



# TEXAS CATTLE FEEDERS ASSOCIATION

## NEWSLETTER

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**Call Your U.S. Senators Immediately to Oppose Clean Water Act Amendments.** TCFA urges members to contact their senators immediately and strongly recommend that they oppose S. 787, the Clean Water Restoration Act. Also, ask them to contact their colleagues on the Senate Environment and Public Works Committee and request that they also oppose S. 787, which is set for a committee vote on May 7. Currently, waters under federal jurisdiction are defined as "navigable waters of the United States." Other waters are subject to regulation by states, which are much more knowledgeable about their own unique geographical concerns. S. 787 will remove the word "navigable" from the law, dramatically expanding federal regulatory control over ponds, playa lakes, drainage ditches and other wet areas on private land. This legislation would overturn two recent Supreme Court decisions that granted greater protection to property owners by restricting unfair regulation of private water bodies by the federal government.

"All waters are not equal in terms of their environmental function and value, and they should not be regulated the same," recommends NCBA Chief Environmental Legal Counsel Tamara Thies. "At a time when our resources are already stretched thin, it's ridiculous to expand the government's responsibility to mud holes and other wet areas with little to no environmental value to the public. Needlessly imposing additional financial burdens on an already struggling farm economy makes no sense."

Go to [http://tcfa.capwiz.com/tcfa/directory/congdir.tt?action=myreps\\_form](http://tcfa.capwiz.com/tcfa/directory/congdir.tt?action=myreps_form) to search for your senators and contact them today.

**Obama Administration Removes Endangered Species Act (ESA) Flexibility.** Interior Secretary Ken Salazar and Commerce Secretary Gary Locke announced that the two agencies were overturning the ESA regulation – passed during the Bush administration (December 2008) – regarding consultations for possible listing of species. The Secretaries were given the authority to review and overturn the rule through language contained in the Omnibus Appropriations Act passed in March.

TCFA and NCBA are disappointed that the Secretaries overturned this key rule, which would have made the consultation process more efficient. The regulation said that when proposed federal actions are determined to have no effect on a species listed under the ESA, such actions would not require approval through consultation with the Fish and Wildlife Service (FWS). Relieving the FWS of the duty to be involved in actions unlikely to impact a listed species would free its scarce resources to address more actions that are likely to harm species.

**The Pork Industry, And To A Lesser Extent The Beef Industry, Took An Unfair Hit This Week** as the international community responded to a significant health threat for which there is no evident connection to pigs, other livestock or any meats.

Hopefully, livestock producers will get some relief as authorities, including the Centers for Disease Control and the World Health Organization, spread the word that "swine flu" is an inaccurate name for the virus. More and more health officials and news media are using the accurate term – H1N1 flu – to identify the disease, which is a human illness and not something that comes from animals.

As hysteria, inflamed to a large extent by rumor mongering on blogs and social media sites, swept the globe, Russia implemented an import ban against all types of raw meat and meat products from a number of U.S. states, including Texas. Other nations also reacted against U.S. meat to varying degrees.

Ag Secretary Tom Vilsack issued a statement intended to assure trading partners and domestic consumers that this flu has no connection to the U.S. food supply:

"There is no evidence or reports that U.S. swine have been infected with this virus. USDA is reminding its trading partners that U.S. pork and pork products are safe and there is no basis for restricting imports of commercially produced U.S. pork and pork products.

"This is not an animal health or food safety issue. This discovery of the H1N1 flu virus is in humans. Any trade restrictions would be inconsistent with World Organization for Animal Health (OIE) guidelines.

"Because the current H1N1 flu related human health event has been described as swine influenza, the OIE announced that there has been no infection in animals confirmed in the zones where cases of human infection have been detected. Therefore, it is not necessary to introduce specific measures for international trade in swine or their products, nor are consumers of pork products at risk of infection."

U.S. Trade Representative Ambassador Ron Kirk also urged trading partners to base food safety measures on science and in accordance with international obligations.

**Canada Has Revived A Complaint At The WTO Against The United States' Country-Of-Origin Labeling (COOL) Law.** According to *Reuters*, Canada has complained that COOL has curbed sales of Canadian livestock because of added costs for U.S. packers, hurting prices for Canadian producers. With the renewal of Canada's formal complaint, the process will move into a 60-day consultation period, Canadian Trade Minister Stockwell Day said.

Canada filed a WTO complaint about COOL last year but suspended it in January after the U.S. government revised the final version, making it more flexible. But before the law went into effect on March 16, U.S. Ag Secretary Tom Vilsack warned meat packers he would rewrite COOL unless they voluntarily made labels more explicit. Canada has asked for more details about Vilsack's request, but failed to receive clarification, Day said.

**NAIS Is The Subject Of A Listening Tour Announced By USDA.** The only meeting scheduled in the TCFA area is May 20 in Austin. For more information and to register, go to <http://animalid.aphis.usda.gov/nais/feedback.shtml>.

