



TEXAS CATTLE FEEDERS ASSOCIATION

NEWSLETTER

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Volume 48, Number 8

February 21, 2014

Dietician-Authored Brochure Touts Benefits of Meat in the Diet

Including animal protein in a balanced diet delivers a unique bundle of natural nutrients and helps optimize the body's ability to absorb nutrients from all foods, according to a new dietician-authored brochure titled, "Meat: A Key Player on Your Wellness Team," released by the American Meat Institute Foundation.

According to the brochure, meat provides complete, high-quality protein with all the essential amino acids necessary for health. Per serving, meat provides more protein than eggs, beans, cereals, vegetables or nuts and is critical for developing and preparing muscles, promoting growth in children and preventing muscle loss in aging people.

The free brochure, authored by Cheryl Toner, M.S., R.D.N., may be downloaded at www.AMIF.org or by requesting via publicaffairs@meatami.com.

Congressional Tax Proposals Would Cost Agriculture \$12.1 Billion

Proposed changes to the tax code restricting the use of cash accounting by agricultural operations would reduce agriculture's access to capital by as much as \$12.1 billion over the next four years, according to a study released this week by Kennedy and Coe, LLC and Farmers for Tax Fairness.

The study, prepared by the independent research firm Informa Economics, revealed that U.S. agricultural producers forced to switch from cash-basis to accrual-basis accounting under new laws would have to pay out as much as \$4.84 billion in taxes during the next four years. Additionally, the borrowing capacity of these operations would decrease by another \$7.26 billion over the same time period.

In 2013, the U.S. House Ways and Means Committee and the majority staff for the U.S. Senate Finance Committee both released discussion drafts of tax-reform proposals that would reduce the number of agricultural operations that can use cash method of accounting.

In January, 33 agricultural organizations including NCBA sent a letter to the Senate Finance Committee expressing their concerns about the proposed changes to the cash-accounting rules.

A full copy of the Informa Economics report can be found at www.FairFarmTax.com.

Tight Grain Stocks Could Lead to Price Spikes in 2014

Despite record production of grains last year, agriculture enters the 2014 growing season with a "pretty tight" stock situation, said USDA Chief Economist Joseph Glauber, speaking this week at the USDA Agricultural Outlook Forum.

"If problems arise this year," he said, referring to a potential production shortfall due to inclement weather or other exigencies, "we could see price spikes like we did in 2010 and 2011."

Otherwise, the forecast Glauber presented calls for continued price declines this marketing year. It shows corn prices falling from \$4.50 to \$3.90; soybeans from \$12.70 to \$9.65; wheat from \$6.80 to \$5.30; and cotton from \$76 to \$68, reports *AgWeb.com*.

Lower prices are likely to translate into lower plantings for the eight major row crops this year, the chief economist said. And crop mixes will change, especially on Midwest farms. "Stronger soybean prices relative to corn should support soybean plantings this year," he said.

USDA is calling for a 3.5 percent drop in corn plantings to 92 million acres and a 3.9 percent increase in soybean acres to 79 million acres. Planting of wheat will be down 1.2 percent, while planting of all types of cotton will rise by 10.5 percent. For more, go to <http://tinyurl.com/tight-stocks-price-spikes>.

What's more, USDA projects sub-\$4 corn for the next decade. Grain and oilseed prices that have already fallen sharply in recent months are heading lower still over the upcoming decade, according to USDA's long-term projections released last week.

For corn, the department's econometric model points to a \$4.50/bu. average farm price for the current marketing year, then falling below \$4 for 2014 to 2025. USDA is calling for \$3.65 for 2014/15, the decade low of \$3.30 for 2015/16, and a range from \$3.35 to \$3.95 from 2016 to 2021. In 2022 and 2023, USDA sees

prices inching back above \$4, but barely: \$4.10 and \$4.20. For more, go to <http://tinyurl.com/sub-4-corn-decade>.

2014 Texas Calf Crop Projected Down 2 to 3 Percent

The 2014 Texas calf crop is expected to be 2 to 3 percent lower than it was in 2013, according to a Texas A&M AgriLife Extension Service expert.

"We're projecting it to be somewhere around 3.8 million calves," said Dr. Ron Gill, AgriLife Extension livestock specialist and associate animal science department head at Texas A&M University, College Station. "Last year was kind of static, down a little bit from 2012," he said. "We saw the big drop in 2011, but we do have a further contraction in the cow herd."

There have been reports from AgriLife Extension county agents of livestock producers selling older calves early to give relief to drought-stressed pasture and rangeland. Generally, this is a strategy that will help pastures and does not cause a severe financial loss, particularly with calf prices so high, Gill said.

