



TEXAS CATTLE FEEDERS ASSOCIATION

NEWSLETTER

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House Energy And Commerce Committee Adopts Climate Change Legislation This Week. By a vote of 33 to 25, H.R. 2454, "The American Clean Energy and Security Act," was adopted amid growing opposition from the agricultural sector and others. The bill is improved from previous versions that specifically targeted confined feeding operations, and it continues an exemption for emissions from enteric fermentation from sources such as ruminant animals. However, the legislation also requires the EPA Administrator to develop performance standards to reduce greenhouse gas emissions, including methane, which will likely include livestock operations. Some farm organizations announced opposition this week to the bill since it does not establish an effective carbon sequestration program benefiting agriculture and because of the significant increase expected in fuel, fertilizer and other input costs as a result of the legislation. TCFA and NCBA will complete review of the nearly 1,000-page bill during the Memorial Day recess next week to determine a final position as the bill is referred to other House committees and moves to the full House and Senate.

NAIS Listening Session: USDA hosted a listening session in Austin to hear the concerns of producers and stakeholders about the National Animal Identification System (NAIS) and suggestions for solutions to those concerns. The information and ideas gathered are intended to assist Secretary Vilsack in making decisions about the future direction of animal traceability in the United States. TCFA Director of Government Relations Josh Winegarner attended the listening session and made the following comments: 1) the current traceback program has significant shortcomings, 2) a private-sector based, mandatory program is necessary to ensure efficient and effective traceback to limit the spread and impact of an animal disease outbreak, 3) the program must be affordable, 4) the program must be confidential and protected from Freedom of Information Act requests, 5) the state government should control access to the premises identification database and a private, third party provider should maintain the animal identification database, 6) the program should provide producers with liability protection, and 7) the program should be technology neutral. The listening tour ends on June 1. Anyone wishing to submit individual comments may do so at <http://www.regulations.gov/fdmspublic/component/main?main=DocketDetail&d=APHIS-2009-0027>.

Livestock Marketing Bill Introduced. Senators Mike Enzi (R-Wyo.), Byron Dorgan (D-N.D.), Chuck Grassley (R-Iowa) and Tim Johnson (D-S.D.) introduced legislation that would severely hinder the ability of the U.S. cattle industry to compete in a free marketplace. The so-called "Livestock Marketing Fairness Act" (S. 1086) would impose additional government intrusion on the livestock industry — potentially destroying the value-added marketing alliances that the U.S. cattle industry has worked hard to establish.

Specifically, the S. 1086 would:

- Require that forward contracts for livestock be traded in public markets where buyers and sellers can witness bids as well as make their own offers.
- Require marketing agreements to have a firm base price derived from an external source.
- Exempt producer-owned cooperatives, packers with low volumes and packers who own only one processing plant.

Though S. 1086 is well intentioned, the bill will cause harmful, unintended consequences for cattle producers. The Packers and Stockyards Act (P&SA) combats antitrust, collusion, price fixing and other illegal activities that damage the viability of the market and interfere with market signals. At the same time, it preserves producers' rights to market their cattle in a way that ensures the highest quality product to meet the current consumer demand. This legislation would take away that right by amending the P&SA so that it limits producers' opportunities to participate in alternative marketing arrangements — such as forward contracting — and to negotiate private business transactions, stripping their ability to compete in the free-market system.

TCFA and NCBA believe it is important that cattle producers respond to consumers' preferences when it comes to the retail meat case. This focus on consumer preferences has led to many innovative marketing programs that have improved the quality of beef, given the consumer what they want and made many of

America's cattle operations more profitable and efficient. These marketing arrangements offer producers the freedom and flexibility to market their cattle in ways that provide the best return on their investment.

