclical herd expansion in the U.S. is over. The total inventory of all cattle and calves on Jan 1, 2020 was 94.413 million head, down 0.4 percent from one year ago. The numbers indicate that, while cattle inventories have stopped growing, no major liquidation is underway. The beef cow inventory is 31.3 million head, down 374,000 head or 1.2 percent lower year over year. The peak beef cow inventory for 2019 was 31.7 million (revised down by 75,000 head from the previous report). This means that the total herd expansion in this cycle was an increase of 2.73 million head from the 2014 low of 29.0 million cows. That is a total cyclical expansion of 9.4 percent or an average of 1.9 percent per year for the five years of expansion.

The last pulse of larger cattle numbers are currently in feedlots and cattle slaughter will be up in the first quarter before declining through the second half of the year. However, higher carcass weights are projected to offset a slight decline in cattle slaughter and push total 2020 beef production higher to new record levels. Beef production is likely, however, to be lower year over year by the fourth quarter of the year. Market conditions in 2020 will determine the trajectory of the cattle industry from this point forward. Modestly higher prices are projected in 2020, combined with improved international market potential, could restart herd expansion. Alternatively, continued political and economic turbulence or shocks, such as coronavirus, could drag markets down and hold cattle inventories flat or fall into more liquidation.

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CattleFax Update January 31, 2020

Fed Cattle – Trade in the South was primarily \$122 – \$2 lower than last week. Trade in the North, while not completed as of press time, was mostly \$121 to \$122.50 live and \$194 to \$195 dressed – \$1.50 to \$5 lower.

Boxed Beef – Ample supplies coupled with a historically slow demand period caused Choice boxes to soften \$1.97, while Selects advanced \$0.28 this week.

Feeder Cattle – Traded mostly \$2 to \$6 lower.

Calves – Ranged from steady to \$6 weaker.

Market Cows – Traded \$1 to \$5 higher this week.

Corn – Ended the week down 5 cents/bushel.

TRUMP ADMINISTRATION FINALIZES WOTUS REPLACEMENT

In late January, the EPA and Army Corps of Engineers (Corps) announced the finalization of the “Navigable Waters Protection Rule,” the Trump Administration’s replacement for the Obama Administration’s expansive 2015 Waters of the United States (“WOTUS”) Rule. In 2015, the Obama Administration finalized a WOTUS Rule that vastly expanded the regulatory jurisdiction of the EPA and Corps, giving the agencies unprecedented permitting authority over water features like ephemeral waters (those that contain water only in response to rainfall) and even over often-dry land features.

With President Trump’s election came a promise to repeal and replace the 2015 WOTUS Rule, a promise that has been fully kept after last month’s action by the EPA and Corps.

Importantly, the Navigable Waters Protection Rule limits the scope of the EPA and Corps’ jurisdiction, specifying which categories of waters are not subject to federal control. These waters include ephemeral waters, groundwater, most farm ditches, prior converted cropland and stockponds.

TIM HORTONS DROPS BEYOND MEAT BUT KFC SIGNS ON

If you’re a Beyond Meat investor you better be prepared to stomach wild swings in the stock.

Shares of the plant-based meat company were volatile Wednesday as one restaurant chain dropped the meat alternative from its menu and another one added it. Beyond Meat will start supplying plant-based fried chicken to several KFC locations in 2 U.S. states: Tennessee & North Carolina. While other restaurant chains have been testing out fake-meat alternatives to beef and pork, KFC is the first to put plant-based chicken on its menu. The new item resembles a chicken nugget. There is potential for growth. KFC has more than 23,000 restaurants in more than 140 countries.

But as one restaurant chain giveth, another taketh away. Tim Hortons announced it has removed all remaining Beyond Meat products from menus across Canada after initiating a scale-down in September. The fast-food restaurant chain said it had rolled out the meat-alternative as a limited offer and did not see the kind of consumer demand it had expected and so decided to pull it. Demand for alternative meat has soared - stretching providers Beyond Meat and rival Impossible Foods to the limit - as restaurant chains like McDonald’s, Burger King and Dunkin’ Brands try to respond to the trend. Shares of Beyond Meat are up nearly 400 percent since their 2019 IPO.

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