



TEXAS CATTLE FEEDERS ASSOCIATION

NEWSLETTER

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Volume 48, Number 7

February 14, 2014

Beef Producers Need Comprehensive TPP Deal

Beef producers from the four largest beef producing Trans-Pacific Partnership (TPP) member countries continue to advocate that any TPP agreement must deliver on the 2011 TPP Ministers' position of eliminating tariffs and other barriers to trade.

Beef producers of Australia, Canada, New Zealand and the U.S., working in a coordinated partnership called the Five Nations Beef Alliance, issued a statement expressing concern at the possibility that some TPP members may seek to exclude some so-called "sensitive" products from comprehensive, duty free access.

Granting a TPP member any such exclusion would result in other members seeking similar treatment, leading to a decline in the agreement's level of ambition and the resulting economic growth that it would bring.

The alliance also called for each TPP member to provide equal market access to all other TPP members, including during the transition period, in order to ensure that competitive disadvantages are not created and also to set clear expectations of the level of commitment required from any potential future TPP members.

Beef producers also noted the importance of adopting science-based regulations. The full statement is available at <http://tinyurl.com/tpp-statement>.

New Leadership Takes the Reins of NCBA

Texas cattleman Bob McCan of Victoria was named president of the National Cattlemen's Beef Association (NCBA) at the conclusion of the Cattle Industry Convention last week in Nashville. "It is a great honor to be elected to lead NCBA for the next year. A strong future lies ahead of us with endless opportunities for U.S. cattlemen and women," said McCan. "There are many issues that need our attention, and my goal is to bring unity to our efforts to address them. I look forward to meeting cattlemen throughout the country to hear their concerns and work to make our industry as successful as it can be."

The new NCBA president-elect is Philip Ellis of Wyoming. Tracy Brunner of Kansas is NCBA's new vice president. Oklahoma native Richard Gebhart is NCBA's new treasurer. Cevin Jones of Idaho was elected chairman of the NCBA Federation Division, and Jennifer Houston of Tennessee is the Federation Division's vice chair. The new NCBA Policy Division chairman is Craig Uden of Nebraska, and Kevin Kester of California is the new policy vice chairman. Read more about McCan at <http://tinyurl.com/mccan-ncba>.

Beef Board Elects 2014 Leadership

During the 2014 Cattle Industry Convention in Nashville, the Cattlemen's Beef Board (CBB) unanimously elected Kim Brackett of Buhl, Idaho, to serve as CBB chairman for the coming year; Jimmy Maxey of Fresno, Calif., to serve as vice chairman; and Anne Anderson of Austin, Texas, to fill the position of Beef Board secretary/treasurer for 2014.

The Beef Board also elected members to serve on the CBB Executive Committee and others to fill the CBB seats on the Beef Promotion Operating Committee. The 11-member CBB Executive Committee includes the Board's three officers and eight members elected at large. In addition to the three officers, members are Dean Black of Iowa; Laurie Bryant, an importer; Barbara Jackson of Arizona; Mike McCormick of Mississippi; Brett Morris of Oklahoma; Laurie Munns of Utah; Kent Pruisman of Iowa; and Gary Sharp of South Dakota.

CBB representatives to the Beef Promotion Operating Committee were also named. The Beef Promotion Operating Committee was created by the Beef Promotion Research Act to help coordinate state and national Beef Checkoff Programs. The 20-person committee includes 10 members of the Cattlemen's Beef Board. Among them are the Board's three officers and seven others elected directly by Beef Board members. The other 10 members are appointed from the Federation of State Beef Councils.

CBB members elected to the 2014 Beef Promotion Operating Committee during the annual meeting in Nashville include: Chairman Kim Brackett; Vice Chairman Jimmy Maxey; Secretary/Treasurer Anne Anderson; Marty Andersen, Wis.; Sarah Childs, Fla.; Dave Edmiston, Texas; Linda Gilbert, S.D.; Ted Greidanus, Calif.; Brittany Howell, Kan.; and Hank Maxey, Va.

Operating Committee members representing the Federation of State Beef Councils include Cevin Jones and Jennifer Houston, as well as Austin Brown III, Texas; Clay Burtrum, Okla.; Dawn Caldwell, Neb.; Teri Carstensen, Iowa; Jerry Effertz, N.D.; Steve Hanson, Neb.; Scott McGregor, Iowa; and Irv Petsch, Wyo.

