



TEXAS CATTLE FEEDERS ASSOCIATION

NEWSLETTER

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August Recess: The U.S. House of Representatives is scheduled to begin its annual, month-long August recess at the conclusion of today's business. The U.S. Senate will remain in Washington for another week before it too recesses for the month. During this recess period, most Members return home to meet with constituents and work out of their state offices. Please take advantage of this opportunity and talk with your Congressman and/or Senators about important industry issues. Specifically, TCFA and NCBA recommend that you talk with your elected representatives about the Preservation of Antibiotics for Medical Treatment Act (H.R. 1549), the American Clean Energy and Security Act (H.R. 2454), the Clean Water Restoration Act (S. 787), and the recently passed Food Safety Enhancement Act (H.R. 2749). Background information on these issues is available at <http://www.tcfa.org/Newsletter/2009augustrecess.pdf>.

Food Safety Bill: Thursday, the U.S. House of Representatives passed the Food Safety Enhancement Act of 2009 (H.R. 2749) by a vote of 283-142. The bill provides FDA with new, far-reaching powers including the ability to issue subpoenas, mandatory recall authority and the ability to impose regional quarantines if officials have a reasonable belief that there is a risk of death or serious illness. The bill also assesses new, annual user fees on food processors and other facilities to pay for increased inspections and monitoring.

TCFA and NCBA were successful in adding language to the bill that clarifies that FDA does not have authority to conduct on-farm inspection of livestock. The language also maintains other activities that are currently the jurisdiction of the U.S. Department of Agriculture. TCFA and NCBA will continue working on other issues of concern as the bill makes its way through the Senate.

Mistakes Were Made In A Study Released Two Years Ago That Linked Red Meat With Cancer, groups who issued the report now acknowledge. *Feedstuffs* reports the World Cancer Research Fund (WCRF) and the American Institute of Cancer Research (AICR) have agreed to address the errors in future updates. The two groups will also send a letter about the mistakes to the USDA advisory committee that is working on the 2010 Dietary Guidelines. The concessions made by WCRF/AICR followed discussions with representatives of NCBA and Exponent Health Sciences – the engineering and scientific consulting firm NCBA hired to do a Beef Checkoff-funded review of the material used by WCRF/AICR in its study. Released in October 2007, the WCRF/AICR report received international media coverage of its findings.

Reform Needed in Livestock Indemnity Program. A bipartisan group of U.S. Senators this week sent a letter to Ag Secretary Tom Vilsack calling for changes to the Livestock Indemnity Program (LIP) to ensure the program complies with the intent of Congress. TCFA and NCBA support LIP reform and are working with USDA to make sure this critical program is equitable for livestock producers during challenging economic times.

Under the 2008 Farm Bill, USDA was directed to set LIP payment rates at "75% of the market value of the applicable livestock on the day before the date of death of the livestock, as determined by the Secretary." Non-adult beef animals are separated into weight ranges of "less than 400 pounds" and "400 pounds and more." However, extreme heat this year has led to a loss of heavy steers and heifers in feedyards, many weighing between 1,000 and 1,300 lbs. USDA is valuing these animals as 400 lb. steers, rather than their true weight, thus significantly reducing payments to producers. This reduced market value payment is not adequate to cover livestock losses in these higher ranges.

TCFA and NCBA support the Senators' request that USDA develop a more precise methodology for calculating specific payments for each animal. The letter was signed by Senators Chuck Grassley (R-Iowa), Tom Harkin (D-Iowa), Mike Johanns (R-Neb.), Ben Nelson (D-Neb.), Pat Roberts (R-Kansas), Sam Brownback (R-Kansas), Tim Johnson (D-S.D.) and John Thune (R-S.D.).

TCFA and NCBA encourage members of the House of Representatives to make a similar request for reform.

Congress Tackles Japan Beef Trade Issue. TCFA and NCBA commend members of the U.S. House Ways and Means Committee for seeking a new strategy to increase access for U.S. beef to key markets like Japan. In

a letter to U.S. Trade Representative Ron Kirk and Ag Secretary Thomas Vilsack, Ways and Means Ranking Member Dave Camp (R-Mich.), Trade Subcommittee Ranking Member Kevin Brady (R-Texas), Wally Herger (R-Calif.), Roy Blunt (R-Mo.), and Devin Nunes (R-Calif.) urged the Administration to uphold science-based trade principles and consider new approaches for opening and expanding markets overseas, including a phased approach for U.S. beef trade with Japan.

Japan continues to be our number one trade priority, as Japan's 20-month and under age restriction on beef imports is limiting the U.S. to about 25% of pre-BSE levels of trade. That translates to at least \$1 billion in untapped beef export revenues each year. TCFA and NCBA fully support science-based trade standards and full OIE compliance with Japan and all trading partners. At the same time, we recognize that a phased or multi-step approach to increase market access is sometimes necessary.

