



# TEXAS CATTLE FEEDERS ASSOCIATION NEWSLETTER

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**(Note: No Newsletter next week due to Thanksgiving Holiday)**

**Today (Nov. 20) Is Thank A Farmer And Rancher Day In Texas**, under a proclamation issued by Governor Rick Perry. In the proclamation, the Governor urges Texans to reflect and give thanks during the upcoming holiday season for America's abundant supply of safe, wholesome and affordable food. He goes on to say that "Texas farmers and ranchers produce the food that nourishes our bodies and serves as the centerpiece for family gatherings and holiday celebrations. Texas farmers and ranchers not only provide the food we eat but also help sustain rural communities, preserve open space and wildlife habitat, and protect the environment."

As part of their five-day campaign to communicate positive messages about farming and ranching, NCBA encouraged its state affiliates to request proclamations from their governors. TCFA appreciates Governor Perry's willingness to issue the Thank a Farmer and Rancher Day proclamation and thanks him for his continued support of the cattle feeding industry. To see the proclamation go to, [http://www.tcfa.org/Newsletter/farmer\\_and\\_rancher\\_proclamation\\_2009-11-20.pdf](http://www.tcfa.org/Newsletter/farmer_and_rancher_proclamation_2009-11-20.pdf).

**U.S. Senate Consideration Of Climate Change Legislation Has Been Put On Hold** until next spring. Democratic leaders announced earlier this week that legislation on health care, overhauling financial markets and job creation will be considered before the Senate takes up a measure to cap carbon emissions. The House of Representatives narrowly passed a climate change bill earlier this year.

**The WTO Will Establish A Dispute Settlement Panel On COOL** following challenges to the U.S. law filed by Mexico and Canada, *Meatingplace.com* and other media report. Whether COOL rules comply with U.S. WTO trade obligations will be examined by the panel. A report by the panel could be issued by next summer or early fall, Canadian officials say.

**Water Policy Meeting:** TCFA staff joined approximately 600 people – mostly local and state officials and industry representatives – in Fort Worth this week to participate in H2O 4 Texas: The Water Event. The goal of the two-day meeting – hosted by Senate Natural Resources Committee Chairman Kip Averitt (R-Waco), House Natural Resources Committee Chairman Allan Ritter (D-Nederland) and the Texas Water Foundation – was to discuss the state's current and future water availability and water needs and garner support for fully funding the state water plan. Among the moves the plan calls for are the construction of 19 new reservoirs, water reuse programs, more pipelines, desalinization plants and conservation methods. "It's a call to arms," said Chairman Averitt.

The population of Texas, currently 24.3 million residents, is expected to almost double by 2060, and the water supply can't come close to keeping pace. If the state were to experience major drought conditions with that many more people, officials estimate almost every Texan would be without sufficient water and there would be almost \$100 billion in economic losses.

The recent drought cost about \$3.6 billion in agriculture losses, prompted hundreds of water districts across the state to restrict water usage and dried up lakes and streams. "Drought is what brings awareness," said J. Kevin Ward, executive administrator of the Texas Water Development Board, which oversees the state's water resources. "Suddenly, people realize in a very concrete way what's going to happen if they don't do something."

"It can happen and will happen again," Chairman Averitt said. "We want to have drought-proof water supplies so we don't have to turn off power plants. That could happen if we're not prepared."

Past TCFA Chairman James Herring, who is currently serving as chairman of the Texas Water Development Board (TWDB), attended the meeting and served on a panel discussing the TWDB's activities.

**Speaker Joe Straus Released His Interim Committee Charges** for the Texas House of Representatives yesterday. The information gathered and recommendations developed by the committees in response to these

charges will form the basis for major legislation to be considered during the 2011 Legislative Session. Some of the subjects to be studied include fever ticks, transportation, food safety, workers' compensation, eminent domain, property appraisals and taxes, sales tax exemptions, property rights, climate change and water. A complete list of the committee charges is available at [http://www.tcfa.org/Newsletter/interim\\_charges\\_2009-11-20.pdf](http://www.tcfa.org/Newsletter/interim_charges_2009-11-20.pdf). TCFA will monitor the studies and hearings that arise from these charges and provide input where necessary.

