



TEXAS CATTLE FEEDERS ASSOCIATION

NEWSLETTER

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The Humane Society Of The United States (HSUS) Donates Less Than One-Half Of 1% Of Its Total Budget for the actual hands-on care of dogs and cats, according to The Center for Consumer Freedom (CCF). CCF says analysis of HSUS' 2008 tax filing shows the total amount given to pet shelters came to \$450,000, even though HSUS raised \$86 million in contributions.

So where does the money go? CCF reports HSUS spent \$24 million in 2008 on fundraising efforts. Another big line item was the almost \$20 million in "campaigns, legislation and litigation." An even larger sum - \$30.9 million - went to salaries and other compensation for HSUS employees. That includes \$250,000 for CEO Wayne Pacelle, who is one of 41 HSUS employees making more than \$100,000 a year.

These figures ought to infuriate the many kind-hearted folks who donate to HSUS with the belief that their contributions actually go to make life better for pets.

Revised Corn Production Numbers A Major Surprise: The January Crop Production report and WASDE report posted harvested acres at 79.6 million acres, an increase from the 79.3 million acre estimate in the December report. An even bigger surprise was that USDA increased the estimated corn yield to 165.2 bu. per acre, up from the December estimate of 162.9 bu. per acre. The combined effect of increased harvested acres and the new record yield brings the projected crop to 13.2 billion bu., well above the 13.0 billion bu. record established in 2007. The unexpected increase in production raised the projected ending stocks estimate to 1.7 billion bushels. The initial market reaction was corn trading down the \$0.30 cent limit for the day and lower daily closes both Wednesday and Thursday. The unexpected sharp increase in corn supplies is a needed boost to all corn users, especially livestock producers.

But Is The Record Corn Crop Really There? Farmers were surveyed for the January Crop Production Report in late November and early December when there was still an unusually large amount of corn yet to be harvested and harvest progress was still being reported. Shortly after the survey was completed, a succession of winter storms covered much of the Corn Belt with snow. As a result, The National Agriculture Statistics Service plans to conduct additional surveys in Illinois, Michigan, Minnesota, North Dakota, South Dakota and Wisconsin. If meaningful changes in production are reported from those states, the new data will be released in the March Report.

Beyond the possibility of reductions in crop size due to the late harvest, there are also concerns and disagreements about the total yield because of low test weights. Don't be surprised to see additional revisions before this year's crop size is finalized.

TCFA's Board of Directors Met Jan. 12 and took the following actions: (1) Approved 2010 goals from TCFA Committees; (2) Adopted resolutions and directives for submission to NCBA annual convention; (3) Approved NCBA Governance Task Force Recommendations on restructuring and an increase in dues to NCBA; (4) Accepted the annual audit report; (5) Heard reports on market concentration and pre-harvest food safety intervention; and (6) Heard reports from 2010 TCFA Leadership Program participants Russell Goble and Heath Schulte.

EPA Plans New Measures On CAFO Discharge Regulations. EPA is launching several new efforts aimed at Bush-era Clean Water Act regulations governing nutrient – and possibly pathogen – discharges from CAFOs, according to *InsideEPA*. EPA Administrator Lisa Jackson this week announced the launch of a new rulemaking to strengthen existing Chesapeake Bay state CAFO programs. She told a conference sponsored by Choose Clean Water – a group that advocates for Bay cleanup – that the agency would prefer nutrient runoff from CAFOs be reduced through existing regulations and enhanced measures in state environmental plans. But she warned that "in the event that state programs are not sufficient, our new rulemaking will seek to strengthen CAFO requirements and improve manure management to reduce nutrient loading." However, she also said

that EPA will not implement the new requirements "if states, on their own, have adopted programs that will effectively do the same thing".

InsideEPA notes that Jackson's comments come as the agency and environmentalists work to finalize an agreement in principle to settle activists' litigation challenging the Bush-era CAFO rule, a settlement that industry sources expect includes an agreement to launch a new rulemaking to address pathogens from CAFOs and other environmentalist priorities in exchange for environmentalists dropping their challenge.

Industry groups fear the Obama EPA has agreed, in its settlement with activists, to include permit and pathogen requirements in a new rulemaking.

Meanwhile, NCBA Has Submitted Comments To EPA on its Chesapeake Bay strategy. NCBA says the Obama Administration's "new Federal Leadership approach" goes against the spirit and intent of the Clean Water Act (CWA), which calls for states to take the lead role in such efforts.

EPA's *Draft Strategy for Protecting and Restoring the Chesapeake Bay* proposes to "expand coverage and set stronger minimum performance standards for permits, including for the land application of animal manure." In its comments, NCBA submits that "current CAFO regulation under the CWA is wholly adequate to protect our nation's waters, and strongly opposes an expansion of EPA authority over CAFOs. Under current regulation, all production areas of CAFOs are required to be zero-discharge, except in the most extreme circumstances; all manure applied to land application areas is required to be applied at strict agronomic rates; and strict nutrient management plans must be followed. Any violation of these requirements is a violation of the CWA and severe penalties will no doubt be levied against violators by the EPA."

NCBA also wrote that, "It appears that EPA's proposals are attempts to drive livestock and agricultural operations out of the Chesapeake Bay region through unnecessary and overly burdensome regulation. These proposals fail to recognize EPA's own successes in that 9 of 10 regional EPA offices meet or exceed federal requirements for CAFO compliance."

EPA's proposals also fail to acknowledge the progress states have made in working with the agriculture community including successfully meeting 50% of its goals for the reduction of nitrogen, phosphorus, and sediment, NCBA wrote.

