

July 23, 2010



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### **Legislation Protecting Public Lands Grazing Passes House Committee**

A continuing resolution to protect the ability of ranchers to continue to graze public lands grazing allotments that have not gone through required environmental review under the schedule established the Recessions Act was successfully added to the Fiscal Year 2011 Appropriations Bill by Congressman Mike Simpson (R-ID) of the House Appropriations Subcommittee on Interior, Environment, and Related Agencies.

Every year, CCA and the Public Land Council work to retain this continuing resolution to ensure permittees and ranchers are not harmed due to the inability of federal agencies to complete required environmental reviews under the National Environmental Policy Act (NEPA). CCA has requested that Senator Feinstein ensure that similar language is added to the Senate version of the Appropriations Bill.

Congressman Simpson's amendment also deleted language in the Appropriates Bill that would have allowed voluntary buyouts for grazing allotments and would require the Department of Interior to report attorneys fees reimbursed under the Equal Access to Justice Act to be reported from now forward. The House Appropriations Bill will be heard before the entire Appropriations Committee in the near future.

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## **Ethanol Subsidies Costing Taxpayers at the Pump**

A report issued this week by the Congressional Budget Office (CBO) suggests the U.S. government may be over-subsidizing ethanol. According to CBO's analysis, 11 billion gallons of biofuels were produced and sold in the United States in 2009, and ethanol produced from corn accounted for nearly all of that total. Corn ethanol subsidies cost taxpayers \$1.78 per gallon of gasoline.

The report underscores NCBA's position that it's time for the mature corn-based ethanol industry to stand on its own. "While we support the need to advance renewable and alternative sources of energy, an open and free market is the best driver of competition and innovation in all industries," said Kristina Butts, director of legislative affairs. "Favoring one segment of agriculture at the expense of another does not benefit agriculture as a whole or the consumers that ultimately purchase our products."

Ethanol production is directly linked to feed costs. According to USDA, in 2008, feed costs for livestock, poultry and dairy reached a record high of \$45.2 billion—an increase of more than \$7 billion over 2007 costs. A report released in September 2008 by the Congressional Research Service (CRS) stated that, "the main driver was feed, which may account for 60 to 70 percent of total livestock production costs in any given year." For the 2009-2010 marketing year, ethanol production is expected to absorb 4.3 billion bushels of corn, accounting for more than 33 percent of total corn production.

CCA and NCBA will continue to work to eliminate subsidies that interfere with grain markets, specifically the ethanol tax credit and import tariff. CCA will keep members informed on this issue as any updates are made available.

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## **USDA Funds Available for Ranchers**

The Yolo County Resource Conservation District and other California Rangeland Coalition partners have been awarded \$ 3.75 million, over the next 5 years, from the Natural Resources Conservation Service, Agricultural Water Quality Enhancement Program (AWEP). The grant will allow partners to work with voluntary, willing landowners to improve water quality on rangelands in Shasta, Tehama, Butte, Glenn, Colusa, Yuba, Sutter and Yolo counties.

Landowners can access the additional cost-share funding allocated to northern California through NRCS reduce erosion, enhance livestock distribution, improving water supply for livestock and more. Applications from individual agricultural producers must meet EQIP requirements, but do not need to have existing EQIP contracts. Application deadline for this year's cost-share funding is July 28, 2010. For more information contact Nick Gallagher at the NRCS Woodland Field Office at (530) 662-2037, extension 114.

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## **CCA Supports Senate Legislation**

As a companion to CCA-supported legislation in the House of Representatives, CCA is now supporting legislation set to be released in the Senate by Sen. Mike Crapo (R-ID) that would amend the Antiquities Act and prevent the President from unilaterally designating national monuments without first seeking stakeholder input and congressional consent. CCA is already supporting HR 5580 – the National Monument Transparency and Accountability Act – authored by California Congressman Devin Nunes (R-21) that would similarly require congressional approval prior to the President designating a new national monument.

CCA is actively opposing the designation of new national monuments by the federal government on various fronts. Internal Department of Interior documents were released earlier this year that described potential monument designations – including a number in California. In past years, U.S. Presidents have used the Antiquities Act to designate hundreds of thousands of acres of land across the western United States as National Monuments. These designations often serve the purpose of restricting livestock grazing and other activities, which have been a historic part of our nation’s “multiple-use” tradition for public lands – contributing to both healthy landscapes and rural economies.

