



TEXAS CATTLE FEEDERS ASSOCIATION

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The U.S. Beef Industry Has Dramatically Reduced Its Carbon Footprint and overall environmental impact over the past three decades – thanks to advances in productivity – a new Beef Checkoff-funded study has concluded.

Dr. Jude L. Capper, an assistant professor of animal science at Washington State University (WSU), performed a comparison of the environmental impact of the U.S. beef industry in 1977 to its impact in 2007. Her research revealed that improvements in nutrition, management, growth rate and harvest weights have significantly reduced the environmental impact of modern beef production and improved its sustainability.

"These findings challenge the common misconception that historical methods of livestock production are more environmentally sustainable than modern beef production," said Capper in her July 14 presentation at the American Society of Animal Science meeting in Denver.

A WSU news release said when compared to beef production in 1977, each pound of beef produced in modern systems used:

- 10% less feed energy
- 20% less feedstuffs
- 30% less land
- 14% less water
- 9% less fossil fuel energy

In 2007, there were 13% fewer animals harvested than in 1977 (33.8 million versus 38.7 million), but those animals produced 13% more beef (26.3 billion lbs. of beef versus 23.3 billion lbs. in 1977). By producing more beef with fewer resources, Capper found that **the total carbon footprint for beef production was reduced by 18% from 1977 to 2007**. The study used a whole-system environmental model that integrated all resource inputs and waste outputs within the beef production system, from crop production to beef arriving at the packing plant.

"It's important to note that all food production has an environmental impact, but significant improvements in efficiency have clearly reduced the greenhouse gas emissions and overall environmental impact of beef production," said Capper. "Contrary to the negative image often associated with modern farming, fulfilling the U.S. population's requirement for high quality, nutrient-rich protein while improving environmental stewardship can only be achieved by using contemporary agricultural technologies and practices."

"As the global and national population increases, consumer demand for beef is going to continue to increase," Capper said. "The vital role of improved productivity and efficiency in reducing environmental impact must be conveyed to government, food retailers and consumers."

The Cattle Feeders Hall Of Fame Has Inducted H.C. (Ladd) Hitch And Kenny Monfort as its newest members and presented a special honor to former TCFA President & CEO **Richard McDonald**.

Ladd Hitch was a member of the prominent Oklahoma Panhandle family that has been involved in ranching and farming since the 1880s. He is considered to be the one who established the family feeding business. Hitch was among the first to believe that cattle feeding could succeed in the High Plains using locally produced feedstuffs rather than shipping animals out of state to be finished. From its small beginnings with a few pens in 1953, the Hitch family feeding business has grown to three separate yards with a capacity of 160,000 head. Two of his grandsons, TCFA Board Member Chris Hitch and TCFA Member Jason Hitch, currently head the family business, which also includes ranching, farming, a large pork operation and other interests.

Kenny Monfort is remembered for transforming his family's small farm in Colorado into a vast cattle feeding and beef-packing business. A key element of his accomplishments was his recognition of how to improve efficiencies within the industry by combining feeding with packing.

Richard McDonald, who retired from TCFA in 2006 following a 32-year career with the Association, received the Hall's new Industry Leadership Award. The honor is intended to salute the contributions of a non-cattle feeder to the industry.

McDonald joined the TCFA staff in 1974 as executive director, and in 1988 was appointed as chief executive of the association. Among his many victories on behalf of cattle feeders over the years, McDonald was instrumental in helping pass a number of tax-relief measures for cattlemen, obtaining clear title and prompt payment legislation for ag producers and worked closely with other beef organizations to develop coalitions to obtain important legislative victories in Austin and Washington D.C.

CBO Report Says Biofuels Industry No Longer Needs Tax Credits: The nonpartisan Congressional Budget Office (CBO) released a report on Wednesday which concludes that while tax credits may reduce costs to biofuel producers and consumers — at taxpayer expense — they are no longer necessary to drive production because the Renewable Fuel Standard (RFS) guarantees a market for the product, thus encouraging continued investment by farmers and biofuels refiners.

"In the future, the scheduled rise in mandated volumes would require the production of biofuels in amounts that are probably beyond what the market would produce even if the effects of the tax credits were included," the CBO report said. "To the extent that the mandates determine levels of production in the future, the biofuel tax credits would no longer be increasing production. However, they would still be reducing the costs borne by producers and consumers of biofuels and shifting some of those costs to taxpayers."

