

KLA CFC Policy Review

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KLA Policy for CFC Review

7. CATTLE MARKETING (2018)

WHEREAS, livestock buyers and sellers continue to seek out innovative and efficient marketing methods, and

WHEREAS, the beef cattle industry has moved toward the production of a more consistent, higher-quality beef product in order to recapture market share.

THEREFORE BE IT RESOLVED, the Kansas Livestock Association supports industry participant-led changes to the current marketing system that improve the value discovery process.

BE IT FURTHER RESOLVED, the Kansas Livestock Association shall continue to guard its members' freedom of choice to conduct their own business and utilize their own marketing program as they see fit.

BE IT FURTHER RESOLVED, the Kansas Livestock Association opposes lawsuits, petitions, or other legal proceedings that jeopardize trade relations with countries such as Canada and Mexico.

8. LIVESTOCK PRICE REPORTING (2020)

(20reporting a challenge, and

WHEREAS, the United States Department of Agriculture Agricultural Marketing Service (USDA AMS) is meeting with industry stakeholders to discuss what changes could be made to Mandatory Price Reporting.

THEREFORE BE IT RESOLVED, the Kansas Livestock Association supports a transparent price reporting system that allows the livestock industry to understand the price paid for cattle.

9. FUTURES MARKETS (2020)

WHEREAS, the commodity futures markets provide a vital and necessary risk management tool for the livestock industry, and

WHEREAS, additional research, study and industry agreement is needed before making wholesale changes to the CME live cattle contract, including movement to a cash settlement process.

THEREFORE BE IT RESOLVED, the Kansas Livestock Association supports physical delivery, including feedyards as delivery points, as the preferred mechanism for settlement of the CME Live Cattle contract.

BE IT FURTHER RESOLVED, the Kansas Livestock Association supports viable futures exchanges to facilitate effective risk management opportunities for the livestock industry.

BE IT FURTHER RESOLVED, contract specifications should match industry needs and facilitate convergence of futures prices with the cash market to ensure a useful risk management function is provided.

BE IT FURTHER RESOLVED, the Kansas Livestock Association will continue to monitor any pending rule or regulatory changes that may impact the ability of the futures markets to provide a meaningful risk management function.

10. STATEMENT OF OPERATING PRINCIPLES (2018)

WHEREAS, the Kansas Livestock Association believes the livestock industry is best served by the process of free enterprise and free trade, and

WHEREAS, even with its imperfections, free trade is relatively more equitable than regulated and subsidized markets that retard innovation and distort production and market signals, and

WHEREAS, regulated and subsidized markets disadvantage some producers in favor of others.

THEREFORE BE IT RESOLVED, the Kansas Livestock Association is opposed to attempts to narrow the business options or limit the individual freedom of livestock producers to innovate in the management and marketing of their production unfettered by additional government regulations.

11. 2010 PROPOSED GIPSA REGULATIONS (2019)

WHEREAS, Section 11006(1) of the 2008 Farm Bill directed the Secretary of Agriculture “to establish criteria that the Secretary will consider in determining . . . whether an undue or unreasonable preference or advantage has occurred in violation of” the Packers and Stockyards Act (PSA), and

WHEREAS, the USDA Grain Inspection, Packers and Stockyards Administration (GIPSA) proposed regulations (75 Fed. Reg. 35338-35354, June 22, 2010) that exceeded this authority, would have adversely impacted the marketing of livestock, and would have overturned appellate court decisions, exposing the beef industry to increased litigation, and

WHEREAS, the proposed regulations were not supported by a thorough economic analysis and economists have opined that if adopted, they would have cost the beef supply chain over \$879 million when implemented, and

WHEREAS, the proposed regulations likely would have resulted in increased costs for documentation and reduction of marketing opportunities available to producers and eliminated incentives for producers to invest in improved genetics, production practices, and new technologies, and

WHEREAS, on October 18, 2017, USDA withdrew the proposed 2010 GIPSA regulations, and

WHEREAS, USDA recently announced it would reinstate the PSA rulemaking directed by the 2008 Farm Bill.

