



# TEXAS CATTLE FEEDERS ASSOCIATION

# NEWSLETTER

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**TCFA'S Opposition To Increasing The Ethanol Blend Limit Was Expressed** in a letter sent to EPA this week. The letter also urges EPA to delay any decision on the blend limit "until an independent and comprehensive analysis is completed regarding the effects that such a waiver would have on all users of feedgrains."

EPA is considering a waiver application submitted by Growth Energy - an ethanol industry advocacy group — which seeks an increase in the allowable ethanol level in gasoline from the current 10% to 15%.

TCFA's letter points out that feed grain prices shot up dramatically in recent years, largely as a result of the government's ethanol policies including the Renewable Fuels Standard, the blender's credit, and the tariff on foreign ethanol.

"Since January 2008, cattle feeders have lost a record \$5.2 billion in equity due to high feed costs and economic factors which have negatively affected beef demand," the letter states, adding that USDA data shows that "in 2008, feed costs for livestock, poultry and dairy reached a record high of \$45.2 billion — an increase of more than \$7 billion over 2007 costs." The letter further explains that while feed prices have skyrocketed, "farm gate cattle and calf receipts have essentially remained flat, at between \$49 and \$50.2 billion during the past five years."

To read the full TCFA letter and the accompanying material sent to EPA, go to

[http://www.tcfa.org/Newsletter/ethanol\\_blend\\_2009-07-24.html](http://www.tcfa.org/Newsletter/ethanol_blend_2009-07-24.html).

The EPA comment period on the waiver request closed Monday. By statute, EPA is required to render its decision by Dec. 1.

**Mexico Has Suspended Imports Of Beef From Cargill's Friona Plant** citing excessive grade mark ink on carcasses. This is the same edible ink that has been used on beef for decades.

**NCBA Members Approved A Number Of Policy Resolutions And Directives** at the annual Cattle Industry Summer Conference in Denver last week.

"In this unprecedented economic and political climate, it's more important than ever that we have a clear strategy in place as we move forward to address the challenges facing the cattle industry," said NCBA President Gary Voogt.

**Animal identification** was one of the most popular topics of discussion at the conference. NCBA's members voted to work towards an efficient National Animal Identification System (NAIS) that meets the needs of beef producers, while minimizing additional costs and maintaining confidentiality of producer, animal and premises information. NCBA will also work to ensure the system operates at the speed of commerce, integrates private-sector databases, and is phased-in within and between species. NCBA policy continues to support a voluntary NAIS and strongly encourages all producers to acquire premises IDs.

Members also voted to amend current policy with regard to the **H-2A Jobs Program**. NCBA policy continues to call for meaningful immigration reform and supports passage of "The Agricultural Job Opportunities, Benefits and Security Act" (AgJobs) which would streamline the current H-2A program and make it more workable for the cattle industry. The amended policy recommends that provisions in the AgJobs bill address the unique and specialized occupations required for livestock production.

Members also approved a new policy to learn more about an **emerging cattle virus** with similarities to Bovine Viral Diarrhea (BVD) recently discovered in South America and southeast Asia to determine if surveillance is needed in the U.S. The policy encourages USDA-APHIS to adhere to and implement strict international biosecurity measures for pestiviruses, addressing shipment of animals and animal products.

In order to increase efficiency in the purchase and sale of livestock, it's critical that **certified local scale facilities** are readily available. The Packers & Stockyard Administration mandates that livestock weights for purchase and sale must be from a scale certified twice per calendar year. Members resolved to work to streamline this process by urging the Packers & Stockyard Administration to allow all channels of trade on

certified scales officially inspected within the previous 12-month period or in accordance with individual state statutes.

Nearly 800 cattlemen and women attended the conference.

**TCFA Active At TB Summit:** Former TCFA Chairman and current Texas Animal Health Commission Chairman Ernie Morales, TCFA CEO Ross Wilson and Government Relations Director Josh Winegarner attended a two-day summit this week to discuss possible changes to USDA's bovine tuberculosis regulations. Hosted by the U.S. Animal Health Association (USAHA), the event drew 150 federal and state animal officials, producers and cattle organization representatives to Denver to discuss future changes to USDA regulations to control and eradicate TB. General session and breakout discussion topics included (1) current program status, (2) importation of infected cattle, (3) wildlife-associated disease transmission, (4) diagnostic testing limitations and needs, (5) surveillance, traceability and investigation deficiencies and (6) modernizing regulations. A meeting report with suggested regulatory changes will be submitted to the USAHA Tuberculosis Committee for consideration during the annual meeting in October. USDA is expected to announce a proposed rule with changes to its TB regulations this fall. TCFA leaders and staff will maintain an active role in future discussions and rule development.