"It's a strategy that will also allow cows to regain condition, and that's the reasoning we'd like to see people use," he said. "If they pull those calves a little earlier than they might normally, it allows cows to recycle so we can have a good calf crop next year."

With wheat around \$7 plus per bushel, the other issue producers face will be whether or not to pull stockers off wheat pasture or find cattle to graze it out, Gill said.

"That will be the deciding factor for some, as there are just not that many cattle available," he said. "So I expect some of the better wheat will come out for grain production, and they will concentrate those calves that are available on some of the lesser wheat producing areas."

TAHC Wants Your Opinion

The Texas Animal Health Commission (TAHC) is the state agency tasked with protecting the health of Texas' livestock and poultry populations, and it serves as the lead state agency in response to animals in disasters. As such, the agency is asking stakeholders to complete a short survey that will provide information about ways TAHC can better serve you.

Please complete the short survey by clicking this link or copying and pasting it into your browser: <http://tinyurl.com/tahc-feedback>. The Customer Service Survey can also be found on the TAHC homepage at www.tahc.texas.gov under Agency News.

February Brings Adjustments in Cattle and Beef Prices

After the wild January ride, cattle and beef markets are settling into somewhat more stable and realistic levels moving forward. A barrage of winter storms has affected consumption and distribution of beef as well as feedlot production. For the year to date, beef production is down 8.6 percent with cattle slaughter down 9 percent. As a result, margins continue to adjust with relative winners and losers among the various beef industry sectors, according to Derrell S. Peel, Oklahoma State University Extension livestock marketing specialist.

The relative winner in all this is the fed cattle market, where prices have retained more than half of the January gains, he says. Fed prices were about \$135/cwt. the first week of January and have moved to current levels of \$142/cwt. after peaking at \$150/cwt. about three weeks ago. Feedlots are very current at this time as the combination of high prices and winter weather have conspired to pull cattle forward and limit slaughter-ready supplies. A series of winter storms continues to pummel the northern half of the country and winter weather impacts on fed cattle performance will continue for some time.

California Firm Closes After Huge Recall

Not surprisingly, a Northern California firm that recalled 8.7 million pounds of beef products distributed in four states has voluntarily closed, the plant's quality control manager confirmed last week.

Rancho Feeding Corp. of Petaluma expanded a Feb. 8 beef products recall, adding more retailers and distributors. USDA's Food Safety and Inspection Service said the plant processed "diseased and unsound animals" without federal inspection. However, there have been no reported illnesses linked to the products in question, according to the Southwest Meat Association.

Cast Your Vote for the 2014 Cattle Feeders Hall of Fame

Past TCFA and NCBA President Bob Josserand of Hereford is among the nominees for this year's Cattle Feeders Hall of Fame. In the sixth year of nominations, this group of nominees showcases five unique

pioneers and visionaries for the cattle feeding industry. From the five nominees, two inductees will be announced during the Cattle Feeders Hall of Fame banquet this summer in Denver, Colo.

2014 Hall of Fame nominees are Bob Josserand, chairman of the board and founder of AzTx Cattle Co., a family cattle operation with feedyards in Texas and Kansas; Earl Brookover – Brookover Feed Yards, Garden City, Kan.; Roy Dinsdale – Dinsdale Brothers, Inc., Colorado and Kansas; J. R. “Jack” Simplot – J.R. Simplot Company, Boise, Idaho; and Carl Stevenson – Red Rock Feeding Co., Red Rock, Ariz.

Voting also is open for the 2014 Industry Leadership Award nominees. The 2014 nominees for the Industry Leadership Award have contributed to the cattle feeding industry through outstanding advocacy and leadership. Please vote for one of the nominees at www.cattlefeeders.org.

In addition, the Cattle Feeders Hall of Fame annually bestows the Arturo Armendariz Distinguished Service Award, designed to honor the heart and soul of the cattle feeding industry – feedyard employees. To nominate outstanding members of your operation, visit www.cattlefeeders.org or email nominations to info@cattlefeeders.org.

Voting for the 2014 Hall of Fame inductees and Industry Leadership Award nominees and nominations for the Arturo Armendariz Distinguished Service Award will close March 31.

Texas BEEF Team: Will Run for Red Meat

The Texas BEEF Team made strides across the state at five sponsored races in Houston, Austin, Waco, Cedar Park and Big Bend last year. More than 275 runners proudly wore their “Fueled by Beef” jerseys and were visible advocates for the beef community, according to the Texas Beef Council.

Through the checkoff-funded BEEF Team, the beef industry has a place that’s relevant and compelling in the fitness and health world. Team members vary from the average mother wanting to be more active and run in her first 5k, to the elite athlete who consistently has podium finishes. There are currently more than 1,000 members on the Texas BEEF Team.

