

Today is _____, _____ the _____. This is Ken Morgan's Northcoast Ag Report, our lead story is about _____ when we return

- [Change In Rural Population Totals And What's Behind It](#)
Some consistent, and unanticipated, trends involving rural demographics are contributing to year over year declines in rural populations. (Rod Bain and USDA economic researcher John Cromartie.)

Livestock Industry Seeks Petition to Waive ELD Requirement for Haulers - Comment Now!

On October 31, 2017, the U.S. Department of Transportation, Federal Motor Carrier Safety Administration (FMCSA) published a petition submitted by the National Cattlemen's Beef Association (NCBA), the National Pork Producers Council and other livestock organizations requesting a waiver to exempt livestock haulers from having to comply with regulations set to take effect December 17, 2017, requiring commercial drivers to comply with the federal hours of service rules using an electronic logging device (ELD).

NCBA and CCA are actively pursuing changes to the federal hours of service regulations to recognize the need to deliver cattle to their final destination in the quickest possible fashion, all the while ensuring proper roadway safety. A waiver granted by FMCSA will provide the additional time necessary to make these changes. NCBA and CCA was also successful in including language in the 2018 House Appropriations bill to delay the ELD compliance date for livestock haulers by an additional year. Efforts are underway to urge the Senate to maintain the one year delay in the final bill during conference. Supporting both the petition and our efforts in Congress will help yield the best possible results.

It's crucial you lend your voice to this effort and comment immediately in support of the petition by urging FMCSA to grant the waiver. The comment period will remain open until **November 30, 2017**. Comments can be submitted by clicking [here](#). A letter has been made available on CCA's website to use as a template. The letter can be downloaded [here](#).

It may be helpful to include the following points made in the petition in your comments as to why the waiver is needed:

(1) Livestock haulers are not, and will not be prepared to meet the December 18, 2017 compliance date;

(2) The current ELD retail marketplace does not clearly support the needs of livestock haulers and questions remain as to whether current ELD devices can accommodate HOS exemptions currently utilized by the livestock industry;

(3) There is a significant lack of education and awareness by livestock haulers and the livestock producers they service regarding the ELD mandate, current exemptions, and the use and operation of ELDs, requiring time for adequate outreach and training to take place; and

(4) Concern over the ELD mandate has exposed incompatibilities between the HOS rules and the livestock industry, and is causing disruption for livestock haulers, increasing already severe driver shortages, and endangering the health and welfare of the millions of animals transported by livestock carriers daily.

House Passes Tax Reform Bill, Awaits Senate Version

On Thursday November 16th, the U.S. House of Representatives passed H.R. 1, the *Tax Cuts and Jobs Act* by a vote of 227-201. Key provisions of the bill include:

- **Death Tax** - Upon enactment, the House bill would double current death tax exemption limits of \$5 million for individuals/\$10 million for couples (indexed for inflation). After six years, the death tax would be permanently repealed. The bill also fully preserves the step-up in basis, even after the death tax is repealed.
- **Bonus Depreciation** - Under existing law, businesses generally may only depreciate the cost of their capital investments (e.g. buildings, equipment) over time (as long as 39 years). In 2017, businesses can write off 50 percent of newly acquired equipment, but that allowance falls to 40 percent in 2018 and 30 percent in 2019. The House bill upgrades bonus depreciation so that all farm property (other than land) purchased through January 1, 2023 would qualify for 100% expensing.
- **Section 179** - Under current law, farms can expense up to \$500,000 of the cost of new equipment, buildings, breeding livestock and dairy cows. The allowance doesn't apply to used equipment and is phased out when the purchases exceed \$2 million. The House bill temporarily increases the Section 179 expensing allowance (for both new and used equipment) to \$5 million with a phaseout at \$20 million. Those amounts would be indexed for inflation, but the provision expires at the end of 2022.
- **Section 1031** - Like-kind exchanges, which are primarily used to trade land and equipment, would be preserved but limited to real estate. Farms would no longer be allowed to use the provision to exchange equipment or replacement livestock.
- **Cash Accounting** - The House bill expands cash accounting by increasing the

eligibility threshold from \$5 million to \$25 million, including for farm corporations, farm partnerships with a corporate partner and family farm corporations.

