



TEXAS CATTLE FEEDERS ASSOCIATION

NEWSLETTER

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Congressional Committee Members Dislike Proposed Rule On Competition: In a rare moment of bipartisan agreement, Democrat and Republican members on the U.S. House Agriculture Subcommittee on Livestock, Poultry and Dairy expressed their dismay and opposition to several provisions in the USDA-GIPSA proposed rule on livestock marketing practices during a hearing earlier this week, which was originally called to discuss livestock programs in preparation for the 2012 Farm Bill. Subcommittee Chairman David Scott (D-Ga.) and Ranking Member Randy Neugebauer (R-Texas) told USDA Undersecretary for Marketing and Regulatory Programs Ed Avalos and GIPSA Administrator Dudley Butler that they went well beyond their authority, ignoring the intent of Congress and were trying to impose regulations that lawmakers had specifically and soundly rejected when they wrote the 2008 Farm Bill. Scott went on to berate the USDA officials saying, "For you and the department to arbitrarily go against the wishes and intent of Congress is serious."

Rep. Collin Peterson (D-Minn.), who serves as chairman of the full Agriculture Committee, also participated in the hearing and expressed concern that the rules were overly broad and would make it harder to continue branded marketing arrangements between farmers and processors. "I don't know exactly what you are trying to get at, if you're trying to make sure the big producers and the small producers are producing the same quality, get the same price, if it's what you're trying to do, or if you are trying to eliminate branded products," Peterson said. Additionally, Rep. Jim Costa, (D-Calif.) said the rules would be a "lawyers' field day," Rep. Walter Minnick (D-Idaho), called the regulations "silly," and Rep. Mike Conaway (R-Texas) said that "there are several serious issues in this rule that must be addressed."

Rep. Neugebauer also stated in a press release, "Fair and transparent markets are necessary for orderly commerce between producers, packers, processors, retailers and consumers. At the same time, we owe it to our constituents to ensure that the policy process is also fair and transparent so that the path of good intentions does not lead us to the land of unintended consequences." Several committee members also asked the USDA officials to provide more information regarding the basis of their economic assumptions and to clarify who at USDA met with which livestock industry representatives regarding this rule and when.

There was also unanimous agreement among the committee members that GIPSA should extend the comment period for the rule, which is set to expire on Aug. 23. "The least – the least you can do is to extend the comment period," said Chairman Scott. "To move ahead would be the worst thing that we could do for the industry and for America."

TCFA appreciates the thoughtful questions and comments of the committee members and hopes that GIPSA will listen and respond to their numerous concerns, which are representative of those held by producers across the country. In addition, TCFA has asked GIPSA to issue a 120-day extension of the public comment period so that industry can conduct in-depth legal and economic analyses of the rule to ensure that we know exactly how it will impact the industry. TCFA has joined with NCBA and other state cattle organizations in analyzing the rule and preparing background information for members and will file comments with USDA.

For more information about the rule and its potential impacts, please go to http://www.tcfa.org/Newsletter/gipsa_info_2010-07-23.pdf.

It Appears That Climate Change Legislation Has Hit A Major Wall In The U.S. Senate. Acknowledging that he does not have the time or the votes to pass a comprehensive energy bill before the fast approaching August recess, Senate Majority Leader Harry Reid (D-Nev.) is expected to bring up a scaled-down version next week that does not include a renewable energy standard or carbon pricing provisions. Instead, the bill is expected to address the Gulf oil spill clean-up and to increase the liability costs that oil companies would pay following spills. The bill may also include incentives for the development of natural gas vehicles and rebates for consumers who buy energy efficient products for home use. TCFA will continue to monitor this bill as it moves forward.

The Veterinary Medicine Loan Repayment Program Enhancement Act is the title of a bipartisan bill that is intended to end a shortage of rural veterinary medicine. The bill was introduced this week by U.S. Senators Mike Crapo (R-Idaho) and Tim Johnson (D-S.D.) with Senator Jim Risch (R-Idaho) as an original co-sponsor.