According to the report, tax credits for biofuels cost taxpayers \$6 billion in FY2009. It is estimated that since 1980, U.S. taxpayers have spent \$41.2 billion in current dollars on tax-based subsidies for ethanol, and this year alone the blender's tax credit will cost taxpayers and additional \$7.6 billion.

This report "provides further evidence that our nation's biofuels tax incentives might not be appropriately calibrated," said Senate Energy and Natural Resources Committee Chairman Jeff Bingaman (D-N.M.), who requested the CBO analysis. "In determining whether to extend the tax credit for corn-based ethanol, Congress should weigh all factors, including the credit's very high cost to taxpayers, environmental and energy security benefits, production mandates, and market prices." Senator Bingaman also said that corn-based ethanol production is "a mature technology whose market share is protected by an aggressive RFS." He added that he believes the U.S. "should shift our focus to other cleaner biofuels."

The CBO report is also adding support to efforts by some House lawmakers to extend the ethanol tax credit through 2011 at a 20% reduced rate. The House Ways and Means Committee is scheduled to tackle the issue next week during markup of a tax bill.

The full CBO report is available at <http://www.cbo.gov/ftpdocs/114xx/doc11477/07-14-Biofuels.pdf>.

EPA Is In The Process Of Reviewing Dust Regulation and has issued its "2nd Draft Policy Assessment on Particulate Matter (PM)." EPA concludes that, depending on the emphasis placed on the evidence and uncertainties, the Administrator would be justified in either retaining the current PM10 National Ambient Air Quality Standard (NAAQS) of 150 micrograms per cubic meter of air (ug/m3), or in revising it to the range of 65-85 ug/m3 – essentially twice as stringent as the current standard and virtually impossible for many cattle operations to meet. Additionally, a more stringent PM10 standard will have little or no benefit to public health but will have devastating consequences to cattle producers and, in turn, to the nation's economy.

Despite the absence of definitive science and the certain economic consequences, TCFA is greatly concerned that EPA will try to implement the more stringent PM10 standard. In an attempt to build support to dissuade the agency from taking such action, agricultural producers and organizations from across the country are contacting their governors and asking them to weigh in with their concerns. TCFA sent a letter to Texas Governor Rick Perry requesting that he contact EPA and express his strong opposition to any effort to revise the PM10 standard without sound, scientific justification. The letter is available at http://www.tcfa.org/Newsletter/gov_perry_epa_2010-07-14.pdf.

In Light Of The Continued Safety Concerns Along The Border and the closing of Mexican inspection facilities, TCFA, TSCRA and TFB sent a joint letter to USDA-APHIS Deputy Administrator John Clifford to reiterate the importance of continued trade with Mexico and stress the need for adequate bio-security measures in Mexico to protect against the introduction of disease or disease vectors. The letter states, "...our organizations have significant concerns that the current plan to utilize inspection pens in the U.S. on an interim basis until APHIS vets can return to Mexico will evolve into permanent use of these pens for initial inspection of Mexican feeder cattle. Such a plan is unacceptable to our members and will ultimately lead to the cessation of imports because of the potential spread of disease, disease vectors and development of other animal health concerns if uninspected cattle are allowed on U.S. soil on a long term basis." We continue to strongly advocate the following steps to protect animal health and maintain this important trade relationship:

- Evaluate the use of private sector U.S. veterinarians on a contract basis to inspect animals at the CNOG pens in Mexico.
- Continue to pursue Phase 2 as quickly as possible to lease pens in the Pharr, Laredo and Eagle Pass areas for one to two years.
- Work with TAHC, SAGARPA, U.S. producer organizations and the CNOG to identify locations for the construction of permanent CNOG pens in Mexico that will be more immune to disruptions from many factors.
- Work with the Departments of State and Homeland Security to ensure that safety assessments in Mexico are not a "one size fits all" and accurately reflect the level of risk on a port-by-port basis.

A copy of the letter is available at <http://www.tcfa.org/Newsletter/usda-aphis-2010-07.pdf>.

TCFA Sent A Letter To USDA-GIPSA Administrator J. Dudley Butler Requesting A 120-Day Extension of the public comment period for the proposed rule on livestock marketing. In the letter, TCFA expressed concern with the proposed rule and emphasized the need for additional time to thoroughly analyze its potential legal and economic impacts on U.S. cattle producers. A copy of the letter is available at <http://www.tcfa.org/Newsletter/usda-gipsa-2010-07.pdf>.

