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Canada Formalized Its Complaint Against The U.S. COOL Law this week with an official request for a WTO panel to settle the dispute. Similar action by Mexico in the near future appears likely. TCFA and NCBA have long expressed concerns that COOL would strain relations with the top two markets for U.S. beef exports. Shipments to Mexico and Canada constituted 59% of beef and beef variety meat and processed beef export revenues last year.

A statement issued by NCBA said Canada's decision to move forward with a WTO complaint could lead to "potential retaliatory action that could be taken against U.S. beef." Along with the potential harm to exports, NCBA also expressed concern about a negative impact on domestic feeder cattle markets at the U.S. borders to the North and South.

"The U.S. imports and adds value to Mexican and Canadian livestock through our feedyards, processing and infrastructure; and we export this value-added finished product back to Mexican and Canadian consumers. Any disruptions to either of these markets will have a significant economic impact on our industry. Unfortunately, it's becoming clear that COOL has damaged these critically important trading relationships and is not putting any additional money into the pockets of cattlemen," the NCBA statement said.

In order to gain a better understanding of COOL's effects on the entire beef chain, TCFA and NCBA have asked USDA to reinstate a joint AMS/ERS study entitled, "Economic Analysis of Country-of-Origin Implementation Costs for Producers and Processors in the Beef, Pork and Lamb Industries." The study was to be completed in cooperation with the Livestock Marketing Information Center. Unfortunately, the FY 2010 Agriculture Appropriations Bill did not direct USDA to reinstate the funding for this purpose. TCFA and NCBA continue to urge USDA to prioritize this project.

For more on the Canadian government's perspective, go to http://w01.international.gc.ca/MinPub/Publication.aspx?lang=eng&publication_id=387683&docnum=296.

For a statement by Ag Secretary Tom Vilsack and U.S. Trade Representative Ron Kirk, go to <http://www.usda.gov/wps/portal/!ut/p/.s.7.0.A/7.0.1RD?printable=true&contentidonly=true&contentid=2009/10/0499.xml>.

A Federal Tax Credit To Support The Domestic Ethanol Industry May No Longer Be Necessary, the Government Accountability Office (GAO) reported this week. GAO suggests that the need for the 45-cent-per-gallon credit has eroded because the corn ethanol industry "has matured, its processing is well understood, and its capacity is already near the effective Renewable Fuel Standard (RFS) limit of 15 billion gals. per year." The GAO report also says that "unless crude oil prices rise significantly, 'the tax credit' is not expected to stimulate ethanol consumption beyond the level the RFS specifies this year."

TCFA's longstanding position on ethanol policy concurs with the GAO's conclusion. The domestic ethanol industry no longer requires government support and should be allowed to stand on its own as a free market enterprise. TCFA continues to be opposed to subsidized competition for feed grains.

The GAO is known as "the investigative arm of Congress." The biofuels policy report was requested by U.S. Senators Barbara Boxer (D-Calif.) and Susan Collins (R-Maine). To read the full GAO report, go to <http://www.gao.gov/new.items/d09446.pdf>.



2009 TCFA Convention: A Look Into The Future Of The Beef Industry is on tap for the Closing General Session. Beef merchandising and marketing in 2010 and beyond will be the subject for a retail panel that will include top retail outlets Food Lion, Safeway and United. The panel will answer cattle feeders' questions about beef demand and merchandising through the next few years. Also, Randy Blach of Cattle-Fax will give cattle feeders his outlook for what the markets may bring in 2010.

TCFA's Ross Wilson will round out the Closing General Session by delivering the President's Report and overseeing the TCFA Business Meeting, in which new TCFA officers and directors will be elected for the coming year.

Remember, attending the sessions at the 2009 Convention could win you cold, hard cash. TCFA will give away \$500 at the end of the Opening General Session, the Cattle Feeders Issues Forum and the Closing General Session. Not only will you learn a lot and have a great time at Convention, you could also go home with heavier pockets.

A limited number of rooms are still available at the Ambassador Hotel so act quickly and make your reservation today. Call the Ambassador at (806) 358-6161 and mention the TCFA Convention or log on to <http://www.ambassadoramarillo.com> and use the group name TEXASCAT.