Nationwide, there are 500 counties with at least 5,000 farm animals but with no local veterinarians in the area to treat the animals, according to a news release from Senator Crapo. The legislation's sponsors say the demand for veterinarians across the U.S. could increase by 14% by 2016, and a shortage could have dire consequences on human and animal health, public safety, animal welfare, disease surveillance and economic development.

The legislation – which is supported by TCFA and NCBA – would provide a federal income tax exemption for payments received under the Veterinary Medicine Loan Repayment Program (VMLRP) and similar state programs that encourage veterinarians to practice in smaller and rural communities. Rather than awarding full funding for this program each year, the VMLRP must immediately give back 39% of the money it receives to the U.S. Treasury as a federal tax. The bill simply removes this tax burden so that more veterinarians can be selected and help rural America. It would allow the VMLRP to increase the number of veterinarians selected by a third.

Another Report Touting The Importance Of Food Science And Technology to the effort of feeding the growing world population will be released soon. The Institute of Food Technologists (IFT) says more technological advances are essential if the global food supply will need to almost double in the coming decades. The IFT report will be published in the September 2010 issue of the peer-reviewed journal *Comprehensive Reviews in Food Science and Food Safety*.

IFT highlighted the report at IFT's 2010 Annual Meeting and Food Expo in Chicago. IFT says it produced the report "to inform the public about the advances in food science and technology that were necessary to meet the needs of an evolving society, which today has much greater access to an abundant, diverse food supply that is largely safe, flavorful, nutritious, convenient and less costly than ever before." The report summarizes the historical developments of agriculture and food technology, details various food manufacturing methods and explains why food is processed. The report also describes and stresses why further advancements in food science and technology are needed to more equitably meet growing world population food needs with enhanced food security in developing countries and solutions to complex diet-and-health challenges in industrialized countries.

To read more about what IFT has to say, go to <http://www.ift.org/newsroom/news-releases/2010/july/18/new-ift-report-reviews-the-role-of-food-science-and-technology.aspx>.

TCFA At Work For You...

In Recent Weeks, TCFA Staff:

- Participated in a Pollution Prevention Advisory Committee meeting at the Texas Commission on Environmental Quality (TCEQ). The committee is tasked with advising the TCEQ leadership on policies that would further enhance environmental practices by regulated entities.
- Testified in support of proposed changes to the Texas Surface Water Quality Standards at a public hearing held by the Commissioners of the Texas Commission on Environmental Quality. TCFA's support encouraged the Commission to adopt changes that will allow lakes and streams to meet tiered levels for bacteria depending on the use of the water body by people.
- Participated in beef sustainability meeting to discuss modern beef production technology with researchers, retailers and other stakeholders. There is growing scientific evidence that technology has significantly reduced the environmental impact of beef production and will play a major role in feeding a growing world population.
- Participated in annual conference and external advisory committee meeting of the TAMU National Center for Foreign Animal and Zoonotic Disease Defense. The DHS-funded center supports research and planning to protect U.S. livestock producers from outbreaks of foreign animal diseases.
- Participated in USDA animal identification discussion on voluntary animal i.d. and traceability system for U.S. livestock producers. Current discussions call for a state-operated system with i.d. of breeding livestock moving in interstate commerce. Stocker and feeder animals would be added at a later date.
- Participated in research meeting with Texas Tech scientists to consider research on the supply, demand and pricing of local and imported ethanol byproducts.
- Participated in the first annual West Texas Agriculture Issues Summit in Plainview. The event, hosted by State Rep. Joe Heflin (D-Crosbyton), provided an opportunity for area producers and rural residents to hear from their elected officials on important legislative and regulatory issues including water, energy, transportation, economic development and redistricting. In addition to Heflin, the summit attendees heard from Texas Agriculture Commissioner Todd Staples (R-Palestine), Senator Robert Duncan (R-Lubbock), House Transportation Committee Chairman Joe Pickett (D-El Paso), Representative David Swinford (R-Dumas) and Representative Rick Hardcastle (R-Vernon).

