



TEXAS CATTLE FEEDERS ASSOCIATION

NEWSLETTER

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Russia Bans Western Food Imports in Ukraine Sanctions Retaliation

On Thursday morning, the Russian government announced a one-year prohibition of the importation of certain food and agricultural products from the United States, Canada, European Union, Norway and Australia. Fresh and frozen beef products are included on that list, but this should come as no surprise.

Russia has effectively banned U.S. beef imports since early 2013 by placing arbitrary restrictions on the use of growth promotants, including beta agonists and hormones. Prior to the ban, Russia was one of our top 10 export markets accounting for \$300 million in beef and beef product sales in 2012. NCBA and our beef industry partners have worked extensively with the U.S. government to provide them with all necessary information and guidance to try to re-open the Russian market, but Russia has been unresponsive.

In response to tensions over Crimea and Ukraine, the U.S. and other NATO members have increased economic sanctions against Russia. In return, Russia has been actively using its own regulatory schemes to restrict imports from Ukraine and other former Soviet states who have allied themselves with the West.

NCBA will continue to provide the U.S. government with information they need to restore market access.

Japan, U.S. Resume TPP Talks on Market Access for Beef, Pork

Trade officials from Japan and the U.S. resumed negotiations over outstanding issues on market access for agricultural products such as beef and pork under the Trans-Pacific Partnership (TPP). Both governments will explore ways to strike a deal, possibly this fall, regarding Japan's exceptional tariffs on some farm products, so that talks on the 12-country free trade initiative can move forward, a Japanese official said.

A key topic in the talks that started Monday between Hiroshi Oe, deputy chief TPP negotiator for Japan, and Wendy Cutler, acting deputy U.S. Trade Representative, will be on Japan's insistence to maintain protectionist tariffs on beef, pork and other ag products.

Japan has been considering lowering tariffs on beef and pork under a TPP deal and demanded the United States allow introduction of measures to protect domestic livestock farmers that would limit imports of such products if they surge.

Tokyo and Washington resumed the talks on farm market access after nearly one-third of U.S. House of Representatives members sent a letter to President Obama last week urging Japan to open its market further. If completed, the TPP will cover some 40 percent of global economic output. The other countries involved are Australia, Brunei, Canada, Chile, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam.

2014 TCFA Annual Convention

We look forward to seeing you in Oklahoma City Oct. 26-28 at the 2014 TCFA Annual Convention. Make your hotel reservations today at the Renaissance Hotel using this direct link or phone number:

<http://tinyurl.com/renaissance-hotel-convention> or 1-800-468-3571. Room rates are \$135/night. Keep an eye out for more details coming soon.

TCFA Member Benefit

For members working on next year's budget or current year's fiscal year end, 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.

Food, Animal Welfare Focus of Food Dialogues: Austin

Food is a topic of growing interest among consumers, and Americans are hungry for information about how their food is grown. In fact, one in four has questions about the food they purchase, according to U.S. Farmers & Ranchers Alliance (USFRA) consumer messaging research.

To continue the conversation on some of today's most pressing food issues, Texas Farm Bureau (TFB) is partnering with USFRA to hold The Food Dialogues: Austin Sept. 18, 2014 at the AT&T Executive Education and Conference Center.

"The Food Dialogues: Austin will create a place where farmers, ranchers and experts from all sides of the food chain can share their knowledge and personal experiences about animal welfare and food production with consumers," TFB President Kenneth Dierschke says. "We all have a vested interest in knowing more about our food, how it's grown and raised and how it impacts our lifestyles. It's a dialogue we need to have more often."

The event will feature two distinct panel discussions focused on animal welfare and conventional and organic growing practices. Additional details, including the event moderator and other panelists, will be announced soon. To learn more about this event, visit www.fooddialogues.com/events/fd-austin. Follow the conversations on Twitter using #FoodD.

Missouri Agriculture Victorious on Right-To-Farm Amendment – Defeats HSUS Efforts

On Aug. 5, Missouri voters passed an amendment to their state's constitution which guarantees farmers and ranchers the right to engage in their way of life and produce food for others. The amendment was passed by only 2,500 votes and triggered a mandatory recount under the state's election laws. However, Missouri agriculture groups are extremely confident the result will be upheld.