A Hearing To Examine "The Use Of Antibiotics In Food-Producing Animals And Its Impact On Human Health" was held Wednesday by the U.S. House Energy and Commerce subcommittee on health. The hearing focused on FDA's recent guidance on the judicious use of antibiotics, as well as legislation – the Preservation of Antibiotics for Medical Treatment Act – which would increase restriction on the use of antibiotics in livestock.

TCFA and NCBA maintain antimicrobial resistance is a multi-faceted and complex issue that cannot be addressed by singling out the livestock industry alone. Our industry continues to actively monitor all of the international research on animal antibiotics to ensure that our policies are in line with the latest knowledge. To date, there is no conclusive scientific evidence indicating that the judicious use of antibiotics in cattle contributes to antimicrobial resistance in humans.

In fact, the non-scientific removal of antibiotics in Europe actually led to increased animal disease and increased use of therapeutic antibiotics with no demonstrable improvement in human antibiotic resistance patterns. As University of Minnesota Associate Professor of Epidemiology Dr. Randall Singer pointed out in his testimony to the subcommittee, it is better to prevent disease from happening in the first place, rather than having to treat animals after they get sick. Several Republican members of the Committee reiterated this line of reasoning, pointing out the contradiction between efforts to ban antibiotics in livestock with the recently-passed health care bill, which focuses on the prevention of sickness before it starts.

In order to effectively understand the issue and find solutions, we need more research and a comprehensive nonpolitical evaluation of all the peer-reviewed science and a risk assessment approach that looks at all antibiotics use, including animal, human and industrial use. Cattlemen have an obligation to protect cattle health and welfare. We also have an obligation to protect human health by providing a safe beef supply. That's why, for generations, cattle producers have worked closely with veterinarians in the careful use of antibiotics to prevent, control and treat disease. Preventive medicine keeps cattle healthy, and healthy cattle are the foundation of a safe food supply. Working with veterinarians, cattle producers use tools such as proper care, nutrition, vaccinations and medications to prevent, control and treat diseases.

Decisions affecting animal and human health are too important to be based on anything other than sound, peer-reviewed science. It is easy to target America's livestock producers, but it won't solve the problem. Agenda-driven, non-science-based banning of antibiotics would ultimately harm animal health, animal welfare, food safety and food security.

NCBA Has Submitted Comments In Reference To The Dietary Guidelines Advisory Committee's (DGAC) Report on the 2010 Dietary Guidelines. NCBA shares concern for our nation's obesity crisis, but it is important to keep in mind that many Americans are also overfed and undernourished. It is critical that the public has access to consumer-driven, science-based nutrition guidance. The DGAC's report concludes that good health and vitality is achievable through a total diet approach, which is energy-balanced, nutrient dense, and very low in added sugars, solid fats, refined grains and sodium. However, in a departure from the evidence, the Committee translates these conclusions into recommendations to "shift food intake patterns to a

more plant-based diet that emphasizes vegetables, cooked dry beans and peas, fruits, whole grains, nuts and seeds" and consume "only moderate amounts of lean meat, poultry and eggs."

The scientific evidence simply does not support a recommendation to shift to a more plant-based diet. Americans are already consuming over 70% of their calories from plant foods, and the current practice of choosing poor-quality plant foods is likely a contributing factor to being overweight. According to the report, "overconsumption of refined grains is a major source of extra calories in the diet," and "Americans may choose animal products as part of their diet based on the body of evidence showing a general lack of relationship between animal protein consumption and selected health outcomes."

NCBA fully supports the Committee's recommendations to choose lean meats over higher fat options and to maintain meat intake amounts as outlined in the 2005 Dietary Guidelines. However, the recommendation to "consume only moderate amounts of lean meat, poultry and eggs," implies that Americans need to limit these nutrient dense, high quality protein sources. Based on the Dietary Committee's own evidenced-based findings, there is no need to suggest or imply that Americans further limit their intake of lean meat.

Beef makes significant contributions to the nutritional quality of the American diet relative to the calories it provides. On average, a lean 3-oz. cut of beef provides only 154 calories, yet it supplies a "good-to-excellent" source of 10 essential nutrients, including many that are often limited in the typical diet like choline and iron. The DGAC clearly acknowledges that lean beef meets the definition for a "nutrient-dense" food, and nutrient density is recognized in the Report as an important component of the American diet.

