



TEXAS CATTLE FEEDERS ASSOCIATION

NEWSLETTER

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NCBA Vows to Fight USDA Plan to Create Second Beef Checkoff Program

During a Sept. 30 meeting of the beef checkoff enhancement working group, Secretary Vilsack announced that he will implement a new, supplemental beef checkoff that would fall under the Commodity Promotion, Research and Information Act of 1996. NCBA says the move could jeopardize the entire national checkoff.

For three years, the working group has focused on potential reform of the beef checkoff to make it even more effective and efficient, but since that time, the group has been unable to reach a consensus. The National Farmers Union, who called the process a “waste of time and money,” recently withdrew from the group after proposing the USDA place the beef checkoff under the 1996 Act. The move would simply require Vilsack to write a rule for a new commodity checkoff program.

“Our current beef checkoff program has been highly successful and has a tremendous approval rating among producer stakeholders,” said TCFA Chairman Jason Hitch. “Developing this supplemental checkoff under the 1996 Act, which has much heavier government involvement and less producer involvement, is an unnecessary step in the wrong direction.”

Creating a second checkoff would result in a doubling of the assessment from its current \$1 per head to \$2 per head, which NCBA has supported; however, the extra dollar could be “eaten up in administrative expenses.” Under the 1985 Act, through which the checkoff was established, only 5 percent of checkoff funds can be used for administrative expenses. That figure increases to 15 percent under the 1996 Act.

According to Bob McCan, NCBA president and Texas cattleman, this is the current administration taking executive action to achieve its agenda regardless of what the majority of the industry wants.

“This is an unnecessary act that was announced to appease one group,” McCan said. “We still have a good majority of organizations in this country to come up with a statement of principles going forward – either to enhance the 1985 act or continue as is. Whatever the consensus of the group is, we can achieve our goals without having to utilize the 1996 Act.”

The new checkoff reportedly would function for a period of three years before a producer referendum would take place. At that point, and under a new administration, a referendum would be held on whether to continue.

While a specific timeline for Sec. Vilsack’s new plan has not been announced, McCan said as soon as USDA finishes putting the details together for the new structure, a proposed rule will be submitted to the *Federal Register* and then opened for a public comment period, with a 2016 implementation time.

For more details, visit <http://tinyurl.com/2nd-beef-checkoff>.

Rabobank Report Gives Positive News for Global Beef Industry

Rabobank’s Beef Quarterly Q3 report provided “largely positive news” with global beef supply continuing to tighten. The report said that most key producing and export regions are already experiencing record tight supplies, with further tightening expected throughout the remainder of 2014 and 2015, and that producers in the U.S., Brazil and New Zealand are currently welcoming record prices.

Rabobank analyst Angus Gidley-Baird said, “There is largely positive news for the global beef industry as strong demand and tight supply are showing no signs of slowing, pushing prices – in some cases record prices – even higher.”

In the U.S., volatility characterized the cattle market, and prices were continuing to trade at record levels. Despite volatility, Rabobank said the good news was that in spite of the unprecedented price levels, demand for both domestic and export beef continued to show no measurable evidence of slowing down.

Find the report at <http://tinyurl.com/raboq3>.

U.S. Beef and Pork Exports Set New Record

The U.S. Meat Export Federation (USMEF) reports that beef and pork export values continue to increase at record pace and that, for the second consecutive month, export value for U.S. beef and pork increased year-on-year despite declines in volume.

August beef exports overcame a 3 percent decline in volume to 102,456 metric tons to set a new monthly value record of \$655.2 million, up 16 percent from a year ago. For January through August, beef exports were up 3 percent in volume (790,208 mt) and 13 percent in value (\$4.55 billion) compared to the same period last year.

August fed beef slaughter was down 10 percent year-over-year, making the beef export value record even more noteworthy. Export value per head of fed slaughter reached \$326.94, up 29 percent from a year ago and shattering the previous record (\$299.14) set in June. For January through August, per-head export value was \$279.48 – up 15 percent from the same period last year. Exports equated to 14 percent of total beef production and 11 percent for muscle cuts only – up from 13 percent and 10 percent, respectively, last year.

“International buyers are certainly concerned about supplies, and whether we will be able to meet the growing demand for U.S. beef,” said USMEF President and CEO Philip Seng. “But price and supply concerns notwithstanding, their enthusiasm for U.S. beef has never been higher. We continue to see an outstanding response to our marketing campaigns and educational seminars informing buyers about the unique attributes of U.S. beef.”

Find USMEF’s full report at <http://tinyurl.com/export-value-remains-high>.

STB Increases Railway Reporting Requirements

Starting Oct. 22, major U.S. railroads will be required to file and make public weekly status reports, a move praised by some lawmakers but questioned by the top rail lobbying group. The order handed down by the Surface Transportation Board (STB), details the metrics railroads will need to report, including the average system-wide train speeds for shipments of several different goods, including grain, coal, crude oil and ethanol.