Early Voting for Texas Primary Election Starts Next Week

The 2014 Texas Primary Election is on March 4, 2014. Early voting begins on Tuesday, Feb. 18 and ends on Friday, Feb. 28. The last day to apply for ballot by mail (received, not postmarked) is Friday, Feb. 21. To request a ballot by mail, go to <http://tinyurl.com/app-ballot-mail>. To review information regarding what is on the ballot, please visit <http://votetexas.gov/voting/what>.

A list of the candidates supported by BEEF-PAC of TCFA is available at <http://tinyurl.com/beef-pac-primary>.

Cattle Numbers Must Increase to Maintain Infrastructure

“The beef cowherd must expand in the next one to four years,” says Randy Blach, CattleFax CEO. “If it doesn’t, don’t kid yourself; we’ll have a smaller industry and move beef from the center of the plate to more of a specialty item.”

So goes the other side of receiving high prices because of historically low cattle numbers. During the CattleFax Outlook seminar in Nashville, Kevin Good, CattleFax senior market analyst, explained the nation’s beef cowherd decreased 2.3 million head between 2010 and 2013. As precipitation returns to more normal levels for the 2014 growing season, CattleFax predicts farmers in the U.S. should grow an adequate corn crop to build the carry-over supply. The improved corn supplies should assure lower corn/input costs over the next 12-24 months, says CattleFax grain market analyst Mike Murphy.

“The lower input cost will have a direct correlation to improved feeder cattle and calf values in 2014; and with continued help from Mother Nature, we will be in better shape with regard to hay supply and prices moving forward,” Murphy says. For more, go to <http://tinyurl.com/cattle-numbers-infra>.

U.S. Beef Exports Close 2013 on a High Note

Beef exports eclipsed the \$6 billion mark for the first time, setting a new annual value record, according to statistics released by USDA and compiled by the U.S. Meat Export Federation (USMEF).

Beef exports continued to surge in December, surpassing year-ago totals by nearly 13 percent in volume and 20 percent in value, led by growth in sales to Japan, Mexico, Hong Kong and Central/South America. Totals for 2013 were up 3 percent in volume to 1.17 million metric tons (mt) and 12 percent in value (\$6.157 billion) – breaking the 2012 value record.

The new milestone for U.S. beef export value also meant new records for the average export value per head: an annual record of \$244.96 per head of fed slaughter, up \$28.23 from 2012, and a new monthly record in December at \$279.16, up \$36.52 from December 2012.

U.S. beef exports in 2013 equated to 13.2 percent of total beef production (muscle cuts plus variety meat) and 10.4 percent of muscle cuts alone, up from 12.7 and 9.8 percent last year. Beef sales to Japan closed the year up 54 percent in volume (234,615 mt) and 35 percent in value (\$1.389 billion), pushed by a strong December showing that was more than 75 percent ahead of last year’s volume totals and 45 percent higher in value. Value totals for the year were just shy of 2003’s pre-BSE mark of \$1.391 billion, although volume was just 62.5 percent of the 2003 total. Based on Japan’s import data, U.S. market share increased from 26 percent in 2012 to 36 percent in 2013, mainly regaining share from Australia.

Beef exports to Hong Kong set a new annual record as volume doubled to 130,017 mt and value increased 142 percent to \$823.3 million. Central/South America also set new milestones with 42,104 mt (up 24 percent) valued at \$156.4 million (up 17 percent).

Mexico’s one-month beef import total of 24,402 mt (up 69 percent) was the largest volume to that country since December of 2009, helping push sales to the No. 2 U.S. beef export market to 216,386 mt (up 12 percent) valued at \$925.3 million (up 13 percent).

USDA Cuts Estimated Meat Production

The latest USDA WASDE estimates indicated that the supply of meat protein coming to market in 2014 is expected to be lower than earlier forecast but still higher than in 2013.

“It is interesting that while USDA reduced U.S. pork production by 160 million pounds (-0.7 percent) and broiler production by 25 million pounds (-0.3 percent), it left unchanged the estimated amount of corn expected to be consumed in 2014,” according to the *Daily Livestock Report (DLR)*. “U.S. red meat and poultry production in 2014 is now forecast to be 92.984 billion pounds, 197 million pounds less than earlier forecast.”

Ethanol corn use also is projected to increase by 7.6 percent compared to the previous year, which implies more DDGs coming to market. “These higher levels of feed and ethanol demand, combined with a 120 percent increase in exports, caused USDA to lower its estimates of corn ending stocks for this marketing year. It goes without saying that there will be a lot of attention paid to the next quarterly stocks report to validate that the current projected path of feed use can be sustained,” the *DLR* economists say.