**Food Safety Legislation:** The U.S. Senate Committee on Health, Education, Labor and Pensions marked up and approved the FDA Food Safety Modernization Act (S. 510) this week. The bill, similar to legislation approved by the House earlier this year, provides FDA with new, far-reaching powers including the ability to issue subpoenas, mandatory recall authority and the ability to impose regional quarantines if officials have a reasonable belief that there is a risk of death or serious illness. The bill also increases funding for FDA food safety activities through increased appropriations and targeted fees for food facility re-inspection, mandatory food recalls, and the voluntary qualified importer program.

TCFA and NCBA were successful in adding language to the bill that clarifies that FDA does not have authority to conduct on-farm inspection of livestock. The language also maintains other activities that are currently the jurisdiction of USDA. TCFA and NCBA will continue working to improve the bill as it makes its way through the Senate.

In other food safety-related news, Senator Debbie Stabenow (D-Mich.) has introduced the Growing Safe Food Act (S. 2758). The bill would provide technical assistance and education through USDA's National Integrated Food Safety Initiative to small and medium-sized farms, food processors and wholesalers to help them implement new food safety reform proposals included in other pending legislation. Those eligible to apply for competitive grants under the bill include state agriculture departments, extension services, agriculture trade associations and universities. Training could include handling practices, safe packaging, storage, traceability, record-keeping and food safety audits.

**Death Tax Movement?** Democrat House Leaders and members of the U.S. House Ways and Means Committee have been meeting this week to develop an estate tax proposal that they hope can be considered before Dec. 31 – when the tax is repealed for one year. The prevailing thought among the group is to keep the tax rate at the 2009 level of 45% with an exemption level of \$3.5 million in assets per individual. However, there is disagreement as to whether the rate should be made permanent or extended for one year as a way to buy time for more debate and hearings next year. If they choose the latter, the group may lack the support of several conservative, rural Democrats who have been pushing for a permanent fix, and they will likely not have the support of many Republicans for either option. The other major stumbling block is that there is little time remaining before the end of the year to pass an estate tax bill in the House of Representatives, let alone getting it through the Senate.

TCFA and NCBA will continue to monitor this issue and work to support legislation to increase the exemption level, decrease the rate of taxation and exempt working farm and ranch land from the tax.

**TCFA Chairman Mike Engler** is profiled in the latest edition of *Territorial*. Emphasizing the importance of modern beef production practices, Engler said, "We're making more beef off of fewer acres than ever before, and that's a good thing. We need to continue to do this because I believe it is actually the long-range answer to the viability of the cattle feeding industry and, by extension, to all of the beef industry."

**NCBA Leaders Will Take Live Questions From RFD-TV Viewers Tuesday, Dec. 1** on NCBA's *Cattlemen to Cattlemen*. The program will begin at 7:30 p.m. CST. If you do not get RFD-TV via satellite or cable, there will be an online feed at <http://www.cattlementocattlemen.org/>.

Joining NCBA President-Elect Steve Foglesong, an Illinois beef producer, in answering questions will be NCBA CEO Forrest Roberts, NCBA Vice President of Legislative Affairs Colin Woodall, and NCBA Chief Economist Gregg Doud. Anticipated topics include international trade, the political climate in Washington, D.C., impact of mandatory Country-of-Origin Labeling and other government regulations, benefits of membership in NCBA, and the overall state of the industry and the beef market.

Questions for participants can be submitted during the show at [c2c@beef.org](mailto:c2c@beef.org), or by calling (888) 824-6688. Calls will also be fielded on air.

**Beef Exports Remain Down:** September beef plus beef variety meat exports were down 25% in volume and 34% in value from September 2008, according to a report by USMEF. The cumulative total for the first nine

months of the year came to 660,459 metric tons (mt.), valued at \$2.28 billion. Those figures are 12% below last year's pace in volume and 17% lower in value.

