



TEXAS CATTLE FEEDERS ASSOCIATION

NEWSLETTER

5501 I-40 W. • AMARILLO, TEXAS • PHONE (806) 358-3681 • www.tcfa.org • info@tcfa.org

Volume 48, Number 19

May 9, 2014

Vote “Yes” for the New Texas Beef Checkoff Program

Texas cattle producers have the opportunity to invest in the future of their own industry by voting for a Texas Beef Checkoff program June 2-6. The program, which would be controlled by Texas cattle producers, has the potential to generate \$8 million to help fight misinformation about beef, expand research efforts, develop additional new products and increase domestic and export demand for beef.

“I am proud to have served on the Texas Beef Council Board,” says John Van Pelt of Tulia Feedlot. “Their professional approach assures we receive the maximum benefit from each checkoff dollar, which ensures my confidence in investing an additional dollar, one that’s essential to the industry’s future.”

Join John and other fellow cattle feeders in voting “Yes” for a Texas beef checkoff June 2 through June 6 at any Texas A&M AgriLife Extension Service county office during regular business hours. If an eligible producer is unable to access an Extension Service office, a mail-in ballot may be requested from the Texas Department of Agriculture between May 19 and June 2, and postmarked no later than close of business Friday, June 6.

If approved, the assessment will be collected at each point of ownership in Texas, and the program would be managed by Texas cattlemen and women serving on the Beef Promotion and Research Council of Texas.

Find more information at www.texasbeefcheckoff.com.

FSIS Report Shows Significant Flaws in Brazil’s Food Safety Inspection System

On May 6, the USDA Food Safety Inspection Service (FSIS) published a final audit report on Brazil’s meat inspection system. The onsite audit was conducted in February and March of 2013 to determine the equivalence of Brazil’s meat inspection system. All nations that import product into the U.S. must meet or exceed FSIS’ domestic requirements prior to being approved for importation of fresh or processed meats.

The audit found that Brazil’s meat inspection program did not provide standard guidelines for its inspection personnel concerning the definition of Specified Risk Materials (SRMs) in cattle, resulting in inconsistent implementation of FSIS SRM requirements. In addition, Brazil’s inspection system failed to fully enforce hazard analysis and critical control points (HACCP) systems with regard to plans, record keeping and sanitation requirements to prevent cross-contamination of bovine carcasses. For those and other reasons, the report stated that “until Brazil has satisfactorily addressed these issues, FSIS will not certify any new establishments as eligible to export to the United States.”

The report is dated April 16, 2014, indicating that it was completed prior to the April 22, 2014, closing of the comment period on the USDA Animal and Plant Health Inspection Service’s (APHIS) proposed rule to allow the importation of fresh and frozen beef from 14 states in Brazil. NCBA formally requested, under the Freedom of Information Act, that FSIS and APHIS make available all pertinent documents, including the final 2013 audit report, in order to adequately evaluate the risk of the proposed rule. Until this week, that request had not been honored.

“This audit report confirms many of the compliance concerns that NCBA recently expressed in our comments on behalf of our members,” said Dr. Kathy Simmons, NCBA chief veterinarian. “Our members have significant concerns with Brazil’s ability and willingness to meet established compliance requirements. Most alarming to me is the inconsistent application and implementation of Specified Risk Material requirements throughout the system and a history of unresolved drug residue violations.”

Also this week, the World Organization for Animal Health (OIE), confirmed a case of Bovine Spongiform Encephalopathy in a 12-year-old cow that exhibited signs of neurological problems upon arrival at a slaughterhouse in the Brazilian state of Mato Grosso in April. According to the OIE, emergency slaughter was issued and no products from the animal entered the food chain.

“The animal was born and raised in the same full-cycle beef farm on extensive grazing. Meat and other products from this animal did not enter the food chain, and there was no risk for human population,” says an

OIE report. “Tracing back animal movements since 2000, it was established that some animals from the birth cohort of this animal had been moved to 10 other properties in 3 municipalities in the state of Mato Grosso. During the epidemiological investigation, 49 animals from the cohort, which did not show clinical signs of the disease, were destroyed.”

Nutritional Myth-Busting Stories Run in *The Wall Street Journal* and *The New York Times*

Headlining the *The Wall Street Journal* on Tuesday was an article titled, “Are butter, cheese and steak really bad for you? The dubious science behind the anti-fat crusade.” The article questions the distrust of saturated fat, which traces back to Dr. Ancel Keys, a University of Minnesota scientist who rose to the top of the nutrition world in the 1950s championing the idea that saturated fats raise cholesterol and cause heart attacks.

