



# TEXAS CATTLE FEEDERS ASSOCIATION

## NEWSLETTER

5501 I-40 WEST

AMARILLO, TEXAS 79106

806 / 358-3681

Volume 43, Number 26

June 26, 2009

**Climate Change Bill Goes Before U.S. House:** The House of Representatives passed H.R. 2454, the "Clean Energy and Security Act of 2009 (Waxman — Markey Climate Change bill)" earlier today by a vote of 219 — 212. Prior to consideration of the bill, Agriculture Committee Chairman Colin Peterson — with the help of NCBA, TCFA and other agriculture organizations — succeeded in obtaining beneficial concessions for U.S. farmers and livestock producers. Specifically, the agriculture amendments added to the bill include language to explicitly exempt agriculture operations from the regulated sector, ensure that USDA will have primary authority for determining and validating agricultural offsets, ensure offset eligibility for carbon sequestration or reduction practices employed since 2001 and ensure that operations that participate in other federal programs, like EQIP, will be allowed to achieve offsets. The bill also authorizes a three-year study, followed by a two-year methodology review of indirect land use considerations for meeting ethanol's renewable fuels standards.

While TCFA and NCBA are supportive of these amendments and very appreciative of Chairman Peterson's efforts, we continue to oppose the bill because of serious concerns with other provisions of the bill. We are not alone in believing this bill represents very bad policy. U.S. Rep. Frank Lucas (R-Okla.) — Ranking Member of the House Agriculture Committee and an opponent of the bill — said there are "more than 115 agriculture and food groups publicly opposing this bill. Do you know why? The greatest threat to our agricultural producers is ignored. Under H.R. 2454, input costs will escalate as a direct result of this energy tax."

The legislation will undoubtedly increase the cost of inputs like fuel, electricity, feed and others necessary to maintain a cattle operation, while economists have estimated that it will cause farm income to drop anywhere from \$8 billion in the short term to \$50 billion long term. In addition, there is concern that the bill would require EPA to develop performance standards to reduce greenhouse gases such as methane, which would likely include animal agriculture.

The bill has been sent to the United States Senate for further consideration. TCFA and NCBA will continue to express our concerns with the bill and work to resolve them as it makes its way through the process.

**Environmental Legislation:** The U.S. Senate Committee on Appropriations approved the FY 2010 Interior and Environment Appropriations bill on Thursday. At the request of NCBA, TCFA and others, the Senate bill, like its companion which passed the House of Representatives earlier today, included language to eliminate EPA funding for the so-called "cow tax" — the permitting of cattle operations for greenhouse gas (GHG) emissions under the Clean Air Act. However, the Senate Committee rejected another provision included in the House bill to eliminate EPA funding for developing and implementing regulations to require mandatory reporting of GHGs from manure management systems. The bill has been sent to the full Senate for consideration. TCFA and NCBA will continue fighting to retain the House-approved provision during the upcoming conference committee to reconcile the differences between the House and Senate versions of the bill.

**Special Session:** Texas Governor Rick Perry has called a special session of the 81<sup>st</sup> Legislature to begin on Wednesday, July 1. The special session could last up to 30 days but likely be much shorter. The agenda for the session limits the issues that can be decided by the Legislature to extending the sunset dates for several state agencies that were not reauthorized during the regular session and are set to expire in September 2010 (Department of Transportation, Department of Insurance, Workers' Compensation Commission and Racing Commission), authorizing the sale of \$2 billion in highway bonds and the use of the revolving credit fund, and permitting the Texas Department of Transportation to continue using comprehensive development agreements (public — private partnerships) to build and operate certain roads. Unfortunately, the Governor did not include in the agenda authorization for the Legislature to complete its work on the comprehensive eminent domain reform bill (SB 18) that was considered during the regular session. The Governor has the authority to add items to the agenda at any time, and TCFA has urged him to add this important issue.

**Energy Secretary Steven Chu Has Reiterated His Support For Raising The Ethanol Blend Limit To 15%,** *Brownfield* reports. Speaking in Des Moines this week, Chu also urged automakers to make all new vehicles flex-fuel so they can run on even higher blends of ethanol.

Meanwhile, Iowa Renewable Fuels Association Executive Director Monte Shaw told *Brownfield* that EPA officials have convinced him a lower blend limit increase is not under consideration. "We thought they (EPA) might approve an E-12 or E-13 as an interim step while they were continuing to collect the data on E-15," said Shaw. "They made it very clear they are not doing that." Shaw said EPA "will simply wait until they have enough data and they will make a decision on E-15."

EPA is required to announce a decision on E-15 by Dec 1.

**Bill Hampers Beef Trade:** The FY 2010 Agriculture Appropriations bill, approved by the U.S. House Committee on Appropriations last week, contains a controversial, trade-distorting provision that is preventing our government from successfully negotiating an agreement on beef exports to China and is adversely impacting U.S. credibility with our other trading partners. China represents one of the largest potential growth markets for U.S. beef — worth in excess of \$100 billion.

This non-tariff trade barrier, first enacted in 2007, effectively bans imports of some Chinese chicken products, by not allowing USDA-FSIS to conduct a necessary and appropriate risk assessment, based on sound science, as to whether these imports pose any risk to American consumers. Because the provision specifically targets imports from only one country, it conflicts with the U.S. obligation to treat trading partners equally and prompted the Chinese to seek WTO consultations against the U.S. Earlier this month, China petitioned the WTO for an expert panel to review this issue and investigate the product ban.

If there are concerns about the safety of cooked chicken imports from China, they should be addressed through sound science in the regulatory channels, not through ad hoc legislation or appropriations bills. TCFA and NCBA are committed to food safety and fair trading practices, and we are working to strip this provision from the House bill and prevent its inclusion in the Senate version of the bill. The House of Representatives is expected to consider the bill before the August recess, and the Senate Appropriations Committee is scheduled to mark up the Senate version of the Agriculture Appropriations bill in early July.