Register for Convention at <http://www.tcfa.org/convention> or call the TCFA office and we'll get you registered over the phone. You'll be sorry if you miss the 2009 TCFA Convention. Register today!

Dal Reid is a winner because he is the 300th person to register. Every hundredth person to sign up for Convention wins a free registration. Who knows? You could be lucky #400, so get your registration in.

Notice Of Annual Meeting. TCFA's annual business meeting will be Friday, Oct. 30 during the TCFA Annual Convention's closing general session. All members are encouraged to attend.

The Fiscal Year 2010 Agriculture Appropriations Bill (H.R. 2997) was passed by the U.S. House of Representatives (263-162) and the Senate (76-22) this week. The bill includes \$23.3 billion in net discretionary budget authority, a \$2.7 billion discretionary increase over the fiscal year 2009 enacted level, and \$325 million above the President's request. The bill now goes to the President for his signature. A list of the projects contained in the conference report is available at http://appropriations.house.gov/pdf/2010_AG_Conf_Disclosure.pdf and the full text is available at http://appropriations.house.gov/pdf/Ag_Conf_Rpt_FY2010.pdf.

Highlights of the bill include:

- \$1.09 million for the ongoing feedyard air quality research being conducted by West Texas A&M University, Texas AgriLife Research, Texas AgriLife Extension Service, Kansas State University and USDA-Agricultural Research Service (ARS);
- \$16.764 million for the bovine TB program (\$2 million of which has been earmarked for depopulation indemnity payments);
- \$13.157 million for cattle fever tick control;
- \$1.5 million for NBAF Transitional Research at Kansas State University;
- \$200 million for the Market Access Program;
- \$34.5 million for the Foreign Market Development Program;
- \$350 million in aid for dairies (\$290 million for direct support to dairy farmers and \$60 million for purchases of surplus cheese and other dairy products); and
- Language authorizing USDA to perform a science-based risk-assessment to determine if Chinese poultry products are safe for importation to the U.S.

The October Crop Production Report Contained Mixed Signals that are not all that unusual as the USDA narrows in on their final production estimate. USDA did increase the expected corn yield to 164.2 bu. per acre in recognition of the exceptional crop year. At the same time, USDA reduced harvested acres by 700,000 to 79.3 million acres. The combination allowed USDA prognosticators to acknowledge the radical increase in expected yields without substantially boosting estimates for the crop size and projected ending stocks. The production estimate was increased to 13.014 billion bu. and projected ending stocks increased to 1.672 billion bu., which is virtually unchanged from the current year. The report once again proves the old adage that big crops get bigger. Even with all of the current noise in the market about late crop development and the potential yield drag an early freeze would cause, it is a very safe bet that the estimated crop size will show additional increases in both the November and December crop reports. The projected average farm price was left unchanged from the September report with a forecast range of \$3.05 to \$3.65 a bushel.

Michigan State Lawmakers Have Passed Legislation On Animal Confinement Standards following negotiations with HSUS. The bill, which still requires the governor's signature, will ban battery cages in egg production and gestation stalls in the pork industry in about 10 years and prohibit veal crates in three years, according to *FarmAndDairy.com*.

Thus, Michigan becomes the latest state to adopt new restrictions on animal agriculture practices at the behest of HSUS. Previously, state lawmakers in Oregon and Colorado passed legislation urged by HSUS. The animal rights group also scored victories via state ballot initiatives in Florida, Arizona and California.

Meanwhile, legislators in Ohio authored a ballot item of their own in hopes of blocking HSUS' interference with state oversight of animal agriculture. If "State Issue 2" is approved by Ohio voters in November, the state constitution will be amended to create the Ohio Livestock Care Standards Board. According to information from the Ohio Secretary of State's office, the 13-member Board would "prescribe standards for animal care and well-being that endeavor to maintain food safety, encourage locally grown and raised food, and protect Ohio farms and families."

Also, *Meetingplace.com* reports the legislature in Illinois is considering creation of a new state authority to oversee animal handling practices, but no legislation has made it out of committee.

Environmentalists Are Planning Litigation Using Common Law to address issues not currently subject to federal regulation following a federal court ruling, *Inside EPA* reports.

