



# TEXAS CATTLE FEEDERS ASSOCIATION

## NEWSLETTER

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**The Beef Industry Has Received Encouragingly Positive Press In An Online Posting By Food Network Host Ellie Krieger.** Her article, "An Inside Look At Beef Processing," describes a recent visit to a Cargill facility and has appeared on the *Huffington Post* and other internet outlets.

Krieger opens the article by telling readers: "I just got back from West Texas where I toured a big industrial beef processing plant, and I am still in shock by what I witnessed there. But I am not shocked in the way you might expect based on the negative portrayals of the beef industry that seem so rampant in the media. Rather, I am stunned by how humanely the animals were treated and by the detailed attention given to food safety at every stage of the process."

During a tour that lasted more than six hours, Krieger said she "witnessed every aspect of the system" from harvest to meat storage. "I walked though the center of it all with my eyes wide open. This was no staged tour. If you could stage this, Broadway's top producer Julie Tamour may as well just step aside."

The article continues with Krieger assuring readers of the emphasis plant operators placed on humane animal handling and food safety through the various stages of the process. Ultimately, she summed up her review by saying "The truest way to explain how I feel about the way beef is produced after all I saw that busy day is to tell you that for dinner that night I thoroughly enjoyed a nice piece of beef tenderloin."

To read the full article, go to [http://www.huffingtonpost.com/ellie-krieger/an-inside-look-at-beef-pr\\_b\\_798435.html](http://www.huffingtonpost.com/ellie-krieger/an-inside-look-at-beef-pr_b_798435.html).

**A Dozen U.S. Senators Want Assurances From Ag Secretary Tom Vilsack On His Recent Promise To Perform A New Economic Analysis Of The Proposed GIPSA Rule.** In a letter to Vilsack, the senators express concerns about the adequacy of the original cost-benefit analysis (CBA) "as it revealed nothing about the methodology or data used to arrive at its hasty conclusions." The letter goes on to express hope that USDA "is now on the path to conducting a thorough, comprehensive CBA, which will provide the kind of information that is necessary to understand the potential consequences of this rule." Vilsack is urged by the senators to allow USDA's Office of the Chief Economist to use its "economic expertise and analytic ability" to lead a more thorough CBA.

Several questions posed in the letter include:

- How much will the White House Office of Management and Budget be involved in the new CBA?
- Will the CBA be subjected to external peer review?
- Will the scope of the CBA account for the potential elimination of alternative marketing arrangements?
- Could the rule lead to decreased competition and fewer markets for American livestock producers?

The letter also notes that an economic analysis performed by Informa Economics earlier this year showed the GIPSA rule would result in more than 22,800 job losses, a decrease of as much as \$1.56 billion annually in Gross Domestic Product, and yearly tax revenue losses of \$359 million. While acknowledging that USDA might not agree with Informa's conclusions, the senators say those numbers "at the very least highlight the need for USDA to conduct its own rigorous CBA that examines both the direct and indirect costs that will potentially result under this rule." To read the full letter, go to [http://johanns.senate.gov/public/?a=Files.Serve&File\\_id=da8faeb9-39a0-4500-a6c2-77cc49a48aed](http://johanns.senate.gov/public/?a=Files.Serve&File_id=da8faeb9-39a0-4500-a6c2-77cc49a48aed).

**On Behalf Of Cattle Producers Affected By The Eastern Livestock Company Bankruptcy, NCBA Seeks Financial Assistance** in letters sent to USDA and the Small Business Administration (SBA). Specifically, NCBA requested USDA provide emergency access to short-term, low interest and/or government-backed loan programs. Additionally, NCBA requested a list of SBA loan programs that may help producers finance their family farms and market operations.

"Hundreds of cattle producers and marketers, through no fault of their own, have been financially harmed by Eastern's bankruptcy," NCBA President Steve Foglesong said. "We know Eastern may owe more than \$130 million to producers and without some short-term financial assistance, in the means of low-interest or

government-backed loans, many operations may be forced to shut down or sell off assets to cover costs. NCBA simply isn't willing to let that happen."