CAFO Permits: Today (May 22), TCFA filed comments on a draft EPA General Permit for Concentrated Animal Feeding Operations (CAFO) in Oklahoma. The permit will implement the provisions required by federal revisions to CAFO regulations adopted by EPA in 2003 and 2008. Many of the permit requirements from the existing EPA permit for feedyards in Oklahoma will be retained. Additional emphasis will be placed on the development of Nutrient Management Plans for land application of manure and effluent, including new requirements for public notice and comment. The new permit will also require an Emergency Action Plan for CAFOs located in watersheds where a concern for threatened or endangered species has been identified by the U.S. Fish and Wildlife Service. TCFA staff will continue to work with EPA Region 6 on the completion of the permit. For more information, contact Ben Weinheimer at (806) 358-3681 or ben@tcfa.org.

EPA Extends Public Comment Period On Ethanol Blend Increase Application By 60 Days: The comment period will now end on July 20. The current limit on the amount of ethanol that can be blended into a gallon of gasoline is at 10% (E-10) for conventional (non flex-fuel) vehicles. But Growth Energy and 54 ethanol manufacturers have submitted a waiver application for E-15. The statutory provision calls for EPA to make a decision within 270 days of receipt, which is Dec. 1. The comment period extension will not change this timeframe. More information and instructions for submitting comments can be found at <http://www.epa.gov/otaq/additive.htm>.

CBB Budget: The Beef Promotion Operating Committee has recommended a \$41.5 million budget for Fiscal Year 2010, reflecting a slight decrease from Fiscal Year 2009's \$41.7 million budget but down more than 15% from the \$49.1 million budget of Fiscal Year 2008. The 2010 budget recommendation still must be approved by the full Cattlemen's Beef Board (CBB), which administers the national checkoff program, and by USDA. It includes:

- \$18.1 million for promotion, including advertising, foodservice, retail and veal promotion and new product development.
- \$6.2 million for research programs, including beef safety, product enhancement, nutrition research and market research.
- \$4.7 million for consumer information programs, which includes consumer public relations and information and outreach to nutrition influencers.
- \$2.9 million for industry information programs including beef and veal quality assurance and issues management.
- \$5.3 million for foreign marketing including promotion and public-relations programs around the globe.
- \$1.8 million for producer communications including trade advertising, media relations and direct communications to producers about the results of their checkoff investments.
- \$220,000 for evaluation of checkoff programs.
- \$130,000 for program development.
- \$255,000 for USDA oversight.
- \$2 million for administration, which includes costs for board meetings, legal fees, travel costs, office rental, supplies, equipment and administrative staff compensation.

"After the severe cuts we have faced in the last couple of years, we continue to be challenged to do more with less in Fiscal 2010," said CBB Chairman Lucinda Williams. "We have to continue to operate as efficiently as possible without eliminating the checkoff's effectiveness."

The CBB Executive Committee also ratified the Operating Committee's budget recommendation. In the coming stages of the Fiscal Year 2010 budgeting process, the full Beef Board will be asked to approve the budget at its meeting in Denver in July. Joint industry advisory committees and subcommittees also will meet in Denver to prepare recommendations for specific program proposals to be funded with that budget. These proposals will be considered by the Operating Committee in September, before the Oct. 1 beginning of the fiscal year, and must finally be approved by USDA before any checkoff dollars may be spent.

The Oklahoma Senate And House Of Representatives are scheduled to conclude this year's legislative session later today (May 22). Below are some of the agriculture bills that were passed by the Legislature and signed by the Governor. For additional information on these or other state legislative issues in Oklahoma,

please call Scott Dewald, Executive Director of the Oklahoma Cattlemen's Association (OCA), at (405) 235-4391 or email him at sdewald@okcattlemen.org.

SB 452 — This legislation was sponsored by Sen. Mike Schultz (R-Altus) and Rep. Don Armes (R-Faxon) and reduces the punishment for practicing veterinary medicine without a license from a felony to a misdemeanor. The intent of the legislation was to ensure that livestock producers could continue to engage in sound animal husbandry practices on their animals without fear of being arrested and charged with a felony. SB 452 was a priority piece of legislation for OCA.

HB 1482 — This legislation, also known as the Right to Farm Bill, was sponsored by Rep. Dale DeWitt (R-Braman) and Sen. Ron Justice (R-Chickasha) and prohibits actions for nuisance from being brought against agricultural operations that are in compliance with state and federal laws and have been in operation for two or more years prior to the action.

