



TEXAS CATTLE FEEDERS ASSOCIATION

NEWSLETTER

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2014 TCFA Annual Convention – TCFA Chairman’s Address

TCFA Chairman Jason Hitch addressed fellow cattlemen this week in Oklahoma City at the TCFA Annual Convention highlighting the ups and downs experienced by the beef industry in 2014.

Hitch opened with remarks on the number of blessings the fed beef industry has received over the past year – record high fed cattle prices, a record corn crop, reasonable feed prices and a remarkable turn in the weather that sent much needed rain. He believes even greater things are in store but knows that with record prices come some challenges.

A major issue cattle feeders are facing is the problem of the grain basis that stems from the nation’s inadequate transportation infrastructure. Producers are also dealing with record high calf and feeder cattle prices along with increased volatility, which is putting producers’ tolerance for risk to the test.

“Many feedyards, ours included, are being very careful when buying feeders,” Hitch said. “In addition, many feedyards are looking at ways to spread their market risk with alternative business models, like backgrounding, developing bred heifers or drylotting cows.”

On policy, Hitch says it’s still a difficult, uphill battle. TCFA, as part of a broad coalition of groups, has been working on a number of issues including the proposed ‘Waters of the United States’ rule, debate over sustainable beef production, a final resolution to COOL, and science-based imports of foreign beef to protect against foreign animal diseases, among many others. Hitch noted his excitement for the passing of the state beef checkoff in Texas and his frustration with the challenges that lie ahead with the national checkoff.

“It’s been an incredibly challenging year – one where we seem to jump from one fire to another,” Hitch said. “But through it all, there is one thing I have found to be constant and reassuring, and that’s the dedication, hard work and just plain perseverance of your elected and volunteer leaders and the TCFA staff.”

Watch next week’s *Newsletter* for complete Convention coverage.

2014 TCFA Convention – New TCFA Officers and Board Members

Tom McDonald of Dalhart will serve as chairman of the board; David Baumann of Dawn is chairman-elect; and Jim Lovell of Canyon is vice chairman.

Cattle feeders elected to one-year terms on the board of directors are Brad Hastings of Amarillo, Jordan Levi of Oklahoma City, Okla., Tom McDonald of Dalhart, Bill Robertson of Wichita, Kan., Andy Rogers of Dimmitt and Kyle Williams of Lubbock.

Directors chosen for two-year terms are David Baumann of Dawn, Levi Berry of Happy, Roger Clift of Gruver, Stacy McCasland of Wheeler, Jason Peeler of Floresville and Brad Stout of Amarillo.

Elected to three-year terms as directors are Joel Bassinger of Vega, Jody Bellah of Throckmorton, Michael Bentley of Canadian, Blain Ferris of Hereford, Jim Lovell of Canyon and Jimmy Schwertner of Schwertner.

Also serving on the TCFA Board are the Association’s two immediate past chairmen: Walt Olson of Gruver and Jason Hitch of Guymon, Okla.

Retiring members of the TCFA board include Paul Coleman of Muleshoe, Russell Goble of Miles, Shelby Horn of Hereford, Sid Sawyer of Amarillo, Pete Scarmardo of Caldwell and 2012 TCFA Chairman Jim Peters of Quemado.



Left to right: David Baumann, Tom McDonald and Jim Lovell

Teicholz Published in *WSJ* on Misguided Dietary Guidelines

Investigative journalist, Nina Teicholz is debunking weak science and bad policy with a myth-busting article published in the *Wall Street Journal (WSJ)* on Tuesday titled, "The Last Anti-Fat Crusaders." Teicholz is the author of *New York Times* best seller, "The Big Fat Surprise: Why Butter, Meat and Cheese Belong in a Healthy Diet," and she was one of the keynote speakers at the 2014 TCFA Annual Convention this past week.

