



TEXAS CATTLE FEEDERS ASSOCIATION

NEWSLETTER

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Answering Your Texas Beef Checkoff Questions

Texas cattle producers have the opportunity to invest in the future of their industry by voting for a Texas beef checkoff program June 2-6. If approved, the assessment will complement and extend the current efforts of the Texas Beef Council by combatting misinformation about beef, expanding research efforts, developing additional new products, and increasing domestic and export demand for beef.

Roger Clift of Hansford County Feeders, Gruver, Texas, says, "As a producer who has shipped beef overseas, I know the value of export markets. Checkoff-funded international marketing efforts introduce foreign customers to the quality and taste of U.S. beef, increasing the value of a fed steer by \$244 per head."

Q: Who is eligible to vote?

A: Any producer, regardless of age, who has owned cattle in Texas any time between June 6, 2013 and June 6, 2014, is eligible to vote in the referendum. A producer may be either an individual or a legal business entity. Youth younger than 16 years of age must have a parent or guardian co-sign the ballot. A non-producer (i.e. dealer, order buyer, etc.) is not eligible to vote in the referendum.

Q: How do you vote?

A: Eligible producers may vote by ballot at any Texas A&M AgriLife Extension Service county office, regardless of where your cattle are located or where you live, beginning June 2-6 during regular business hours at that office.

Mail-in ballots are now available and must be requested by June 2 by calling the Texas Department of Agriculture (TDA) at (512) 463-3285. Mail-in ballots must be returned directly to TDA postmarked no later than June 6 to be valid.

Q: Is the Texas beef checkoff different than the current U.S. beef checkoff?

A: Yes, the Texas beef checkoff program is different and separate from the current U.S. beef checkoff, as it is meant to enhance the efforts of the U.S. beef checkoff.

Unlike the federal program, which requires that 50 cents of every dollar be sent to the Cattlemen's Beef Promotion and Research Board for programs, the entire Texas beef checkoff assessment would be managed by Texas cattlemen and women. Another difference is that the Texas beef checkoff assessment is refundable.

Join fellow cattle feeders in voting "Yes" for a Texas beef checkoff June 2-6. For more information about the Texas beef checkoff, visit <http://tinyurl.com/texas-checkoff-vote-yes> or www.texasbeefcheckoff.com.

D.C. Circuit Court of Appeals Hears Arguments on COOL Rule

On Monday, the U.S. Court of Appeals for the District of Columbia Circuit heard oral argument pertaining to a request for temporary injunction submitted by a group of U.S., Canadian and Mexican meat and livestock groups to prevent implementation of the 2013 country-of-origin labeling (COOL) rules. The initial request was denied by a lower court last September.

The court ordered the parties to focus their arguments specifically on the issue of what interest the government must have before it can compel commercial speech. Previous court rulings have established that the government can compel factual commercial speech so long as the requirement is not unduly burdensome and reasonably related to preventing deception of consumers.

The Obama administration argued that the labeling requirement gives meat consumers information they want and need about which products originate solely within U.S. borders and which come from Canada or Mexico.

The judges said the government's argument was too broad and could provide regulatory agencies with too much power over what is printed on labels if they need only prove the information they seek is in consumers' interest. Judge Kavanaugh summed up the government's interest in this matter by saying, "Isn't it obviously a protectionist interest and they're not asserting that vocally because it would be in direct violation of U.S. treaties?"

The court's ruling has the potential to set broad precedent by establishing a test for what level of scrutiny applies when the government compels commercial entities to speak. A decision is not expected before late summer, at the earliest.

Meanwhile, Canada says they are ready to impose tariffs on U.S. goods. Canadian Agriculture Minister Gerry Ritz said Wednesday his country is ready to impose tariffs on certain U.S. goods as soon it receives authorization from the World Trade Organization (WTO), the *Calgary Herald* reported.

In speaking to reporters following the first meeting of NAFTA agriculture ministers in Mexico, Ritz was quoted as saying that he assured U.S. Secretary of Agriculture Tom Vilsack that, "Canada will not blink."

The WTO is expected to rule as early as this fall on whether Canada can go ahead with retaliatory tariffs. The government has said U.S. goods it may target include beef, pork, cereals, baked goods and fresh fruit. Ritz also said he is calling on the Mexican government to release its own list of U.S. products it might target with tariffs. Read the full story at <http://tinyurl.com/canadian-tar>.