HB 2151 — This legislation, also known as the Agriculture Preemption Bill, was sponsored by Rep. Don Armes (R-Faxon) and Sen. Mike Schulz (R-Altus) and ensures that the Oklahoma Department of Agriculture will have authority over animal handling issues. It also specifies that no political subdivisions in the state shall regulate the care and handling of livestock, and that such local legislation shall be void and unenforceable.

HB 2071 — This legislation was sponsored by Rep. Skye McNeil (R-Bristow) and Sen. Charles Wyrick (D-Fairland) and prohibits the sale of any livestock at a livestock auction market in any name other than that of the seller. It states that any person who attempts to sell or sells livestock under a false name or a name other than that of the seller shall be guilty of a misdemeanor. Additionally, the bill states that it is a misdemeanor to defraud a buyer at an auction by offering or selling livestock that are different than those previously identified for sale.

Sunset Legislation: The Texas House of Representatives passed legislation (SB 1016) to reauthorize the duties and functions of the Texas Department of Agriculture and its programs for 12 more years. The bill has been sent back to the Senate for consideration.

Vet Loan Repayment Program: The Texas Legislature passed a bill (HB 1684) to create the Rural Veterinarian Loan Repayment Program, administered by the Office of Rural Community Affairs (ORCA), to provide loan repayment assistance to veterinarians who agree to provide care for livestock in rural areas. The bill authorizes ORCA to determine the amount of repayment assistance provided for each year for up to four years of service. The bill has been sent to the Governor for approval.

...TCFA At Work For You...

In Recent Weeks, TCFA Staff:

- Participated in strategy sessions with NCBA and state affiliates on environmental and animal care issues.
- Participated in air quality meetings to discuss current research, mitigation practices and regulatory issues surrounding dust, gaseous emissions and greenhouse gases. As a member of the USDA Agricultural Air Quality Task Force, approved recommendations for the Secretary of Agriculture to: 1) work toward standardization of measuring and reporting air quality research, 2) host a conference on process-based modeling in 2010, and 3) re-engage with EPA scientists to address errors associated with over-sampling of dust when using EPA samplers in rural areas.
- Participated in regional water planning group meetings and in the Groundwater Management Area #1 where "desired future conditions" of the Ogallala aquifer were adopted in response to a 2005 Texas statute.
- Provided comments at USDA's NAIS listening session in Austin.
- Worked with NCBA on a cattle care and handling video scheduled for release by NCBA later this year.
- Hosted a group of veterinary students from Texas A&M University to discuss cattle feeding in the TCFA area and the future needs of the industry.
- Developed written comments on the draft EPA feedyard general permit for Oklahoma and hosted a conference call with TCFA's Oklahoma feedyard members. Worked with other ag groups to establish a strong and diverse coalition of members to engage in the review and public comment process.
- Participated in the final meeting of an industry advisory committee for a Texas A&M University renewable energy project funded by the Department of Energy.

- Brought the TCFA Safety Training Trailer to seven feedyards to help train approximately 135 people on things such as lock-out/tag-out, confined space entry, use of personal protective equipment, preventing falls and fire extinguisher operation.
- Visited 90 feedyards between April 15 and May 15.

The Safety And Quality Of The Beef We Produce is very important to TCFA feedyards. To help TCFA members produce the best beef possible, TCFA joined with Texas AgriLife Extension to host feedyard employee training sessions last week, reviewing the principles of TCFA's Beef Safety Quality Assurance (BSQA) Program. Over 75 feedyard employees participated in four training sessions throughout Cattle Feeding Country. Dr. Ted McCollum and TCFA staff reviewed BSQA and discussed the importance of beef quality assurance. Watch your *Newsletter* for more information about future employee training sessions on various topics.

...Feeders And Feedyards In The News...

Casey Cameron of Amarillo is a new partner in the Dean Cluck Feedyard, Ltd. in Gruver.

Former TCFA Board Chairman Charlie Sellers was a guest on NCBA's *Cattlemen To Cattlemen* program recently, discussing adding value to calves. To see the show, go to <http://www.cattlementocattlemen.org/NEWS/CattlementoCattlemenWeek119OriginalAirDateMay12200938629.aspx>.