**Ohio Lawmakers Are Responding To HSUS Threats By Rushing To Pass A Ballot Issue** supporters say will allow the state to maintain control of agriculture regulation. The *Columbus Dispatch* reports Ohio's House of Representatives voted 84-13 to approve a proposed amendment to the state constitution that would create a 13-member Ohio Livestock Care Standards Board. The proposed amendment has drawn broad support from Ohio's agriculture community, which sees it as a preferable alternative to a potential 2010 ballot issue from HSUS to impose new restrictions on livestock confinement. HSUS has expressed outrage, saying the proposed standards board would be dominated by industry. The Ohio Director of HSUS, Dean Vickers, said his group's "intent all along was to come up with a compromise, not to bully anyone around." But apparently many Ohio lawmakers share the sentiments of State Senator Timothy J. Grendell, who said, "Negotiating a settlement doesn't work when one side is holding a gun to my head." The state senate is expected to vote soon on the proposed amendment, which ultimately would go before the Ohio voters in November.

**In 2008, The United States Replaced Australia As Taiwan's Top Beef Supplier** in terms of import value, USDA-FAS reports. Data for the first eleven months of 2008 indicate Taiwan imported \$126 million worth of U.S. beef compared to \$103 million (U.S. Dollar Value) of Australian beef. In terms of volume, Australia maintained a slight advantage with a 36% share of Taiwan's market, compared to 31% for U.S. beef. USDA-FAS notes the global economic downturn is hampering exports this year. But hope for expanded opportunity with Taiwan was enhanced this week when the *Taipei Times* reported that the nation's Ministry of Foreign Affairs is "optimistic" the government will allow a comprehensive opening to U.S. beef "sometime this year," which would end a four-year ban on product from cattle older than 30 months.

**Accused Of Deliberately Exaggerating The Threat Of BSE Associated With U.S. Beef,** five employers of South Korean broadcaster MBC have been indicted in Seoul. Subsequently, South Korea's president called on the broadcaster's top executives to apologize and resign. According to the Korean news service *Yonhap*, the four producers and a script writer who were indicted are charged with defaming government officials by producing and airing biased reports about U.S. beef.

**JBS S.A. Has Signed A Deal With Wal-Mart Stores Inc.** requiring that the world's largest beef producer will not source beef from cattle raised in deforested areas of the Amazon region, *Meatingplace.com* reports. As part of its deal with Wal-Mart, JBS said it will work with the retailer to ensure that beef is not sourced from farms that

have been blacklisted by IBAMA, Brazil's federal environmental agency. Earlier this month, the three leading supermarket chains in Brazil, including Wal-Mart, said they would require proof that the beef they buy did not come from deforested land.

**An Update On The South Texas Fever Tick Situation Was Provided** at the June meeting of the Texas Animal Health Commission (TAHC). Bob Hillman, TAHC executive director, reported that, as of May 28, there were 161 premises under quarantine due to tick infestation. That includes 65 premises in the permanent fever tick quarantine zone that runs across eight counties along the Rio Grande from Del Rio to Brownsville. Another 96 infested premises are in the free area or in the temporary quarantine zones that were created to stop movement of fever ticks further into the state.

From Oct. 1, 2008 (the beginning of the federal fiscal year) through May 28, 2009, there have been 121 newly infested premises detected. A newly infested premise is detected at the rate of one every other day. With four months left in the federal fiscal year, this year's number may eclipse the 132 newly detected infested premises counted in 2008.

There is some good news on the fever tick front, Dr. Hillman told the TAHC Commissioners. On April 16, more than 375,000 acres were released from temporary preventive fever tick quarantine in Maverick, Dimmit and Webb counties. "We applaud the efforts of cattle and wildlife producers who worked diligently with the Tick Force to accomplish this effort," he noted.

**New Mexico Authorities Have Reported A Case Of Vesicular Stomatitis (VS)** involving a horse in De Baca County. As reported in last week's TCFA *Newsletter*, a VS case has also been diagnosed in Starr County, Texas. Officials in both states advise anyone planning to transport livestock to contact the state or country of destination for information on entry requirements. To read more on the VS situation, go to <http://www.tahc.state.tx.us/> and <http://www.nmlbonline.com/>.

**Animal Welfare Research:** A Clemson University animal behaviorist is researching the impact cages and other confinement have on the well-being of hens. The research is funded by a \$348,000 USDA grant. To read more, go to [http://www.clemson.edu/newsroom/articles/2009/june/Hen\\_research.php5](http://www.clemson.edu/newsroom/articles/2009/june/Hen_research.php5).

**TCFA Offices Will Be Closed Friday, July 3** as we join you in celebrating our nation's independence. *Newsletter* will be sent out on Thursday, July 2. TCFA wishes everyone an enjoyable holiday weekend.

**TCFA Sponsor Spotlight.** TCFA is proud to recognize its top sponsors whose efforts help deliver top-notch services to members.



Since 1993, Nutrition Physiology Corporation (NPC) has provided consistency in research, state-of-the-art application systems and knowledgeable people devoted to superior service. With more than a decade committed to research and development of the widely adopted direct-fed microbial product, Bovamine® Rumen Culture, NPC is devoted to increasing the bottom line of cattle feeders and improving food safety for beef consumers. NPC's patented combination of *Lactobacillus acidophilus* and *Propionibacterium freudenreichii* is technology which is often imitated but cannot be duplicated. NPC is proud to support TCFA and the beef industry. Learn more about Bovamine® at [www.bovamine.com](http://www.bovamine.com).

Please note: All links are still available at [www.tcfa.org](http://www.tcfa.org) under Newsletter links.