



TEXAS CATTLE FEEDERS ASSOCIATION

NEWSLETTER

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Seven Democratic Senators Are Urging Ag Secretary Vilsack To Revise The Final Rule For COOL as it applies to red meat. *Congress Daily* reports the Senators object to COOL language that would permit some animals born, raised and harvested in the U.S. to be given a multiple country-of-origin label. The Senators who sent a letter to Vilsack are Byron Dorgan (D-N.D.), Kent Conrad (D-N.D.), Diane Feinstein (D-Calif.), Amy Klobuchar (D-Minn.), Ron Wyden (D-Ore.), Russell Feingold (D-Wis.) and Jon Tester (D-Mont.).

The Senate Debate On The Economic Stimulus Bill is in full swing and votes could occur as early as this weekend. TCFA and NCBA are working with Senators to ensure that detrimental and non-germane provisions including a proposed dairy cow buyout, a ban on the processing of non-ambulatory cattle and an increase in the blend rate for ethanol in gasoline above 10% are not included in the final version of the bill. The Economic Stimulus Package is intended to help revitalize the economy by creating jobs, building infrastructure and stabilizing the housing sector, not serve as a vehicle to slip through controversial legislation that deserves additional debate and scrutiny.

Vilsack Calls For More Corn-Based Ethanol, Single Food Agency: In an interview with *Bloomberg* today, U.S. Agriculture Secretary Tom Vilsack said USDA is in discussions with EPA about raising the amount of corn-based ethanol blended in the U.S. gasoline supply. "I do think it is important for us to look at strategies to make sure the infrastructure of the ethanol industry is preserved, because it is a key component to this new energy future the president's laid out," Vilsack said. On another topic, Vilsack also said the recall of salmonella-tainted peanut products demonstrates the need to create a single food inspection agency.

A Union Card Check Bill Will Be Introduced "Soon" in the U.S. House of Representatives, House Education and Labor Committee Chairman George Miller (D-Calif.) told *The Hill*. The legislation is intended to make it easier for workers to organize by allowing them to bypass secret ballot elections if a majority sign cards saying they want to unionize. Both TCFA and NCBA oppose the bill contending that it would allow labor leaders to harass workers into joining unions. To see a copy of the letter TCFA sent to members to Congress, go to <http://www.tcfa.org/Newsletter/Card-check-letter.pdf>. Expected to easily win passage in the House, the bill faces a tougher course in the Senate because of the possibility of a filibuster.

NCBA Members Elect New Officers And Set Policy: During last week's Cattle Industry Annual Convention in Phoenix, Gary Voogt of Michigan was officially elected as the new president of NCBA, succeeding Andy Groseta of Arizona. Steve Foglesong of Illinois was chosen as president-elect and Bill Donald of Montana is the new vice president. Elected as Federation Division representatives to the Beef Promotions Operating Committee from the TCFA area were Linda Joy Stovall of Texas and Tamara Ogilvie of New Mexico. NCBA committees and the Board also approved a number of resolutions that will be presented to 30,000 NCBA members nationwide for final approval by mail ballot. The resolutions include:

- Calling for an increase in the age restriction for trade with Japan from 20 months to 30 months.
- Declaring NCBA's opposition to the union card check legislation pending in Congress (*see separate article above*).
- Encouraging local, state and federal agencies to consider livestock grazing as the first solution for fuel load reduction in order to reduce wildfire potential and improve livestock and wildlife habitat.

NCBA members also reaffirmed the industry's commitment to humane care and handling of cattle.

During the CattleFax Outlook Seminar in Phoenix last week, cattlemen were advised that the current market volatility means risk management is an important strategy. "Know basis," said CattleFax Executive

Vice President Randy Blach. "It needs to become second nature. We've got to learn to understand risk." As for prices to expect this year, CattleFax projects that:

- The overall U.S. price for corn will be \$4.25, which is lower than the \$5.30 rate for 2008.
- Feeder cattle will average near \$100 per cwt.
- Fed cattle prices will be in the low \$90s per cwt. and there is the potential for a return to some profitability.

For a more detailed summary of the CattleFax presentation, go to:

<http://www.beefusa.org/NEWS2009CattleFaxOutlookToughVolatileandHardtoComeBy37634.aspx>.