USMEF says much of the decline is attributable to the weak global market for beef variety meat, as January-September variety meat exports of 214,717 mt., valued at \$378 million, trail last year's totals by 22% in volume and 39% in value. Muscle cut exports have fared better, but still trail their 2008 pace by 6% in volume and 11% in value.

On the good news side, beef exports to Japan (69,945 mt., valued at nearly \$360 million) are 22% higher in volume and 21% higher in value than last year. September exports continued to outperform 2008, but at a slightly slower pace due to the seasonal decline in availability of harvest-ready cattle under 21 months of age.

Other markets showing encouraging signs are South Korea, Taiwan, Hong Kong and Vietnam. However, good news in those countries is offset by declines in Mexico, Canada and Russia.

To see more data on beef exports, go to <http://www.usmef.org/TradeLibrary/files/September%202009%203.pdf>.

**Water Bill Stretches Clean Water Act (CWA) Authority:** The Senate Environment and Public Works (EPW) Committee's Subcommittee on Water and Wildlife held a hearing last week on S. 1816, the Chesapeake Clean Water and Ecosystem Restoration Act. The bill goes well beyond a simple extension of the current Chesapeake Bay program; it sets a dangerous precedent for federal regulation that could be applied to watersheds across the country.

The Act proposes setting hard caps on nitrogen, phosphorus and sediment. The proposals would expand the jurisdiction of the CWA and usurp a process already begun by the stakeholders in the region to address water quality in the Bay. In comments submitted for the hearing record, NCBA and a group of agriculture associations expressed concerns that the bill would impose severe economic hardship on the agriculture sector, without effectively achieving the goal of improved water quality in the Chesapeake Bay. Similar legislation has been introduced in the House.

**Once Again A Hoax Email Is Making The Rounds** claiming that TCFA is upset with the McDonald's restaurant chain. The email, which has been in circulation for years and resurfaces periodically, is completely false. TCFA has never put out any such email. If a friend of yours receives the email and asks you about it, please refer them to TCFA's official statement on the matter, which is on our website at [http://www.tcfa.org/McD\\_hoax.htm](http://www.tcfa.org/McD_hoax.htm).

In recent weeks, NCBA, TSCRA and other beef industry groups and trade publications have helped spread the word that the email is a hoax. TCFA appreciates the assistance.

**The Genetic Information Nondiscrimination Act (GINA) Goes Into Effect Nov. 21** for businesses with 15 or more employees. This new federal law generally makes it illegal for health insurance companies, group health plans and most employers to discriminate against individuals on the basis of genetic information. For more information on GINA, go to <http://www.genome.gov/Pages/PolicyEthics/GeneticDiscrimination/GINAInfoDoc.pdf>.

**What Are The Possible Effects Of Climate Change On Cattle Nutrition?** Researchers at Kansas State University are teaming up with other scientists from across the U.S. to study that issue. To learn more about the effort, go to <http://www.k-state.edu/media/newsreleases/nov09/cattleclimate111609.html>.

**Animal Rights Organizations Have A Knack For Hiding Their True Agenda.** But the Center For Consumer Freedom has put together an interesting collection of articles that expose what these groups are really all about. To access "7 Things You Didn't Know About HSUS" and other easy-to-read information sheets, go to [http://www.consumerfreedom.com/news\\_detail.cfm/h/4032-exposing-the-animal-rights-agenda-](http://www.consumerfreedom.com/news_detail.cfm/h/4032-exposing-the-animal-rights-agenda-)

**The Annual Amarillo Farm & Ranch Show** is Dec. 1-3 at the Amarillo Civic Center. More than 500 companies will be on hand to promote agriculture products and services. There will also be educational meetings. The show runs from 9 a.m. to 5 p.m. on Tuesday and Wednesday and from 9 a.m. to 4 p.m. on Thursday.

**Happy Thanksgiving Everyone!** As we observe the special holiday, the TCFA offices will be closed Nov. 26 and 27. In addition, there will be no *Newsletter* next week. While enjoying our time with friends and family, let us all remember to give thanks for the many blessings that we enjoy in this great nation of ours including the bounty provided by agriculture.

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

This week's spotlight shines on



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