House Farm Bill Fails

Going into the final day of debate, most believed that the U.S. House of Representatives would continue to resist amendments that could jeopardize passage of the carefully negotiated, bipartisan bill that was approved by the Agriculture Committee last month. But that was not the case. With the adoption of a couple of contentious amendments pertaining to eligibility requirements for food stamps and to dairy support programs, opposition to the bill increased.

Shortly before the vote on final passage, Agriculture Committee Chairman Frank Lucas (R-Okla.) addressed his colleagues. "I implore you to put aside the latest email or the latest flyer, comment, or rumor you have heard, assess the situation, look at the bill, and vote with me to move this forward." However, the Chairman's impassioned speech and the prospect of resolving these issues during the conference committee with the Senate were not enough to convince a majority of the House to vote for the bill.

The 2013 Farm Bill was defeated by a vote of 195-234. Only 24 Democrats voted for the bill, while 62 Republicans voted against.

In a statement following the vote, Chairman Lucas said that he was disappointed but looking forward. "We are assessing all of our options, but I have no doubt that we will finish our work in the near future and provide the certainty that our farmers, ranchers, and rural constituents need," Lucas said in the statement.

TCFA and NCBA continue to support the passage of a 5-year farm bill and will work with congressional leaders as they determine a new course. To see a list of how each Member of Congress voted, go to http://clerk.house.gov/evs/2013/roll286.xml.

Debate Continues on Senate Immigration Reform Bill, Breakthrough in Sight?

The Senate immigration reform bill (S.744) received a momentum boost on Wednesday when the Congressional Budget Office released its cost estimate of the bill. The analysis projects that the bill will result in net savings of about $197 billion in the first ten years, and up to $700 billion in 20 years. Go to www.cbo.gov/sites/default/files/cbofiles/attachments/s744.pdf.

On Thursday, Sens. John Hoeven (R-N.D.) and Bob Corker (R-Tenn.), two of the Senate Gang of Eight, introduced a border security enforcement amendment that was expected to gain broad bipartisan support. Among other things, their amendment would provide $3.2 billion for equipment to seal off the southern border and double the number of border patrol agents. A summary of the amendment is accessible at www.hoeven.senate.gov/public/index.cfm/news-releases?ID=94ea0551-a26c-4ef8-9d22-c6e1a047e2f1.

On the other side of the Capitol, the House Judiciary Committee approved the agriculture guestworker legislation (H.R. 1773) sponsored by Rep. Bob Goodlatte (R-Va.), who chairs the committee.

Coalition Kicks Off Campaign to Defeat RFS

The coalition, headed by the National Council of Chain Restaurants, this week launched a campaign called "Feed Food Fairness: Take RFS Off the Menu," aimed at repealing the Renewable Fuel Standard (RFS) and the corn ethanol mandate.

During a Capitol Hill news conference Thursday, former NCBA President Steve Foglesong recounted the huge equity drain that the RFS has caused in the cattle feeding business and the volatility it has brought to the corn market.

"At some point in time, I'm going to be done with (feeding and raising cattle) and I hope I can leave the operation to my children. That operation can only be viable if we can make just a little bit of money and keep the banker at bay," he said.

But it's not just cattle feeders who have been hit hard by the RFS. Linda Ingram, president of White Castle hamburger chain and great-granddaughter of its founder, recounted how the RFS is affecting her family's business.
"Since the inception of the RFS in 2005, the price of corn has risen over 300 percent, "she said. "These higher corn prices mean higher prices for all foods in the supply chain, from baked goods to meat products."

She estimates the increased food prices resulting from the ethanol mandate costs each of White Castle’s 406 restaurants $12,000 to $15,000 annually, for a total hit of $5-$6 million a year. That, she says, means they are less likely to open new restaurants and less likely to create new jobs. “And we are less likely to give back to good causes in the neighborhoods where we have restaurants.”

For more, go to www.rfsoffthemenu.org.

TCFA Submits Lesser Prairie Chicken Comments
Yesterday, TCFA submitted five pages of comments that encourage the U.S. Fish and Wildlife Service (FWS) to make a final determination that listing the Lesser Prairie Chicken (LEPC) as a threatened or endangered species is not warranted.

"We believe that current and future conservation efforts that encourage voluntary participation by private landowners are the best mechanism to support the species and promote increased populations inside the currently occupied range," TCFA said in its comments.

TCFA pointed out several efforts that are currently underway that bring landowners, ag groups, state and federal conservation agencies and conservation-oriented groups together in an effort to protect and preserve prairie chicken habitat in Texas, Oklahoma, New Mexico, Kansas and Colorado. These efforts are working, TCFA said, and should be allowed to continue.