THEREFORE BE IT RESOLVED, the Kansas Livestock Association supports repeal of Section 11006(1) of the 2008 Farm Bill.

BE IT FURTHER RESOLVED, the Kansas Livestock Association opposes reintroduction of a regulation similar in substance to the 2010 GIPSA proposal.

BE IT FURTHER RESOLVED, the Kansas Livestock Association, in the absence of repeal of Section 11006(1) of the 2008 Farm Bill, supports proposal of a regulation by USDA that does the following: (1) remains limited in scope to only the terms of Section 11006(1) of the 2008 Farm Bill;

(2) adheres to appellate court decisions that require competitive harm to the marketplace; (3) allows incentives for producers to invest in improved genetics, production practices, and new technologies; and (4) is cost-neutral to the livestock industry.

12. DEALER STATUTORY TRUST (2018)

WHEREAS, during the past 10 years, there have been dozens of livestock dealer defaults, including a 2010 default that cost creditors, including producers, auction markets, and other dealers, approximately \$112 million, and

WHEREAS, when such defaults occur, producers who have recently sold livestock often are not paid for the sale of their animals, and

WHEREAS, a seller's protection often is limited to a bond, which has historically compensated unpaid sellers less than fifteen cents for every dollar in losses, and

WHEREAS, the Livestock Marketing Association has sponsored legislation creating a Dealer Statutory Trust, similar to the existing Packer Statutory Trust.

THEREFORE BE IT RESOLVED, the Kansas Livestock Association supports federal legislation creating a Dealer Statutory Trust that gives unpaid cash sellers first priority in livestock and the proceeds or accounts receivable from the sale of such livestock prior to other creditors.

BE IT FURTHER RESOLVED, a buyer in the ordinary course of business purchasing from a dealer will continue to take clear title of livestock.

13. STATUTORY LIENS (2020)

WHEREAS, there are a number of agricultural statutory liens that have served Kansas well for decades, and

WHEREAS, under current law, livestock producers have a first and prior lien on the grazing, feeding, and care provided for livestock owned by others without having to file financing statements with the state.

THEREFORE BE IT RESOLVED, the Kansas Livestock Association supports the current agricultural lien laws dealing with the feed and care provided livestock and will oppose any efforts to eliminate these liens or their priority.

BE IT FURTHER RESOLVED, the Kansas Livestock Association will oppose amendments that would require livestock producers to file financing statements with the state in order to maintain the status of their statutory lien.

14. KANSAS AGRICULTURE MARKET REPORTS (2018)

WHEREAS, access to fair, transparent, third-party, government-generated market information is critical in determining the value of agricultural products and is an important function of state and federal government.

THEREFORE BE IT RESOLVED, the Kansas Livestock Association supports adequate state and federal funding for the continuation of the Kansas Hay Market Reports and Kansas Feeder Cattle Auction Reports.

15. MOTOR VEHICLE REGULATIONS (2019)

WHEREAS, livestock producers are an important sector of the nation's economy, and

WHEREAS, the use of trucks and trailers are a necessary part of every livestock producer's operation, and

WHEREAS, additional regulatory measures create an extensive economic burden on livestock operations.

THEREFORE BE IT RESOLVED, the Kansas Livestock Association supports changes to statutes and regulations dealing with motor vehicle requirements to ensure the agricultural industry is not unnecessarily burdened.

BE IT FURTHER RESOLVED, the Kansas Livestock Association supports reasonable and least burdensome regulations so that they do not impede the necessary transportation of Kansas agricultural products to and from market.

BE IT FURTHER RESOLVED, the Kansas Livestock Association supports an interpretation of federal law that clarifies transporting agricultural products to and from market within the state does not constitute interstate commerce.

