Why Have TCFA And NCBA Fought The Renewable Fuel Standard (RFS) so hard and so long? Perhaps the best explanation came recently in the CME Daily Livestock Report.

"What the ethanol mandate has done is inextricably tie grain, livestock and energy markets. The problem is that while ethanol producers can quickly cut off production and then start again in a week, the cattle and hogs liquidated today will take months and years to rebuild," say the report's authors, ag economists Len Steiner and Steve Meyer.

"Moreover, the farms that are forced to sell (livestock) may not be able to sustain the economic hit and eventually go out of business. The final result is a U.S. meat industry that is substantially smaller, meat prices that are substantially higher and U.S. producers who will find it increasingly difficult to compete in global markets."

What Would Happen If Productivity-Enhancing Technologies Were Removed from cattle feeders' arsenal? A lot, and none of it good, according to research by Jude Capper, an adjunct professor at Washington State University and industry sustainability consultant, and Dermott Hayes, ag economist at Iowa State.

Their paper on the environmental and economic effects of removing productivity-enhancing technologies from U.S. beef production has been officially published in the Journal of Animal Science. The article can be reviewed in its entirety at www.journalofanimalscience.org. Information on the research, including the executive summary, brochure and a recap of key points from this research, are available at www.sustainablebeef.org.

What Effect Has Mandatory Country Of Origin Labeling (MCOOL) had on the livestock industry? Ag economists at Kansas State University (K-State) recently completed a study that helps shed some light on the controversial topic.

The key findings of this study include: 1) U.S. residents are largely unaware of MCOOL and do not regularly use origin information when making purchasing decisions; 2) U.S. consumers prefer meat products that have some origin label, but they tend to be indifferent to specific details on the label; and 3) there is no evidence of consumer beef, pork or chicken demand responses to MCOOL implementation at the retail level.

"In the direct context of MCOOL's impact on the meat industry, this study, coupled with previous research, suggests the policy has resulted in a net economic loss," says Glynn Tonsor, K-State ag economist. "Specifically, if a policy is costly for the industry to implement (cost estimates vary but they are not zero) and consumer demand for the associated products does not increase, a net economic loss occurs."

Looking across species involved, another point arises as existing estimates of implementation costs are lower for the chicken industry than both the beef and pork industries, suggesting the beef and pork industries may have been more adversely impacted, Tonsor says. "Various sectors of each industry are impacted differently from MCOOL implementation, but collectively the body of research indicates costs of complying with MCOOL exceed benefits, and ultimately those most adversely impacted in the beef industry are cow-calf producers," he says.

What's more, Tonsor says at a time of excess capacity at several points in the industry, policies that effectively restrict or discourage more free flow of animals and/or meat products magnify the economic implications of underutilized capacity. "Moreover, anything that adds costs to an industry concerned about consumer willingness to absorb historically high retail prices without providing benefits is troubling. While MCOOL is not the only driver of these concerns, it does appear to be a contributor."

For more information, go to www.agmanager.info/livestock/policy/default.asp.
Ag Secretary Tom Vilsack Announces Cattlemen's Beef Board (CBB) Appointments. Newly appointed to the Beef Board from the TCFA area are, from Texas, Larry B. Pratt, Dave R. Edmiston, Bruce D. Dopslauf and Charles C. Risinger, M.D., who was nominated and supported by TCFA; Brett W. Morris from Oklahoma; and Tamara A. Ogilvie from New Mexico. To see a complete list of CBB appointments, go to www.beefboard.org/news/121127VilsackMakesCBBAppointments.asp.

Americans Increasingly Believe Food Production Is Headed In The Right Direction, but widespread misperceptions exist about how food is grown and raised. That's the take-home message from a survey that the U.S. Farmers & Ranchers Alliance (USFRA) recently conducted.

According to the survey, 53% of Americans believe food production is heading in the right direction—an increase from the 48% who believed the same in a benchmark 2011 USFRA survey. Yet the survey reveals a gap between how Americans feel about their food and what they really know about their food. More than one in four Americans (27%) admit they often are confused about the food they are purchasing. Nearly two-thirds (65%) do not believe that 95% of all U.S. farms are, in fact, family-owned. Two-thirds of Americans (66%) correctly believe that pesticide use decreased from 956 million pounds in 1999 to 877 million pounds in 2002.

However, 27% of those surveyed admit they are often confused about the food they are purchasing. And 59% say they would like to know more about how food is grown and raised but don't feel they have the time or money to prioritize. Young adults (18-29 years old) are more likely than any other age group to say they are often confused about food purchases (38%).

For more information, mouse over to www.fooddialogues.com.