"This order follows the board's recent public hearings regarding rail service issues, at which many rail shippers expressed concerns about the lack of publicly available rail service metrics and requested access to certain performance data from the railroads to help them better understand the scope, magnitude and impact of the current service problems," the STB said in its announcement.

The Association of American Railroads said the new reporting requirement might not improve service as it is designed to do. "Since 1999, railroads have on a weekly basis voluntarily provided the STB and the public with railroad performance measures on terminal dwell time, velocity and cars online. It is unclear how the increased reporting requirements in today's order will in any way lead to improved service," AAR President Ed Hamberger said in a statement.

View STB's announcement at <http://tinyurl.com/stb-rway-rptng>.

IRS Chief Warns of Delays if Congress Fails to Act on Tax Extenders

Congressional inaction and uncertainty on more than 50 tax extenders – provisions that expired at the end of 2013 – could force the Internal Revenue Service (IRS) to postpone the opening on the 2015 filing season and is causing cattlemen major implications in the meantime.

In an Oct. 6 letter to Senate Finance Committee Chairman Ron Wyden (D-Ore.), IRS Commissioner John Koskinen warned that it is imperative that Congress decide whether or not to extend these expired provisions as early as possible when Congress returns and no later than the end of November.

Congressional leaders have warned that the earliest the package of tax extenders could be approved would be during the “lame-duck” session of Congress, after the November mid-term elections. The House has voted to extend several expired tax provisions, but the Senate has not taken action on these stand-alone provisions or a more comprehensive package that was approved by the Senate Finance Committee.

In response to the IRS letter, Chairman Wyden issued a statement urging Congress to move in a “decisive and bipartisan way” to renew expired tax provisions, saying, “As the economy begins to show signs of strength, uncertainty from the federal tax code is the last thing American businesses and families need as they look to grow and invest. Congress needs to act swiftly on these important tax provisions so it can get to work on a comprehensive overhaul of the tax code and lift the fog of uncertainty from taxpayers.”

NCBA Vice President of Government Affairs Colin Woodall also emphasized the importance of congressional action on key tax provisions. He stressed that the extenders have huge implications on those involved in agriculture, specifically Section 179 expensing for equipment purchases and bonus depreciation.

“We have producers who have put off some major purchasing or management decisions, because they don’t know what the tax liability is going to be,” he said. “Until Congress gets this done, it’s going to be hard for people to plan as we go into 2015.”

EPA Extends WOTUS Comment Period

The Environmental Protection Agency (EPA) announced Monday that it is again extending the comment period on the “Waters of the United States” (WOTUS) rule through Nov. 14. The agency previously extended the comment period in June.

The EPA's Scientific Advisory Board is wrapping up a report on the connectivity of small bodies of water such as streams and wetlands, the agency noted, and the EPA wants to give the public more time to comment on the results of the report once it is released.

TCFA urges you to help “Ditch the Rule” by submitting comments to EPA and the Corps opposing the proposal. Simply go to www.tcfa.org and click on the WOTUS banner at the top of the page. Fill in your contact information and click submit to pull up pre-populated comments that can be personalized with your thoughts or sent as is. **The last day to submit comments is Nov. 14.**

U.S. Meat Industry Embraces New Technologies

For the past several months, a diverse group of representatives from technology companies and the U.S. beef, pork and lamb industries has tackled a critical question related to global access for U.S. meat: What steps can the meat industry take to ensure that the introduction of new production and processing technologies does not interrupt trade?

Forrest Roberts, chief executive officer of the National Cattlemen’s Beef Association, was recently elected chairman of the Meat Industry International Stewardship Advisory Council (MIISAC), which is comprised of a wide range of meat and livestock sectors that share the goal of adopting “new technologies in a manner that is consistent with continuing to grow exports.

Its primary focus is to foster better communication, coordination and collaboration at all levels of red meat production, processing and marketing so that new technologies are introduced in a manner that minimizes disruptions in exports without stifling the development of next-generation technologies.

As new technology products are launched into the U.S. market, MIISAC will collaborate with the companies introducing the products to assess the potential benefits and costs of their adoption to the red meat industry and develop strategies for minimizing impediments in export markets that have not approved the technology.

“The goal is definitely not to serve as a standard-setting or policy-making body, but rather to provide a broad, forward-thinking perspective on how a new technology will impact our industry once it is approved,” Roberts explained. For more information, visit <http://tinyurl.com/new-tech-meat-ind>.