In 2002, serious flaws in his research were revealed, but the misimpression left by his erroneous data had already been done. “Our half-century effort to cut back on the consumption of meat, eggs and whole-fat dairy has a tragic quality. More than a billion dollars have been spent trying to prove Ancel Keys’ hypotheses, but evidence of its benefits has never been produced,” the article says. “It is time to put the saturated-fat hypothesis to bed and move on to test other possible culprits for our nation’s health woes.” Read the full story online at <http://tinyurl.com/wsj-sat-fat>.

Late last month, an article called, “An Apple a Day, and Other Myths,” was published in the *The New York Times* deflating the idea that red meat causes cancer. “The idea that red meat causes colon cancer is shrouded in ambiguity,” the article says. “Two meta-analyses published in 2011 reached conflicting conclusions – one finding a small effect and the other no clear link at all.” Find the full story at <http://tinyurl.com/nyt-apple-a-day>.

Mexico Removes Import Restrictions on U.S. Beef

The Mexican government is in the process of making regulatory changes to allow for import of U.S. beef and beef products derived from cattle of any age, an important development that lifts the 30-month cattle age limit for U.S. beef and effectively removes the last of Mexico’s BSE-related restrictions.

“This is an issue that USMEF has been working on for a number of years, and resolving it has been a lengthy process,” said Chad Russell, U.S. Meat Export Federation regional director for Mexico, Central America and the Dominican Republic, contractor to the beef checkoff. “We received excellent support on this issue from USDA Foreign Agriculture Service officials at the U.S. embassy in Mexico, who always made sure that it was front-and-center whenever U.S.-Mexico trade issues were being discussed at high levels. Though it took some time, these efforts have now paid off.”

According to Cattlemen’s Beef Board, the changes to Mexico’s import regulations were to take effect April 30, though shipments of over-30-month beef cannot begin until the USDA Food Safety and Inspection Service updates its Export Library. USMEF expects this process to be completed within the next few days, which will also allow the USDA Agricultural Marketing Service export verification program for Mexico to be terminated.

“This should have a positive impact on our ability to export more beef to this large and important market, particularly in the current environment,” Russell explained. “We’re experiencing a period of very high beef prices and constraints on supply, in what has always been a rather price-sensitive market. So we feel that having new supply options available will help us maintain a strong presence in the market and grow our export volume to Mexico.” Find more information at <http://tinyurl.com/mex-import-rest>.

TPP Negotiations Update

President Obama and USTR Ambassador Mike Froman returned from Japan last week and announced that there is a framework in place to move forward on negotiations regarding agriculture, especially for “sensitive” products including beef, pork, rice, dairy, wheat and sugar.

Details are uncertain regarding the “framework,” but it is expected that further announcements will come next week after the next round of Trans-Pacific Partnership (TPP) negotiations in Ho Chi Minh City, Vietnam.

The U.S. livestock industry is still pushing for tariff elimination, but recent media reports from Japan suggest there may be discussions about phasing down the massive tariffs to smaller tariffs with additional safeguards in place to protect Japanese farmers. This is not a position supported by the U.S. livestock industry and many allies in Congress, who originally agreed to let Japan join TPP as long as the Japanese play by the same set of rules as everyone else.

Some critics are starting to label the Japan negotiations as a political agreement instead of a free trade agreement, because it is part of the Obama Administration's effort to shift U.S. foreign policy toward Asia.

Marketing Meat to Millennials

Speakers at the Animal Agriculture Alliance conference, according to *Meatingplace*, painted a tricky picture of marketing to millennials (those born after 1980) that includes everything from making them feel good about what they eat to letting them help create and market your products.

Jeff Fromm, co-author of *Marketing to Millennials: Reach the largest and most influential generation of consumers ever*, explained that millennials need stories, entertaining videos and fun facts they can share through social media. He also said not to overlook the power of your own millennial employees, because whether they are happy or unhappy at work, they'll likely be tweeting about it. If your employees seem happy, it reflects well on your brand.

Fromm also encouraged food makers to engage early adopters with new products through social media. He said millennials, "aren't disloyal; they are savvy. Useful is the new cool."

Storytelling about your brand must evolve to "story living" for millennials, which means you must create opportunities for them to tell their own story relative to your brand and share it online. Fromm said even business-to-business food companies "need a content excellence strategy," which includes your company coming up high in a Google search when millennials in business are researching product sourcing.