- **Interest Deductions** - Businesses, regardless of form, would not be allowed to deduct net business interest expense in excess of 30% of the business's adjusted taxable income. Under the House bill, adjusted taxable income is computed without regard to (1) any item of interest, gain, deduction or loss that is not properly allocable to a trade or business; (2) business interest or business interest income; (3) the amount of any net operating loss deduction; and (4) depreciation, amortization and depletion. Business interest would be defined as any interest paid or accrued on indebtedness properly allocable to a trade or business. *Small business exclusion - the House bill exempts all businesses with gross receipts under \$25 million from the limitation on interest deductions.*

Earlier this week the Senate Finance Committee began consideration of their own tax bill. Yesterday, Senate Finance Committee Chairman Orrin Hatch released a modified chairman's mark, which the committee is currently in the process of marking up. The modified mark includes an important provision that would effectively preserve interest deductions for agricultural producers. The Senate Finance Committee is expected to vote on this plan before the end of next week.

DEADLINE EXTENDED: Support Point Reyes Ranchers

The Point Reyes National Seashore has provided stakeholders an additional week- until November 22- to provide input "on a conceptual range of management alternatives" for the General Management Plan amendment being undertaken for the Point Reyes National Seashore.

Of particular concern to CCA and Point Reyes ranchers is the National Park Service's permitting of historical ranching operations at the Seashore and management of Tule elk, whose mismanagement has long plagued Point Reyes ranchers.

In 2014, the Park Service initiated a Ranch Comprehensive Management Plan (RCMP) aimed at exploring long-term leases for ranchers at the Seashore. However, in 2016 the Park Service was sued by three environmental groups seeking a broader amendment to the Seashore's General Management Plan. Under the terms of a settlement reached in July, the Park Service will undertake a General Management Plan revision which must consider a no ranching alternative, a no dairy ranching alternative and a reduced ranching alternative.

CCA expects that the conversation over the future of the Point Reyes National Seashore could be dominated by radical environmental groups. During the 2014 RCMP process, radical environmental groups urged their members to flood the Park Service with comments opposed to ranching at the Seashore. Thousands of form comments were received by enemies of grazing from throughout the United States and other nations.

Yesterday, CCA (joined by the Public Lands Council and National Cattlemen's Beef Association) submitted detailed comments in support of continued ranching at the Seashore. CCA also urges ranchers throughout the state to get involved by commenting on the proposed management alternatives [here](#).

Specifically, CCA urges members to tell the Park Service to (1) provide 20-year renewable leases to all ranchers at the Point Reyes National Seashore, and (2) properly manage the Tule elk population, including removing all roaming Tule elk from ranches and placing them back in the Limantour wilderness.

Water Board to Hold Public Outreach Meetings for NPS Permits on Federal Lands

The Lahontan Regional Water Quality Control Board (Lahontan Water Board) and Central Valley Regional Water Quality Control Board (Central Valley Water Board) are pursuing development of Nonpoint Source (NPS) permits "to ensure regulatory compliance and water quality protection" on US Forest Service and BLM managed lands within the Central Valley and Lahontan Water Board regions.

As a first step in this process, the two regional boards are holding public outreach meetings. The first of these was held Tuesday in Susanville; moving forward, the regional boards will hold the following public outreach meetings:

- Nov. 28 from 1:00-4:00 p at the Central Valley Water Board, 11020 Sun Ctr. Dr. in Rancho Cordova
- Nov. 30 from 9:30 am-12:30 pm at the Clovis Veterans Memorial Hall, 808 4th St. in Clovis
- Dec. 5 from 9:30 am-12:30 pm at the Mojave Water Agency, 13846 Conference Center Dr. in Apple Valley

CCA encourages members who would be impacted by the proposed NPS permits to attend the meetings to learn more information and air their concerns.

CCA has opposed similar efforts by the regional water boards in the past because they are duplicative of existing regulatory schemes and needlessly increase the regulatory burdens upon federal lands permittees. Likewise, CCA will continue to oppose the present effort.

For more information, visit [this website](#) or contact the CCA office.

Wildfire Disaster Assistance Programs Available to Ranchers

Various federal government programs exist to provide disaster assistance for those who have been impacted by wildfires. Although your attention is no doubt focused on the situation at hand, it's important to note that several of the disaster assistance

programs have initial notification deadlines that must be met in order to be eligible for funding.

Livestock Indemnity Program

The U.S. Department of Agriculture (USDA) offers the Livestock Indemnity Program (LIP) to reimburse producers up to 75% of the market value of animals lost due to adverse weather conditions. Adverse weather conditions under LIP include wildfires. All classes of cattle are eligible for reimbursement including cows, bulls and calves. For 2017, a claim for a bull is paid out at \$1,350.34, a cow at \$1,038.73 and non-adult cattle (calves) from \$471.22 per head to \$1,001.12 per head depending on weight.

