



TEXAS CATTLE FEEDERS ASSOCIATION

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A Complete Ban On The Harvesting Of Non-Ambulatory Cattle was announced March 14 by the Obama Administration. The final rule, first issued by USDA during the Bush Administration, amends the federal meat inspection regulations to require that all cattle that are non-ambulatory at any time prior to harvest at an official establishment, including those that become non-ambulatory after passing ante-mortem inspection, be condemned and properly disposed of according to FSIS regulations. Additionally, the final rule requires that establishments notify inspection program personnel when cattle become non-ambulatory after passing the ante-mortem, or pre-harvest, inspection.

Under the final rule, cattle that become non-ambulatory from an acute injury after ante-mortem inspection will no longer be eligible to proceed to harvest as "U.S. Suspects." Instead, FSIS inspectors will tag these cattle as "U.S. Condemned" and prohibit these cattle from proceeding to harvest.

However, the rule will allow custom operators to process, for the owner's personal use, cattle that become non-ambulatory after they are delivered to the processor if the operator does not observe any conditions that would make the animal unfit for human consumption. Under that exception, meat from such animals is restricted to the producer's personal use.

To read the final rule on non-ambulatory cattle, go to <http://www.tcfa.org/Newsletter/FSIS-Final-Nonamb-Rule03-18-09.pdf>.

The April 27 Effective Date Of FDA's Enhanced Feed Ban Has Been Extended By 60 Days, industry sources told *Meatingplace.com*. FDA will soon publish a notice in the *Federal Register*. TCFA and NCBA, along with others in the meat industry, have sought a delay and an additional 30-day comment period in light of hardships that are already occurring as a result of the rule. Some renderers, for example, have refused to accept older dead stock. FDA has not announced whether an additional comment period will be allowed. The postponement of the enhanced feed ban's effective date is similar to delays the Obama Administration has imposed on other rules that had not taken effect at the time the new President took office.

How Is The Recession Affecting Beef Purchases? Based on a batch of recent trade publication and mainstream media articles, it appears that consumers are shopping more carefully, getting some real good bargains, and, thankfully, staying loyal to beef. Meanwhile, the industry is doing its utmost to make sure consumers continue buying beef even if it is at a discount for the time being.

At the Annual Meat Conference – a gathering of industry experts in Denver – data was released that showed beef sales volume climbed 3.9% from October through January when compared with the same period a year ago. *Meatingplace.com* reported that Conference attendees also learned that just as consumers have shifted from foodservice to retail in recent months, when they go to the grocery store they are increasingly choosing fresh meat over the more expensive heat-and-serve entrees.

Meatingplace.com also reported that a joint study by the American Meat Institute and the Food Marketing Institute showed 69% of shoppers surveyed stock up on meat when it's on sale and 67% purchase less expensive cuts either frequently or every time they shop. The survey also showed 71% say they read grocery flyers looking for meat deals more often and more carefully than a year ago.

As for the bargains available, CattleFax says the wholesale prices for some Choice rib cuts and strip loin subprimals in February were at their lowest levels since 2002, *Nation's Restaurant News* reported. And NCBA Chief Economist Gregg Doud told *Reuters* the industry is stepping up efforts to sell steaks through supermarkets. "You are seeing a lot of features for rib-eyes and T-bones at below \$5 a pound," said Doud.

With the nation's economic decline providing a call to action, the Beef Checkoff implemented an aggressive market response plan in November to reach foodservice, retail partners and consumers and keep middle meats moving. Included in the effort is communicating to retailers how to promote bulk sales of beef. Consumers seem eager to save money through large volume purchases as home freezers have become the top selling appliance in the country.

For more on what the Checkoff is doing to promote middle meats, go to http://www.beefboard.org/news/09_0311_News_MiddleMeatsRelease.asp.

Beef Export Outlook: It looks like there may be some good news on the horizon for U.S. beef exports, according to NCBA analysis. Earlier this week, the Federal Reserve announced plans to purchase \$300 billion in long-term U.S. Treasury securities over the next few months. While in the long term this move is likely to lead to inflation, the short term result has been a quick decline in the value of the U.S. dollar. That should make U.S. beef exports more competitive in the global marketplace.