In Teicholz's latest article, she cites Alice Lichtenstein, the top scientist guiding the U.S. government's nutrition recommendations, in saying that low-fat diets are "probably not a good idea." This clearly coincides with the findings illustrated in her book. Research studies conducted at Harvard and Cambridge published in the *Annals of Internal Medicine* concluded that saturated fats could not, after all, be said to cause heart disease. The USDA committee has subsequently ignored these findings.

The USDA has stated that they will be reviewing the current scientific and medical knowledge, but they have yet to come to terms with what Teicholz refers to as arguably the most promising body of scientific literature on diet and disease in 50 years. To read the rest of the article visit <http://tinyurl.com/Teicholz>, and to purchase a copy of Teicholz's book "The Big Fat Surprise," visit <http://shop.tcfa.org/Merchandise/>.

Vilsack Grants 60-Day Extension

In response to a joint letter from NCBA, AVMA, AVC and AABP requesting a 120-day extension to the comment period for the APHIS proposed rule for the importation of fresh beef from a region in northern Argentina, the Secretary of Agriculture has announced a 60-day extension to the comment period. The comment period for the proposed rule APHIS 2014-0032 will now close on Dec. 29.

The rule proposes to amend the regulations to allow into the U.S. the importation of fresh (chilled or frozen) beef from northern Argentina, a region located north of Patagonia South and Patagonia North B. APHIS conducted a risk analysis, at the request of the government of Argentina, that concluded fresh (chilled or frozen) beef can be safely imported, provided certain conditions are met to ensure beef exported to the U.S. will not harbor FMD.

APHIS does not recognize countries or regions that continue to vaccinate against FMD as free of the disease. This is the situation in the northern Argentina region, where vaccination against FMD exists. Therefore, APHIS cannot recognize this region as free of FMD but can evaluate the risk presented by fresh/frozen beef products imported under specific conditions. TCFA, NCBA and other cattle organizations are preparing comments on the proposed rule, as was done on a similar APHIS rule to allow imports of fresh beef from Brazil. More detailed information will be provided prior to Dec. 29.

NCBA and PLC Tell EPA: Don't Drown Land Owners in Regulatory Flood

On Tuesday, NCBA and the Public Lands Council (PLC) filed comments calling for the immediate withdrawal of the Environmental Protection Agency (EPA) and the Army Corps of Engineers' (Corps) proposed "Waters of the U.S." (WOTUS) rule. The proposed rule vastly expands the agencies' jurisdiction and attempts to regulate all land uses.

"The agencies' proposal jeopardizes private property rights and violates Supreme Court precedent by subjecting nearly all waters to regulation," said NCBA Environmental Counsel Ashley McDonald. "Through the use of broad and ambiguous language, the proposal is a limitless expansion of authority that cannot be supported by the Clean Water Act or the U.S. Constitution."

In the eight months the proposal has been public, cattlemen and women have voiced their concerns only to have them deemed "ludicrous" by EPA Administrator Gina McCarthy. NCBA and PLC state the agencies must start over with a transparent and inclusive process with more stakeholder involvement.

The EPA and Corps are required by law to consider public comment; therefore it is imperative that livestock producers voice their opposition to this land grab. TCFA urges you to submit comments to EPA and the Corps opposing the proposal. 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.

View the comments submitted by NCBA and PLC at <http://tinyurl.com/ncba-plc-wotus-comments>.

Tele-Townhall Meeting on Vilsack's Intended Supplemental Checkoff

NCBA will host a special tele-townhall meeting on Nov. 6 at 8:00 p.m. EST to discuss Sec. Vilsack's intended supplemental beef checkoff under the 1996 Generic Act and allow members to ask questions. All NCBA members with a phone number on record will receive a call from NCBA on the evening of Nov. 6 to participate in this meeting. It is vital that your accurate contact information is on file. If you have doubts about the phone number on file, call 1-866-BEEF-USA (1-866-233-3872) to speak with the membership department, or email Anita Graham at agraham@beef.org. Find more on the supplemental beef checkoff at <http://tinyurl.com/supp-checkoff>.