Foglesong added, "We are hopeful USDA and SBA will seriously consider our request. We're not asking for a government handout but rather for responsible financial assistance to cattle producers who are facing severe financial strains through no fault of their own. We request USDA and SBA to expedite the loan process, and we look forward to continuing to work with all involved in this issue until it is resolved."

To read NCBA's letter to USDA, go to [http://www.tcfa.org/Newsletter/2010\\_links/ncba\\_letter\\_to\\_usda.pdf](http://www.tcfa.org/Newsletter/2010_links/ncba_letter_to_usda.pdf).

NCBA's letter to SBA is available at [http://www.tcfa.org/Newsletter/2010\\_links/ncba\\_letter\\_to\\_sba.pdf](http://www.tcfa.org/Newsletter/2010_links/ncba_letter_to_sba.pdf).

**Meanwhile, A Special Website About The Eastern Situation** has been developed by the Eastern bankruptcy trustee. The site can be accessed at <http://www.easternlivestockbkinfo.com/>.

**EPA Has Taken Over Regulation Of Greenhouse Gases (GHG) In Texas** after the state refused to implement new rules that take effect Jan. 2. The Texas Commission on Environmental Quality (TCEQ) said the regulations, which apply to large industrial facilities and refineries, will cost jobs and are based on flawed science.

The *Austin American Statesman* reported that EPA Regional Administrator Al Armendariz wrote in an open letter that Texas' stance "leaves EPA no choice but to resume its role as a Clean Air Act permitting authority in the state, in order to assure that businesses in Texas are not subject to delays or potential legal challenges and are able to move forward with planned construction and expansion projects." TCEQ spokesperson Terry Clawson responded by calling the EPA move "an arrogant act by an overreaching EPA that is trying to implement new, unnecessary controls on American industry that will have no positive environmental effect, but will drive up prices paid by consumers for energy and for almost all goods and services they purchase."

While TCEQ will still issue pollution permits, business will also be required to send EPA reports on their GHG emissions and plans to control them.

The new regulations EPA plans to impose are an outgrowth of the agency's Endangerment Finding, which determined that GHG emissions endanger public health and must be regulated. The State of Texas has filed a lawsuit against EPA to challenge that finding. Other challenges to EPA have come from the states of Alabama and Virginia, NCBA, the U.S. Chamber of Commerce, the Competitive Enterprise Institute and a Coalition consisting of the National Association of Manufacturers, the American Petroleum Institute, the Corn Refiners Association, the National Association of Home Builders, the National Oilseed Processors Association, the National Petrochemical and Refiners Association, and the Western States Petroleum Association. With the new Congress taking over next week, a number of lawmakers have indicated ambitions to curb EPA's attempts at expanding its power.

**EPA Is Also Being Sued By U.S. Auto And Engine Makers Over Its Decision To Allow E15 Ethanol For Newer Cars.** *Reuters* reported a new coalition, the Engine Products Group, is concerned that E15 could cause consumer confusion at fuel pumps and lead to engine damage. This is the second major legal challenge to EPA's decision on E15. Last month, the Grocery Manufacturers Association and other food groups filed suit claiming that higher ethanol blends could result in higher food prices by straining the supply of corn. Meanwhile, *Reuters* reported that a bigger hurdle for higher blend ethanol might be the reluctance of filling stations to sell E15 because of concerns about the costs of installing new pumps and tanks. Retailers are also concerned that they could be sued by customers who buy the wrong fuel.

**FDA Will Gain New Powers Under The Food Safety Legislation Congress Approved** just before its adjournment last week. The bill will allow FDA to employ food recalls, access records from producers and processors and set quality standards for imported produce. *Delta Farm Press* reported that FDA is also expected to step up inspections to confront salmonella, *E. coli* and other bacterial contamination. However, USDA will continue to be responsible for inspection of beef, pork and poultry. TCFA supports strengthening food safety through measures supported by sound science but opposed this bill because language inserted by U.S. Senator John Tester (D-Mont.) exempts small producers and processors from many of the new regulations. TCFA believes safety standards should apply to all food items regardless of the size of the operations that produce or sell them.