In addition, CCA has sent letters to California’s congressional delegation urging them to oppose any plan by the President to list new national monuments. CCA leadership and staff have also been testifying at various federal listening sessions throughout California urging the Administration to not list new national monuments as part of a greater outdoor and conservation initiative currently underway. For more information on this issue, contact Justin Oldfield in the CCA office at (916) 444-0845 or by e-mail at [justin@calcattlemen.org](mailto:justin@calcattlemen.org).

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## **CCA Encourages Members to Review Water Diversion Reporting Requirements after Deadline**

Even though the July 1 Surface Water Diversion and Use reporting deadline has passed, CCA would encourage members who have yet to file their statement of diversion for 2009 to do so as soon as possible.

The law does not provide the State Water Resources Control Board (State Water Board) flexibility to alter the July 1 reporting deadline that has been in law since 1966, however, they do recognize that there are additional water users who have not reported and are still learning the process of doing so. Communications with the State Water Board have indicated they understand and recognize the difficulty in getting the word out about the reporting requirements statewide and the difficulty diverters have had accessing information and assistance in a timely manner.

The reporting law adopted by the California legislature in 1966 requires those that divert water from California's lakes, rivers, streams, creeks or pump water from known subterranean streams to report water use to the State Water Resources Control Board using a Statement of Diversion and Use. The reporting statute applies to all water diversions, including adjudicated and riparian water rights. Certain exemptions exist for diversions that are already being reported under a stockpond registration or by a watermaster and for diversions of less than 25 acre-feet/year from a spring that does not flow off the property.

Until recently, there was no consequence associated with non-compliance, however, following the adoption of water legislation passed by the state legislature and Governor Schwarzenegger last year, a series of fines were established for water diversions that are not reported on an annual basis as currently required by state law. A \$1,000 fine will be assessed for not reporting followed by a 30-day correction period. Following the correction period, failing to register fines will be assessed at \$500/day. Additional fines have been added for accidental and willful misstatements.

CCA has been working diligently to provide information on how to comply since the beginning of the year and will continue to assist members on how to report diversions over the next few months. More information on the reporting program and the reporting form can be accessed by visiting the CCA Web site at [www.calcattlemen.org](http://www.calcattlemen.org).

Members are encouraged to either contact the State Water Board directly at (916) 341-5300 with questions or by contact Justin Oldfield at [justin@calcattlemen.org](mailto:justin@calcattlemen.org) or by calling the CCA office at (916) 444-0845.

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### **Ecosystem Services Survey Available Online**

CCA members are encouraged to complete the online version of the Ecosystem Services Survey available by [clicking here](#). Last month, 200 randomly-selected CCA members were mailed an Ecosystem Services Survey, the online version of the survey provides an opportunity for additional producer to provide input.

The goal of the survey is to understand ranchers' level of interest and the potential for developing payments for the ecosystem services (i.e. environmental benefits such as carbon sequestration, water quality improvements, wildlife habitat, etc.) that ranching provides. Emerging markets offer the potential to provide a financial return to ranchers for good environmental stewardship by creating new economic incentives for practices that improve the quality of water, soil, air and wildlife habitat on working landscapes.

If you have any questions about the survey, please contact Tracy Schohr in the CCA office at (916) 444-0845 or by e-mail at [tracy@calcattlemen.org](mailto:tracy@calcattlemen.org).

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### **Cattle Fax Weekly Market Highlight**

**July 23, 2010**

Fed cattle prices were \$1 to instances \$2.00 higher in a moderate to active trade and the industry remains very current. In the north the bulk of the trade was \$94 to \$96 live and \$149 to \$151 dressed. In the south, sales occurred primarily at \$95. The boxed beef market posted modest gains for the week; firm asking prices more than offset slower summertime demand. Feeder cattle prices were mostly steady this week while calves were quoted even to \$2.00 softer. Slaughter cows were \$1 to \$3.00 lower on the week. Corn values declined this week as the crop remains in excellent shape coming through pollination.

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**Help Your Business and Your Industry by Joining CCA Today**

Do you like what you see here? Are you interested in participating in these important efforts and receiving additional publications about California's beef cattle industry? If you're not yet a member, you can lend your support by joining the California Cattlemen's Association (CCA) today. CCA is the only membership organization in California dedicated solely to looking out for the interests of ranching families and California's cattle industry.

CCA staff and officers work every day to ensure that our members have a known voice in Sacramento and in Washington, D.C. CCA defends your private property rights; works towards preserving private and public rangeland; protects the health of California's cattle herd; and provides scholarships to help the next generation of ranchers remain in the industry.

Joining this critical effort is simple for cattle producers, landowners and supporters of the industry. Call Stevie in the CCA office at (916) 444-0845 or email requests for membership information to [stevie@calcattlemen.org](mailto:stevie@calcattlemen.org).

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