Death Tax Reform Proposal Introduced: TCFA and NCBA are strongly supporting an amendment by Senators Blanche Lincoln (D-Ark.) and Jon Kyl (R-Ariz.) to bring meaningful and permanent reform to the estate tax. The Lincoln-Kyl proposal would require the Senate Finance Committee to amend H.R. 5297, the Small Business Lending bill, to permanently set the estate tax rate at 35%, with a \$5 million exemption amount phased in over 10 years and indexed for inflation. It would also provide a "stepped up basis" for inherited assets. Only 30 legislative days are left on the Congressional calendar until the estate tax reverts to its staggering pre-2001 levels. If Congress fails to act, starting Jan. 1, 2011, farm estates worth a mere \$1 million will be taxed at a rate of 55%.

U.S. Beef Exports Are Experiencing Strong Growth, according to a new report by the U.S. Meat Export Federation. Global exports of 90,930 metric tons (mt.), valued at \$349 million, were 12% higher in volume and 25% higher in value than in May 2009. This pushed the cumulative 2010 results to 398,879 mt., valued at \$1.5 billion – an increase of 11% in volume and 19% in value over last year's pace. Beef export value equated to \$160.30 per steer and heifer harvested compared to \$122 at this time last year – an increase of about 31%.

USMEF reports beef exports to all key Asian markets have grown significantly over last year, with exports also on the rise in critical regions such as the Middle East, Russia, Europe and the Caribbean. Exports to Canada are also up for the year by 6% in volume and 9% in value, though May exports to Canada were below last year's level.

Mexico is still the No. 1 market for U.S. beef in terms of both volume and value, but has not enjoyed the rebound achieved so far this year in all other major markets. Exports to Mexico are down 26% in both volume and value compared to January-May 2009. Muscle cut exports to Mexico have fared better – down 9% in volume and 7% in value. But variety meat exports continue to struggle, falling 45% in volume and 60% in value from last year.

The outlook is much brighter in other key markets. Korea, for example, overtook Japan and Egypt to become the No. 3 volume market for U.S. beef, increasing 66% over January through May of last year. Korea is fourth-largest in terms of value (behind Mexico, Canada and Japan) at \$162.8 million – an increase of 94% over last year. In May, beef exports to Korea were more than three times the volume and nearly four times the value seen in May 2009.

Export growth to Japan also has been impressive, with volume reaching 36,698 mt. valued at \$193.25 million for the first five months of 2010. This is an increase of 26% in volume and 27% in value over last year's pace. May export totals were up about 7% in volume and 10% in value over May 2009. Beef exports to Russia have nearly tripled in volume over last year, while rising nearly 700% in value. This reflects a growing appetite in Russia for U.S. beef muscle cuts, whereas last year's exports were almost exclusively limited to variety meat. But even as muscle cut exports to Russia have exploded, variety meat exports are still up by 49% in volume and 178% in value over last year.

For complete statistics on beef exports, go to <http://usmef.org/news/statistics>.

Satisfied Consumers: The Beef Checkoff reports that the latest wave of the Consumer Beef Index highlighted various positives for beef, as well as some insight to consumers' areas of concern about it. First, nearly three-quarters of consumers concur that the positives of beef outweigh its negatives. And consumers continue to rate nutritional attributes, as well as value and 'craveability,' increasingly higher as a basis for making a dinner selection, and beef is showing performance progress on these same attributes. For more on this study, go to <http://www.beefresearch.org/CMDocs/BeefResearch/Market%20Research/Project%20Snapshot%20CBI%20070110.pdf>

TCFA's First Ever Masters Of Beef Advocacy (MBA) Graduation Event on July 13 was a day of celebration and education. The MBA grads gathered at West Texas A&M University for lessons in how to use factual information to combat false claims about beef and beef production that appear in the media all too often. Activities included allowing participants to serve as beef industry spokespersons in mock television interviews and tutorials on how to effectively use social media – such as Facebook and Twitter – to promote the goodness of beef. For a group photo from the graduation, go to http://www.tcfa.org/Newsletter/mba_graduates.pdf.

MBA is a Beef Checkoff-funded effort to cultivate a nationwide network of beef advocates engaged in sharing the story of modern beef production with consumers in their local communities and in the global online community. TCFA encourages its members to participate in the free program, which includes six online courses to help prepare individuals to be effective beef advocates. The self-paced curriculum takes 6-8 hours to complete. If you would like to enroll in MBA, please go to <http://www.beef.org/mastersofbeefadvocacy.aspx>.

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