And Congress will continue its discussions on NAIS with a joint hearing scheduled May 5 for the U.S. House Subcommittee on Livestock, Dairy and Poultry and the Subcommittee on Emerging Threats, Cybersecurity, and Science and Technology.

Meanwhile, USDA-APHIS has released the results of a comprehensive benefit-cost analysis on the National Animal Identification System (NAIS). Highlights of the study include:

- Economic benefits in both the domestic and international marketplace resulting from enhanced traceability may be greater than the cost savings realized during animal disease control and eradication efforts.
- For industry, the effect of not implementing some aspects of NAIS (maintaining status quo) may result in significant losses—as great as \$13.2 billion annually due to reduced export market access.
- Implementation of NAIS becomes more cost effective as participation levels increase and actually may not be economically viable at lower participation levels.
- The cattle industry cost represents 91.5% of the total cost of NAIS; the swine, sheep and poultry industries account for the rest. Identification tags and tagging cattle represent 75 percent of the cattle sector's annual adoption cost. Estimated tag and tagging costs vary among cattle producers with 50 head from \$3.30 to \$5.22 per animal, depending on current identification practices.
- The total cost for implementing NAIS in the cattle sector as described in the study is \$175.9 million annually (at a 90% participation level). Although significant, the cost is less than one-half of a percent of the retail value of U.S. beef products.
- For cattle, the average cost per animal marketed is \$5.97.
- Traceability is becoming a global standard that will likely affect the ability of the United States to compete globally.

For more information on the study, go to

<http://www.aphis.usda.gov/newsroom/content/2009/04/naisbca.shtml>.

**Study Projects Ethanol Production Decline.** The newly released *Soyatech Biofuels Monitor* for the First Quarter 2009 projects that United States ethanol plants will run at 67% of forecast industry nameplate capacity through 2010, based on data from USDA that the 2010 U.S. corn crop will be essentially flat at 12.15 billion bu. The March 31 USDA Planting Intentions report estimated 85 million acres will be planted in corn this spring. Given an average growing year with 10-year trend-line yields of 157.3 bu. per harvested acre, corn production will be approximately 12.15 billion bu.

"At that level, given current corn demand estimates for food, feed and exports, there would be only 3.4 billion bu. of corn available from the 2009 corn crop for the 2010 production of ethanol, or enough to produce approximately 9.6 billion gals. This is against forecast industry nameplate capacity of 14.4 billion gals. by the beginning of 2010 and an RFS mandate of 12 billion gals.," said Hunt Stookey, managing director of HighQuest Partners, co-author of the study.

In other ethanol news, a federal court has approved the sale of Panda Ethanol's plant in Hereford. According to the *Amarillo Globe News*, the plant was sold to senior lenders of Panda for \$25 million in credit – an amount equal to a little more than 12% of the facility's construction and outfitting cost. Future plans for the plant have not been announced.

**CRP Extension:** Agriculture Secretary Tom Vilsack announced today that USDA's Farm Service Agency (FSA) will offer certain producers the opportunity to modify and extend their CRP contracts that are scheduled to expire on Sept. 30, 2009. For more information, go to <http://www.usda.gov/wps/portal/!ut/p/ s.7 0 A/7 0 2KD?contentidonly=true&contentid=2009/05/0141.xml>.

**Livestock Indemnity Program (LIP)** provides compensation to eligible livestock producers who have incurred livestock death losses in excess of normal mortality, on or after Jan. 1, 2008 and before Oct. 1, 2011. Losses because of adverse weather, as determined by the Ag Secretary during the calendar year, including blizzards, disease, extreme cold, extreme heat, floods, hurricanes and wildfires, are eligible for LIP. For more information regarding the documentation of death losses or application for LIP, contact your local FSA office. More details are also available by going to [http://www.cattlenetwork.com/top40\\_Content.asp?ContentID=310783](http://www.cattlenetwork.com/top40_Content.asp?ContentID=310783).

**Wildfire Relief Effort: Cattlemen In Wichita, Archer, Young, Clay, Jack And Montague Counties** who experienced losses in the recent wildfires may apply for financial assistance through the newly established "North Texas Cattlemen's Relief Fund." The fund was set up by Chisholm Trail RC&D in cooperation with TSCRA. Cattlemen who lost livestock, feed, equipment, fencing or other property can obtain applications for assistance at USDA service centers, county judges' offices and AgriLife Extension Service offices in each of the affected counties. You may download the application from Chisholm Trail RC&D's website at [www.chisholmtrailrcd.org](http://www.chisholmtrailrcd.org). Applications will be accepted until July 1 and should be mailed or dropped off at the Chisholm Trail RC&D office located at 1616 East Wise Street, P.O. Box 454, Bowie, Texas 76230. Disbursements will be made by Sept. 1, 2009.

