



TEXAS CATTLE FEEDERS ASSOCIATION

NEWSLETTER

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Hong Kong Fully Reopens for U.S. Beef

On Tuesday, the Administration announced that Hong Kong has fully reopened its market for U.S. beef. NCBA President Bob McCan, a cattleman from Victoria, Texas, says this is not only great news for cattlemen and women, but also strong assurance that the interlocking safeguards put in place are working to build international market demand.

“As U.S. beef producers, we produce the best beef in the world,” says McCan. “The strong system of interlocking safeguards and protocols our industry put in place over 10 years ago has assured consumers, both domestically and abroad, of the safety of our product.”

Under the new terms, Hong Kong will permit the import of the full range of U.S. beef and beef products, consistent with access prior to December 2003. The new terms became effective Tuesday. Previously, only deboned beef from all cattle and certain bone-in beef from cattle less than 30 months of age could be shipped from the U.S. to Hong Kong.

“Cattle producers had a major victory in Paris last year when the World Organization for Animal Health (OIE) upgraded our risk status to negligible risk, the lowest risk standard, recognizing our strong commitment to beef safety,” says McCan. “And we applauded the USDA/APHIS in the finalization of the comprehensive BSE rule, which showed our trading partners and the world that we stand behind internationally-accepted science. This has brought the U.S. beef industry to the point now where we are exporting more than \$6 billion of beef annually.”

In 2013, Hong Kong imported more than \$823 million in U.S. beef, and in the first four months of 2014, they have imported more than \$307 million.

China, World Meat Industries Work to Serve Rising Demand

The 20th World Meat Congress kicked off in Beijing on Sunday with optimism from the host country and guest nations eager to work together to better serve growing meat demand in China and other parts of the world, reports *Meatingplace*. The event serves as China's opportunity to demonstrate its willingness to partner with other nations' meat industries to address a projected 60 percent increase in demand by 2050.

Increasing spending power in China is forcing the consolidation of a fragmented meat industry into larger, more organized companies, the improvement of quality and food safety standards and the need for more foreign product. In 2013, China produced 85 million MT of meat, exported 1.06 million MT and imported 2.5 million MT, making it a net importer by nearly 1.5 million MT.

“This trend will continue in the future,” says Ge Zhirong, president of the China Entry-Exit Inspection and Quarantine Association, adding that the World Meat Congress affords a first-hand opportunity for China and other countries to learn and improve each other's protocols and how they can address each other's needs.

According to Phil Seng, president and CEO of the U.S. Meat Export Federation (USMEF), China is in need of 1 million MT of beef.

Meanwhile, China is touring the U.S. beef system for potential supply. A delegation of China's food safety agencies arrived in the U.S. this week for a two-week tour and review of American beef production as both sides continue to discuss increased trade to help shore up China's beef shortage.

Phil Seng, USMEF president and CEO, says, “It looks quite optimistic. Our expectation is that hopefully this is the time that something positive will happen,” and China will remove its outright ban of imports of U.S. beef that it established in December 2003 following the first U.S. case of BSE. There's no clear timetable for a reopening, but Seng says he believes it will happen “in the near future.”

The two-week visit began with a USDA briefing in Washington and includes trips to Texas and California to tour ranches, feedyards, packing plants, feed mills and veterinary diagnostic labs. Find more information at

<http://tinyurl.com/china-tours-us-beef-system>.

CRP Emergency Grazing

The Texas State FSA Committee reviewed emergency grazing requests submitted by the 59 counties listed below. Based on the U.S. Drought Monitor and information provided by the County Office, the request to implement emergency grazing was approved.