In a Sept. 21 ruling, the U.S. Court of Appeals for the 2nd Circuit determined that state, municipal and private plaintiffs have standing to pursue electric utilities for damage resulting from climate change to which they contribute. The ruling in *Connecticut, et al. v. American Electric Power*, reversed a lower court decision that found the issue is a "political question" best left to other branches of government.

"We will keep litigating ever more creatively to ensure that the law is followed and that the environment is protected," Natural Resources Defense Council (NRDC) attorney Michael Wall told a Sept. 25 American Bar Association (ABA) conference in Baltimore, vowing "cross-cutting and very creative and intense litigation."

Potential future lawsuits by the activists, according to legal scholars and others, could include CAFOs among the targets, *Inside EPA* reported.

Federal Government Agencies Are Required To Measure Their Greenhouse Gas (GHG) Emissions, under an executive order signed by President Obama this week.

The measure affects such things as the electricity federal buildings consume and the carbon output of federal workers' commutes, the *Washington Post* reports. Within 90 days, each agency is required to report its 2020 emission targets to the Council on Environmental Quality.

"As the largest consumer of energy in the U.S. economy, the federal government can and should lead by example when it comes to creating innovative ways to reduce greenhouse gas emissions, increase energy efficiency, conserve water, reduce waste, and use environmentally-responsible products and technologies," Obama said in a statement.

An End To No Match: The Department of Homeland Security (DHS) has issued a final rule that rescinds the 2007 No Match rule. As announced in July, DHS plans to strengthen employment eligibility verification through other means such as E-Verify.

E-Verify, which compares information from the Employment Eligibility Verification Form (I-9) against federal government databases to verify workers' employment eligibility, is a free web-based system operated by DHS in partnership with the Social Security Administration (SSA). The system facilitates compliance with federal immigration laws and helps to deter unauthorized individuals from attempting to work and also helps employers avoid employing unauthorized aliens.

To read the full rule ending No Match, go to <http://edocket.access.gpo.gov/2009/pdf/E9-24200.pdf>.

Japan's New Agriculture Minister Came To Washington, D.C. this week for separate meetings with U.S. Trade Representative Ron Kirk and Ag Secretary Tom Vilsack. Few details were provided, but a USTR news release said Kirk reminded Minister Hirotaka Akamatsu that the Obama Administration places importance "on securing access to the Japanese beef market in a manner consistent to international standards."

NCBA Defended The Beef Industry's E.Coli Prevention Practices this week in the wake of a *New York Times* article that ran on the Sunday, Oct. 4 edition's front page.

The *Times* article chronicled the struggles of a young Minnesota woman left paralyzed after contracting a food-borne illness caused by *E.coli*. Health authorities traced the woman's illness to a hamburger eaten at a family dinner.

With the headline, "E.Coli Path Shows Flaws in Beef Inspection," the article questioned the industry's safeguards against the pathogen.

However, when other news media followed up on the *Times* report, NCBA emphasized that the beef industry is devoted to the safety of its product. Since 1993 beef producers have invested more than \$28 million in ongoing beef safety research programs. With the shared belief that food safety is not a competitive issue, information on best practices is widely distributed to all industry sectors. Each year, the beef industry invests

more than \$350 million to implement safety programs. Efforts by the beef industry are a primary reason why the number of *E.coli* cases have declined significantly since the mid-1990s.

For more on the industry's food safety efforts go to <http://www.BIFSCo.org> and <http://www.BeefResearch.org>.

To read the *New York Times* article, go to http://www.nytimes.com/2009/10/04/health/04meat.html?_r=3&scp=2&sq=e%20coli&st=cse.

Meatless Mondays: The Public School System In Baltimore has become the nation's first to announce its school cafeterias will no longer serve meat of any kind on Mondays. By depriving 80,000 school children of a valuable source of nutrition, Baltimore schools earned kudos from PETA and like-minded activists who contend that a meat-free diet is healthier for people.

But Dr. Shalene McNeill, NCBA's executive director of nutrition research, said, "The Baltimore Public School decision is unfortunate because nutrient-rich beef is a popular item on school menus and a food that children enjoy. A substantial body of evidence shows the nutrients in lean beef help maintain a healthy weight, build muscle and fuel physical activity – all of which are especially important for growing children."

Please note: All links are still available at <http://www.tcfa.org> under This Week's Newsletter links.