U.S. Beef Exports Did Not Do Well In Late June And Early July. CME Group reports USDA data shows exports of fresh or frozen beef cuts for the week ending July 16 were 8,400 metric tons (mt.) on a shipped weight basis, 23% lower than a year ago. Poor sales to South Korea are one factor for the decline. CME noted that exports to that market boomed last fall as Korean authorities finally opened the way for U.S. beef. But after a three-month surge, averaging about 3,000 mt. per week, beef shipments to South Korea have declined and for the week ending July 16 were just 500 mt. Meanwhile, Mexico remains the largest market for U.S. beef, but shipments there for the week ending July 16 were just 2,800 mt. – 43% lower than a year ago.

The Strategy For Growing U.S. Beef Exports Has Been Altered by the global economic recession, USMEF Senior Vice President Thad Lively explained at the recent Cattle Industry Summer Conference. To get the highlights of his remarks, go to http://www.usmef.org/TradeLibrary/News09_0720w.asp.

There Is No Evidence That Organic Food Is Nutritionally Superior to conventionally produced food, according to the London School of Hygiene and Tropical Medicine, which is part of the University of London. The School participated in a review of scientific papers dating back more than 50 years and found no proof that organic foods are better than normal food. More than 50,000 papers were searched during the project. One of the report's authors, Alan Dangour said, "A small number of differences in nutrient content were found to exist between organically and conventionally produced foodstuffs, but these are unlikely to be of any public health relevance. Our review indicates that there is currently no evidence to support the selection of organically over conventionally produced foods on the basis of nutritional superiority. Research in this area would benefit from greater scientific rigor and a better understanding of the various factors that determine the nutrient content of foodstuffs." For more, go to <http://www.lshtm.ac.uk/news/2009/organicfood.html>.

A New Testing Approach For E. Coli Bacteria in ground beef is about to debut, USDA Deputy Under Secretary Jerold Mande told the House Agriculture Committee. *The Food & Fiber Letter* reports Mande revealed that USDA-FSIS will soon begin taking samples from "bench trim" – beef that is left over after steaks and other cuts are produced – and testing them for *E. coli* contamination. For years, USDA's food safety inspectors have concentrated only on ground beef and trim, which is the part of the carcass designated solely for ground beef production. But ground beef is also often produced from non-trim cuts (whole muscle cuts) and therefore doesn't get tested by the USDA. And it is those non-trim cuts that bench trim comes from.

U.S. Ag Secretary Tom Vilsack's New Senior Advisor On Food Safety Is Dr. Adela R. Ramos, who most recently worked for Senate Ag Committee Chairman Tom Harkin (D-Iowa). At the Committee, Ramos' portfolio included food safety, agricultural research, and animal and plant health and biotechnology issues. From 2004 to 2005, she served on the Committee staff as a congressional science fellow sponsored by the American Society for Microbiology and the American Association for the Advancement of Science. A native of Florida, Ramos has a doctorate in microbiology from Cornell University, where she studied plant-microbe interactions, and a B.S. in biology from Duke University.

U.S. Commercial Red Meat Production Set A Record For June with last month's total of 4.16 billion lbs. USDA-NASS reports that volume increased 3% from June of last year. Beef production was also up by 1% over June 2008 with a total of 2.29 billion lbs. The total harvest was 2.98 million head, up 1% from June 2008. The average live weight was up 8 lbs. from the previous year at 1,269 lbs.

Restaurant Traffic Suffered Its Sharpest Decline In 28 Years during the first quarter of 2009, according to The NPD Group, a market research company. To read more on the NPD's findings, go to http://www.npd.com/press/releases/press_090720.html.

TCFA's Leadership Participants, Russell Goble of Texline and Heath Schulte of Tulia, have completed the program. Their final activity was the Texas Agricultural Lifetime Leadership (TALL) session in Houston last week, which focused on international trade, energy, ecology and the environment.

TCFA Is Saddened By The Passing Of A.J. Smith, longtime editor of *The Cowman*, the official publication of the Oklahoma Cattlemen's Association. Smith, 68, died July 25 following a battle with cancer. For more on his life and his contributions to the cattle industry, go to <http://okcattlemen.org/memorial.aspx>.

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



TEXAS FEED FAT CO., INC.

Texas Feed Fat Company, Inc. has been providing quality feed fat products – tallow, grease and vegetable oil – to the cattle feeding industry for over 35 years. They are very aware of the needs of their customers and dedicated to supplying high quality feed fat products. Texas Feed Fat Company uses its own fleet of trucks for delivery purposes to ensure the product is there on time. They would like to say thank you to all of their customers for the continued business. Texas Feed Fat Company is proud to be a member and supporter of TCFA.

Amarillo is the place to be October 28-30 for the TCFA Annual Convention. The Convention will take place at the Ambassador Hotel and the Amarillo Civic Center. Make sure the TCFA Annual Convention is marked on your calendar and plan to be in Amarillo October 28 – 30!

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