Anyone interested in donating to this fund should mail their contribution made payable to: North Texas Cattlemen's Relief Fund, P.O. Box 1717, Bowie, TX 76230. Donors are advised that 100% of each contribution will benefit livestock producers in the six-county area. Everyone who contributes will receive acknowledgement of their donation for income tax purposes. For more information, please contact Van Baize, President of Ozona National Bank at (940) 872-8450 or Stacey Stark, Chisholm Trail RC&D Coordinator at (940) 872-5329, ext 4.

Discounted fencing material is also available to wildfire victims in the six-county area. For more details on cost and to arrange pickup of barbed wire and T posts, please call Rooter Brite at (940) 841-0132.

**Commercial Red Meat Production For The United States Totaled 4.14 Billion Lbs. In March**, up 1% from the 4.09 billion lbs. produced in March 2008, according to USDA. Beef production, at 2.14 billion lbs., was 2% above the previous year. Cattle harvest totaled 2.73 million head, up slightly from March 2008. The average live weight was up 29 lbs. from the previous year, at 1,305 lbs. March 2008 contained 21 weekdays (including no holidays) and five Saturdays. March 2009 contained 22 weekdays (including no holidays) and four Saturdays.

January to March 2009 commercial red meat production was 12.1 billion lbs., down 3% from 2008. Accumulated beef production was down 2% from last year.

### **...Feeders And Feedyards In The News...**

**Sid Sawyer** is the new vice president and general manager at **Dean Cluck Feedyard**.

**TCFA welcomes** four new member feedyards:

- **Stedje Livestock** at Gruver

- **Power Plus Feeders** at Hobart
- **Tate Cattle Company** at Welch
- **North Texas Cattle Feeders** at Hereford

### **Commodity Futures Trading Commission (CFTC) Announces Subcommittee On Convergence.**

A group of 18 people have been selected to serve on a subcommittee of the CFTC's Agricultural Advisory Committee. The Subcommittee on Convergence is charged with identifying the causes of poor cash-futures convergence in various agriculture commodity markets, specifically grain and cotton contracts, and provide recommendations to improve or resolve the convergence issues. The subcommittee will be chaired by CFTC Chief Economist Jeffery Harris. After a minimum of three meetings, the group will report its findings and recommendations to the Agriculture Advisory Committee. The full committee will subsequently present its recommendations to the CFTC.

Members of the subcommittee primarily represent general agriculture interest groups. Grain and cotton groups make up the majority of members with transportation groups rounding out the count. No livestock-specific organizations are represented in the subcommittee. No timeline for the report's completion was given.

For more information on the subcommittee, including names of its members, go to <http://www.cftc.gov/newsroom/generalpressreleases/2009/pr5651-09.html>.

**The First-Ever, Wide-Scale Survey Of Organic Farming In The United States** will be conducted this spring. USDA says the effort is intended to assess how the growth of organic farming is changing the face of U.S. agriculture. "The Organic Production Survey is a direct response to the growing interest in organics among consumers, farmers, and businesses," said Ag Secretary Tom Vilsack. "This is an opportunity for organic producers to share their voices and help ensure the continued growth and sustainability of organic farming in the United States."

The 2007 Census of Agriculture counted more than 20,000 U.S. farms engaged in organic production. According to USDA, the new survey will help shape future decisions regarding farm policy, funding allocations, availability of goods and services, community development and other key issues. In addition, the information can help producers make informed decisions about the future of their own farming operations. For more information, go to

<http://www.usda.gov/wps/portal/!ut/p/ s.7 0 A/7 0 1OB?contentidonly=true&contentid=2009/04/0126.xml>.

**Today (May 1) Marks The Start Of National Beef Month, And The Beef Checkoff** is hard at work helping retailers develop promotions. For a look at what the Checkoff is doing, go to

[http://www.beefboard.org/news/09\\_0415\\_News\\_MayBeefMonthRelease.asp](http://www.beefboard.org/news/09_0415_News_MayBeefMonthRelease.asp).

**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



Fort Dodge Animal Health, a global industry leader, is well recognized for its innovative products, commitment to cutting-edge research and development and strong partnerships with the veterinary community and producers. A long-time supporter of the TCFA, Fort Dodge has been a Prime sponsor of the TCFA Annual Convention and the summer meeting, as well as a sponsor of the Fed Beef Challenge and Junior Fed Beef Challenge. Fort Dodge's key livestock products include CYDECTIN<sup>®</sup> Pour-On and Injectable dewormers; SYNOVEX<sup>®</sup> implants; PYRAMID<sup>®</sup> respiratory vaccine lines and PRESPONSE<sup>®</sup> pasteurella vaccines. For more information about Fort Dodge livestock products, visit [www.fortdodgelivestock.com](http://www.fortdodgelivestock.com).

*Please note: All links are still available at [www.tcfa.org](http://www.tcfa.org) under Newsletter links.*