**TCFA Congratulates U.S. Senator John Cornyn (R-Texas)** on his appointment to the Senate Agriculture Committee. Describing the importance of his new post, Cornyn said, "Agriculture has always been at the heart of Texas' economy and our farmers and ranchers play a vital role in our state's economy. I look forward to serving on the Senate Agriculture Committee to advance Texas' priorities and ensure our state's agriculture industry continues to thrive."

In a move supported by TCFA, **Cornyn has placed a hold on the nomination of animal rights activist Cass Sunstein** to be Administrator of the Office of Information and Regulatory Affairs within the Office of Management and Budget. "Senator Cornyn finds numerous aspects of Mr. Sunstein's record troubling, specifically the fact that he wants to establish legal 'rights' for livestock, wildlife and pets, which would enable animals to file lawsuits in American courts," Cornyn spokesman Kevin McLaughlin told *FOXNews.com*. TCFA is encouraging other senators from the TCFA area to oppose Sunstein's nomination.

**TCFA Member Charles Graham, D.V.M., of Elgin** has earned a very special honor: induction in the American Quarter Horse Association (AQHA) Hall of Fame. An AQHA life member and AQHA director at large, Dr. Graham has been breeding American Quarter Horses for more than 40 years. He owns Southwest Stallion Station in Elgin. Dr. Graham was a partner of the Elgin Vet Hospital for more than 30 years. He is a co-owner of Heritage Place in Oklahoma City, one of the largest sale venues for racing American Quarter Horses. Horses bred by Graham have earned \$1,160,705 and include six stakes winners. His livestock interests include ownership of Graham Land & Cattle Co. in Gonzales.

**Stoney Point AgriCorp Of Melissa Has Won A 2009 National Environmental Stewardship Award**, NCBA announced at the annual Summer Conference. Nominated by TCFA, Stoney Point is among seven cattle operations across the nation to receive the award this year. Congratulations to Mark Quinn and family and partner Clark Willingham for the well-deserved honor.

**The Card Check Provision Will Apparently Be Deleted From The U.S. Senate's Version** of the so-called "Employee Free Choice Act," a bill designed to strengthen the ability of unions to organize workers. The *New York Times* reports that a group of senators who support the overall bill have agreed to remove the card check element to prevent a filibuster.

Under a card check system, employees are denied the right to a secret vote on whether to unionize their workplace. Instead, workers would be vulnerable to being pressured to sign cards agreeing to unionize. TCFA and many other agriculture and business groups have fought hard to preserve workers' right to a secret ballot.

Although the scrapping of the card check element is a victory, TCFA continues to work with Members of Congress to defeat the bill because it is flawed in other ways. Still contained within the legislation is a binding arbitration clause that requires the federal government to appoint an arbitrator who will dictate a contract if a newly organized employer has not signed a contract with the union within 90 days after organization occurs. This provision would encourage unions to make maximum demands and play for time, knowing that an arbitrator could force management's hand. Binding arbitration also denies employees a vote on a contract.

**The Federal Minimum Wage Went Up Today (Friday)**, increasing to \$7.25 an hour. With this change, employees who are covered by the federal Fair Labor Standards Act will be entitled to be paid no less than

\$7.25 per hour. This increase is the last of three provided by the enactment of the Fair Minimum Wage Act of 2007. A revised federal minimum wage poster is now available for viewing, downloading, and posting at <http://www.dol.gov/esa/whd/regs/compliance/posters/flsa.htm>

Every employer of employees subject to the Fair Labor Standard Act's minimum wage provisions must post, and keep posted, a notice explaining the Act in a conspicuous place in all of their establishments so as to permit employees to readily read it.

**Texas Drought Losses Have Reached \$3.6 Billion, Texas AgriLife Extension Service** economists reported Monday. By the end of the year, AgriLife says losses could exceed the \$4.1 billion record established in 2006. Livestock losses have accounted for \$974 million since November 2008.

Texas Agriculture Commissioner Todd Staples wants producers to know help is available. "We hope God will bless us with moisture to relieve some of the pressure facing our producers," he said. "While we wait, state and federal agencies are working together to offer assistance and I urge producers to take advantage of these critical resources."

