



TEXAS CATTLE FEEDERS ASSOCIATION

NEWSLETTER

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DOT Exempts Livestock from Hours of Service Requirement

On June 6, the U.S. Department of Transportation (DOT) granted a one-year exemption to the Hours-of-Service requirement for the transportation of livestock. The Hours-of-Service rules required all commercial motor vehicle operators, including livestock transporters, to take a 30-minute rest break for every eight hours of service. This is in addition to all scheduled stops not counting time for refueling and other breaks.

"This is great news for livestock producers and for the health of our herds," said NCBA President Bob McCan. "As we come into summer, cattle producers have expressed concerns to the DOT that these rules would jeopardize the health and safety of our cattle. For over a year, this has been a major priority for the NCBA and our members, but we will continue to urge DOT to make this exemption permanent. This exemption is a common-sense move that keeps our herds and our nation's highways safe."

The hours of service exemption is effective immediately. More information can be found on the DOT website at <http://tinyurl.com/dot-hos>.

House Passes Tax Extenders Legislation

The U.S. House voted 274 to 144 on Wednesday to pass a handful of tax extenders, including the expiring Section 179 expensing provisions for small business. Specifically for agriculture, this legislation includes an extension of Section 179 expensing for capital investments. On Jan. 1, expensing levels under Section 179 were reduced from \$500,000 to \$25,000. This and other important tax extenders still await action in the Senate.

Cattlemen and women urge Congress to send a tax extenders package to the President's desk as soon as possible. Greater certainty in the tax code supports small business and supports rural America.

NCBA President Testifies to the Value of Trade

NCBA President Bob McCan testified before the U.S. House Ways and Means Committee on Wednesday expressing the benefits of expanding agricultural trade and eliminating barriers to U.S. exports.

"The elimination of tariff and non-tariff trade barriers is a top priority for the U.S. beef industry, and I strongly encourage you to work with the Administration to craft current and future trade agreements based on free market, science-based principles," McCan said.

Beef demand continues to increase around the world. In 2013, foreign consumers purchased 1.17 million mt of U.S. beef at a total of \$6.1 billion. According to CattleFax, exports accounted for \$307 value per head of fed cattle in 2013.

"With 96 percent of the world's consumers living outside of the U.S., access to foreign markets is vital for the future success of U.S. beef producers and rural America," McCan said. "For NCBA, the elimination of tariff and non-tariff trade barriers is a top priority for the U.S. beef industry. If there is one industry that has witnessed both the benefits and tragedies of U.S. trade policy it is the U.S. beef industry."

Free-trade agreements have led to increased profitability for producers and NCBA supports science-based and market-driven trade opportunities. In 1993, U.S. beef exports to Mexico were valued at \$116 million. As a result of the North American Free Trade Agreement, Mexico eliminated its 15 percent tariff on live cattle slaughter, the 20 percent tariff on chilled beef and the 25 percent tariff on frozen beef. In 2013, Mexico is now our third largest export market, valued at nearly \$1 billion.

The Trans-Pacific Partnership (TPP) is a new agreement that includes Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, Vietnam and the U.S. NCBA believes TPP has the potential to open a number of export opportunities for the U.S. beef industry, but is currently limited by Japan.

"Japan's unwillingness to abide by the principles of free trade threatens the entire process," said McCan.

“We encourage USTR (U.S. Trade Representative) to remain vigilant and to continue to push the Japanese toward tariff elimination on beef.”

EPA’s Water Rule Takes Bipartisan Beating

The Environmental Protection Agency’s (EPA) proposal to redefine the scope of its authority over the nation’s waters drew a barrage of criticism Wednesday from House lawmakers accusing the agency of trampling on the rights of states and landowners.

According to *The Hill*, Deputy EPA Administrator Robert Perciasepe maintained the agency’s draft “Waters of the United States” rule unveiled earlier this year merely clarifies decades-old regulations governing which bodies of water fall under federal jurisdiction and permitting requirements. But some Democrats on the House Transportation Committee expressed strong reservations about the plan, and Republicans condemned it as a blatant power grab.

“It will dramatically expand the reach of the federal government,” warned Rep. Bill Shuster (R-Penn.), the panel’s chairman. He described the regulation as the latest in a series of “brute force” actions by the Obama administration in pursuit of policy goals and called on his fellow lawmakers to oppose the effort in defense of congressional authority. “We give it up, they’ll never give it back to us,” he said. “This is a fight we need to have, and we need to win.”

Rep. Nick Rahall (D-W.V.), the panel’s top Democrat, also came out swinging against the rule, saying the EPA’s contention that it is simply clarifying existing regulations finds “a high level of distrust” in Congress.

“This committee is right to view this proposal with skepticism,” said Rahall, who has made his opposition to EPA regulatory policies a key component of a tough re-election bid this year.

Some fellow Democrats on the panel agreed, while others defended the proposal as providing needed clarity about what waters fall under federal jurisdiction. The EPA, together with the Army Corps of Engineers, is developing the rule under authority of the Clean Water Act (CWA) following a series of court decisions that created confusion about the limits of federal authority over smaller bodies of water.

Perciasepe stressed that the rule was still being crafted and officials would consider the tens of thousands of anticipated public comments, as well as a pending study from a federal science advisory board before finalizing the rule. The agencies this week announced a three-month extension on the comment period, which now remains open until October.

For more information, visit <http://tinyurl.com/wotus-bipartisan-beating>. Submit your comments telling EPA to ditch the rule at <http://tinyurl.com/ditch-the-rule>.