In order to be eligible to receive payment under LIP, a producer must notify their local county Farm Service Administration (FSA) of their intent to seek a claim within 30 days of the loss. A final claim must be submitted within 90 days of informing the county FSA office of the loss and the final claim must also be made within the same calendar year as the loss. Documentation will be requested by the county FSA office to verify the claim including any photographs that can be made available documenting the loss or the impact of the fire, records to prove ownership, etc.

A fact sheet about the Livestock Indemnity Program can be found [here](#).

Non Insured Crop Disaster Assistance Program (NAP)

The NAP program is a federal disaster insurance program that enables ranchers who have applied for coverage to receive compensation for a loss of forage due to drought or other natural disasters like wildfire. In order to be eligible to receive payments under NAP, a rancher must have previously enrolled in the program with their county FSA office and paid the service fee.

If you are currently enrolled in NAP and you've experienced forage loss due to fire, you may be eligible for a claim. Producers must report a loss to their local county FSA office within 15 calendar days of the natural disaster occurring by completing a "Notice of Loss & Application for Payment" form. The form is available at your local FSA office.

A fact sheet about the Non Insured Crop Disaster Assistance Program can be found [here](#).

Emergency Conservation Program

The Emergency Conservation Program (ECP) is a program administered through your local county FSA office that assists ranchers with fence construction and repairing other rangeland infrastructure that may have been lost or damaged due to a natural disaster. Ranchers are eligible to receive up to 75% of the cost to implement the project. Funds are dispersed by USDA to county FSA offices as they are available and requested so please contact your county FSA office immediately to help demonstrate the need to request federal funds for local restoration projects.

A fact sheet about the Emergency Conservation Program can be found [here](#).

Environmental Quality Incentive Program

If projects to repair or replace rangeland infrastructure lost due to the fire are not eligible for assistance under other federal disaster assistance programs, ranchers can look to fund projects under the Environmental Quality Incentive Program (EQIP) administered by the Natural Resources Conservation Service (NRCS). EQIP is not a program built or intended to respond to natural disasters so it may not be preferred for addressing immediate needs. Applications for projects can be taken by your NRCS representative at your local County FSA office. Please be aware, approval for projects are subject to several pre-established deadlines throughout the year.

Register Now for the CCA/CCW Annual Convention, Nov 29-Dec 1!

Convention is just a few short weeks away in Sparks, Nevada at the Nugget Casino Resort and you won't want to be left out!

To register, click [here](#) or call the CCA office.

Succession Planning Workshop in Northern California

The University of California Cooperative Extension, Siskiyou Co. Farm Bureau, Siskiyou Co. Cattlewomen, Siskiyou Co. Cattlemen's Association and the California Cattlemen's Association would like to invite you to a free workshop with Wealth Transfer Specialist, Karl Bareither.

This workshop, including free lunch, is open to all and will cover succession planning issues and how to successfully transition the ranch or farm to the next generation.

Miners Inn
122 E. Miner St.
Yreka, CA 96097
December 8th, 2017
10am-4pm

Please RSVP to sbclawson@ucanr.edu

IMI Global is Hiring in California!

Attending the Allied Industry Trade Show at the CCA & CCW Convention Nov. 29-30th? Susan Morse would love to meet you!

Contact her at smorse@wherefoodcomesfrom.com to schedule a meeting or visit her at booth #8!

Click [here](#) for the job description and more information.

Help upgrade the teaching kitchen

Can you help to upgrade our 1960's teaching kitchen to a 21st century modern kitchen? On November 28th, Humboldt County UCCE will participate in [#GivingTuesday](#), a global day of giving celebrated the Tuesday after Thanksgiving. Please join us in [making a donation](#) during this Giving Tuesday campaign for phase one improvements. Our goal is to raise \$5000 to install a new stove top, cameras and screens to project the teaching for easier participant viewing, and a new dishwasher. With some modernizing the upgraded teaching kitchen will fill a community need for facilities available to teach nutrition, cooking, master food preserver classes, and 4-H cooking classes. Your donation will provide a lasting legacy.

For more information, please visit our donation [website](#) or call Dorina Espinoza at 707-445-7351.

Monday 27 at 9:30 HF