The approved counties are as follows: Andrews, Armstrong, Bailey, Borden, Briscoe, Carson, Castro, Cochran, Coleman, Collingsworth, Cottle, Crosby, Dallam, Dawson, Deaf Smith, Dickens, Donley, Fisher, Floyd, Foard, Gaines, Garza, Gray, Hall, Hale, Hansford, Hardeman, Hartley, Haskell, Hemphill, Hockley, Howard, Hutchinson, Jones, Kent, King, Knox, Lamb, Lipscomb, Lubbock, Lynn, Mitchell, Moore, Motley, Nolan, Oldham, Parmer, Potter, Randall, Roberts, Runnels, Scurry, Sherman, Stonewall, Swisher, Taylor, Terry, Wheeler and Yoakum.

Effective Thursday, June 12, 2014, the 59 counties listed may begin the 90-day emergency grazing period. The 90-day period will end on Sept. 11, 2014. More information is available at <http://tinyurl.com/crp-policy-changes>, <http://tinyurl.com/emergency-grazing-crp> or <http://tinyurl.com/approval-crp-grazing>. Contact Gaye De Leon with the Conservation Division at (979) 680-5207 if you have any questions.

Texas Beef Checkoff – Important Voter Validation

The Texas Department of Agriculture (TDA) is now in the process of validating the eligibility of the voters in the Texas Beef Checkoff Referendum. TDA will select a random sampling of the ballots and contact the voters to confirm that they were eligible to vote.

To have voted, the producer must have owned at least one head of cattle sometime between June 6, 2013 and June 6, 2014. TDA will request proof from the producer that he/she owned cattle during that time. A document, such as a bill of sale, feed receipt, veterinarian bill or another business record, proving cattle ownership must be submitted to the TDA within seven calendar days from being contacted by TDA. While every voter may not be contacted, it is important for voters to proactively prepare for a call so TDA can have a quick and accurate tally of votes.

If you are contacted by TDA to validate your vote, it is very important that you provide the requested documentation in a timely manner. Failure to do so will invalidate your vote and may jeopardize the referendum outcome. If a representative from TDA calls you, please take the call. The outcome of the referendum vote is greatly impacted by this validation process, and your cooperation will be very important.

Find more details on ballot verification procedures at <http://tinyurl.com/ballot-verification-procedures>.

Producers Take Action Against Chipotle's Beef Import Plan

Cattle producers and industry leaders are speaking up in response to Chipotle Mexican Grill's official statement announcing their plans to import Australian grass-fed beef. Chipotle claims U.S. cattle producers are not able to meet their demand for "Food With Integrity" and "Responsibly Raised Beef."

"As Texas Agriculture Commissioner, I truly appreciate the past efforts made by Chipotle to support family farms and your company's dedication to serving locally-grown products. However, I am shocked by your recent decision to start serving meat that's been shipped in from more than 8,000 miles away. I also was dismayed by your misguided and irresponsible declaration that this meat is somehow more "responsibly raised" than meat produced by Texas ranchers. American consumers deserve better," wrote Todd Staples in a June 16 letter to Chipotle's founder, chairman and Co-CEO Steve Ells. "I personally invite you and the Chipotle team to meet face-to-face with myself and other Texas beef industry leaders to discuss how we can help supply Chipotle's growing demand for fresh, healthy beef. After all, Texas beef would not have to travel thousands of miles and leave a substantial carbon footprint before ending up in a Chipotle burrito."

Two California ranchers, Darrell Wood, an organic, grass-finished beef producer, and Darrel Sweet, a conventional beef producer, have spoken openly and clearly on the *Facts About Beef* blog about the differences in their methods and how the environment dictates what practices they are able to utilize.

"Raising responsible beef means being a good steward of the resources you have. In some cases, that means raising cattle on grass and finishing them on grain, like my friend Darrel. It really boils down to the quality of the grass pastures available to you and whether the grass grows year-round," says Wood. "I would love for Mr. Ells to call me or visit my ranch to learn more about how beef is raised and discuss his options for providing responsibly raised beef to Chipotle customers."

State beef councils and advocacy groups, such as the Masters of Beef Advocacy (MBA), have issued action alerts to members, giving tips on how to appropriately speak up about their concerns and tell their story. To learn how you can engage in the conversation, visit <http://tinyurl.com/producers-take-action>.

