



# TEXAS CATTLE FEEDERS ASSOCIATION NEWSLETTER

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**TCFA Leadership Represented Members In Washington, D.C. This Week** at the NCBA Fall Legislative Conference. TCFA Chairman Monte Cluck and Chairman-Elect Mike Engler led the delegation of board members in their visits with numerous members of Congress and regulatory agency leaders. Chairman Cluck said, "TCFA's and NCBA's efforts this week are a vital part of helping resolve cattle feeders' concerns in many areas. Our staffs do an excellent job, but producers must make the time to look their elected representatives in the eye and explain our concerns with issues affecting our bottom line as well as thank them when they support our causes." In their discussions with congressional and government leaders, the TCFA delegation addressed many issues, including climate change, the Clean Water and Restoration Act, food safety, maintaining the use of antibiotics, animal care, preventing restrictions on cattle ownership or marketing, ethanol, the death tax, trade and immigration reform. TCFA leaders also met with USDA Secretary Vilsack and other USDA leaders, as well as leaders from USTR, EPA, DOJ and FDA.

A highlight of the Conference was the address given by U.S. Senator Blanche Lincoln (D-Ark.) who became the new chairman of the Senate Ag Committee last week. Noting that cattle and beef are very important to the economy of her home state and the nation, Lincoln's comments showed respect for the industry and the challenges it faces.

On the issue of climate change, Lincoln declared her opposition to cap-and-trade legislation that passed the House recently. She said the legislation could drive up energy costs for producers and added, "Whether it is cattle, poultry, or catfish, the potential for higher feed prices under a cap-and-trade bill is a major concern." Lincoln said she will work to ensure producers' interests are taken into account during any Senate consideration of cap-and-trade.

Lincoln also said she shares cattlemen's concerns that the Clean Water and Restoration Act making its way through the Senate could jeopardize livestock operations. "You can be certain that I will work with my colleagues to craft a balanced proposal that respects private property rights and the environment," Lincoln said. "We certainly don't want to give EPA the broad authority that would allow them onto your farms to regulate ponds, ditches and gutters.

On other issues, Lincoln said she has long supported reform of the death tax because it is excessively punitive to family-run agriculture operations and said she will push for foreign trade agreements that expand market access without making concessions that hurt U.S. producers' ability to compete.

Altogether, the Legislative Conference attracted nearly 160 cattle producers from 31 states. For NCBA's summary of the major issues go to [http://www.tcfa.org/Newsletter/ncba\\_legislative\\_conference\\_2009-09-13.pdf](http://www.tcfa.org/Newsletter/ncba_legislative_conference_2009-09-13.pdf).

**2009 TCFA Annual Convention – Fun & Educational!** Convention registrations are flowing in and we expect a great crowd in Amarillo Oct. 28-30.

Activities on Thursday, Oct. 29 will include the annual Awards Luncheon where recognition is given to TCFA programs, contest winners and scholarship recipients. Miss Texas 2009 Kristen Blair will be on hand for the luncheon to provide entertainment and help with award presentations.

The Thursday afternoon session will be a great educational opportunity as cattle feeders get up to speed on important subjects during the Cattle Feeders Issues Forum. This will be a rapid-fire event as industry professionals provide updates on such topics as Instrument Grading, Food Safety, Distillers' Grains Feeding, Animal Care, Labor Law, Environmental Compliance and Educational Programs.

Are you registered? Don't forget: TCFA is giving a free registration to every hundredth person to sign up. You can be a winner if you're registrant number 100 or 200 or 300 or any number ending in two zeros. Register today by returning your registration form or by logging on to <http://www.tcfa.org>. You can also call the TCFA office to have staff help you out. And don't forget



to make your hotel reservations at the Ambassador Hotel by calling (806) 358-6161 or by going online to <http://www.ambassadoramarillo.com>. Remember to use the group name TEXASCAT.

See you at Convention!

**The First Ever Greenhouse Gas (GHG) Limits For Vehicles** are included in a new proposal offered this week by EPA and the U.S. Department of Transportation (DOT). The proposed national program would apply to vehicles in model years 2012 through 2016. By model year 2016, vehicles would be required to meet an estimated combined average emission level of 250 grams of carbon dioxide per mile, according to a joint EPA/DOT news release. EPA and DOT say such a standard would be equivalent to 35.5 miles per gallon (mpg) if the automotive industry were to meet the CO<sub>2</sub> level all through fuel economy improvements. If this occurs, Congress' fuel economy goal of 35.0 mpg by 2020 will be met four years ahead of schedule. This would surpass the CAFE law passed by Congress in 2007, which required an average fuel economy of 35 mpg in 2020.