May Is International Trade Month, and NCBA has been ramping up efforts to educate Congress about the importance of opening new markets and expanding access to existing markets for U.S. beef trade.

Trade supports millions of U.S. jobs and is vital to the economic livelihood of U.S. cattle producers. In fact, exporting cuts like liver and short ribs — which are underutilized in the U.S. — can add \$20 to \$25 per head to the price producers receive.

One of NCBA's top priorities is expanding market access for U.S. beef in key export markets like Japan. Japan's restriction on beef products from cattle over 21 months is limiting us to about 25% of our potential market there — that translates to about \$1 billion in lost exports every year!

Another top priority for NCBA is working to expedite the passage of pending Free Trade Agreements (FTAs) with Korea, Colombia and Panama, which could save U.S. exporters millions of dollars each year in unnecessary tariffs. To put this into perspective, for every day that Congress does not approve the Colombia FTA, American exporters pay \$2 million in unnecessary tariffs.

NCBA is also working to ensure science-based standards for international trade. This applies not just to other countries but to the U.S. as well. For example, China represents one of the largest potential growth markets for U.S. beef — worth in excess of \$100 billion. Yet the 2009 Appropriations bill includes a provision that effectively bans, without scientific justification, certain Chinese chicken imports. As a result, China has requested a WTO consultation and has cut off all talks on ongoing U.S. trade negotiations — including those on beef.

NCBA will continue to engage members of Congress and the Administration on these and other issues, with the goal of creating open markets and level playing fields for U.S. beef trade.

Canada's 16th Case Of BSE Has Been Confirmed by the Canadian Food Inspection Agency (CFIA). The animal involved was an 80-month-old Alberta dairy cow. No part of the carcass entered the human food or animal feed systems, according to CFIA. In its announcement, CFIA noted that this most recent case should not affect the country's international status as a controlled risk country for BSE with the OIE. The animal's birth farm has been identified and an investigation is underway.

A Law That Requires All Eggs Sold In Arizona to be produced by hens housed and managed in systems that meet the animal welfare guidelines of the United Egg Producers (UEP) will become effective in October, Arizona egg producer Glenn Hickman told UEP members at the group's board meeting in Washington, D.C. According to *Feedstuffs*, Hickman's company pushed the legislation after Arizona voters adopted a ballot initiative in 2006 that makes gestation stalls for sows and stalls for veal calves illegal in 2013. The guidelines set parameters for hen space, feed and water space, air quality, beak trimming, molting without feed or water withdrawal, catching and transportation, as well as euthanasia of birds if necessary.

The 55th Annual Texas A&M Beef Cattle Short Course Is Scheduled Aug. 3-5 at Texas A&M University in College Station. Drought, high production costs, emerging diseases and market conditions are among the issues that will be covered, according to Dr. Jason Cleere, Texas AgriLife Extension beef cattle specialist and conference coordinator. The Cattleman's College portion of the short course will include workshops on ranch management, nutrition, reproduction, genetics, pastures, carcass evaluation, record keeping, cattle handling, landowner issues and other topics. There will also be demonstrations on chute-side calf working, cattle behavior, penning, selection and brush busting. Participants can also receive a pesticide applicator's license during the short course and earn pesticide continuing education units if already licensed. An industry trade show will be held during the event featuring more than 100 agricultural businesses and service exhibits. For more information and to register, go to <http://animalscience.tamu.edu/ansc/BCSC/index.html>.

Protecting Your Operation From Animal Rights Extremists is a necessity these days. The Animal Agriculture Alliance has produced a set of recommendations on how to safeguard your facilities and your company's image. To learn more, go to http://www.tcfa.org/Newsletter/Security_Recommendations.pdf.

The University Of California (UC) Has Established The UC Animal Welfare Advisory Council. A UC news release stated the council will review issues of animal welfare related to animal agriculture and promote the development of recommendations based on sound science to improve the welfare of livestock and poultry. The council is comprised of veterinarians, animal science professionals and representatives of the University of California system, the California State University system, Colorado State University and the private sector.

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