FSIS Moves Forward on Salmonella Testing Plan for Ground Beef

USDA’s Food Safety and Inspection Service (FSIS) announced it is proceeding with its salmonella verification sampling program proposed last August without changes to the proposal, reports *Meatingplace*.

After reviewing comments on an Aug. 28, 2013 *Federal Register* document, “Changes to Salmonella Verification Sampling Program: Analysis of Raw Beef for Shiga Toxin-Producing *Escherichia coli* and *Salmonella*,” FSIS is now affirming its plans to begin analyzing for *Salmonella* in all beef product it analyzes for Shiga toxin-producing *Escherichia coli* (STEC) as outlined in that document. FSIS will proceed with implementing those plans without changes.

On June 29, 2014, FSIS will discontinue *Salmonella* sampling set procedures (“HC01”) in ground beef products, except in establishments with results that exceeded the standard for *Salmonella* in that establishment’s most recently completed set (i.e., in those establishments in Category 3).

At the same time, FSIS will begin analyzing for *Salmonella* in all raw beef samples it collects for STEC analysis and will increase the raw ground beef sample portion for *Salmonella* analysis from 25 grams to 325 grams. To read the *Federal Register* notice, visit <http://tinyurl.com/docket-no-fsis-2012-0038>.

OSU Studying Water Efficiency in Beef Cattle

Oklahoma State University has been awarded a million dollar grant by the USDA’s National Institute of Food and Agriculture to look at water utilization by beef cattle. Dr. Megan Rolf, animal science assistant professor with OSU’s Division of Agriculture talked with Ron Hays of the *Radio Oklahoma Network* about the research project.

The competitive grant program at USDA looks for projects to address adapting agriculture to climate variability, and with the ongoing drought, Rolf said their interest was in looking at issues related to utilization of water in the beef industry.

“Our project really focuses on measurement of individual animal variation in water intake,” Rolf said. “It’s an integrated proposal, which is one of the really neat things about USDA in my opinion, that we get to take our research knowledge and integrate that directly into the cooperative extension service and develop some decision support tools for beef cow producers to use.”

To read the full story and to listen to the interview with Dr. Rolf, visit <http://tinyurl.com/osu-water-study>.

Beef Remains Top Protein in Foodservice

Beef experienced significant volume growth in the past year and continues to be a mainstay on the menu, according to the 2013 Usage and Volumetric Assessment of Beef in Foodservice report, proprietary research from the Beef Checkoff Program.

The annual survey of protein purchasing executives showed that beef remains the number one protein in foodservice – in volume, in market share and in the dollars it brings to operations.

In the last year, the pounds of beef sold in foodservice increased by 79 million pounds to a total volume of 8 billion pounds, representing about one third (32 percent) of the total protein market share in foodservice.

In addition to beef’s overall performance in foodservice, the research looked at the sales of specific beef cuts. Traditional steaks such as Sirloin, Top Loin and Ribeye continue to be mainstays on the menu, while emerging cuts like the Petite Tender, Flat Iron Steak, Tri-Tip and Chuck Eye Roast also experienced growth.

The annual Usage and Volumetric Assessment of Beef in Foodservice is conducted by Technomic on behalf of the Beef Checkoff Program to understand the usage of beef in the foodservice industry. The study evaluates the penetration of beef usage in various foodservice segments and the sales of beef in pounds and dollars. Respondents included protein purchasing executives within 180 of the Top 250 restaurant chains representing \$41 billion of 2012 foodservice industry sales. For more information, visit <http://tinyurl.com/beef-foodservice>.

Feedlot Nutrition Boot Camp Takes Learning a Step Beyond

Thirty university graduate students from across the nation will spend a week at the Feedlot Nutritionist Boot Camp in Amarillo this August to learn the real-life intricacies of cattle feedlot nutrition.

“Most of the instruction is provided by highly influential industry leaders – practicing veterinarians, feedlot nutritionists and industry professionals working in all levels of the U.S. feedlot industry,” said Kansas State University Associate Professor Chris Reinhardt, who is organizing the event in conjunction with Mike Hubbert of New Mexico State University’s Clayton Livestock Research Center.

Beyond exposing students to current, real-life industry challenges, the boot camp also presents opportunities for the group to interact with industry professionals – beneficial for the students as they move into careers, as well as for the professionals as they consider who to hire. According to Reinhardt, K-State hosted a similar event in 2012, and nutrition and animal health companies are still contacting him regarding the students who went through that training.

Find more information at *Drovers CattleNetwork* at <http://tinyurl.com/fy-bootcamp>, and get more information about Feedlot Nutritionist Boot Camp by contacting Chris Reinhardt at cdr3@ksu.edu.

McDonald’s Beefs Up Menu in Honor of World Cup

In honor of the 2014 FIFA World Cup™, Arcos Dorados, the largest McDonald’s franchisee in the world, has been serving fans special “team sandwiches” at the more than 800 McDonald’s locations in the host country of Brazil.

Customers’ clear favorite among the seven team sandwiches developed for the FIFA World Cup™ is the McArgentina, which is made of Angus beef with chimichurri mayonnaise, lettuce, tomato, bacon and cheddar. The McUSA, also made of Angus beef but with barbecue sauce, crispy onions, pickles, lettuce, bacon and cheddar cheese, holds the runner-up spot.

The seven special FIFA World Cup™ sandwiches are the McArgentina, McBrazil, McFrance, McGermany, McItaly, McSpain and McUSA. Find more on this story at <http://tinyurl.com/fifa-mcdonalds>.

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