- Attended several property tax appraisal review board hearings to support feedyards in their requests for the application of the implements of husbandry exemption to heavy equipment and other rolling stock used for the raising and feeding of cattle.
- Joined with TCFA members in attending the annual meeting of the Southwest Council of Agribusiness, of which TCFA is a founding member. In addition to presentations on the upcoming Farm Bill and various environmental issues, participants met and heard from U.S. Senator Blanche Lincoln, chair of the Senate Committee on Agriculture.
- Participated in several meetings to discuss the current status of the Lesser Prairie Chicken in an effort to coordinate and represent the interests of landowners and cattle feeders. The Chicken is currently listed as a "candidate species" and is reviewed annually by the U.S. Fish and Wildlife Service to determine whether or not it should be listed as threatened or endangered.
- Participated in a meeting of the Panhandle Agrosecurity Working Group to review current activities and efforts focused on planning and preparedness for a foreign animal disease and other disasters that could impact cattle feeders. The group also heard updates from Dr. Tammy Beckham, Director of TVMDL and Interim Director of the FAZD Center, on measures being implemented to assist cattle feeders with addressing animal health and agroterrorism issues.
- Made 88 visits to member feedyards between June 14 and July 22.

TCFA staff also assisted as the Association:

- Joined with Texas AgriLife Extension Service, West Texas A&M University and the Texas State Soil and Water Conservation Board to host the first meeting of a Project Advisory Group for a newly funded three-year project titled, "Development and Implementation of an Environmental Training Program for Manure and Compost Haulers/Applicators in the Texas High Plains." Over the past month, project team members have been working to identify several demonstration locations throughout different areas of the Texas Panhandle.
- Hosted a graduation ceremony and media training event for 10 TCFA-area graduates of the Masters of Beef Advocacy (MBA) program. 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.

Photos From The Cattle Feeders Hall Of Fame Banquet are available by going to http://www.tcfa.org/Newsletter/hall_of_fame_2010_inductees.pdf.

As we reported last week, the Hall inducted as new members High Plains cattle feeding pioneer C.H. Ladd Hitch and beef industry leader Kenny Monfort. Former TCFA President & CEO Richard McDonald also received the Hall's first-ever Industry Leadership Award.

Air Quality Workshops Planned For August 24-26: Three one-day air-quality workshops have been set up for the livestock industry in the Texas, New Mexico, Oklahoma and Kansas areas by a consortium of research and industry groups. Texas A&M AgriLife, Kansas State University, West Texas A&M University and the U.S. Department of Agriculture-Agricultural Research Service will present results of several years of research from cattle feedyards and dairies across the region. Industry partners for the work include TCFA, Kansas Livestock Association, the Texas Association of Dairymen and Dairy Farmers of America.

These workshops are designed for producer-level cattle feeding and dairy industry personnel because of the heavy focus on practical solutions within the context of feedyard/dairy management, according to Dr. Brent Auvermann, AgriLife Research engineer. "The workshops will center on answering a few practical questions," Auvermann said. "How much are livestock facilities emitting, and how confident are we in our numbers? How can we reduce our emissions? And what is next on our research agenda?"

The dates and locations the investigators selected are: Aug. 24 at the Texas AgriLife Extension Service office in Hereford; Aug. 25 at the Sherman County Exhibit Barn in Stratford; and Aug. 26 at the Clarion Inn in Garden City, Kansas. The programs will run from 9:30 a.m. to 3 p.m. each day, with a catered lunch at each event sponsored by the livestock groups. So that organizers can plan for lunch at the meetings in Hereford and Stratford, please RSVP with your name, company name and phone number to Cynthia Riojas at cynthia@tcfa.org or (806) 358-3681 by Aug. 20.

Research Shows A Nationwide Loss Of 5,204 Restaurants Over The Past Year. The NPD Group, a market research company, said the decline represents a 1% slippage in the number of restaurants that were operating in the spring of 2009. Independent restaurants accounted for the largest portion of the establishments lost.