S.D. Supreme Court Denies ABC Appeal in BPI Defamation Case

The South Dakota Supreme Court refused Thursday to hear an *ABC News* appeal of a lower court ruling to allow Beef Products Inc.'s (BPI) \$1.2 billion defamation lawsuit against the network to proceed to the discovery phase, according to the *Sioux City Journal*.

Union County Circuit Court Judge Cheryl Gering on March 27 denied motions by *ABC* and other defendants to throw out the case. In an April 23 appeal, *ABC* petitioned the Supreme Court to reverse or clarify portions of Gering's decision related to common law disparagement claims and South Dakota's Agricultural Foods Products Disparagement Act.

Supreme Court Chief Justice David Gilbertson granted *ABC*'s motion to suspend the litigation while the high court considered the request. On Thursday, the Supreme Court denied the appeals from *ABC* and other defendants in the case – *ABC* anchor Diane Sawyer, two network reporters who covered the story, two former USDA employees and a former BPI employee, who were interviewed for the reports – and lifted the stay.

"We are pleased with the decision of the South Dakota Supreme Court," BPI attorney Erik Connolly said in a statement Thursday. "We look forward to starting discovery."

BPI is suing *ABC* over a series of reports in March 2012 in which the network repeatedly referred to the Dakota Dunes-based company's Lean Finely Textured Beef as "pink slime," resulting in a company loss of more than \$400 million in sales and the closing of three of its four plants.

If a jury rules in its favor, BPI would be entitled to triple damages, or \$1.2 billion, under South Dakota's agriculture food disparagement law. Find more information at <http://tinyurl.com/court-denies-abc-appeal>.

Congress Eases Burden of EPA's SPCC Rule

Thursday, Congress passed the Water Resources Reform and Development Act (WRRDA), which will become law with the President's signature. This bill contains a provision that will ease the burden of the EPA's Spill Prevention Control and Countermeasure (SPCC) rule.

The current EPA SPCC rule for farms requires compliance if an operation has 1,320 gallons or more of aboveground fuel storage and allows self-certification up to 10,000 gallons. This not only includes fuel storage but requires aboveground feed storage to be included in the total if it meets the broad definition of "oil," which include the base of many liquid cattle feeds.

"The SPCC rule is yet another example of the EPA's regulatory scheme threatening the economic viability of rural America and family farms and ranches," says Bob McCan, NCBA president and Victoria, Texas, cattleman. "Cattlemen and women have been waiting too long for a permanent fix to the SPCC rule. Thanks to the efforts of Sens. Inhofe and Pryor and Rep. Crawford, this provision will ease the burden of this rule across the nation for many farmers and ranchers."

Under the provision in the WRRDA legislation, the aggregate aboveground fuel exemption limit is raised to 6,000 gallons for operations with no history of spills and no single tank with a capacity of 10,000 gallons or more. Moreover, the legislation exempts fuel tanks with a capacity of 1,000 gallons or less and all tanks that hold animal feed ingredients from the aggregate calculations.

Those operations that do not meet these exemptions will require a Spill Containment Plan, certified by a professional engineer.

“This commonsense legislation will protect the majority of the nation’s cattle producers from the burden and cost of developing a spill containment plan,” says McCan. “Our operations are good stewards of their land and waters, and this provision recognizes our commitment to keeping our family and animals safe. Because we know the value in clean water, our producers have an excellent record in preventing fuel spills. This is a major regulatory victory for the majority of our members who live miles from town and store fuel or feed on their property.”

The legislation also calls for a study to be conducted by the EPA and USDA within one year of the bill becoming law to determine whether the 6,000 gallon aggregate aboveground storage exemption level poses a significant risk of a discharge to 6,000 gallons, but cannot be lowered below 2,500 gallons.

“We expect the President to sign WRRDA shortly and look forward to this legislation becoming law,” says McCan.

USDA Risk Management Agency Offers Insurance Programs for Producers

Pasture, Rangeland, Forage (PRF) insurance is available to help cattle ranchers manage the risk associated with feeding livestock. PRF covers costs associated with feeding livestock due to lack of precipitation (Rainfall Index) or deviation from normal biomass (Vegetation Index) within a defined area.

USDA Risk Management Agency (RMA) manages the federal crop insurance program, and private insurance companies sell and service the policies through agents. Both the PRF Rainfall Index and PRF Vegetation Index are area plans and do not pay insurance claims based on individual losses. Area plans of insurance have a guarantee based on area numbers and a trigger for loss that is based on data from an area, not a specific farm.