Vilsack Travels to Europe Next Week to Discuss Expanding Trade Opportunities

U.S. Agriculture Secretary Tom Vilsack will travel to Europe next week to meet with agricultural and trade officials and stakeholders to discuss the expansion of agricultural trade, the importance of agriculture's role in the U.S.-European Union (EU) Transatlantic Trade and Investment Partnership (T-TIP), and the benefits the trade agreement will have to both the American and European economies. According to the *Oklahoma Farm Report*, the Secretary's trip will include meetings and site visits in Brussels, Luxembourg City, Paris and Dublin.

"The EU is the world's largest importer of food and agricultural products," says Vilsack. "But despite the continued growth of this market, U.S. market share is shrinking, because U.S. producers and exporters continue to face numerous trade barriers. The negotiation of the T-TIP offers a major opportunity to address these barriers and expand market access for U.S. farmers and ranchers."

Since 2009, nearly one-third of U.S. economic growth has been due to exports. America has seen record agricultural exports over the past five years, which has been critical to creating jobs in rural America and helping our country's economy recover. Agricultural exports alone reached a record \$140.9 billion and supported nearly one million jobs in the U.S. last fiscal year. U.S. agricultural exports have set a new record every year for the past five years, totaling \$619 billion between 2009 and 2013. They are projected to reach another record of \$149.5 billion in fiscal year 2014. Find more information at <http://tinyurl.com/ag-eu-trip>.

Consumer Reports Seeks Ban on "Natural" Designation on Packaging

Consumer Reports is working with a social action organization to ban use of the word "natural" on food packaging following a survey indicating that nearly 60 percent of consumers check to see if a product is "natural" without independent verification of that being the case.

Meatingplace reports that the *Consumer Reports* survey also found that more than 80 percent of consumers believe that packaged foods that use the word "natural" on the label should have food that do not contain artificial ingredients (87 percent), are grown without pesticides (86 percent) and do not contain genetically modified organisms (GMOs) (85 percent). The survey indicates that consumers believe the use of the word carries more impact than the more narrowly defined standards used by regulators.

The organization is launching an effort with *TakePart* to close that perception gap by banning use of the word "natural" on food labels to prevent confusion among consumers. *Consumer Reports* notes that the Food and Drug Administration (FDA) has not yet developed a formal definition for use of the word "natural" on food labels or other derivatives of the term. The research group adds, however, that the FDA and the USDA both allow use of the word if no artificial ingredients or color additives were used to create the products.

To learn more, visit <http://tinyurl.com/take-part-labels>.

Pennsylvania Cattleman Urges EPA to Withdraw Anti-Conservation Rule

Yesterday, Andy Fabin, cattle producer and farmer from Indiana, Penn., testified before the House Agriculture Subcommittee on Conservation, Energy, Commerce and Forestry, regarding the impacts of the Environmental Protection Agency (EPA) and the U.S. Army Corps of Engineers' (Corps) "interpretive rule" on the Normal Farming and Ranching exemptions under Sec. 404 of the Clean Water Act.

"My willingness to implement voluntary conservation practices has been greatly diminished, despite my desire to improve and protect the waters on my farm," says Fabin, who raises cattle and farms 3,500 acres of corn, soybeans, wheat and rye. "If the interpretive rule remains in place, farmers and ranchers across the country will slow their adoption of conservation practices."

Coupled with the proposed rule expanding the jurisdictional reach of the EPA and the Corps under the Clean Water Act, the interpretive rule will increase liability for farmers and ranchers. For property owners like Fabin, the ephemeral streams, ponds and ditches found across their pastures would fall under the EPA and the Corps' jurisdiction, and would require permits for any activities taking place on the land.

While the agencies have exempted 56 farming and ranching practices, as long as they meet the specific Natural Resource Conservation Service standards, any deviation from these standards can result in fines of up to \$37,500 per day.

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