According to a Texas AgriLife news release, those sources include:

- The Agricultural Drought Task Force website at <http://agrilife.tamu.edu/drought/> provides a clearing house of drought-related information from a number of state and federal agencies.
- Texas Department of Agriculture's Hay Hotline at 1 (877) 429-1998 connects ranchers with hay suppliers. The resource is meant to connect those with extra hay to sell or pasture to lease with those needing it. The agency's 'Disaster Resource Information Packet' is also available and provides pertinent contact information for state, federal and private agricultural disaster assistance programs. Go to [www.TexasAgriculture.gov](http://www.TexasAgriculture.gov) for more information on both Texas Department of Agriculture resources.
- USDA-FSA provides low-interest emergency loans to help eligible producers recover from natural disasters. Loans can cover restoring or replacing essential property; essential family living expenses; production costs associated with the disaster year; and reorganizing the farming operation and refinance of certain debts. Interested producers should contact the office that serves the county in which their operation is located for options available in their specific location. For statewide assistance contact Brenda Carlson, public affairs specialist, U.S. Department of Agriculture Farm Service Agency at (979) 680-5213 or by e-mail at [brenda.carlson@tx.usda.gov](mailto:brenda.carlson@tx.usda.gov).

**Gov. Rick Perry Has Issued A Disaster Proclamation For 167 Counties** in response to the significant threat posed by wildfire conditions in those areas. The governor's proclamation allows the state to activate all essential resources, and suspends pertinent rules and regulations that could impede the state's ability to quickly respond to the constantly changing threat. The proclamation also allows the state to request any necessary federal assistance.

For a complete list of the counties covered in the proclamation, go to <http://governor.state.tx.us/news/press-release/13330/>.

**Clean Water Restoration Act Threatens Cattlemen.** Jim Chilton, a fifth generation rancher from Arizona, testified this week on behalf of NCBA during a U.S. House Small Business Committee hearing on the Clean Water Restoration Act (CWRA). Chilton, whose family has been in the cattle business for over 120 years, said CWRA threatens livestock producers and many other businesses.

"This is essentially a limitless national land and water use control effort that will regulate every activity in a wet area in the nation," said Chilton. "It's nothing more than a 'nice-sounding' name which masks an economically and culturally devastating power grab, flagrantly violating both the spirit and the words of the U.S. Constitution."

The proposed Act, which passed out of the Senate Environment and Public Works Committee last month, would drastically expand the Clean Water Act (CWA), giving the Army Corps of Engineers (Corps) and EPA control over all watersheds in the nation, and all "activities affecting these waters." Since all land in the nation is within a watershed, it means that the Corps and EPA would have land-use control over agriculture property not currently under the jurisdiction of the CWA. This new federal jurisdiction would include millions of isolated, intrastate pools, stock water ponds, springs, playa lakes, depressions filled with water on an intermittent basis, drainage and irrigation ditches, irrigated areas that would otherwise be dry, sloughs, and damp places located on farms and ranches that have no nexus with any navigable waters.

Under the Act, people in agriculture may be required to obtain permits from the EPA or Corps before conducting common, everyday operations, like watering their cattle or farming their land.

TCFA continues to work with Members of Congress to defend cattle feeders' interests and to defeat CWRA.

**Oklahoma Attorney General Drew Edmondson Suffered Another Setback** in his efforts to prevent poultry growers from applying poultry litter as fertilizer on land in the Illinois River watershed. A federal judge this week barred Edmondson from pursuing \$611 million in damages in a lawsuit against Arkansas poultry companies because the Cherokee Nation was not included in the litigation. The *Arkansas Democrat Gazette* reported that the defendants in the case filed papers saying that Edmondson overlooked the fact that the federal government transferred to the Cherokee all of the water and other natural resources in the Oklahoma portion of the watershed before Oklahoma became a state. An appeal of the judge's decision is possible.

**Extensive Studies Are Needed On The Water Needs Of Biofuel Production From Cellulosic Feed Stocks** or other next-generation sources, according to a preliminary report by the Government Accountability Office (GAO). According to *The Food & Fiber Letter*, GAO believes the effects of corn-based ethanol production on water quantity and quality are well understood, but less is known about next-generation feed stocks that have not been grown on a commercial scale.

"There is little information on the cumulative water, nutrient and pesticide needs of these crops, and it is not yet known what agricultural practices will actually be used to cultivate these feed stocks on a commercial scale," the report says.

**Warning Labels On Hot Dogs?** That's what is requested in a lawsuit filed by the Cancer Project — a branch of the animal rights activist group Physicians Committee For Responsible Medicine. Filed in New Jersey, the suit names Oscar Mayer, Kraft Foods, Sara Lee and other food companies as defendants. The *L.A. Times* says the activists want package labels warning consumers that eating "hot dogs and other processed meats increases the risk of cancer."

The American Meat Institute (AMI) issued a statement calling the litigation a nuisance lawsuit.

"We hope the court will move quickly to review the science affirming the safety of hot dogs and processed meats and dismiss this lawsuit," said AMI President J. Patrick Boyle. "Meat products are regulated and inspected by USDA and bear the federal government's seal of inspection, showing they are wholesome and nutritious."

Boyle said that the U.S. Dietary Guidelines affirm that processed meat and products — including hot dogs — can be a healthy part of a balanced diet.

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