Tax Time Reminder

As tax time nears, don’t forget TCFA dues are 100 percent deductible as a business expense. As a benefit to members, TCFA pays the proxy tax on lobbying expenses; otherwise, a percentage of dues would be disallowed as a deductible expense.

UEP Won’t Push Hen Housing Bill, Drops Affiliation with HSUS

United Egg Producers (UEP) says it is no longer going to try to get Congress to pass a national hen housing and welfare bill. UEP President Chad Gregory says now that the Farm Bill has passed, the organization is going to focus on “delivering much-needed business certainty to the nation’s egg farmers.”

The UEP said it would not renew its Memorandum of Understanding with the animal rights activist group, the Humane Society of the United States (HSUS), which was the genesis for the proposed federal legislation, reports *Brownfield Ag News*.

Gregory says they will continue to work with other stakeholders “with hopes of achieving a workable solution to transition the industry toward enriched colony facilities in a manner and time frame that best suits egg farmer members.” For more, go to <http://tinyurl.com/uep-hen-housing-bill>.

USFWS to Host Public Meetings on Conservation Strategy for Lesser Prairie-Chicken

The U.S. Fish and Wildlife Service (USFWS) in cooperation with the American Habitat Center (AHC) will host three public scoping meetings on the AHC Stakeholder Conservation Strategy for the Lesser Prairie-Chicken. Scoping meetings will be held in Garden City, Kan.; Woodward, Okla.; and Morton, Texas.

On Feb. 7, USFWS published a Notice of Intent to prepare a draft Environmental Impact Statement to evaluate the impacts of, and alternatives to, the proposed AHC Stakeholder Conservation Strategy for the Lesser Prairie-Chicken. The three scoping meetings are intended to gather information from the public on the scope of issues that might be addressed in a draft Environmental Impact Statement.

The scoping meetings will be organized in an open house format and are scheduled from 6:00 p.m. – 8:00 p.m. at each of the following locations: Tuesday, Feb. 25 – Garden City Community Center, Garden City, Kan.; Wednesday, Feb. 26 – High Plains Technology Center, Woodward, Okla.; and Thursday, Feb. 27 – Cochran County Activity Center, Morton, Texas.

Information on the Feb. 7, 2014 *Federal Register* notice is available at www.fws.gov/southwest.

Mark Your Calendar

The Panhandle Ranch Management event will be held Feb. 28 from 10:00 a.m. to 3:30 p.m. at the Texas A&M AgriLife Research and Extension Center in Amarillo. The meeting will look at long-term weather patterns, grazing land management, restocking strategies and will have a panel of area ranchers who will discuss how they are managing during the drought. For more information, visit <http://tinyurl.com/pan-ranch-mgt> or contact Nathan Carr at ncarr@ag.tamu.edu or (806) 373-0713.

2014 Fed Beef Challenge

The 2014 TCFA Fed Beef Challenge is just around the corner. Feedyards from throughout the TCFA area will deliver top quality steers and heifers to the historic Amarillo Livestock Auction on Wednesday, April 16 to compete for awards, cash and bragging rights. In addition to the carcass contest to determine the best beef, there will be a live evaluation contest, steak feed and a calcutta to benefit the TCFA Education Foundation. Find more at www.tcfa.org/FBC, or contact Jason Slane at (806) 358-3681 or jason@tcfa.org.

Calling All Junior Cattle Feeders

Junior cattle feeders from across Cattle Feeding Country will compete for more than \$23,500 in scholarships, cash and prizes in the 2014 TCFA Junior Fed Beef Challenge. Students will compete in four phases of the contest, including carcass merit, record keeping, a written exam, and oral presentation or interview. Steers can be validated March 1 – March 28, and contest day is Saturday, July 26 at West Texas A&M University. Contact Jason Slane at (806) 358-3681 or jason@tcfa.org for more information, or visit www.tcfa.org/jfbc.

2014 Feedyard Camp

TCFA, in conjunction with the Texas A&M AgriLife Extension Service and West Texas A&M University, will host the 2014 Junior Fed Beef Career and Leadership Program, better known as Feedyard Camp, June 23-25 in Canyon. The program is open to any incoming high school juniors and seniors with an interest in pursuing a career path in the fed beef industry.

Feedyard Camp gives students a chance to learn about many aspects of the cattle feeding industry, including tours of commercial cattle feeding operations, a tour of a beef processing facility, the opportunity to learn anatomy of a beef carcass and fabricate a beef half, tour different retail meat counters and participate in a consumer beef taste panel. Students will also spend a day learning day-to-day operations of a feedyard and have the opportunity to participate in a job shadow program at a local feedyard after the program.

For more information, contact Kayla Lanford at (806) 358-3681 or kayla@tcfa.org.