While EPA and DOT say the plan would reduce GHG emissions by nearly 950 million metric tons, critics are worried that the plan will backfire and hurt the national economy. According to *Carbon Control News*, Senator James Inhofe (R-Okla.) believes the plan will make cars more expensive and less safe and could trigger EPA regulation of other sources including agriculture. Inhofe is the top Republican on the Senate Environment and Public Works Committee.

EPA and the National Highway Traffic Safety Administration (NHTSA) are providing a 60-day comment period that begins with publication of the proposal in the *Federal Register*. The proposal and information about how to submit comments are available at the links below.

For EPA go to

<http://www.epa.gov/otaq/climate/regulations.htm>.

For the NHTSA go to

<http://www.nhtsa.dot.gov/portal/site/nhtsa/menuitem.43ac99aefa80569eea57529cdba046a0/>.

**The Time Window For The Corn Crop Is Narrowing:** The Weekly Crop Progress Report for the week ending Sept. 13 shows the crop's condition to be exceptional with 49% of the crop rated good and 20% rated excellent. The combined total of 69% rated good to excellent was the same as the week prior and compared with a 61% rate for the same week a year ago.

The maturity of the crop is a separate issue. Corn in the dough stage is 93%, compared to 86% the week prior and 98% a year ago. Corn dented as of Sunday was 66%, compared to 50% the week prior and 86% a year ago. Corn rated mature was only 12%, up from 8% the week prior and 37% the same week a year ago. The first frost date for the Corn Belt ranges from Sept. 15 on the northern fringe to Oct. 15 for the southern fringe, with the mean date typically being the first week of October.

The real worry is in the northern corn states: Michigan is 2% mature against the historic average of 23%, Minnesota 1% mature against a 22% average, Wisconsin 1% mature against a 16% average, North Dakota 0% mature against a 19% average and South Dakota 5% mature against a 20% average.

The sharp rally in grain futures on Tuesday was the result of long range weather forecast that suggested frost across much of the Corn Belt as early as this weekend. As the week progressed, most of the frost threat was pulled from the forecast. Another week to two weeks of frost-free temperatures would make a huge difference in crop maturity. Expect market volatility to continue until the crop is secured.

**Assistance For Livestock Producers Hurt By Drought, Wildfires And Other Natural Disasters** is available through two federal programs, USDA announced this week.

The **Livestock Forage Disaster Program (LFP)** provides payments to eligible livestock producers who have suffered grazing losses due to qualifying drought or fire. For drought, the losses must have occurred on land that is native or improved pastureland with permanent vegetative cover or a crop planted specifically for grazing for covered livestock due to a qualifying drought during the normal grazing period for the specific type of grazing land in the county.

For drought losses, qualifying drought ratings are determined using the U.S. Drought Monitor located at <http://www.drought.unl.edu/dm/monitor.html>.

For fire, LFP provides payments to eligible livestock producers that have suffered grazing losses on rangeland managed by a federal agency if the eligible livestock producer is prohibited by the federal agency from grazing the normal permitted livestock on the managed rangeland due to a qualifying fire.

The **Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP)** helps producers that have losses due to disease, adverse weather or other conditions, including losses due to blizzards and wildfires. ELAP assistance is for losses not covered under other Supplemental Agricultural

Disaster Assistance programs established by the 2008 Farm Bill, specifically LFP, the Livestock Indemnity Program (LIP) and the Supplemental Revenue Assistance Payments Program (SURE).

For both programs, producers must have suffered losses that occurred **on or after Jan. 1, 2008, and before Oct. 1, 2011**. For more information or to apply for assistance, please contact your FSA county office or go to <http://www.fsa.usda.gov>.

**JBS Plans To Purchase A Majority Equity Stake In Pilgrim's Pride** under an arrangement announced this week. A reorganization plan filed by Pilgrim's under Chapter 11 bankruptcy disclosed that JBS will acquire 64% of Pilgrim's new common stock for \$800 million in cash. The total value of the deal is reported to have an enterprise value of \$2.8 billion.

The transaction needs the approval of the U.S. Department of Justice and U.S. bankruptcy courts, *Meatingplace.com* reported.

**The New Japanese Prime Minister Has Announced His Incoming Cabinet**, including Hirotaka Akamatsu as the minister of agriculture, forestry and fisheries. In remarks to NCBA members on Tuesday – the day before the announcement – U.S. Ag Secretary Tom Vilsack indicated that talks with Japan could not move forward until a new Agriculture Minister was in place. Now that the announcement has been made, TCFA and NCBA are urging the Obama Administration to re-engage in trade talks with Japan, which understandably, had been on hold since the weeks leading up to the Japanese elections last month. TCFA and NCBA look forward to continuing to work with the Administration and Congress to increase access to this critical market.

**Korea: NCBA Submitted Comments Tuesday To The U.S. Trade Representative** regarding the U.S.-South Korea free trade agreement (KORUS FTA). TCFA and NCBA strongly support the KORUS FTA and believe that it will result in one of the most significant economic benefits to our industry since the passage of NAFTA, an agreement that has boosted U.S. beef exports to Mexico by more than \$1.2 billion. KORUS FTA represents the best opportunity since the U.S.-Japan beef-citrus agreement of 1988 to expand market access for U.S. beef in Asia.