Chain restaurants remained relatively stable. For more on the research, go to http://www.npd.com/press/releases/press_100720.html.

June Cold Storage Report: Total red meat supplies in freezers were down 3% from the previous month and down 22% from last year. Beef was up 3% from the previous month but down 14% from the previous year. Frozen pork supplies were down 8% from the previous month and down 29% from last year. For the full report from USDA-NASS, go to <http://usda.mannlib.cornell.edu/usda/current/ColdStor/ColdStor-07-22-2010.pdf>.

Commercial Red Meat Production For The United States totaled 4.18 billion lbs. in June, up slightly from the 4.16 billion lbs. produced in June 2009, according to a report from USDA-NASS. Beef production, at 2.32 billion lbs., was 1% above the previous year. Cattle harvest totaled 3.05 million head, up 2% from June 2009. The average live weight was down 8 lbs. from the previous year at 1,261 lbs. January to June 2010 commercial red meat production was 23.9 billion lbs., down 2% from 2009. Accumulated beef production was down slightly from last year. For the full report, go to <http://usda.mannlib.cornell.edu/usda/current/LiveSlau/LiveSlau-07-23-2010.pdf>.

The Employment Eligibility Verification Form Known As I-9 Can Be Electronically Signed And Stored, according to a final rule issued by the Department of Homeland Security this week. The final rule, which is effective Aug. 23, amends an interim version that was implemented in 2006. To see the *Federal Register* notice, go to <http://edocket.access.gpo.gov/2010/2010-17806.htm>.

A Live Call-In Show Will Kick Off NCBA's Cattlemen To Cattlemen Fall Season on Tuesday, July 27, at 8:30 p.m. (CDT) on RFD-TV. Join host Kevin Ochsner as he speaks to cattlemen from around the country about the latest issues impacting their operations. During the live broadcast, viewers can call 1-888-824-6688 or email questions anytime to c2c@beef.org.

Callers will have the opportunity to ask questions directly to NCBA President Steve Foglesong, President-Elect Bill Donald, NCBA Federation of State Beef Councils Chairman Scott George and NCBA Vice President of Government Affairs Colin Woodall. Experts will be ready to discuss the political climate in Washington, D.C., what's ahead for NCBA and other hot topics facing the industry, including GIPSA, antibiotics, trade and environmental issues.

NCBA's Cattlemen to Cattlemen debuts each Tuesday at 7:30 p.m. on RFD-TV, with repeat airings on Wednesdays at 9:30 a.m. and Saturdays at 8 a.m. Recordings of the show can also be seen on the TCFA website at <http://www.tcfa.org>.

Beef Keeps Them Running! Hundreds of competitors wearing "Powered by BEEF" jerseys are showing up in marathons and other running events all around the country – spreading the message that beef is a fantastic supplier of the nutrients essential for athletic achievement. Among those nutrients are zinc, iron and protein, which can be translated into the acronym ZIP as in Team ZIP. Want to be a part of Team ZIP? Go to <http://teamzip.ning.com>.

NCBA Will Honor World-Renowned Cattle Care Advocate Dr. Temple Grandin With A Lifetime Achievement Award during NCBA's upcoming Summer Conference in Denver. While living with the challenges of autism, Grandin has been able to benefit every sector of the beef industry by revolutionizing livestock care and food production practices at the international level. She recently gained recognition as the subject of the Emmy-nominated HBO film, *Temple Grandin*, starring Claire Danes.

Grandin's work has transformed the design of cattle handling facilities worldwide. Fifty percent of the cattle in the U.S. and Canada are handled in equipment she has designed for meat plants. Grandin played an active role in the development of animal welfare guidelines for the meat industry, and serves as an animal welfare consultant for international companies like McDonalds, Wendy's International and Burger King. She has also published several hundred industry publications, book chapters and technical papers on animal handling, and written seven books. She currently serves as a professor of animal sciences at Colorado State University where she continues her research while teaching courses on livestock handling and facility design. Her book, *Animals in Translation*, was a New York Times best seller.

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