16. LIVESTOCK TRANSPORTATION HOURS OF SERVICE STANDARDS (2018)

WHEREAS, livestock haulers must adhere to hours of service (HOS) standards that limit drive time to 11 hours and on-duty time to 14 hours, and

WHEREAS, strict enforcement of the HOS standard is not practical and will compromise animal welfare, and

WHEREAS, significant confusion exists around mandatory electronic logging devices (ELD) and ELDs' impact on HOS for livestock haulers.

THEREFORE BE IT RESOLVED, KLA supports an exemption from ELD requirements for livestock haulers while modifications to HOS requirements for livestock haulers are sought.

BE IT FURTHER RESOLVED, KLA supports HOS changes that protect animal welfare and prevent excessive cost increases in freight.

17. IMMIGRATION (2019)

WHEREAS, the Kansas livestock industry, the largest segment of Kansas agriculture, relies on immigrant workers for a significant portion of its labor force, and

WHEREAS, Kansas agricultural businesses desire to hire a documented, legal workforce, and

WHEREAS, in the case *Arizona et al. v. U.S.*, 132 S. Ct. 2492 (2012), the U.S. Supreme Court stated: "The Government of the United States has broad, undoubted power over the subject of immigration and the status of aliens," and

WHEREAS, the duty to regulate immigration policy is the constitutional responsibility of the federal government and such authority does not lie with the states unless expressly delegated by the federal government.

THEREFORE BE IT RESOLVED, the Kansas Livestock Association opposes state government legislation that would enact more restrictive immigration policies than exist under federal law.

BE IT FURTHER RESOLVED, the Kansas Livestock Association supports federal immigration policy that allows for an efficient and adequate guest worker program, and provides opportunities for current employees found to be unauthorized workers to complete the immigration process legally.

BE IT FURTHER RESOLVED, the Kansas Livestock Association opposes tougher penalties for businesses unknowingly employing unauthorized workers and supports legislation that eliminates liability for employers who have made a good faith effort to comply with immigration laws.

18. BEEF CHECKOFF (2019)

WHEREAS, producer investment in the beef checkoff, created in the 1985 Farm Bill, has helped improve beef demand by funding important promotion, research, and education projects, and

WHEREAS, a Cornell University study between 2006 and 2013 showed for every \$1 invested the checkoff returned \$11.20, and

WHEREAS, a 2018 producer attitude survey confirmed 74% of producers approved of the checkoff program, and

WHEREAS, more than three decades of inflation has cut into the amount of funding the checkoff can provide for these essential programs, and

WHEREAS, the 1996 Act, in comparison to the 1985 Beef Promotion and Research Act, gives more control and power to the federal government; allows for an increased share of the checkoff funds to be used for administration costs; and does not ensure a coordinated state/national partnership.

THEREFORE BE IT RESOLVED, the Kansas Livestock Association supports an increase in the beef checkoff assessment rate for the purpose of adequately funding an effective beef demand-building program.

BE IT FURTHER RESOLVED, the Kansas Livestock Association opposes proposals to create a supplemental beef checkoff under the 1996 Act.

19. LABELING OF IMITATION MEAT AND DAIRY PRODUCTS (2020)

WHEREAS, the development and commercialization of meat analogues, foods that approximate the aesthetic qualities, primarily texture, flavor, and appearance, or the chemical characteristics of specific types of meat, but do not contain meat or a meat food product, is occurring; and

WHEREAS, the development and commercialization of laboratory-grown meat alternatives is imminent; and

WHEREAS, the development and commercialization of dairy analogues has occurred; and

WHEREAS, companies selling meat analogues have claimed their products are meat, despite not containing animal protein; and

WHEREAS, meat analogues are often nutritionally inferior to meat; and

WHEREAS, the Federal Meat Inspection Act (FMIA) grants the U.S. Department of Agriculture (USDA) regulatory authority over all meat and meat food products; and