Find more information at <http://tinyurl.com/mill-an-ag-al>.

Texas A&M AgriLife No. 1 Nationally in Agricultural Research Expenditures

Texas A&M AgriLife Research was ranked No. 1 in agricultural sciences expenditures for fiscal year 2012, the latest year for which figures are available, according to the National Science Foundation.

The agency, part of the Texas A&M University System, accounted for more than \$176.4 million of the nearly \$3.3 billion spent on agricultural research by more than 30 U.S. universities, surpassing the top five universities by \$25 million.

In the past four years, AgriLife Research had totaled the third or fourth highest expenditures.

"This ranking is not about being No. 1 just to be No. 1," said Dr. Craig Nessler, AgriLife Research director. "It's about positively impacting the lives of Texans, our fellow citizens across the nation and people worldwide with important scientific discoveries in agriculture."

Nessler said the increase of expenditures is important because it means faculty researchers have additional opportunities to do top-level scientific studies without being interrupted to search for funding in a shrinking economy. For more information, visit <http://tinyurl.com/ag-research>.

Join Us for Upcoming BQA and Safety Seminars

TCFA, in conjunction with Texas A&M AgriLife Extension, will host four separate Beef Quality Assurance (BQA) & Safety Seminars May 19 at Cactus Feedyard in Cactus; May 20 at Wheeler Land & Livestock in Wheeler; May 21 at Dimmitt Feedyard in Dimmitt; and May 22 at Quality Beef Producers in Wildorado.

Seminars include presentations and hands-on training tailored to employees in feed and yard departments of member feedyards. For more information and to register, visit <http://tinyurl.com/may-bqa-brochure>.

JBS and Temple Grandin Sign Animal Welfare Agreement

JBS and Temple Grandin signed yesterday a technical cooperation agreement at the Beef Summit Brasil event in the city of Riberão Preto.

Meatingplace reports that under the agreement, Grandin will seek to evaluate and improve the company's animal welfare and handling practices in Brazil, an agreement that is a continuation of one established in the U.S., where both parties already have a long-term collaboration. The new collaboration will validate animal welfare practices in Brazil-based JBS plants and feedlots.

Find the story at <http://tinyurl.com/jbs-grandin>.

White House Picks 2014 Fight on Climate

A new White House report released Tuesday concludes that human-generated climate change is having dramatic effects on every part of the nation. According to *The Hill*, the “National Climate Assessment,” which the administration touted as the most comprehensive look yet at global warming in the U.S., concludes that climate change is raising temperatures, making water more scarce and wildfires more common.

It said climate change has “moved firmly into the present” for the U.S., underscoring the need for urgent action to combat threats. Obama’s administration is pursuing new rules on carbon-emitting coal-powered plants in an effort to tackle climate change. The administration also recently punted a decision on building the Keystone XL pipeline, which environmental groups argue would significantly add to climate change.

The highly publicized report comes on the heels of the United Nations global climate change report, which offered similar conclusions for the planet. Sen. Jim Inhofe (R-Okla.) railed against the administration’s new report and the timing of its release, which he said was “conveniently” released the week the Senate will debate the approval of the Keystone pipeline.

“Now that another climate change billionaire, Tom Steyer, has entered the scene and put at least \$100 million on the campaign table, the President and my colleagues are jumping at opportunities to side line critical domestic energy opportunities for the United States and instead discuss global warming alarmism. Fear tactics and money are powerful tools in politics,” Inhofe said in a statement on Tuesday.

Find the full report at <http://tinyurl.com/whitehouse-climate>.

Sponsor Spotlight

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

This week’s spotlight shines on



Bank of America Merrill Lynch has been a long time sponsor of TCFA and the cattle feeding industry. In fact, the bank in Amarillo has been loaning money to the cattle industry for over 100 years. If you want a bank who understands the cattle business and who has a long standing commitment to the industry, Bank of America is the bank for you. B of A has an expedient approval process and a wide range of financial products that allow them to arrange tailored banking solution at competitive rates. To see how they can add real value to your business, call one of their agri-business specialists at (806) 463-3911.

This copyrighted material is the property of TCFA and is intended for the use of TCFA members only. It may not be redistributed, transmitted, stored or reproduced, in whole or in part, without the prior written consent of TCFA. The information contained in this material is believed to be reliable and correct, and the views expressed reflect judgments at this time and are subject to change without notice. TCFA does not warrant or guarantee that the information is complete, comprehensive or accurate and it should not be relied upon as such.