



# TEXAS CATTLE FEEDERS ASSOCIATION

## NEWSLETTER

5501 I-40 WEST

AMARILLO, TEXAS 79106

806 / 358-3681

Volume 44, Number 12

March 19, 2010

**Ag Concentration Workshops** began last week in Ankeny, Iowa. As co-host, U.S. Attorney General Eric Holder opened by declaring, "DOJ will protect competition very vigorously with a new commitment to defend the marketplace. This is the first joint effort between DOJ and USDA since the creation of the Sherman Antitrust Act and Packers and Stockyards Act. Big is not necessarily bad, but it can be if power is abused, and at the end of the day this is a national security matter." Co-host USDA Secretary Vilsack noted, "These issues are difficult and complex, which is why this workshop today is so important and long overdue." Some 600 producers, government officials, economists, food workers and others gathered to hear several panelists discuss the effects of concentration and possible antitrust implications in the seed and pork industries, although beef and cattle markets were also discussed. Assistant Attorney General for Antitrust Christine Varney said, "There will be an unrelenting quest for fairness and transparency in pricing, and there will be unprecedented cooperation with USDA." It appears that DOJ and USDA will be analyzing alternative marketing arrangements for undue preference and unfair trade practices. Other panel participants included Charles Grassley (R-Iowa) and several attorneys general from Midwestern states.

Subsequent workshops on poultry, dairy, cattle, cooperative marketing and risk management are scheduled with the cattle session set for Aug. 26 in Fort Collins, Colorado. TCFA President & CEO Ross Wilson and TCFA Market Director Don Close also attended the Iowa workshop, and TCFA staff will continue to monitor the process and participate in future workshops.

**When Ag Secretary Vilsack Visits Japan Next Month, Beef Trade Will Be On The Agenda**, he told reporters this week. Vilsack is scheduled to be in Japan April 5-9.

"I am looking forward to an opportunity to discuss how that market, which has been closed for a considerable period of time, can be reopened (to U.S. beef)," Vilsack said. "My hope is that we can make progress."

However, according to the news service *AFP*, Vilsack said he could not guarantee a breakthrough and suggested that efforts to reopen the market are "complicated" by the previous Administration's policy of seeking similar deals with all nations on beef.

The current Administration has come under increasing pressure to resolve the beef trade dispute from members of Congress – most notably former Ag Secretary-now-U.S. Senator Mike Johanns (R-Neb.), who has called attention to the ironic fact that the U.S. has not shut its doors to Japanese automakers despite the recent Toyota defects controversy.

For its part, Japan does not seem in a hurry to placate the U.S. on beef. Japan's top government spokesperson Hirofumi Hirano told *AFP*, "We will decide our policy on the issue after observing developments in the United States. But I think it's difficult to change the current policy unless there is scientific evidence, as it concerns food safety."

**Fight Against EPA Greenhouse Regulation Is Escalating:** More federal and state lawmakers are joining the fight against EPA's efforts to regulate greenhouse gas (GHG) emissions under the Clean Air Act. TCFA, NCBA and more than 175 national and state agriculture groups sent letters to U.S. Reps. Joe Barton (R-Texas) and Ike Skelton (D-Mo.) in support of their resolutions to prevent EPA from moving forward with its "endangerment finding," which states that human-caused GHG emissions threaten public health and welfare. In addition to the resolutions by Reps. Skelton (H.J. Res. 76) and Barton (H.J. Res. 77), TCFA and NCBA continue to support S.J. Res. 26 by Sen. Lisa Murkowski (R-Alaska).

To read the ag groups' letter, go to [http://www.tcfa.org/Newsletter/house\\_disapproval\\_resolutions\\_support.pdf](http://www.tcfa.org/Newsletter/house_disapproval_resolutions_support.pdf).

Meanwhile, 20 state governors also sent letters to House and Senate leadership last week expressing deep concern about the economic impacts of EPA's finding.

NCBA has also recently filed petitions with the D.C. Circuit Court and EPA challenging the science behind the EPA's finding.

**Meatless In Michigan:** Governor Jennifer Granholm bought herself a bunch of trouble when she issued a proclamation declaring tomorrow (March 20) "Michigan Meat Out Day." The governor apparently underestimated the significance of her gesture as agriculture groups, livestock producers and a large number of her state's other meat lovers have responded with outrage.