The improvements in market access included in this agreement are long-term (15 years) and have been hard fought. TCFA and NCBA are extremely concerned that Korea is moving ahead with other free trade agreements involving Australia and the EU. These countries are major meat exporters who fully understand how to position themselves to outmaneuver the KORUS FTA. TCFA and NCBA appreciate the past support of the Bush Administration and members of Congress in working toward the full restoration of U.S. beef exports to South Korea. We're pleased with the efforts of the Obama Administration to date on beef market access issues, and we continue to urge the Administration to send the KORUS FTA to Congress for ratification as soon as possible. Failure to do so will very likely mean that U.S. ranchers will lose any tariff advantage. We look forward to working with the Administration and Congress to secure ratification of this historic FTA.

**Exports Of U.S. Beef Continue To Be Held Down By The Sluggish Global Economy.** USMEF reports beef and beef variety meat shipments totaled 512,053 metric tons (mt.) through the first seven months of the year, down 6% from the same period in 2008. Total value of exports declined more significantly, dropping by 10% to \$1,757,645 billion for the January-July span.

The report also shows that demand is suffering in two key markets for U.S. beef: Mexico and Canada. U.S. beef exports to Mexico totaled 180,350 mt., down 25% from last year. As for Canada, export volume fell by 12% to 84,000 mt.

On the good news side, U.S. beef continues to rebuild its presence in Asia with the volume of shipments to Japan jumping 18% to 52,123 mt. For South Korea, exports totaled 28,440 mt., a 1,428% increase over the 1,861 mt. that country received during the first seven months of 2008.

As a percentage of overall U.S. beef production, exports essentially held steady at 9.8% through the first seven months of 2009, compared with 10% for the same period last year.

**Dr. Bob Hillman, Executive Director Of The Texas Animal Health Commission (TAHC) Will Retire Dec. 31**, according to a TAHC release.

Dr. Hillman has been with TAHC for nearly seven years. TAHC's 13 governor-appointed commissioners will establish a committee to conduct a nationwide search to fill Dr. Hillman's position.

"I have wrestled with the decision to retire, but it is time to put family first," Dr. Hillman told TAHC commissioners in his announcement. "Texas has made progress in many of our livestock health programs, and we have challenges to overcome in others. Just about every major disease event that has occurred in the United States in the past six-and-a-half years has impacted Texas and our livestock industries. With the

support of TAHC commissioners and the livestock and poultry industry, we have addressed and resolved many of these issues."

"There is never a good time for Dr. Hillman to retire. He is a great asset to the agriculture industry and never forgets the ranchers and producers of this state," said TAHC Chairman and Past TCFA Chairman Ernie Morales. "During disease outbreaks or when addressing regulatory issues, Dr. Hillman has had to make difficult decisions based on science to regain or maintain the health and marketability of Texas' livestock and poultry. Our search committee will look within the TAHC and across the nation for the veterinarian who will best fill the enormous gap created by Dr. Hillman's retirement."

For more on Dr. Hillman's career, go to [http://www.tahc.state.tx.us/news/pr/2009/2009Sep\\_TexasStateVeterinarianToRetireDecember2009.pdf](http://www.tahc.state.tx.us/news/pr/2009/2009Sep_TexasStateVeterinarianToRetireDecember2009.pdf).

**There Will Be No Jury When Oklahoma's Lawsuit Against 12 Poultry Companies Is Heard** next week. Instead of a jury, U.S. District Court Judge Gregory Frizzell will rule on the case from the bench. The decision is a setback for the state, which had sought to have most of the case presented to a jury, the *Tulsa World* reported.

The trial will begin Sept. 24. The case involves Oklahoma AG Drew Edmondson's efforts to prevent poultry growers from applying poultry litter as fertilizer on land in the Illinois River watershed.

**What Is The Proper Definition Of "Natural" When It Comes To Labeling Meat Products?** That is an issue that FSIS wants to resolve as it seeks public comment on the criteria for allowing a product to receive a voluntary natural label.

The current FSIS policy states that the term "natural" may be used for products that do not contain artificial flavors or flavoring, coloring ingredients, chemical preservatives, or any other artificial or synthetic ingredients. The product also cannot be more than minimally processed.

FSIS says requests for greater clarification of the definition of "natural" has prompted the agency to issue an Advance Notice of Proposed Rulemaking to solicit more focused comments on the issue. For more information, including how to submit comments, go to [http://www.fsis.usda.gov/News\\_&\\_Events/NR\\_091109\\_01/index.asp](http://www.fsis.usda.gov/News_&_Events/NR_091109_01/index.asp).

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