Between July 1, 2008 and March 17, 2009, the U.S. dollar had appreciated an incredible 40% against the Mexican peso and South Korean won and 26% against the Canadian dollar. Despite this substantial decrease in the buying power of customers in the top three markets for U.S. beef exports, U.S. beef and beef variety meat exports in January managed to remain fairly strong at 63,805 metric tons (mt.), worth \$222 million, compared to 63,945 mt., worth \$213 million during January 2008.

Since the announcement by the Federal Reserve, there has already been a 2-3% movement in the opposite direction against the peso and won. While one day certainly does not indicate a trend, NCBA will be watching this development closely in hopes that agriculture commodity futures will finally begin to rise after months of trading parallel to the stock market.

The Final Rule On COOL went into effect as scheduled on March 16. On March 31, the six-month education and outreach program operated by USDA-AMS will come to an end, and COOL will be actively enforced as per the final rule issued on January 15.

Conventional Beef Production Methods Are Better For The Environment than organic, grass-only production, according to a *BEEF* magazine article that reports on scientific analysis conducted by the Hudson Institute's Center for Global Food Issues (CGFI). The basic conclusion is that the use of growth promotants creates such enhanced production levels that conventional beef producers are three times more land-efficient than those pursuing the grass-only approach. That means a 40% reduction in greenhouse gas emissions. To read the full article, go to <http://beefmagazine.com/americancowman/health/0309-conventional-beef-production/>.

Meat And Poultry Products Are Not On The List Of U.S. Products that are subject to retaliatory tariffs being imposed by Mexico, according to the American Meat Institute. The tariffs are Mexico's response to the recent termination of the NAFTA pilot program to allow Mexican trucks to operate on U.S. roads. Fruits and vegetables, juices, wines and Christmas trees are among the products that are subject to the tariff. Mexico did not specify how long the retaliatory tariffs will remain in place, but said it would reconsider them as soon as the U.S. comes up with a trucking program to replace the pilot program.

The U.S. Congress eliminated funding for a pilot cross-border trucking project in the fiscal 2009 omnibus spending bill because of continued concerns about the safety of Mexican trucks. The Mexican government argues that the trucking program ban puts the United States in violation of NAFTA's cross-border trucking commitments.

After Mexico threatened to slap \$2.4 billion in retaliatory tariffs on U.S. goods over the demise of a pilot cross-border trucking program, President Obama called on Congress to come up with a new pilot program allowing Mexican trucks to continue transporting goods in the United States.

The European Commission Is Offering To Double Its Preferential Quota For U.S. Beef Imports as part of a deal to end a long-standing beef trade dispute, EU sources told *Forbes*. However, the EU is not relenting on its ban on beef produced from cattle treated with hormones. "The proposal is aimed at giving a bigger incentive to U.S. beef farmers to export normal-treated beef in return for the U.S. ending its sanctions," an EU source said.

A Bill To Restrict The Use Of Antibiotics In Food Animals was introduced this week by U.S. Rep. Louise Slaughter (D-N.Y.). "My legislation will limit the use of antibiotics on our livestock to ensure that we are not inadvertently creating antibiotic-resistant diseases that we can't fight with modern medicine," said Slaughter, adding, "The practice of over-using antibiotics in animal feed is certainly contributing to the rise of antibiotic-resistant bacteria." The legislation seeks to phase out non-therapeutic use in livestock of antibiotics

that are important for medical treatment of people. Slaughter chairs the House Rules committee. Supporters of her legislation point out that she is the only microbiologist in Congress.

Want To Prove The Best Cattle In Cattle Feeding Country Are Fed In Your Feedyard? Search your pens and find the best of the best and enter them in the **2009 Fed Beef Challenge**. The contest will be held Wednesday, April 15 at Amarillo Livestock Auction. Events are planned throughout the day and will include a live evaluation contest with three divisions for feedyard personnel, college students and the public. Other planned activities include a free steak feed and special events to help raise money for the TCFA Education Foundation. For more information and to enter go to <http://www.tcfa.org/FBC/2009Flyer&Entry.pdf> or contact Trent Tyson at (806) 358-3681 or trent@tcfa.org.