**FSIS Has Published In The *Federal Register* Its Final Rule On Nutrition Labeling Of Single-Ingredient Products And Ground or Chopped Meat And Poultry Products.** Effective on Jan. 1, 2012, the rule will make nutritional information available to consumers on 40 of the most popular meat and poultry cuts, according to USDA. Packages of ground or chopped meat and poultry will feature nutrition facts panels on their labels. Additionally, whole, raw cuts of meat and poultry will also have nutrition facts panels either on their package

labels or available for consumers at the point-of-purchase. The nutrition facts panels will include the number of calories and the grams of total fat and saturated fat a product contains.

NCBA's Executive Director of Legislative Affairs Kristina Butts said the organization "supports nutrition labeling on beef products and is pleased to see USDA moving forward with this effort. According to comments submitted by NCBA, cattle producers support the inclusion of all nutrients found in beef being included on the label. We believe this information is helpful in educating the public on the important contribution beef makes to a healthy diet."

However, Butts added, "While NCBA believes consumers have the right to know what nutrients are found in meat, we also realize retailers and others in the food-production chain will face significant new costs associated with this final rule. We wish USDA would have granted our request for an 18-24 month implementation period, and will continue our longstanding history of working with retailers, consumers and USDA on the implementation of the rule. Additionally, we are hopeful USDA will work with industry to find the least disruptive and most cost effective way to implement the rule."

According to the *Federal Register* notice explaining the rule, FSIS estimates the average annual cost of compliance with the labeling rule will be between \$10.5 million and \$10.9 million. However, FSIS also estimates there will be an average annual value of benefits of about \$800 million to \$1.4 million, including the benefits of potential lives saved.

For more information on FSIS' plans for labeling, go to <http://usda.gov/wps/portal/usda/usdahome?contentidonly=true&contentid=2010/12/0673.xml>.

**Several Measures Intended To Better Ensure Humane Treatment Of Cattle Processed At FSIS-Inspected Facilities Have Been Announced.** USDA Under Secretary for Food Safety Elisabeth Hagen said that the agency has "significantly strengthened our ability to enforce the Humane Methods of Slaughter Act (HMSA), but we have more work to do and must continue to look for ways that ensure the safe and humane slaughter of animals. That is why we are taking concrete steps to address outstanding humane handling issues, ranging from enhanced employee training to clearer guidance on existing rules."

The new measures include:

- Appointing an Ombudsman in the Office of Food Safety, designated specifically for humane handling issues. The ombudsman will provide FSIS employees a channel of communication to voice their concerns when the standard reporting mechanisms do not adequately address outstanding issues.
- Requesting the USDA Office of Inspector General audit industry appeals of noncompliance records and other humane handling enforcement actions by FSIS inspection program personnel. This will help determine whether FSIS has adequately handled humane handling violations identified by inspection personnel and challenged by an establishment. The audit will give the Agency a better picture of how well the appeals process works, and if problems are found, FSIS will take action to address them.
- Delivering enhanced humane handling training to give inspection personnel more practical, situation-based training. Additional training modules that prepare inspectors for realistic scenarios they will face in the field will help the Agency enforce HMSA regulations more effectively and consistently.
- Issuing procedures to inspection personnel to clarify that all non-ambulatory mature cattle must be condemned and promptly euthanized to ensure they are humanely handled, regardless of the reason for the animal's non-ambulatory status. The clarification is intended to ensure that the policy is consistently applied at all federally-inspected establishments by resolving any uncertainty on how inspectors should interpret existing rules. This FSIS Notice was issued today.
- Responding to and soliciting comments on petitions from the Humane Society of the United States (HSUS) and Farm Sanctuary.