The Rainfall Index program is an area plan of insurance that insures lack of precipitation based on data reported for a defined area. Producers must choose at least two, 2-month time periods when precipitation is important to their grass production, called index intervals. Losses are based on the experience of the entire area. In other words, losses are not based on a single ranch or specific weather station in a general area.

Similarly, the Vegetation Index program is an area plan of insurance that pays an indemnity when vegetation levels in an area fall below a certain level for a given time period, which is based on historical data. With this insurance plan, producers may choose one or more 3-month time periods, or index intervals, that represent the time periods that correlate best with the program’s historical data. Losses are paid when the current vegetative levels fall below historical levels for the time intervals the producer insures. Coverage is based on losses within an area rather than on an individual producer’s farm or ranch.

PRF is available in 29 states, including Texas, Oklahoma and New Mexico.

Those interested in PRF insurance should talk with an insurance agent. Producers are encouraged to research how the insurance has worked in their area in the past. RMA’s decision tool can help producers decide if PRF or another insurance policy is right for their operation. Producers can use the PRF decision tool on RMA’s website for help at www.rma.usda.gov/policies/pasturerangeforage.

USMEF Board Meeting and Product Showcase

The U.S. Meat Export Federation (USMEF) Board of Directors Meeting and Product Showcase was held this week in Kansas City, Mo. USMEF President and CEO Philip Seng, according to *Drovers CattleNetwork*, said that U.S. beef and pork export results have been strong so far this year and that a number of economic and market access issues have created a challenging business climate in 2014.

Seng says that despite tight supplies of both beef and pork, it is encouraging that first-quarter beef export volume was up 8 percent year-over-year (to 277,080 metric tons), and export value was up 15 percent (to \$1.51 billion). First-quarter pork exports were 11 percent higher in both volume (583,677 metric tons) and value (\$1.65 billion).

Seng adds that on a per-head-slaughtered basis, the return that exports deliver to U.S. cattle and hog producers has never been higher. Through March, beef export value per head of fed slaughter was \$254.63 – up 15 percent from the same period in 2013. Pork export value per hog slaughtered was \$60.76 – up 14 percent. For more information, visit <http://tinyurl.com/usmef-board-mtg>.

FSIS Enhances Ground Beef Pathogen Testing This Summer

FSIS is broadening its pathogen testing program to include Salmonella every time laboratories test for *E. coli* in samples of ground beef and ground beef sources.

“Because the samples taken for *E. coli* testing are much larger than those we have taken in the past for Salmonella, there is higher likelihood that we will be able to detect the bacteria if it is present,” USDA said in a statement.

Once FSIS has collected enough data on the prevalence of Salmonella in ground beef, they will create a new standard to encourage ground beef processors to strengthen their Salmonella controls, resulting in safer products and fewer foodborne illnesses. Find more information at <http://tinyurl.com/fsis-salmonella-testing>.

TCFA and Texas A&M AgriLife Extension Service Completed BQA Trainings

Sessions on TCFA’s Beef Quality Assurance (BQA) program for feed and yard department employees, as well as employee safety, were held in the TCFA membership area on Monday through Thursday this week. Almost 150 people participated in the trainings, and 30 feedyards were represented.

“We were very pleased with the level of interest and participation in the trainings by feedyard managers, assistant managers and feedyard employees,” TCFA Vice President Ben Weinheimer said. “Participation in these trainings gives feedyard employees an opportunity to hear updates on BQA best management practices (BMPs) and to receive hands-on awareness training for operation of heavy equipment and the feedmill.”

TCFA Regulatory Manager Brady Miller said training employees at feedyards is an on-going process. “The requirements for annual training of every feedyard employee, documented in the employee training logs, helps to ensure that employees understand their responsibilities under the BQA program and also demonstrates to beef consumers that all employees have been trained on the BMPs,” he said.

2014 Safety Awards

The 2014 TCFA Best Safety Practices Awards contest is just around the corner. Submit your safety idea in this contest by June 9, and you could win \$1,000. The purpose of the program is to encourage member feedyards to continuously look for innovative ways of keeping employees safe on the job.

Any employee of a TCFA member feedyard is eligible to submit safety tips used by the feedyard. Feedyard managers must sign the applications. There is no limit on the number of applications a feedyard may submit. The ideas will be shared with TCFA members for improvement to safety programs.

Find the flyer at <http://tinyurl.com/sa-flyer> and the application at <http://tinyurl.com/saf-aw-app>. For further information on the TCFA Safety Awards Contest, contact Brady Miller at (806) 358-3681 or brady@tcfa.org.

Sponsor Spotlight

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This week’s spotlight shines on



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