The Missouri Cattlemen's Association, the Missouri Farm Bureau, the Missouri Pork Association and other agriculture groups led the campaign to pass the right-to-farm amendment to protect all of Missouri's farmers and ranchers from the efforts of activist groups to curtail their operations and restrict their abilities to effectively and efficiently produce food and fiber. The Missouri agriculture coalition spent nearly \$1 million to pass the amendment, fending off attacks from HSUS and other activist groups. HumaneWatch reported that 90 percent of the funding for opposition to the amendment came from the HSUS apparatus.

ROI Study Shows \$11.20 Return on Checkoff Dollar

Every dollar invested in the Beef Checkoff Program between 2006 and 2013 returned about \$11.20 to the beef industry, according to a study by Dr. Harry Kaiser of Cornell University.

"It is clear to me that activities funded through the Beef Board budget have a substantial impact on beef demand in the U.S. and in foreign markets. The return on producers' and importers investments into this program is vastly greater than the cost of the program," says Kaiser, the Gellert Family professor of applied economics and management at Cornell and director of the Cornell Commodity Promotion Research Program. He shared results at the 2014 Cattle Industry Summer Conference.

Commissioned through the checkoff's Joint Evaluation Committee, this new ROI study found:

- Had there not been any CBB-funded marketing between 2006 and 2013, domestic beef demand would have totaled 15.7 billion pounds – or 11.3 percent less than it was with the checkoff programs in place. Holding the effects of all other demand drivers constant, the activities funded by the CBB increased beef demand 2.1 billion pounds per year.
- Had the national Beef Checkoff Program not invested in foreign-market development between 2006 and 2013, foreign demand for U.S. beef would have been 6.4 percent lower.
- The statistical results indicate that all eight CBB demand-enhancing activities – generic beef advertising; channels marketing; industry information; new-product development; public relations; nutrition research; beef-safety research and product-enhancement research – have a positive and statistically significant impact on increasing per capita beef demand.
- At the bottom line, the increase in beef demand due to CBB-funded marketing efforts resulted in higher prices for beef producers and importers, which means higher net revenue than they would have experienced without those checkoff programs.

Access and download an executive summary and other study highlights at <http://tinyurl.com/checkoff-roi>.

Texas Beef Producers Can Apply for Federal Aid Due to Drought

Texas administrators of USDA's Farm Service Agency (FSA) encourage beef producers to call the FSA office in their county to set up appointments on livestock disaster programs as deadlines are approaching. According to Judith Canales, Texas state executive director for the USDA-Farm Service Agency, the disaster programs are part of the Agricultural Act of 2014, which will help Texas cattle producers rebuild and recover drought losses dating back to 2011.

"As of Aug. 6, \$258 million in livestock disaster payments have been distributed in Texas," Canales says. "We have 173 offices here in Texas to work with you, and we encourage you to schedule an appointment."

Highlights of programs offered to cattle producers are:

- Noninsured Crop Disaster Assistance provides assistance to producers of non-insurable crops when low yields, loss of inventory or prevented planting occur due to a natural disaster, including grasses planted for livestock production. Fact sheet: www.fsa.usda.gov/nap.
- The Livestock Indemnity Program provides benefits to livestock producers for livestock deaths in excess of normal mortality caused by adverse weather. To be eligible, a producer must have legally owned the eligible livestock on the day the livestock died. Fact sheet: <http://1.usa.gov/1slsUaj>.
- The Livestock Forage Disaster Program is retroactive to cover eligible livestock producers who have suffered grazing losses for covered livestock on land that is native or improved pastureland with permanent vegetative cover or is planted specifically for grazing. The program provides compensation to eligible livestock producers who have suffered grazing losses on rangeland managed by a federal agency if the producer is prohibited by the federal agency from grazing normal permitted livestock on the managed rangeland due to a qualifying fire. The grazing losses must have occurred on or after Oct. 1, 2011. Payments are based on animal units. Fact sheet: <http://1.usa.gov/1sAsEWe>.

Contact a local Texas FSA county office for more information.

Purdue Survey: Consumers Rely on Animal Rights Groups for Information

A new survey conducted by Purdue University researchers concludes that many consumers use animal protection organizations as their primary source of information about livestock and poultry welfare, *Meatingplace* reports. The report, published in the *Journal of Animal Science*, finds that groups affiliated with the animal agriculture industry are less used sources of public information on animal welfare.