Deadline Set For Public Comments On New CFTC Rules To Protect Customer Funds. As previously reported in the Newsletter, the Commodities Futures Trading Commission (CFTC) has proposed new rules designed to increase protections for customers and customer funds held by futures commission merchants (FCMs). Among other things, the proposed rules would require FCMs to:

- hold sufficient proprietary funds in segregated accounts to reasonably ensure that the funds are properly segregated and secured at all times and to cover margin deficiencies in customers' trading accounts,
- maintain written policies and procedures governing the maintenance of excess funds in customer segregated accounts,
- obtain the pre-approval of management prior to the withdrawal of 25% or more of the excess funds held in segregated accounts if the withdrawals were not for the benefit of the FCMs' customers,
- adopt policies and procedures on supervision and risk management of customer funds, and
- provide potential customers with additional disclosures addressing firm specific risks.

The proposed rules would also require FCMs to provide the CFTC and designated self-regulatory organizations with:

- daily reporting of the segregation amount computations,
- semi-monthly reporting of the location of customer funds and how such funds are invested, and
- read-only direct electronic access to bank and custodial accounts holding customer funds.


What Does It Cost To Develop New Antimicrobial Products? A lot, according to Dr. Richard Carnevale, vice president of regulatory, scientific and international affairs for the Animal Health Institute.

Every five years, the international association representing animal health companies does a survey on competitiveness in the animal health industry. The latest survey found it takes anywhere from seven to 13 years to get a product approved. And the cost is substantial, ranging from $20 million to $100 million, he says. "If you're doing beef cattle, you're probably pushing close to that $100 million or even beyond."

And it's possible those costs might go higher, at least in the U.S. The Food and Drug Administration has been slowly ratcheting down the regulations on antimicrobials for food animal use. Carnevale sees no indication that will stop. "It's going to be a much more restrictive environment, a lot more pressure on veterinarians and pharmaceutical companies over perceived problems in human medicine," he says.

That means alternatives to the classic small molecule antibiotics must be explored. Two under the microscope presently are bacterial phages, which are bacterial viruses, and antimicrobial peptides, which are proteins that are produced naturally in cells and can be synthesized to target specific pathogenic bacteria.
However, the regulatory pathway for some of these alternatives is going to be the same as for traditional antibiotics, he says. "So we can expect a long process if not longer than it takes to get a traditional molecule on the market."

**New Research At West Texas A&M University** (WTAMU) is putting the school at the forefront of genetic engineering, Amarillo's Newschannel 10 reports.

Scientists at WTAMU are celebrating the successful birth of a cloned calf—their second this year. And these two recent successes represent major strides toward improving stock lines, and ultimately, our food supply.

"Alpha," a young bull, and "Gamma," a days-old heifer, were recently born using a process called somatic cell nuclear transfer. In simplest terms, that means putting a reprogrammed cell into a surrogate mother. The idea is that by systematically improving the gene pool, you can create better and stronger breeds.

"We hope to create a new breed of cattle that currently does not exist," says WTAMU Associate Professor of Animal Science Dr. Ty Lawrence. "And this new breed of cattle will be a piece of the best of the best from all existing breeds and their crosses."

Alpha and Gamma, for instance, are both Yield Grade 1 Prime beef, which represents about one in 15,000 cattle.

**The U.S. Remains The World's Corn Export King,** although its empire is shrinking, says a Purdue University agricultural economist. Foreign nations that previously relied on the U.S. for corn are growing more of their own or buying from other producing countries, says Philip Abbott. He predicts the trend will continue even if market conditions improve and U.S. corn production increases.


**Ten Scholarships Of $1,500 Each Will Be Awarded** to outstanding students studying for a future in the beef industry. The awards are sponsored by the Chicago Mercantile Exchange (CME) in cooperation with the National Cattlemen's Foundation to graduating high school seniors or full-time undergraduate students enrolled at two-year or four-year institutions for the 2013-2014 school year.

Deadline for scholarship applications is Dec. 14, 2012.

Applicants must demonstrate a commitment to a career in the beef industry through classes, internships or life experiences. Fields of study for potential scholarship recipients must be related to the beef industry and may include education, communications, production, research or other appropriate areas.

All submissions for the 2013-14 CME National Cattlemen's Foundation Scholarship must be postmarked or received via email or fax by Dec. 14, 2012. Applicants must be members of the National Cattlemen's Beef Association. To download the scholarship application online, visit [www.nationalcattlemensfoundation.org](http://www.nationalcattlemensfoundation.org). To have an application sent to you, or for more information, contact Sue Dolph at sdolph@beef.org or ncf@beef.org.

**Texas Agriculture Commissioner Todd Staples To Host Town Hall Meetings** Monday, Dec. 3, and Tuesday, Dec. 4, in Castro, Swisher, Briscoe, Dickens and Borden counties to speak about job growth and economic development. Discussion will highlight how low taxes, fair courts and private property rights spur job growth. To view a list of dates, locations and times, visit [www.tcfa.org/Newsletter/2012_links/legislative/2012-11-30_staples_townhall_meetings.pdf](http://www.tcfa.org/Newsletter/2012_links/legislative/2012-11-30_staples_townhall_meetings.pdf).