WHEREAS, the Federal Food, Drug, and Cosmetic Act (FFDCA) grants the Food and Drug Administration (FDA) regulatory oversight of all non-meat and non-poultry derived food products; and

WHEREAS, both USDA and FDA are responsible for enforcing standards that labels are truthful and not misleading; and

WHEREAS, there is lackluster enforcement by the FDA against meat and dairy analogues; and

WHEREAS, the same enforcement issues could occur with laboratory-grown meats; and

WHEREAS, the cross-use of nomenclature is confusing and misleads consumers who expect certain characteristics from meat and dairy products; and

WHEREAS, consumer should be equipped to make informed decisions when purchasing meat food products versus imitation meat products and other meat analogues.

THEREFORE BE IT RESOLVED, the Kansas Livestock Association opposes allowing dairy analogues, meat analogues, and laboratory-grown meat to inappropriately utilize nomenclature associated with actual meat or dairy products.

BE IT FURTHER RESOLVED, the Kansas Livestock Association supports legislative, regulatory, or judicial action to protect consumers by ensuring dairy analogues, meat analogues, and laboratory-grown meat are accurately labeled and do not inappropriately utilize nomenclature associated with actual meat or dairy products.

20. BEEF INDUSTRY LONG RANGE PLAN (2019)

WHEREAS, the vision of the Beef Industry Long Range Plan is "to responsibly produce the most trusted and preferred protein in the world."

THEREFORE BE IT RESOLVED, the Kansas Livestock Association supports the Beef Industry Long Range Plan.

21. NORTH AMERICAN TRADE AGREEMENTS (2019)

WHEREAS, the North American Free Trade Agreement (NAFTA), implemented in 1993, eliminated tariffs on many U.S. products being exported to Canada and Mexico, including beef, and

WHEREAS, annual beef exports to Canada and Mexico total nearly \$2 billion, and

WHEREAS, according to CattleFax, beef exports add more than \$300 per head to the value of fed cattle, and

WHEREAS, the President Donald J. Trump administration recently negotiated a new trade agreement with Mexico and Canada, referred to as the United States-Mexico-Canada Agreement (USMCA), and

WHEREAS, tariffs on beef and beef products traded between the United States and Mexico will remain at zero under USMCA.

THEREFORE BE IT RESOLVED, the Kansas Livestock Association strongly supports the modernization of NAFTA and the ratification of USMCA.

28. MANURE USED AS FERTILIZER (2019)

WHEREAS, the escalating cost of inorganic fertilizer has caused farmers and ranchers to look for alternative sources of fertilizer, and

WHEREAS, current state and federal environmental laws do not dictate the methods or rates at which farmers and ranchers apply fertilizers and do not require concentrated animal feeding operations (CAFOs) to monitor application of off-site manure exports.

THEREFORE BE IT RESOLVED, the Kansas Livestock Association supports voluntary, incentive-based efforts by the Kansas Department of Agriculture, Division of Conservation to educate farmers and ranchers about best management practices for storage and application of manure, and the Natural Resources Conservation Services' use of Environmental Quality Incentives Program cost-share funds to assist producers with proper storage and application methods.

BE IT FURTHER RESOLVED, the Kansas Livestock Association opposes any effort by the state or federal government to require CAFOs to include off-site manure exports in nutrient

management plans or otherwise be responsible for third-party application methods and opposes regulations that would dictate how farmers or ranchers could apply cattle manure, poultry litter, or other fertilizers.

42. ENVIRONMENTAL REGULATION (2018)

WHEREAS, the mission of the Kansas Livestock Association is to advance members' common business interests and enhance their ability to meet consumer demand, and

WHEREAS, agriculture, in particular livestock operations, are a vital part of the Kansas economy, and

WHEREAS, livestock operations require consistent, science-based, uniform environmental laws and regulations to maintain a favorable business environment, and

WHEREAS, climate change, air, and water pollution regulation is or may be proposed at state and federal levels that may impact agricultural operations including livestock operations, and

WHEREAS, federal and state court and administrative regulatory decisions regarding greenhouse gas emissions and air or water pollutants may directly impact livestock and agricultural operations.