For more information, go to [http://www.fsis.usda.gov/News\\_&\\_Events/NR\\_122210\\_01/index.asp](http://www.fsis.usda.gov/News_&_Events/NR_122210_01/index.asp).

**APHIS Has Announced An Interim Rule That Amends Current Brucellosis Regulations.** "The brucellosis program has been very successful at reducing the disease in this country," said John Clifford, chief veterinary officer for APHIS. "Today, the disease is mostly eliminated from the United States, with the exception of the known reservoir of brucellosis in the Greater Yellowstone area. These new regulations will help us better address the current situation and continue to move toward our long-term goal of complete eradication."

Specifically, the amendments:

- Reduce the amount of testing required to maintain Class Free status for states that have been Class Free for five or more years and have no *Brucella abortus* in wildlife;
- Remove the provision for automatic reclassification of any Class Free state or area to a lower status if two or more herds are found to have brucellosis within a two-year period or if a single brucellosis-affected herd is not depopulated within 60 days;

- Reduce the age at which cattle are included in herd blood tests;
- Add a requirement that any Class Free state or area with *Brucella abortus* in wildlife must develop and implement an APHIS-approved brucellosis management plan in order to maintain Class Free status;
- Provide an alternative testing protocol for maintaining the certified brucellosis-free status of dairy herds, which will give producers more flexibility for the herd certification process.

Public comments on this interim rule will be accepted and used as USDA continues to move forward with finalizing new regulations for the brucellosis program. Consideration will be given to comments received on or before Feb. 25. For more information, including how to submit comments, go to [http://www.aphis.usda.gov/newsroom/content/2010/12/nat\\_brucellosis\\_prog.shtml](http://www.aphis.usda.gov/newsroom/content/2010/12/nat_brucellosis_prog.shtml).

**FMD Vaccine:** GenVec, Inc. will work with Merial on proprietary vaccine technology for use against FMD. Under the agreement, Merial will be responsible for all costs related to the development and commercialization of FMD vaccines that result from the collaboration. GenVec will receive development milestones and royalties on sales.

For more information, go to

<http://www.genvec.com/download/press/2010%2012.29%20GenVec%20Merial%20Press%20Release%20FINAL%20OUT.pdf>.

**The Alliance Between The Humane Society Of The United States (HSUS) And Forever 21**, a clothing store popular with young people, has become the subject of an awareness campaign led by *BEEF Daily* Blog author Amanda Radke and others. Forever 21 has begun promoting sales of certain tee-shirts that are tied to a \$1 contribution to HSUS per purchase. As Radke wrote in a recent posting, "While I don't think a boycott of the company is necessary, I do believe it's critically important to educate this clothing store about the true agenda of HSUS, which is, of course, to abolish animal agriculture and eliminate consumers' choice to put meat, dairy and eggs on the dinner table." Comments explaining the true nature of HSUS can be sent to Forever 21's *Facebook* site <http://www.facebook.com/Forever21> or to its website

[http://www.forever21.com/customerservice/customerservice.asp?content=contact\\_comments](http://www.forever21.com/customerservice/customerservice.asp?content=contact_comments).

Radke suggested, "Remember to keep your comments positive and sincere. Provide the facts and share a little bit about your personal story."

**A New Requirement For Employers To Report The Cost Of Employee Health Care Coverage Will Be Optional In 2011**, according to the IRS. The agency said mandatory reporting has been delayed to give employers time to make changes to payroll systems or procedures in preparation for meeting the requirement. Furthermore, the IRS emphasized that cost amounts for employee health care are reportable but not taxable.

The new reporting requirement is intended to provide employees greater transparency on overall health care costs, according to the IRS. A draft Form W-2 has been issued by the IRS and is available at

[http://www.irs.gov/pub/irs-utl/draft\\_w-2.pdf](http://www.irs.gov/pub/irs-utl/draft_w-2.pdf).

**Happy New Year!** TCFA offices will be closed Friday, Dec. 31 for the holiday. Therefore, this week's *Newsletter* is being sent out a day earlier than its normal Friday distribution.

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