**Westland Owners Settle HSUS Lawsuit.** A settlement has been reached in which co-owners of the defunct Westland/Hallmark Meat Co. have agreed to make payments over the next five years totaling $316,802 to the Humane Society of the United States (HSUS) and the U.S. government for their responsibility for animal abuse in 2008, according to an announcement by HSUS.

HSUS says the judgment—the largest court-awarded judgment ever for animal abuse—cannot be collected because of the company's insolvency but sets a precedent to deter future incidents of animal cruelty, reports *Feedstuffs.*

Four years ago, an HSUS undercover investigator clandestinely filmed workers at Westland, a California cull dairy cow processor, engaged in egregious animal handling practices. The packer was the second-largest supplier of ground beef to the National School Lunch Program, and the video and the subsequent investigation by USDA prompted the largest meat recall in history and pushed the company into bankruptcy closure and liquidation.
Now That The Kids Are Back In School, it's the perfect time for shoppers to introduce a new selection of beef recipes into their weekly meal rotation for the family. Children have settled into their school year routine and mom and dad can take a second glance at the traditional meals prepared in the home and add a little jazz into the mix.

The Checkoff partnered with 106 retail locations representing nine different retail chains throughout the Northeast to launch a beef promotion from Sept. 10 through Nov. 2, designed to do just that. Grand prize winner Nicole Vosburgh of Allentown, Pa., was surprised she was chosen as the lucky winner out of more than 16,000 entries received for the promotion.

Vosburgh said they love purchasing ground beef and grill at least two times each week. "Beef is one of the biggest sources of protein," she says. "It is easy to cook with and the variety of beef cuts provides more options for cooking."

For more information, go to www.beefboard.org/news/121119BacktoSchoolWinnerRelease.asp.

High Protein Diet Helps Cognitive Skills Of Those 70-Plus. According to a Mayo Clinic study published in the Journal of Alzheimer's Disease, people 70 years of age and older who consume a lot of protein and fat, relative to carbohydrates, are less likely to become cognitively impaired.

The study tracked 1,230 people ages 70 to 89, and results indicated those with diets highest in fat, "compared to the lowest," were 42% less likely to face cognitive impairment, and those who had the highest intake of protein had a reduced risk of 21%. When total fat and protein intake were taken into account, people with the highest carbohydrate intake were 3.6 times likelier to develop mild cognitive impairment-like problems with memory, language, thinking and judgment.

Pasture Conditions In The Mid Section Of The Country Are As Bad Or Worse than the fall of 2011."In the case of the Oklahoma pasture ratings, we are basically in the same boat as we hit the end of November this year as we saw in 2011," reports Ron Hays with the Radio Oklahoma Report. "One year ago, 81% of the pasture/rangeland in Oklahoma was in poor to very poor condition. Here in 2012, it's 80%.

Kansas is in much worse shape. In 2011, the poor to very poor rating was at 62%. In 2012, it's 82%. "Nebraska has not updated its pasture and range conditions since the end of October, but have reported very little rainfall during November, which means the 97% poor to very poor rating likely is still a good number for that state." Colorado reports 85% poor to very poor this year. In 2011, that number was 48%.

"Only Texas is better off than a year ago and that improvement comes because of rains in the eastern half of that state," Hays says. "The 2012 pasture and range poor to very poor rating is 52% this year. In 2011 as we hit the end of November, it stood at 84% poor to very poor."

Headed To The Cattle Industry Convention In Florida? Then plan to enjoy the opportunity to learn about Florida's rich culture and history during a pre-convention agricultural tour on Feb. 4-5, 2013.

"This year's pre-convention tour will give cattlemen and women the opportunity to see Florida's vibrant agricultural economy and explore the state's unique history," said NCBA President J.D. Alexander. "From a visit to a central Florida cattle operation to a stop at a vineyard, tour participants are going to have a fun and educational experience during this tour."

Participants must pre-register to take part in this tour. For more information on how to pre-register and for a schedule of the 2013 Cattle Industry Convention and NCBA Trade Show, visit www.beefusa.org.

Top Two U.S. Landowners Revealed. John Malone, founder and chairman of Liberty Media, is the nation's largest private landowner, according to The Land Report magazine.

The magazine states Malone owns 2.2 million acres, which puts him just ahead of Ted Turner with 2 million acres. Malone moved into the No. 1 spot with his purchase of 1 million acres of New England timber.

Prior to that purchase, he jumped into the land-buying headlines with his purchase of the famous Bell Ranch, a 290,100-acre operation in New Mexico dating to the 1824 Montoya Land Grant. The Bell Ranch joins four other ranches owned by Malone in New Mexico, Colorado and Wyoming.