THEREFORE BE IT RESOLVED, the Kansas Livestock Association supports legislative, judicial, or administrative actions to minimize the effects of environmental laws, regulations, or judicial determinations on livestock operations and to maximize the economic opportunities for agricultural and livestock operations to meet such regulations.

BE IT FURTHER RESOLVED, the Kansas Livestock Association supports legislative, judicial, and administrative actions that allow maximum flexibility for agricultural and livestock operations to meet regulatory obligations.

48. STOCKWATER FACILITY PERMIT (2020)

WHEREAS, most stockwater rights operate as a group within the same local source of water supply, at a low volume, and a low flow rate to furnish a livestock facility with water, unlike irrigation wells that operate independently at a high volume and at a high flow rate; and

WHEREAS, due to differing levels of elevation, varying head counts, and differences in hydrologic pressure, one well at a livestock facility can tend to over-perform while other wells under-perform, which can lead to one water right in the system overpumping its authorized quantity, while the total authorized quantity of all wells in the system is far below the water rights' authorized quantity.

THEREFORE BE IT RESOLVED, the Kansas Livestock Association supports a stockwater facility permit that would allow an individual water right or rights to exceed the annual authorized quantity of the individual water right or rights supplying water to a livestock facility, as long as the water use does not exceed the total annual authorized aggregate quantity of all the water rights available to the facility and does not impair a senior water right from the same local source of supply.

51. ANIMAL CARE (2018)

WHEREAS, livestock producers recognize that good animal health, care, production, and handling practices are a responsibility of producers to the animals and the consumer, and

WHEREAS, livestock producers long have been concerned with the welfare of livestock, recognizing that good animal health, care, production, and handling practices are essential to efficient and profitable production, and

WHEREAS, it is important for livestock producers to share with the public the many animal husbandry practices used every day in their operations.

THEREFORE BE IT RESOLVED, the Kansas Livestock Association recommends producers implement the Cattle Industry's Guidelines for the Care and Handling of Cattle, Beef Quality Assurance guidelines, Dairy Quality Assurance guidelines, and/or the National Dairy FARM Program.

BE IT FURTHER RESOLVED, the Kansas Livestock Association encourages the further development and participation in voluntary certification programs that validate participating producers are using best management practices for disease control and animal care.

52. HANDLING OF NON-AMBULATORY CATTLE (2019)

WHEREAS, the safety and well-being of cattle handlers is a priority, and

WHEREAS, humane handling of cattle always has been a priority for Kansas livestock producers.

THEREFORE BE IT RESOLVED, non-ambulatory cattle should be humanely euthanized as soon as possible.

BE IT FURTHER RESOLVED, the Kansas Livestock Association supports policy prohibiting the harvest of non-ambulatory cattle for human consumption.

54. PROTECTION OF AGRIBUSINESS (2018)

WHEREAS, securing the health and safety of agriculture from vandalism and other negative influences is a serious concern, and

WHEREAS, protecting our agricultural industry to allow for a stable food supply for U.S. consumers is vital and should not be taken for granted.

THEREFORE BE IT RESOLVED, the Kansas Livestock Association supports new initiatives concerning acts against the livestock industry to: (1) Strengthen the penalties for anyone involved in illegal biosecurity activities affecting the agricultural industry; (2) Provide increased coordination of local, state and federal officials to more effectively monitor and respond to these threats; (3) Give producers increased protections against false and derogatory statements that would damage or endanger a producer's livelihood, product, property or diminish livestock production practices; and (4) Allow producers to secure their facilities and operations at all times.

55. ANIMAL HEALTH PRODUCTS (2018)

WHEREAS, the Kansas Livestock Association facilitates the Kansas Beef Quality Assurance educational program with Kansas State University and the Kansas Veterinary Medical Association, and

WHEREAS, the Kansas Livestock Association continues to encourage the livestock industry to follow the proper use of animal health products and feed additives.