Beef Sales Are Showing Strength Despite The Economic Downturn, according to a report by the Beef Checkoff-funded website beefretail.org. Even though total volume sales for all meat were down in November, volume sales for beef were at an all-time high for the month. In November 2008, beef sales showed increases of 14.3% in value and 11.7% in volume when compared with November 2007 figures. The numbers also show that in November 2008, beef represented 29.9% of total fresh meat volume, while chicken was 22.4%. The report also notes that ground beef is an attractive product for consumers as the economy leads them to spend less money at restaurants and instead prepare meals at home. To see the full report, go to <http://www.beefretail.org/reseKingoftheCase.aspx>.

Kansas State University (KSU) Has Issued A Report On What Drives U.S. Beef Demand. In analyzing trends since 1982, the KSU researchers determined that beef demand is very responsive to fluctuations in consumer income and consumer spending. Because a per capita decline in consumer income is expected this year, to protect demand the cattle and beef industry must pay attention to other drivers that influence whether consumers choose to purchase beef, the researchers say. In summarizing those other drivers, the report says "consumers want consistently high quality beef products that are nutritious, flavorful, tender, safe, healthy and convenient to prepare." To read the full report, go to:

http://www.beefboard.org/news/files/factsheets/Beef_Demand_Drivers_January_2009.pdf.

NCBA Requests Extension of Feed Ban Implementation Date: NCBA has joined with 11 other national agriculture organizations in sending a letter to the FDA requesting an extension of the implementation date of the final feed ban rule. TCFA is working with NCBA in this effort. Specifically, the letter requests a 60-day extension of the implementation date and an additional 30-day public comment period in order to give affected industries time to provide FDA with current data and evidence of the ban's impact. The request for a 60-day extension is pursuant to a Jan. 20 Obama Administration memo that directed federal agencies to suspend pending regulations for 60 days. NCBA and TCFA have opposed the enhanced feed ban rule since the original proposal was published in October 2005 due to its failure to pass a cost/benefit analysis and the lack of statistically valid improvements to animal health and food safety. The final rule is effective on April 27, but it has already produced negative consequences. Beginning as early as December 2008, many renderers discontinued picking up dead livestock because of the severe economic realities of this proposal. Producers and veterinarians across the country are also concerned that they no longer have legal methods to dispose of dead livestock. This exacerbates already existing challenges in the proper disposal of livestock carcasses.

During The Annual CBB Meeting In Phoenix last week, former TCFA Board member Daryl Berlier Owen was elected to the 2009 Executive Committee. Other TCFA Members serving on the CBB are TCFA's Immediate Past Chairman Walt Lasley, Mary Lou Bradley-Henderson and G. Hughes Abell. Also at the CBB meeting, Texas cattleman Dan Dierschke was named vice chairman of the full board and will also chair the Executive Committee.

Cattlemen Helping Good Cause: The Panhandle Office of the National Multiple Sclerosis (MS) Society will present its 39th annual Beef-A-Thon Sunday, Feb. 15 from 1 p.m. to 6 p.m. on Amarillo television station KAMR. During the MS Beef-A-Thon, viewers can call in and bid on quarters of beef and other items. More than 20 feedyards in the Texas Panhandle area have generously donated animals to supply beef for the fundraiser. TCFA has made a monetary donation. All proceeds will benefit the MS Society's Panhandle office.

USDA Releases 2007 Agriculture Census And Cattle Inventory Report. On February 4, the United States Department of Agriculture's (USDA) National Agriculture Statistics Service (NASS) released results of the 2007 Census of Agriculture. The census is conducted every five years. The census counted 2,204,792

farms in the United States, a 4% increase from 2002. The number of farms nationwide has been on a declining trend since World War II. The latest figure indicates a leveling of this trend, with a net increase of 75,810 farms.

Despite the overall growth in farm numbers nationwide, not all states showed an increase. Eleven states saw declines in the number of farms while 39 states saw their farm numbers increase. Most of the growth in U.S. farm numbers came from small operations, where sales of no specific commodity accounted for more than 50% of the total value of production.

Even though the total number of farms increased nationwide, many individual sectors of production - including grains and oilseeds, horticulture, cattle and hog operations - saw a decline in farm numbers.

Other figures of interest include:

- Beef cattle are raised on 764,984 farms in the U.S. This is down from 796,437 in 2002.
- Among all farmers, 57% either work in town (36%) or are retired (21%).
- 900,327 (41%) of these farms have annual receipts of less than \$2,500.
- Only 357,159 farms have annual sales greater than \$100,000, although this is up from 311,388 in 2002.
- Number of farms with cropland
 - over 500 acres: 266,112
 - over 1,000 acres: 145,032
 - over 5,000 acres: 16,559
- There are currently 69,890 U.S. dairy farms, down from 91,989 five years ago.