Attebury Grain Announces Grain Shuttle Projects in Pampa

Attebury Grain, LLC and its affiliate, Rampa, Inc., today announced plans to upgrade its Eastern Texas Panhandle operation to accommodate shuttles and unit trains via the BNSF Railway. The project focuses on constructing additional storage and rail capacity to load and unload 120 railcars in 10 hours.

"Attebury and Rampa look forward to providing our producers, end users, and export partners with significant efficiency improvements by more effectively handling inbound and outbound agricultural products," said Benjamin Smith, Managing Director of Attebury Grain, LLC. "The additional infrastructure will benefit local producers by furnishing access to new markets. It will also provide local consumers with access to competitive inputs. This project is a win-win for agriculture in the Texas Panhandle." Construction is expected to be complete in time to handle the 2015 wheat harvest.

Coalition Petitions Congress Over COOL Regs

An alliance of industry groups and companies under the name COOL Reform Coalition sent a letter to Congress asking legislators to "immediately authorize and direct the Secretary of Agriculture to rescind elements of COOL."

The coalition seeks a legislative solution to those elements of the Country of Origin Labeling (COOL) regulations that the World Trade Organization (WTO) recently ruled were "noncompliant with international trade obligations" in a final WTO adjudication. The letter that was signed by 109 organizations, including NCBA, states:

"It is expected that U.S. industries would suffer billions in lost sales if retaliation is allowed. Given the negative impact on the U.S. manufacturing and agriculture economy, we respectfully submit that it would be intolerable for the U.S. to maintain, even briefly, a rule that has been deemed non-compliant by the WTO."

The coalition is also offering a state-by-state "retaliatory analysis" of the actions threatened by Canada and Mexico. For more information, visit www.coolreform.com. Read the coalition's letter at <http://tinyurl.com/coa-letter>.

Fed Cattle Market Reaches New Record High

Some fed cattle traded at \$170/cwt. last week, setting a new record high – at least for now. That's according to Oklahoma State University Extension Livestock Specialist Derrell Peel who says that while feedyards are facing higher breakevens in the coming months, stronger fed cattle prices are slowing the erosion of feedyard margins for the time being. Find all of Peel's comments at <http://tinyurl.com/new-record-high>.

CME Electronic Livestock Trading Hours Reduced

The reduced electronic trading hours the CME Group announced at the beginning of the month took effect on Monday. The electronic trading hours that were once 23 hours a day are now down to daytime hours only. The hours for open outcry trading remain unchanged. The new electronic trading hours are as follows: Monday trading will be held from 9:05 a.m. – 4:00 p.m.; Tuesday through Thursday trading will be held from 8:00 a.m. – 4 p.m.; and Friday's hours will be 8:00 a.m. – 1:55 p.m. Electronic trading is halted over the weekend.

HSUS Launches Whistleblower Reward Program with New Hotline

The Humane Society of the United States (HSUS) announced the launch of a new hotline for reporting animal cruelty and neglect on farms, at livestock auctions and in processing facilities. According to HSUS, the hotline will "empower" whistleblowers, and they will offer a reward of up to \$5,000 for information leading to the arrest and conviction of those who have committed acts of cruelty to farm animals. HSUS plans to work with United Farm Workers to distribute the hotline to workers at farms, processing facilities and livestock auctions.

For more information, visit <http://tinyurl.com/hsushotline>.

Millennials Still an Influential Customer Base for Restaurants

An NPD Group study revealed that although the overall number of restaurant visits by Millennials is declining, they are still a major target for restaurant owners. This exclusive age group – 18 to 34 – is the largest of the six key U.S. generational groups and estimated to grow more than any other age group over the next decade.

In the year ended June 2014, Millennials made more than 14 billion visits to foodservice establishments and spent over \$95 billion on food and snacks. Social media is playing a key role by influencing which restaurants Millennials choose. Through these platforms, Millennials are having a direct impact on either building or damaging restaurant brand images. To read the entire article, go to <http://tinyurl.com/mill-rest>.

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