2014 TCFA Annual Convention Update

Congratulations to Andy Rogers of Rogers and Sons, Ltd.! You are the winner of the final \$500 Cabela’s gift card, determined by a drawing held this morning for TCFA Annual Convention early registrants. If you would like to register for Convention, which will be held Oct. 26-28 in Oklahoma City, there is still time! Register online today at <http://shop.tcfa.org/Convention/>.

The room blocks at the Renaissance and the Skirvin Hotels have been filled, but additional rooms are available at the Sheraton Oklahoma City Downtown Hotel for \$149/night until Monday, **Oct. 13**. To reserve rooms at the Sheraton, call 1-800-325-3535 and request the Texas Cattle Feeders Association block.

Don’t forget about the unique opportunity to participate in fun and educational tours on Monday, Oct. 27. The Lopez Foods and Express Ranches tour is now full, but there is still availability on the tour of the Oklahoma City Bombing Memorial and Overholser Mansion and on the tour of the U.S. Olympic Training Center, Devon Boathouse and Bricktown.

We hope you will take some time to stick around on Tuesday afternoon for some friendly competition in the golf tournament at SilverHorn Golf Club or the sporting clays tournament at Quail Ridge Sporting Clays. Lists for both events are filling up, so if you haven’t already, be sure to register and secure your spot.

Be sure you check out all of the great items in this year's BEEF-PAC Auction that will be waiting for you at Convention at <http://tinyurl.com/2014auctionitems>. Start making your wish list! For the latest while at Convention, be sure to follow us on Facebook and join the conversation on Twitter at #cfaconv14.

Jayce Winters Joins the TCFA Team

Jayce Winters joined the TCFA team this week as Market & Membership Coordinator. Winters was raised in Satanta, Kan., where she grew up working with her dad on their stocker cattle operation. She graduated this August with a degree in Agricultural Media & Communication from West Texas A&M University.

While at WTAMU, Winters served as president of Agricultural Communicators of Tomorrow, reporter and photographer for the *Eternal Flame*, as well as the homecoming chair for Block & Bridle. In addition to serving in leadership roles for other organizations, such as Baptist Student Ministries, Southwest Kansas Cattlewomen's Association and Kansas Cattlewomen's Association, Winters was also selected by faculty to serve as an Agricultural Ambassador.

"Growing up in the cattle business, I have always had a love for the industry. It has been my dream ever since beginning my pursuit of a career in agricultural communications to return to this industry and the people who represent it," Winters said. "This opportunity to serve the people of the cattle feeding industry in Texas, Oklahoma, and New Mexico is a true honor, and I look forward to the many adventures in the future of agriculture that lie ahead."

Feedyards Could Win \$5,000 in Efficiency & Profit Contest!

Feedyard members are invited to participate in Texas A&M University's 2014 *BEEF* Efficiency & Profit Contest underway now at www.beefmagazine.com. The winning feedyard crew wins \$5,000 in animal health and production products, but every entrant will gain a better understanding of the factors that drive beef carcass quality and profitability. The deadline is Oct. 20. Learn more at www.beefmagazine.com.

2015 Cattle Industry Convention and NCBA Trade Show Registration Opens Today

Registration for the 2015 Cattle Industry Convention and National Cattlemen's Beef Association Trade Show is now underway. The 117th Annual Convention will be held in San Antonio, Texas, Feb. 4-7, 2015. Advance registration is open until Jan. 10, 2015.

Convention participants will hear from industry leaders, gather insight on industry trends and enjoy an evening at the Cowboy Comedy Club & Mustache Bash After-Party. NCBA President Bob McCan said this convention is a must for everyone involved in the cattle industry.

"The Cattle Industry Convention is the oldest and largest, national convention in the cattle business," NCBA President Bob McCan said. "It is a unique opportunity to join other leaders in the industry to network, discuss policy and visit with the many trade show participants. Plus, San Antonio is a hard location to beat!"

To register for the 2015 Cattle Industry Convention and NCBA Trade Show, visit www.beefusa.org.

Advertise in the 2015 Cattle Feeders Resource Guide

TCFA is currently gathering advertisers for the 2015 *Cattle Feeders Resource Guide*. The revamped publication better serves TCFA supporting sponsors, while TCFA members also benefit from receiving more timely product and service recommendations from allied industry partners.

Advertisers who purchase a full-page, four-color ad in the Cattle Feeders Resource Guide receive a free bonus web ad on TCFA's website, a great opportunity to target potential buyers more precisely with ads that may reflect seasonal or market-focused messages.

The deadline to advertise is **Nov. 3!** View the rate card at <http://tinyurl.com/2015ratecard>, or contact Scena Snider for more details at (806) 358-3681 or scena@tcfa.org.

Feeders and Feedyards in the News

Quien Sabe Feeders announces the promotion of Levi Berry to Feedyard Manager. Richard Winter joins Quality Beef Producers as Feedyard Manager.

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