In her proclamation, Granholm states, "Reducing the consumption of meat or not eating meat at all can significantly decrease the exposure to infectious pathogens such as salmonella, *E. coli*, and campylobacter, which take the lives of several thousand Americans and sicken millions more each year...In observance of this day, I encourage the residents of this state to choose not to eat meat. Eating a healthy diet can be fun. Explore the different recipes that can be created by using fresh ingredients and by having a sense of adventure."

Curiously, Governor Granholm is herself not a vegetarian and, according to her spokesperson, might actually be eating meat on the very day of the "Meat Out."

According to *Feedstuffs*, Granholm Press Secretary Liz Boyd said the proclamation is being taken too seriously and that the governor tries to honor as many requests for proclamations as possible.

Apparently Michigan's state senate does not see the matter as trivial. In a 25-12 vote, senators asked Granholm to rescind her proclamation.

The Animal Agriculture Alliance also issued a statement denouncing the governor's resolution. The Alliance said, "It's strange that Governor Granholm would choose to associate herself with the 'Meat Out' campaign. The program is coordinated by the Maryland-based Farm Animal Reform Movement (FARM), an animal rights group working to eliminate animal agriculture in entirety."

The Alliance added, "It is unfathomable why Governor Granholm would show such ill will towards Michigan's food producers. Agriculture represents one of the few bright spots in the state's current economy, employing one million Michigan residents and contributing \$71.3 billion in economic activity. Milk, cattle, poultry, eggs, and hogs are listed in the state's top 10 agricultural commodities. Livestock sales alone bring in \$2 billion in revenue."

If you have an opinion you would like to express to Governor Granholm, her office can be contacted at (517) 373-3400. For an e-mail option, go to <http://www.michigan.gov/gov/0,1607,7-168-21995-65331--,00.html>.

**This Week, TCFA Filed Comments** with the Texas Commission on Environmental Quality (TCEQ) on proposed changes to the Texas Surface Water Quality Standards. In the comments, TCFA President & CEO Ross Wilson said, "We support many of the changes to the Texas Surface Water Quality Standards being proposed by the Texas Commission on Environmental Quality (TCEQ). In fact, the proposed changes are based on good science and will allow the TCEQ, industry, stakeholders and the public to wisely focus on water bodies that are in most need of attention. This process will save taxpayer dollars and will look at areas within Texas where real environmental benefits can be attained."

Some of the needed revisions include: (1) a four-tiered system of assigning recreational use of water bodies that would more appropriately address actual use of local and regional water bodies; (2) new bacteria thresholds for each tier of recreational use based on a geometric mean of all applicable samples collected over at least a two-year period; and (3) an exclusion on use of data that is collected during periods of critically low-flow or high-flow conditions.

**What A Difference A Year Makes For U.S. Beef Exports**, which kicked off 2010 in much better shape than 12 months prior. A new report from the U.S. Meat Export Federation shows exports of U.S. beef and beef variety meats totaled 72,596 metric tons (mt.) in January 2010, up 9% from January 2009 figures. At \$248 million, the value of exports was up 6% from a year ago. Exports of beef muscle cuts climbed by 16% in volume and 15% in value compared to January 2009.

Export value per steer and heifer harvested came to an average of \$119, according to USMEF.

South Korea provided a boost by taking in 7,327 mt. of U.S. beef with an overall value of \$27.2 million – numbers that represent a 67% increase in volume and 56% in value compared to the 2009 monthly average for shipments to that country. USMEF says that data reveals "a remarkable recovery from the mid-2009 slump in exports in Korea."

For more on the USMEF report, go to [http://www.usmef.org/TradeLibrary/News10\\_0312a.asp](http://www.usmef.org/TradeLibrary/News10_0312a.asp).

**Meanwhile, NCBA Chief Economist Gregg Doud says** that the situation has improved mightily on the demand side from the global economic doldrums of 2009. The lower value of the U.S. dollar and strong

economic growth in Asia is producing a welcome revival of U.S. beef exports. Year-to-date beef export sales appear to be up by roughly 20%, and wholesale prices for exported items such as short plate, outside skirt and chuck rolls are driving the wholesale beef cutout value higher.

**NCBA Has Expressed Support For Nutrition Labeling Of Meat Products** through comments submitted in support of a proposed rule by USDA-FSIS. The rule would make such labeling a requirement.