"And, based on the population data evaluated in the proposed rule and the findings of the Service based on that data, it appears that LEPC populations are relatively stable within the currently occupied range and would not be detrimentally impacted from not being listed based on the positive impacts of current conservation efforts and stand an excellent chance to benefit from a coordinated range-wide effort," TCFA said.

Meanwhile, senators ask FWS to delay prairie chicken decision. A bipartisan coalition of U.S. senators, including John Cornyn and Ted Cruz (R-Texas), Jim Inhofe and Tom Coburn (R-Okla.) and Tom Udall and Martin Heinrich (D-N.M.), sent a letter to the director of the U.S. Fish and Wildlife Service (FWS) this week, asking for a six-month delay in the final decision to list the lesser prairie chicken (LPC) under the Endangered Species Act.

The letter, signed by all of the 10 senators from the five affected states, also requests FWS Director Dan Ashe to consider amending the settlement agreement governing the LPC listing decision so that a final listing decision is not required until June 11, 2014. This additional 10 weeks would provide the maximum amount of time to consider the listing decision allowed under federal law, enabling the states to demonstrate the effectiveness of their range-wide conservation plan.

Read the letter by going to www.inhofe.senate.gov/download/?id=40840884-5b2d-4e56-9fe3-b8fcbb658991&download=1.


Legislation Introduced to Permanently Repeal the Estate Tax
Sen. John Thune (R-S.D.) and Rep. Kevin Brady (R-Texas) re-introduced legislation to permanently repeal the federal estate tax, better known as the death tax, to finally put an end to this punitive tax on family farms, ranches, and businesses upon the death of an owner. The Death Tax Repeal Act of 2013 (S. 1183 / H.R. 2429), is nearly identical to legislation introduced in the 112th Congress that garnered the bipartisan support of 223 representatives and 38 senators.

"The Death Tax remains the number one reason family owned farms and businesses don't survive to the next generation and it's time to end this immoral tax once and for all in America," Brady said in a news release.

TCFA supports this legislation and will continue to fight for the abolishment of the estate tax.

Beef Checkoff Releases Comprehensive Report on Beef Demand
Price, food safety and product quality are the most important demand drivers on which the beef industry should focus to have the most compelling effects on beef demand in the long term. Other key drivers include health, nutrition, social aspects and sustainability.

So concludes "Beef Demand: Recent Determinants and Future Drivers," a newly released study commissioned by the Beef Checkoff Program to summarize the current knowledge of consumer demand for beef and identify the best opportunities for the industry to influence demand positively.
The report makes five key recommendations for cattlemen to consider in making decisions about how to invest checkoff dollars:

1. First and foremost, continue to invest in food-safety enhancement and assurances. Consumers demand it, and there is considerable opportunity to positively improve beef demand in the future.

2. The industry needs high-quality products that offer consistently excellent flavor, color, tenderness, juiciness, etc… and that is offered to consumers in forms they prefer/demand. While development of new products is an important dimension of this, consistency and integrity of product labels is another important component.

3. Price has been for a long time, and remains, an important driver of consumer purchase decisions. But beef experts indicate that they see little opportunity during the next 10 years for the industry to influence beef prices significantly, especially relative to competing protein prices. Consequently, their recommendation on this front is that the industry work to embrace efficiency-enhancing technology development and adoption that does not negatively impact, and ideally enhances, product quality and safety attributes.

4. Give continued industry attention to health and nutritional aspects of beef. Beef’s advantages with respect to protein content … and perhaps iron and zinc, appear to be opportunities for the industry to continue to develop and promote with consumers. This suggests an opportunity to target younger shoppers with specific positive health and nutritional messages.

5. Social and sustainability issues – including consumer skepticism about production technology, perceptions that technologies degrade product quality, safety, nutrition, concerns about animal handling, etc… – should not be ignored, as the industry must be vigilant and prepared when these issues arise. Investments to address social and sustainability issues likely will have a lower demand-enhancement payoff than investments in other key areas, though responding to these issues might remain a ‘cost of doing business.’

"Beef Demand: Recent Determinants and Future Drivers" is available at www.beefboard.org/evaluation/130612demanddeterminantstudy.asp.

Registration is open for the Cattle Industry Summer Conference

The 2013 conference Aug. 7-10 at the Hyatt Regency in Denver will feature meetings of the National Cattlemen's Beef Association, Cattlemen's Beef Promotion and Research Board, American National CattleWomen, Inc. and National Cattlemen's Foundation. For information, go to www.beefusa.org/summerconferenceregistration.aspx

Apparently, Vegetarians Don't Have Much of a Sense of Humor If a Report From an Adweek Blog is to be Believed

And this week, it's the Red Robin hamburger chain that is the target of their ire.