Determining What Makes Millennials Tick

Results of checkoff research conducted in late 2013 helped identify triggers to decisions by millennial parents to make health-related changes in their lifestyles, and the results will help guide communications of beef-nutrition information in 2014.

Nearly 75 percent of the more than 600 millennial respondents said they made lifestyle/health changes in the preceding six months, with the most prominent food changes focused on smaller portion sizes, healthier foods with more nutrients, and less junk food. Primary drivers for the changes included efforts to improve personal appearance, increase energy levels and feel better, in general. On an especially good note, these parents have generally positive views about beef, strongly suggesting that beef can fit into their nutritional resolutions. For more, go to <http://tinyurl.com/persp-mill-parents>.

Freshness, Food Safety Rank Highest with Consumers

A recent nationwide online survey of U.S. consumers by Kansas State University found that freshness and safety were the most important values consumers placed on buying popular livestock products – milk, ground beef, beef steak and chicken breast. The findings for livestock-specific products were consistent with prior research examining consumers’ general food values.

Ted Schroeder, professor and livestock economist for K-State Research and Extension, said as consumers make decisions to purchase food products, they might think about taste, underlying production practices, concerns they have about production, safeness, freshness, quality and price, to name a few.

Safety was the most important value in the general food products study, and it was either first or second most important for milk, ground beef, beef steak and chicken breast. Freshness was the other top value for livestock products. In contrast, the values of environmental impact, animal welfare, origin and convenience were less important for the livestock products, and this was also comparable to the prior research.

Price fell in the middle of the list. This was because some consumers valued price as one of their key components in making a decision on what foods to buy, while others felt it was less important.

The social values, including animal welfare, environmental impact and origin, for example, aren’t irrelevant, Schroeder said. Some segments of society hold those as more important than others, but overall they aren’t the major drivers that lead the average consumer to purchase a particular product.

A research paper explaining all of the findings from the livestock products consumer survey is available at <http://tinyurl.com/food-values-livestock-products>.

Tyson Moving Forward with FarmCheck

In 2012, Tyson Foods announced plans for its FarmCheck on-farm audit program for livestock suppliers. Last week at the Cattle Industry Convention in Nashville, Tyson Vice President for Animal Well-Being Dean Danilson, Ph.D., updated producers on the program.

Tyson developed its pork audits in 2012 and began implementing them during 2013. At the same time, they began developing the poultry and beef audits. Poultry audits will begin this month, while the beef audit system remains in development with plans for implementation in mid to late 2014.

Danilson says the vertically integrated structure of Tyson’s pork and poultry suppliers allowed easier implementation compared with beef, which will involve auditing independent ranches and feedyards that produce cattle for the company’s supply chain.

“TCFA’s Beef Quality Assurance program has included animal care guidelines and feedyard audits for several years,” said TCFA CEO Ross Wilson. “We have met with Tyson and will continue to discuss details of their program to ensure both FarmCheck and BQA are complementary and practical for feedyards.

Small Employers Get ObamaCare Break

Employers with fewer than 100 workers won’t have to provide health insurance until 2016 under Obamacare, as the administration said it would again delay a key requirement of the health law, according to *Bloomberg*. Larger firms have to cover at least 70 percent of the workforce starting next year, the Internal Revenue Service said in a rule issued Monday.

The Patient Protection and Affordable Care Act envisioned as a cornerstone of its expansion of U.S. insurance coverage that employers with 50 or more workers would be required to provide health benefits to their employees. Under pressure from business groups, the Obama Administration has weakened that requirement since July, first by delaying enforcement of the mandate until 2015. Many firms will have even more time under the regulation issued Monday. Find more at <http://tinyurl.com/ocare-mandate-pushed-back> or <http://tinyurl.com/obamacare-delayed-2016>.

Sell a Cow, Win Gold

The only thing more surprising than American Kaitlyn Farrington winning halfpipe gold at the Sochi Olympics on Wednesday is the story of how her early career was funded – by selling the family’s livestock.

Snowboarders like Shaun White can command millions of dollars in endorsements, but the Idaho ranch girl had to make do with more modest means when she set out on the path to Olympic gold, *Reuters* reports. As her stature as a snowboarder grew, the only way for her family to fund her burgeoning career was to sell off the cattle on their ranch, one at a time.