The 2009 Junior Fed Beef Challenge is open to all junior cattle feeders in the TCFA membership area. Validation is open and runs through April 1. All contest steers must be purchased and validated prior to April 1. Students from throughout Cattle Feeding Country will work to feed the best steers and compete for over \$18,000 in scholarships, cash and prizes. For full contest information, log on to <http://www.tcfa.org/ifbc/index.html>, or contact Trent Tyson at (806) 358-3681 or trent@tcfa.org.

Former Dallas Mayor Ron Kirk Became The New U.S. Trade Representative (USTR) after the U.S. Senate overwhelmingly approved his nomination this week. As USTR, Kirk is a member of President Obama's Cabinet and serves as the President's principal trade advisor, negotiator and spokesperson on trade issues.

Declaring The Nation's Food Inspection System "A Hazard To Public Health," President Obama announced creation of a food safety working group. *Associated Press* reports the group will help the President update food safety laws throughout government. Meanwhile, the President has nominated the former health commissioner of New York City, Margaret Hamburg for the post of FDA Commissioner. Hamburg's background also includes time as an assistant health secretary in the Clinton Administration.

Two Nominations For USDA Under Secretary Positions have been announced by the Obama Administration. James W. (Jim) Miller, who is currently chief of staff for National Farmers Union, has been chosen for Under Secretary of Agriculture for Farm and Foreign Agricultural Services. Dallas Tonsager, currently a board member with the Farm Credit Administration and the Farm Credit System Insurance Corp., was picked to be Under Secretary of Agriculture for Rural Development.

HBO's Documentary "Death on a Factory Farm" has drawn a strong response from the pork industry. Once again, animal rights extremists have exploited undercover video in an attempt to portray the bad behavior of a few as being representative of standard livestock industry practices.

After the documentary's first airing on March 16, the National Pork Producers Council (NPPC) issued a statement that said the program "shows actions at a hog farm that are not condoned and, in fact, abhorred by responsible pork producers. The NPPC publicly condemned the mistreatment depicted in the documentary when it occurred in 2006. For the documentary's producers to imply the situation shown in the film is in any way typical of swine husbandry in this country is grossly unfair to the farm families who work daily to feed this country and much of the world." The statement also declared, "Mistreatment of animals is appalling to pork producers just as it is to others. We do not defend and will not accept such mistreatment."

HBO is scheduled to re-air the documentary several times through April 1.

The COBRA Law For Health Care Continuation Coverage was among the many things impacted by the economic stimulus bill signed into law by President Obama recently. To help employers and other group health providers, the U.S. Department of Labor has created model notices that can be used to inform former participants and beneficiaries of premium reductions and additional election periods. To see the model documents and obtain other information, go to <http://www.dol.gov/ebsa/COBRAmodeNotice.html>.

Progress In Re-Establishing U.S. Beef's Position In South Korea Is Continuing, according to USMEF. At the end of February U.S. beef was available in 830 outlets of 12 Korean supermarket chains. USMEF estimates that U.S. beef also is being sold in approximately 10,000 traditional butcher shops, including several chain operations. "Considering that not one single chain outlet was willing to carry U.S. beef just 16 weeks ago, we are very satisfied with the substantial progress that has occurred so far," said Jihae Yang,

USMEF-Korea director. "That said, we still face a number of significant challenges." One challenge is the fact that Korea is among the nations hardest hit by the global economic crisis. USMEF said there has been a large drop in consumer spending in recent months. Also, some consumer anxiety about U.S. beef remains especially in the foodservice sector where restaurants must use country-of-origin labeling.

This Is National Agriculture Week and Texas Ag Commissioner Todd Staples has offered his salute to the hard-working people involved in agriculture. "In Texas the economic impact of agriculture exceeds \$100 billion," said Staples. "This industry is part of the foundation of our economy, and farmers and ranchers are working hard to stimulate the economy during these challenging times." Of course, cattle play a big role in Texas agriculture with a \$7.6 billion inventory that makes it the state's top commodity in dollar value. Staples also noted that with modern agriculture, the average U.S. farmer currently feeds more than 144 people, compared with just 46 people per farmer in 1960.

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