In addition, according to the NASS cattle inventory report released last week, U.S. cattle inventory is down 2% from last year. According to the report, cattle and calves in the United States as of Jan. 1, 2009 totaled 94.5 million head, down from 96 million on January 1, 2008. Of the approximately 31.67 million total U.S. beef cows that have calved, here are the top ten states, ranked by number of beef cows and percentage of the U.S. total:

1) Texas =	5,170,000	(16.32%)
2) Oklahoma =	2,038,000	(6.4%)
3) Missouri =	1,992,000	(2.11%)
4) Nebraska =	1,851,000	(1.96%)
5) South Dakota =	1,616,000	(1.71%)
6) Kansas =	1,508,000	(1.60%)
7) Montana =	1,494,000	(1.58%)
8) Kentucky =	1,114,000	(1.18%)
9) Tennessee =	951,000	(1.01%)
10) Florida =	942,000	(1.00%)

Tuberculosis: Last December, USDA-APHIS conducted five official regional tuberculosis (TB) listening sessions in preparation for new rulemaking. TCFA members and staff participated in the Austin session. Summary reports from the listening sessions were released earlier this week and are available at <http://www.tcfa.org/Newsletter/APHIS-Dec-2008>. Topics of discussion included: control vs. eradication, education and outreach, funding, Mexican cattle imports, state status, testing, traceability, public health, and feedyard regulations and classification. TCFA and NCBA are pleased that APHIS is seeking input from producers and look forward to continuing the dialogue throughout the rulemaking process.

TCFA Dues Rebates Available. If you fed 10,000 head or more in 2008, you may apply for a dues rebate. The rebate applies to the cumulative number of cattle fed by a single feeding entity. Rebate applications must be completed and returned to the TCFA office by April 15. For more information or to request an application, call TCFA at (806) 358-3681 or contact Trent Tyson at trent@tcfa.org, or Kaci Barclay at kaci@tcfa.org.

Looking For The Key To Financial Success in these uncertain times? TCFA is hosting a Financial Seminar on Feb. 13 at the Texas AgriLife Research and Extension Center in Amarillo. Attendees will receive valuable information from the legal side of lending and marketing and may pose questions to attorneys, lenders and feedyard finance veterans helping conduct the seminar. To register, return the information flyer included in this week's TCFA *Newsletter* by fax at (806) 352-6026 or by email at kaci@tcfa.org. If you would like more information about the event, please call Josh Winegarner at TCFA.

Effective Employee Management for Agribusiness: Personnel Management can be one of a feedyard's most difficult and time consuming tasks. TCFA is co-sponsoring a Personnel Management Conference in conjunction with Texas AgriLife Extension and other Texas agriculture groups to provide you the information you need to make personnel issues more manageable. This seminar will be held March 3-4 in Waxahachie. To register or for more information contact Jane Planchon with AgriLife Extension at (806) 677-5600 or japlanchon@ag.tamu.edu.

...TCFA At Work For You...

In Recent Weeks, TCFA Staff:

- Lobbied Congress on dairy buyout, ethanol policy, card check union legislation and other issues.
- Led meetings with EPA to discuss reissuance of the feedyard general permit for New Mexico and Oklahoma.
- Met with TCEQ on proposed revisions to state water quality standards.
- Testified on proposed changes to groundwater district rules.
- Developed feedyard reporting documents to meet EPCRA requirements.
- Represented TCFA at NCBA Annual Conference on policy development for the cattle industry.
- Participated in Panhandle Emergency Management Planning conference in Amarillo to discuss agricultural bioterrorism issues.

TCFA Sponsor Spotlight. TCFA is proud to recognize its top sponsors whose efforts help deliver top-notch services to members.

This week's spotlight shines on



Bayer HealthCare

Bayer would like to thank TCFA members for their support of Bayer HealthCare. Bayer has been a solid supporter of TCFA and was one of the first Platinum sponsors. Bayer is proud to be a Prime Sponsor at the annual convention, to provide financial support for the Manager's Roundtable meetings, and supply the jackets for the Junior Fed Beef Challenge. All of this is made possible from membership support of Bayer products such as: Baytril[®] 100 (enrofloxacin), CyLence[®] Pour-On, Tempo[®] premise insecticides, Catosal[®] (10% butaphosphan + cyanocobalamin), Co-Ral[®] Plus and Cylence[®] Ultra Ear Tags, and QuickBayt[®] Fly Bait. For more information, go to www.bayer-ah.com.

Please note: All links are still available at www.tcfa.org under Newsletter links.