"As an industry, it's our responsibility to provide accurate information about the nutritional value of our products because consumers have a right to make educated decisions about the food they purchase for their families," said Steve Foglesong, NCBA president. "Cattlemen and the beef industry have a great story to tell, especially when it comes to the nutritional value of our product, and we're fully committed to transparency as we continue to meet growing consumer demand for high-quality beef."

If finalized, the rule would amend the federal meat and poultry products inspection regulations to require nutrition labeling of major cuts of single-ingredient, raw meat and poultry products. FSIS specifically requested comments on "lean percentage" labeling requirements and point-of-purchase vs. product labels.

NCBA supports the mandatory inclusion of both "lean percentage" and "fat percentage" on all ground meat labels. Beef Checkoff-funded consumer research indicates both designations are important to consumers as they evaluate ground beef products. NCBA also supports requiring the display of nutrition information on ground beef packages, rather than at the point-of-purchase. Fat content is often hard to visualize in ground products, which is why beef producers believe it's most beneficial to have the nutrient content easily accessible on the package's Nutrition Facts Panel.

NCBA encourages FSIS to work with all stakeholders as this rule advances toward implementation in the marketplace. Cattlemen have long supported including beef's complete nutrient profile on beef products, as the information helps consumers make educated purchasing decisions. To read NCBA's comments, go to <http://www.beefusa.org/uDocs/ncbafsisnutritionlabelingcomments-march2010.pdf>.

**Health Care Institutions Are Asked To Voluntarily Reduce Meat Purchases** by at least 20% within a 12-month period as part of an effort by an organization called Health Care Without Harm. The organization is promoting the Balanced Menus program, which was conceived by the San Francisco Bay Area Chapter of Physicians For Social Responsibility. The rhetoric contained in Balanced Menus material includes the standard activist commentary about antibiotic use, growth promotants and environmental sustainability, according to NCBA. However, NCBA says Balanced Menus also makes the erroneous claim that, "On average, Americans eat 33% more meat than is recommended by the USDA...The abundance of meat in our food environment directly and negatively impacts the health of Americans."

The *Washington Post* contacted NCBA about Balanced Menus. In responding to the newspaper, NCBA addressed Balanced Menus' distortions on meat consumption by sending the following statement from NCBA's Executive Director for Human Nutrition Research, Dr. Shalene McNeill:

"The unintended consequences of eliminating high-quality animal protein, such as lean beef, from the diet can have a serious impact on public health. The U.S. Dietary Guidelines as well as leading health organizations recommend lean meat as part of a balanced diet because it helps in maintaining healthy weight, building muscle and fueling physical activity – all of which play an important role in an active lifestyle and disease prevention.

"Unlike most plant sources of protein, lean meat is also the food supply's most readily available and easily absorbed source of iron and zinc, which are key nutrients patients need to recover from an illness. Not only is the protein in lean beef critical to rebuilding muscle and recovery from illness, but zinc is also essential for a healthy immune system.

"Despite the common misperception, most Americans are not over-consuming protein. While the Dietary Guidelines recommend 5.5 oz. from the meat and beans group daily, the average American actually only consumes 2.3 oz. of red meat each day.

"America's cattle farmers and ranchers work with veterinarians to maintain the health of our cattle because we know healthy animals produce safe food. Our commitment to your family – and ours – is to provide safe, wholesome and nutritious beef.

"Research shows lean beef can and should be included as part of a healthy, balanced diet. Beef is an excellent or good source of 10 essential nutrients – including zinc, iron, protein and many B-vitamins which are especially critical to patients in a hospital setting."

As of TCFA *Newsletter's* deadline, the *Washington Post* had not run its story on Balanced Menus.

If you would like to contact your local hospital to discuss the value of animal-based proteins in the diet, remember there are consumer-friendly fact sheets about antibiotics, growth promotants and beef's environmental sustainability on the Explore Beef Web site at <http://www.explorebeef.org/> should you receive questions about those issues. Additionally, TCFA and NCBA can connect interested hospital directors with appropriate third-party experts if they have questions beyond what is provided in the fact sheets.

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

**Johnny Trotter** has been elected to the American Quarter Horse Association Executive Board. Trotter is a longtime member of TCFA and the Beef-PAC Board of Trustees.

**Past TCFA Chairman Scott Keeling** was recently interviewed by *CALF News*. He provided insights on risk management for the magazine's February/March edition.