Prohibiting EPA From Regulating Greenhouse Gases (GHG) Under The Clean Air Act (CAA) is the objective of H.R. 4396, the "Save Our Energy Jobs Act," introduced by U.S. Rep Earl Pomeroy (D-N.D.). "This action (the EPA endangerment finding), if not prevented, could dramatically increase energy rates as well as end up costing North Dakota jobs," Pomeroy said in a press statement. "I think even some of those that were supportive of cap and trade legislation are going to have qualms about this being now a matter for regulatory process and not for a duly deliberate process of passing a bill and putting a law in place tailor made to address this problem." TCFA supports Rep. Pomeroy's efforts to prohibit regulation of GHG under the CAA and will work to pass the legislation. Several senators are also considering introducing similar legislation.

Lt. Gov. David Dewhurst Released His Interim Committee Charges For The Texas Senate. The information gathered and recommendations developed by the committees in response to these charges will form the basis for major legislation to be considered during the 2011 Legislative Session. Subjects to be studied include food safety, transportation, workers' compensation, eminent domain, property appraisals and taxes, sales tax exemptions, property rights, climate change, energy, and water. A complete list of the committee charges is available at <http://www.senate.state.tx.us/assets/pdf/SenateInterimCharges81.pdf>. TCFA will participate in the studies and hearings that arise from these charges and provide input where necessary.

A Statement Of 12 Principles In The Development Of A Cattle Disease Traceability Identification System has been approved by a group of cattle industry organizations including TCFA. NCBA and the Livestock Marketing Association (LMA) are among the other organizations that co-authored the statement, which was presented to USDA and members of Congress.

Highlights of the 12 principles include:

- Additional costs to the beef and dairy industry must be minimized.
- Cattle ID information must be kept confidential and should be kept under the control of state animal health officials. No data should be required to be collected unless it is necessary for cattle disease surveillance, control and eradication.
- There should be renewed emphasis on preventing the introduction of foreign animal diseases.
- The 48-hour foot-and-mouth disease traceback model is currently unachievable.
- The ID system should operate at the speed of commerce.

- An interstate movement ID program should be modeled after the brucellosis/tuberculosis (TB) surveillance and control programs.
- Any ID enhancements of historically established federal and state cattle disease ID programs – beginning with the individual identification of adult breeding cattle – should be modeled after the TB and brucellosis programs, as they existed prior to USDA's National Animal ID System modifications, and voluntarily phased-in over a proper time frame.
- Producers should be protected from liability for the acts of others after the cattle have left the producer's control.
- State animal health officials should continue to have their historical flexibility and discretion in assigning an identifier for the person responsible for the livestock, such as in an epidemiological investigation or mitigation of a disease outbreak.
- Producers should have the flexibility to use currently established and/or evolving methods of official identification.

The complete statement of principles can be found at <http://www.lmaweb.com/>.

The Beef Checkoff Issues Management Team – With Assistance From TCFA – responded aggressively to negative treatment that the industry received in Southwest Airline's flight magazine, *Spirit*. The magazine's October edition featured an article with a bold headline proclaiming: "Cows produce 20% of U.S. methane emissions."

TCFA staff spotted the article and helped instigate the rebuttal effort. Ultimately, a letter to the editor by Dr. Jude Capper, assistant professor of dairy sciences at Washington State University, was published in the magazine's December edition. Dr. Capper's letter pointed out that, although the article had accurately reported EPA's methane emissions data, "EPA also states that total greenhouse gases associated with animal agriculture account for less than 3% of the total U.S. carbon footprint, compared to about 85% for fossil fuels."

"As the population increases, we must identify areas where we can have a meaningful impact on reducing our carbon footprint – like fossil fuel use – rather than vilifying the industries that ensure our population is well-fed and healthy," the letter said.

The Checkoff says the response to the magazine article is just one example among many of how the issues management team handles beef producers' Checkoff investments. "The issues management program is (unfortunately) becoming more and more important to beef producers as there seems to be an influx of myths that threaten consumer confidence in beef," says Mike Stahly, a South Dakota cattleman and chair of the issues management subcommittee. "This program is designed to protect the image of beef and strengthen the reputation of the entire industry and its producers. It's vitally important that our Checkoff is on the front lines for us while we're dealing with business."

McDonald's UK Is Working With Beef Producers To Measure Greenhouse Gas (GHG) Emissions on their property, *Meatingplace.com* reports. The testing is being performed at 350 farms in the United Kingdom and in Ireland.

"We have been working successfully for some time now to reduce carbon emissions in many areas of our business," said Steve Easterbrook, Chief Executive of McDonald's UK, in a news release. "We are very excited by the development of this ground breaking project which we are piloting in the UK and which will help drive further reductions in our beef supply chain."

A McDonald's spokesperson said there are no plans for similar testing in other global markets.

It's Almost Time To Go To The Cattle Industry Convention & NCBA Trade Show. All the information you need to make your plans is available at

<http://www.beefusa.org/convcattleindustryannualconventionandncbatradeshow.aspx>.

TCFA Dues Rebates Available. If you fed 10,000 head or more in 2009, you may apply for a dues rebate. The rebate is based on the cumulative number of cattle fed by a single feeding entity. Rebate applications must be completed and returned to the TCFA office by **April 15**. For more information or to request an application, call TCFA at (806) 358-3681 or contact Trent Tyson at trent@tcfa.org or Kaci Barclay at kaci@tcfa.org.

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