The chain is taking heat from vegetarians for a commercial touting its 24 burger options. The 15-second spot includes the line, "We even have a garden burger … just in case your teenage daughter is going through a phase."

"Now, you’d think vegetarians would be too scrawny and weak to kick up a fuss, but they flocked to social media (where else?) and accused the chain of being disrespectful and callous, demanding that it pull the ad and/or apologize," the blog reports.

To see the complete report, plus the ad, go to www.adweek.com/adfreak/vegetarians-have-beef-red-robins-garden-burger-ad-150437

Like Beef, Chicken Prices and Weights are on the Incline

Chicken prices have increased sharply this year on a combination of very limited production growth and a dramatic shift in U.S. domestic demand. Demand has been driven by both increased features at retail as well as new promotions at foodservice, according to the Daily Livestock Report. Exports to Mexico have been particularly strong but have been offset by declines elsewhere.

The national composite whole broiler price is currently hovering near all-time record highs at $109.20/cwt., 31 percent higher than a year ago and 34 percent higher than the average price for the last five years. Retailers appeared to focus specifically on chicken late last year given the dramatic implied increase in beef prices (remember $137 cattle futures last December?) and weakness in consumer traffic in the retail case.

"With beef prices at retail hitting all-time highs, chicken provided a more competitive alternative. Whole broiler prices have also been supported by the shift in recent years toward producing ever-larger boning birds,"
the newsletter reports. "According to our calculations, the supply of chicken coming from large birds, i.e. birds weighing over 7.76 lbs., has increased almost 300 percent since 2005 while the supply of meat coming from smaller birds (4.25 lbs. and lower) is actually lower today that what it was seven years ago. High feed costs have forced producers to add more meat on broiler carcasses even as overall chicken placements have trended lower."

Mark Your Calendar
The Cattle Trails Wheat and Stocker Cattle Conference, a joint effort between Texas A&M AgriLife Extension and the Oklahoma Cooperative Extension Service will be held Aug. 13 in Lawton, Okla. This annual conference provides wheat growers and stocker cattle operators the most up-to-date information on topics that influence profits, said Stan Bevers, AgriLife Extension economist in Vernon.

For more information on the event, go to http://agrisk.tamu.edu.

Checkoff Relaunches Tried and True Website
It's "back to the future" for the Beef Checkoff as it relaunches the trusted BeefItsWhatsForDinner.com website. The website has a new look and functionality to continue educating consumers on how to purchase, prepare and enjoy beef. With a more contemporary appearance through compelling beef imagery and simplified, interactive navigation and content, the website will engage visitors like never before.

There are four main sections of the site: Recipes, Butcher Counter, Cooking and Health. Recipes are the number one most visited pages on the website, which is why the redesign boasts enlarged beef photos and makes recipes the first thing consumers see. In the Recipes section, there are collections to help inspire consumers to cook beef during every season, holiday and mealtime occasion. Recipes provide a list of instructions, nutritional information, videos and give consumers the opportunity to email or print an interactive shopping list.

For more information about your beef checkoff investment, visit MyBeefCheckoff.com.

Of Weather, Markets and Summer Vacation
Cattle feeders may want to look at taking their summer vacation this winter. "This summer, if national pasture and range conditions are better than during last year's drought and if Midwest crop prospects are improved, yearling and calf prices will stabilize and could increase compared to those posted recently," according to the Livestock Marketing Information Center (LMIC).

"In the fourth quarter, stronger fed cattle prices and lower cost of gain in feedlots provide a foundation for yearling prices to creep back close to a year ago levels. This fall calf prices could exceed 2012s; of course, that will take some cooperation by Mother Nature," reports the Cattle Current e-newsletter.

LMIC analysts say fed cattle prices could post their annual highs in the fourth quarter of this year if the domestic economy does not falter, averaging in the high $120s to low $130s/cwt. Fed cattle prices typically slide to a seasonal low in the summer months and that's expected this year.

Feeders and Feedyards in the News
Services will be Monday, June 24 at 2:00 p.m. at the First Baptist Church in Bartlesville, Okla., for past TCFA Director John Hughes, who died Wednesday in his home in Bartlesville.....Past TCFA Chairman Paul Engler was inducted into the Texas A&M University Animal Science Hall of Fame recently. The Hall of Fame celebrates outstanding individuals who, through their exceptional work and achievements, advanced the field of animal science and made a profound difference in the productivity of animal agriculture.

Please note: All links are available at www.tcfa.org under This Week's Newsletter links.

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Texas Cattle Feeders Association                June 21, 2013