"Improved understanding of the factors that contribute to consumers' evolving perceptions of the care and welfare of farm animals is an essential step toward enhanced sustainability and social responsibility in contemporary food production systems," the report says.

Over half of the respondents (56 percent) said they did not have a primary source for animal welfare information. Of those who did, the most commonly used sources were animal protection groups, the Humane Society of the United States (HSUS) and People for the Ethical Treatment of Animals (PETA). Consumers in the Midwest were significantly less concerned about domestic livestock animal welfare, at only 5 percent, and more frequently reported not having a source for animal welfare information than those from other regions of the United States. Find more information at <http://tinyurl.com/consumers-info>.

BRD Trends

During the recent Bovine Respiratory Disease Syndrome (BRDS) symposium in Denver, Mike Engler, PhD, CEO and chairman of the board at Cactus Feeders, presented data showing BRD trends in Cactus operations over the past 13 years.

According to *Drovers CattleNetwork*, Engler relayed that mortality during the finishing phase in beef steers has increased over the last 13 years at a rate of 0.05 percent per year for cattle fed in Cactus Feeders' operations. Cactus shifted its emphasis during that time to placing heavier cattle than in previous years, which corresponded with lower morbidity rates but higher case fatality rates.

The data also proved the effects of drought on feedyard cattle, with a significant spike in BRD mortality during the severe drought in 2012. The increase was particularly evident in 600- to 700-pound calves, which went from 2 percent mortality in 2011 to 4 percent in 2012. It was noted that as placement weights increased, mortality in the early stages of the feeding period decreased, resulting in a greater proportion of total death loss later in the period. Find the full article at <http://tinyurl.com/brd-pres-engler>.

Feeding Quality Forum Registration Deadline Extended

The 2014 Feeding Quality Forum will be held in Amarillo on Thursday, Aug. 21, and the deadline for discounted registration has been extended through today! A great line up of speakers is in store, including a Feedstuffs Market Update from Dan Basse; a feedyard manager forum on employee retention and hiring; Dr. Brad Morgan on consumer perceptions; Fred Vocasek (Servi-Tech) on feed sample testing; and Dr. Scott Brown (Univ. of Missouri) on how high quality cattle are affecting the markets.

Register now at www.FeedingQualityForum.com.

Dr. Kenneth and Caroline McDonald Eng Foundation Symposium

The “Innovative Intensification in Cow-Calf Systems” symposium is the second annual symposia of its kind to be sponsored by the Dr. Kenneth and Caroline McDonald Eng Foundation. Texas A&M University will host the event on Sept. 18-19 at the Embassy Suites in San Antonio. Researchers from the University of Nebraska-Lincoln and Oklahoma State University also will participate.

“This year’s symposium will offer perspectives on opportunities for innovation in production systems through strategic intensification,” says Ken Eng, cattleman and nutrition consultant. “We’ll address questions including how increasing management intensity can increase profitability, reduce risk and enhance the sustainability of beef production enterprises.”

Cattle producers interested in opportunities to expand production or increase land use efficiency should plan to attend. Find more information at <http://tinyurl.com/eng-symposium>.

CME Group to Conduct Industry Outreach on CME Livestock Hours

CME Group announced on Wednesday that it will begin conducting broad outreach to customers, producer groups and other market participants to review existing CME livestock trading hours on CME Globex. An online survey of CME Globex trading hours for CME Live Cattle, Feeders Cattle and Lean Hog futures and options products will be made available to participants on CME Group’s website until Tuesday, Aug. 19. The survey is open to all CME livestock customers and market participants and can be found online at <http://tinyurl.com/cme-trading-hours-survey>.

Sponsor Spotlight

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

This week’s spotlight shines on



Full Value Beef™ is an evolution of the Elanco beef brand and a commitment to building partnerships that can meet today’s industry challenges. Full Value Beef™ is a different way of doing business. It’s a customized approach designed to better understand customers’ needs and to better serve them through discovering profitable opportunities.

One such opportunity in the area of health management is to better meet specific disease prevention needs by offering an expanded vaccine portfolio. The Elanco vaccine portfolio now includes Titanium® and Master Guard® vaccine lines. These well-known brands complement the recently approved Viralign™ 6, the first combination modified-live virus (MLV) vaccine to provide targeted protection against BVD 1b – the most predominant subtype in the United States. For more information, visit www.elanco.us.

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