THEREFORE BE IT RESOLVED, the Kansas Livestock Association opposes laws and regulatory proposals that hinder the timely availability of animal health products, create costly or burdensome distribution and administration of products, and impose duplicative regulatory requirements by state and federal agencies.

61. MEAT INSPECTION (2019)

WHEREAS, the Kansas Livestock Association is vitally concerned that the Food Safety and Inspection Service is adequate to maintain the safety of beef, and

WHEREAS, the consumer has the right to expect safe and wholesome beef products, and

WHEREAS, irradiation, or cold pasteurization, has been approved by FDA for beef and has been proven a safe, effective method which improves pathogen reduction.

THEREFORE BE IT RESOLVED, the Kansas Livestock Association supports regulations that further the implementation of irradiation.

BE IT FURTHER RESOLVED, the Kansas Livestock Association supports USDA inspection systems for red meat and poultry that are effective, equitable, and ensure safe and wholesome products to the consumer.

62. ANIMAL IDENTIFICATION FOR DISEASE TRACEABILITY (2019)

WHEREAS, USDA's animal identification disease traceability program is limited to sexually intact cattle, more than 18 months of age, that move in interstate commerce; dairy cattle, cattle used for rodeo and recreational events; and cattle moved to shows and exhibitions, and

WHEREAS, the 2016-2020 cattle industry Long Range Plan emphasizes the cattle industry should secure the broad adoption of individual animal identification disease traceability system(s) to equip the industry to effectively manage a disease outbreak while enhancing both domestic and global trust in U.S. beef, and

WHEREAS, the state of Kansas, USDA and the private sector have provided funds for a voluntary, pilot traceability program in Kansas, named CattleTrace, which started in the fall of 2018, and

WHEREAS, CattleTrace stakeholders include the Kansas Livestock Association; Kansas Department of Agriculture, Division of Animal Health; Kansas State University's Beef Cattle Institute; and participating producers, marketers, feeders and processors.

THEREFORE BE IT RESOLVED, the Kansas Livestock Association supports efforts by the National Cattlemen's Beef Association and USDA to develop a mandatory national, individual animal identification disease traceability system for all cattle.

BE IT FURTHER RESOLVED, the Kansas Livestock Association supports continued state and federal funding to complete the CattleTrace pilot project.

BE IT FURTHER RESOLVED, the Kansas Livestock Association believes strongly that any animal identification or disease traceability program should be designed to (1) minimize costs to producers, (2) optimize the role of the private sector to administer the program, and (3) protect the confidentiality of individual animal owner records.

BE IT FURTHER RESOLVED, the Kansas Livestock Association believes the Kansas Department of Agriculture, Division of Animal Health should be the state agency that represents the state in the public/private coordination of a traceability project.

BE IT FURTHER RESOLVED, the Kansas Livestock Association supports state and federal legislation to limit animal owners' liability exposure that may arise under a private or public animal identification or disease traceability program.

63. KSU COLLEGE OF AGRICULTURE, COLLEGE OF VETERINARY MEDICINE, EXTENSION SERVICES, AND EXPERIMENT STATIONS (2020)

WHEREAS, agriculture is the number one industry in Kansas, and

WHEREAS, Kansas State University is one of the nation's first land grant colleges and agriculture has always been a prime area of teaching and research.

THEREFORE BE IT RESOLVED, the Kansas Livestock Association strongly supports that the university administration, Board of Regents, and the Kansas Legislature provide funding for the College of Agriculture, College of Veterinary Medicine, a food safety and security facility, experiment stations, and extension services in relationship to agriculture's importance to the Kansas economy.

BE IT FURTHER RESOLVED, the Kansas Livestock Association supports the need for and legislative approval of a new state-of-the-art veterinary diagnostic laboratory.