“When I started competing in bigger events, my dad had to sell his cows just to get me to those bigger events across the country,” the 24-year-old told a news conference. “I think the cattle sales were Wednesday, so before I’d go to school, I’d help my dad load a cow up into the trailer, maybe two, and he’d take them to the cattle sale and auction them off.

“My parents have been backing me from day one, and I’m sure they do not miss those cows today.”

Growing up on a ranch made her the person she is today, she said. “It definitely made me a tough girl. As my parents have been saying this whole journey, ‘just cowgirl up’. That’s kind of what I’ve gotta do.”

New Video Examines Myths About Nutrition Impact of Cutting Meat from the Diet

The American Meat Institute (AMI) and American Meat Science Association (AMSA) have unveiled the latest video in their Meat MythCrusher series, which takes on the argument that simply cutting meat from the diet will make it healthier.

“Eliminating meat from your diet and not making any other changes really isn’t a recipe for a healthy diet,” says Anna Dilger, Ph.D., assistant professor at the University of Illinois. “Meat provides several essential nutrients to your diet that are pretty hard to make up with lots of different vegetable or fruit sources.”

Dr. Dilger notes that protein is a necessary part of the diet, and meat is considered complete proteins, meaning it provides all the essential amino acids needed for health. People would have to eat a wide variety of plant protein sources over the course of a day or several days to get all the amino acids available from meat in one meal. Meat is also uniquely rich sources of iron, zinc and vitamin B12 as well as selenium, choline, vitamin B6, thiamine, niacin and riboflavin. Vitamins like iron and zinc are more easily absorbed from meat than they are from vegetable sources. This video and more are available at www.meatmythcrushers.com.

Coalition to Advocate for a Federal GMO Labeling Solution

American farmers and representatives from a diverse group of almost 30 industry and non-governmental organizations announced the formation of the Coalition for Safe Affordable Food (www.CFSAF.org) and urged Congress to quickly seek a federal solution that would establish standards for the safety and labeling of food and beverage products made with genetically modified ingredients (GMOs).

“Foods made with genetically modified ingredients are safe and have a number of important benefits for people and our planet,” said Pamela G. Bailey, president and CEO of the Grocery Manufacturers Association. “Our nation’s food safety and labeling laws should not be set by political campaigns or state and local legislatures, but by the FDA, the nation’s foremost food safety agency.

Find out the facts about GMOs at www.FactsAboutGMOs.org.

Beef Checkoff Website Popular with Consumers

From June 1 to Dec. 31, 2013, www.BeeffitsWhatsForDinner.com saw significant traffic and consumer engagement. Nearly 907,000 people visited the site during the period, with most spending about two minutes and 45 seconds there – well ahead of the industry standard of just 10 to 20 seconds per site. Here’s how they are getting to the site: 45 percent type in the URL and go directly to site; 23 percent come from Google; and 7.5 percent come from Facebook.

For an audio report of checkoff activities, go to <http://tinyurl.com/co-audio-rpt>.

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Deadline Extended – Advertise in the *Cattle Feeders Resource Guide*

The deadline to advertise in the *Cattle Feeders Resource Guide* has been extended to Friday, Feb. 28. Updated contact information for the Industry Associate and Feedyard listings for the *Resource Guide* is also due Friday, Feb. 28.

Find the rate card at <http://tinyurl.com/2014-tcfa-rate-card> and the advertising contract at <http://tinyurl.com/2014-contract>. You may also contact Scena Snider at (806) 358-3681 or scena@tcfa.org.

Feeders and Feedyards in the News

Mc6 Cattle Feeders Inc. and Manager **Warren White** have joined the Certified Angus Beef (CAB) feedlot network.

Sponsor Spotlight

TCFA is proud to recognize its top sponsors whose efforts help deliver top-notch service.

This week's spotlight shines on



Bayer HealthCare

Bayer would like to thank TCFA members for their support of Bayer products. Bayer has been a long standing supporter of TCFA and was one of the very first Platinum sponsors. Bayer is proud to be a Prime Sponsor at the Annual Convention and to provide support for the Manager's Roundtable meetings and the Junior Fed Beef Challenge. All of this is made possible from membership support of Bayer products such as: Baytril[®] 100 (enrofloxacin), CyLence[®] Pour-On, Tempo[®] premise insecticides, Corathon and CyLence Ultra ear tags and QuickBayt[®] Fly Bait. For more information, visit www.bayer-ah.com.

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