**TCFA Member Hughes Abell** shared his thoughts on sustainable conservation and developing international beef markets in a recent interview with *Cattlenetwork.com*.

**Clint Markham** is the new manager at Champion Feeders.

**TCFA Will Host A Series Of Feedyard Employee Training Programs** covering the TCFA Beef Safety Quality Assurance Program. Dr. Ted McCollum, beef cattle specialist with the Texas AgriLife Extension Services will cover topics specific to the animal care and handling portion of the BSQA Program. Meetings are scheduled for April 1 in Lubbock, April 6 in Dalhart, April 7 in Hereford, April 8 in Friona and April 13 in Perryton.

In addition, TCFA will host two feedyard employee training programs in South Texas. These programs will also train feedyard employees on all aspects of the BSQA Program. Dr. McCollum will cover the animal care and handling portion, as well as the critical control points and quality control points portion of the BSQA Program. These trainings will be held May 18 in Premont and May 19 in Devine.

Make plans now to send your employees to these valuable programs. For more information on these training programs, log on to <http://www.tcfa.org/events> or contact Trent Tyson at the TCFA office at (806) 358-3681 or [trent@tcfa.org](mailto:trent@tcfa.org).

**The 2010 Junior Fed Beef Challenge** is open to all junior cattle feeders in the TCFA membership area. Validation is open and runs through April 1. All contest steers must be purchased and validated prior to April 1. Students from throughout Cattle Feeding Country will work to feed the best steers and compete for over \$18,000 in scholarships, cash and other prizes. For full contest information, log on to <http://www.tcfa.org/jfbc/index.html>, or contact Trent Tyson at (806) 358-3681 or [trent@tcfa.org](mailto:trent@tcfa.org).

**The American Veterinary Medical Association (AVMA)**, seeking to reverse the decline in the number of food animal veterinarians in the United States, has announced a new initiative – an educational debt relief program for those veterinarians.

The Food Animal Veterinarian Recruitment and Retention Program is a joint effort of the AVMA and its charitable arm, the American Veterinary Medical Foundation. Funded by several industry partners, the program will provide financial incentives in the form of student loan debt forgiveness for veterinarians who commit to four years of employment in food animal veterinary medicine.

Dr. Ron DeHaven, AVMA chief executive officer, said the pilot program comes at a time when the federal government is also recognizing the concern. USDA recently announced that a similar federal program, the Veterinary Medicine Loan Repayment Program, will soon begin accepting applications.

According to AVMA membership data, about half of all food animal veterinarians are over the age of 50 and at the cusp of retirement. At the same time, only about 15% of veterinary school graduates are pursuing that career path, most of whom have an average of \$120,000 in educational debt. At the current rate, recent studies indicate that the supply of veterinarians working in food safety will fall short by 4-5% annually through 2016.

**Employers With H-2A Workers Are Required To Display A New H-2A Poster**, under a new Labor Department rule that implements changes to the program.

The posters are free. An English-language version can be downloaded by going to [http://www.dol.gov/whd/posters/pdf/WHD1491Eng\\_H2A.pdf](http://www.dol.gov/whd/posters/pdf/WHD1491Eng_H2A.pdf).

For a Spanish-language version, go to [http://www.dol.gov/whd/posters/pdf/WHD1491Span\\_H2A.pdf](http://www.dol.gov/whd/posters/pdf/WHD1491Span_H2A.pdf). The poster will be made available in other languages in the coming months.

General information on the variety of posters that employers are required to display is available by going to <http://www.dol.gov/elaws/posters.htm>.

**This Is National Agriculture Week (March 14-20).** Texas Agriculture Commissioner Todd Staples asked Texans to join him in honoring the state's hardworking producers.

"Our producers are responsible for the most abundant, most affordable and safest food supply in the world," Commissioner Staples said. "The Texas agriculture industry employs one in seven working Texans and brings more than \$100 billion a year to the economy of our great state."

Americans in agriculture are more productive and efficient than ever before. According to Texas Farm Bureau, each producer today feeds 155 people in the U.S. and abroad. In Texas, about 1.8 million people work in agriculture-related jobs, ranging from journalism and advertising to commodity trading.

"Many of us take our readily accessible and safe food supply for granted, which is a testament to the high standards and strong work ethic of those who work in our agriculture industry," Commissioner Staples said. "National Ag Week is an occasion to recognize those who contribute so much to the health, well-being and prosperity of this country."

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