



TEXAS CATTLE FEEDERS ASSOCIATION

NEWSLETTER

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U.S. Appeals WTO COOL Decision

During a special meeting of the WTO's Dispute Settlement Body last Friday, the Office of the U.S. Trade Representative (USTR) appealed the WTO ruling that the amended U.S. COOL rule does not comply with international trade obligations. TCFA and NCBA are disappointed with this action and believe that there is no basis for yet another appeal. The WTO decision on Oct. 20 was very clear; the amended COOL rule only furthers the discrimination against Canadian and Mexican livestock.

"Our government's decision to appeal the latest COOL ruling is a complete waste of time and resources," said TCFA Director of Government Relations Josh Winegarner. "The facts and the arguments haven't changed, and this appeal will only prolong the inevitable – \$2 billion in retaliatory tariffs imposed by Mexico and Canada, two of our largest trading partners. In the meantime, our government will continue to enforce this failed program, which has already cost U.S. cattle producers millions and caused significant harm to our nation's economy."

During a meeting of the National Association of Farm Broadcasters in Kansas City, Mo. last month, USDA Secretary Vilsack told the audience that he did not see a regulatory fix to COOL.

"I'm glad the Secretary has finally come around to the position most of us have had for years," said Winegarner. "It is clearly time for Congress to step in and fix this failed legislation before it does further damage to the U.S. cattle industry, our trade relationships and the entire U.S. economy. I wish USDA, USTR and the White House would devote their resources to helping us change the law instead of squandering them on an appeal in defense of a failed program."

Tax Extenders Package Still a Possibility for Lame-Duck Session

As we await what the lame-duck congressional session holds for cattle producers, the conversation surrounding tax continues to evolve. While momentum has slowed for a comprehensive tax reform, a tax extenders package is still a possibility by the end of 2014. The House passed their tax extenders package Wednesday; it is expected the Senate will follow with their vote next week.

"Despite all the partisan wrangling we see in Washington," Senator Orrin Hatch (R-UT) stated, "there seems to be bipartisan agreement on at least two salient points: tax reform is necessary; and tax reform is going to be very, very difficult."

The Senator said that while they were on the cusp of a deal on tax extenders that had bipartisan support, the President's veto threat has put Congress in a situation that will likely only allow them to pass a one-year retroactive extension of all tax extenders.

Kent Bacus, director of legislative affairs for NCBA, said the extension of Section 179, a provision that provides a higher deduction level for some capital expenditures, like machinery and equipment, and the extension of bonus depreciation are key for producers.

"Last year producers were able to expense up to \$500,000 on capital investments, but this year that was lowered to \$25,000," said Bacus. "For large equipment purchases, cattle producers need certainty in order to properly plan for their business."

Unfortunately, a retroactive extension means producers would be operating under an expired tax code in 2015, but it could add the needed pressure to complete a comprehensive tax reform deal in the New Year.

Texas Department of Agriculture Explores Trade with China

A delegation of Chinese officials from the Gansu province visited Texas on Monday upon the invitation of Texas Agriculture Commissioner Todd Staples and Commissioner-Elect Sid Miller, who hosted the delegation at the Texas State Capitol. TCFA and TSCRA members also met with the delegation.

Commissioner-Elect Miller met with H.E. Luo Xiaohu, Executive Vice Governor of the Gansu province, and five other high-ranking officials from the northwest region of China. The goal of the meeting was to grow agriculture trade opportunities between Texas and Gansu.

“As Texas’ new Agriculture Commissioner, I am excited about the potential partnership between our two regions,” Commissioner-Elect Miller said. “I believe the cooperation we are building will lead to long-lasting relationships and bring tremendous results for Texas farmers and ranchers, as well as the overall economy of our state.”

The growing Gansu province is home to more than 26 million residents. Exporting Texas beef to Gansu is one of the first items on Commissioner-elect Miller’s list of trade opportunities to facilitate. The beef industry generates more than \$10 billion in economic impact for the state. Executive Vice Governor Xiaohu and Commissioner-Elect Miller signed a proclamation calling for increased trade between the two regions, which would benefit both Texas agriculture and Gansu.

Commissioner-Elect Miller, who is set to take oath of office on Jan. 1, 2015, is looking into the possibility of organizing a delegation of Texas agriculture leaders to travel to Gansu to continue trade negotiations.

Cargill Enters Agreement to Develop Beef Cattle Sustainability Assessment

Cargill Cattle Feeders, LLC, the cattle supply arm of the company’s U.S. beef business, has entered into an agreement with Wichita-based consultancy Kennedy and Coe, LLC, in a joint effort to create a verified beef supply chain sustainability assessment program for Cargill feedyards. According to Cargill’s news release, this type of assessment could eventually be expanded to include cattle production in collaboration with stocker operators and ranchers, as well as with Cargill’s strategic feedyard partners.

“As global demand for animal proteins ... [rises] in concert with population and consumer income levels, it is important to improve the way we use resources to produce beef,” said John Keating, president of Cargill’s North American beef business. “[W]e will develop a way to measure the use of inputs and outputs ranging from water and feed to worker safety, manure management, air quality, energy use, land stewardship and animal welfare. We believe this is a step in the right direction”

The assessment will begin with a year-long focus on the economic, environmental and community impacts of Cargill’s four feedyards in Texas, Kansas and Colorado. After the initial phase of discovery and data collection performed by Cargill personnel, reports will be generated, the data will be analyzed and benchmarking will be established to support ongoing improvement that will be appropriate, meaningful, holistic and verified.

“The goal of this project is to provide sustainability information that stakeholders find relevant across the supply chain, including suppliers, customers, NGOs, producer groups, trade associations and consumers,” stated Sara Harper, Kennedy and Coe’s director of sustainability and supply chain solutions. “Today, people have a desire to know how the food they eat is produced and where it comes from. Cargill is pioneering transparency and collaboration with its beef customers to share information important to consumers.”

Find Cargill’s news release at <http://tinyurl.com/cargill-beef-sustainability>.

Deadline to Submit Comments on Structure of New Checkoff is Nearing

USDA published a “Notice of Inquiry” in the *Federal Register* to solicit comments on the development of a new beef checkoff program under the Commodity Promotion, Research and Information Act of 1996. The proposed program would be in addition to the existing beef checkoff program established under the Beef Promotion and Research Act of 1985.

TCFA and 44 other state cattlemen’s associations, representing more than 170,000 cattle breeders, producers and feeders, sent a joint letter to Agriculture Secretary Vilsack in October, urging him not to establish a supplemental beef checkoff under the 1996 Act. The groups are concerned that the structure of the 1996 Act would lead to more bureaucracy, increased federal control and less grassroots involvement. The 1996 Act also fails to assure a coordinated national/state partnership concept, as exists today with the Federation of State Beef Councils.

The deadline to submit comments in response to the questions asked in the USDA notice is Dec.10, 2014. Find additional information about USDA’s intentions at <http://tinyurl.com/beef-promo-order>.

EPA Proposes Second Rule on Electronic Reporting

On Dec. 1, EPA published a Supplemental Notice to the 2013 proposed NPDES Electronic Reporting Rule. The proposed Electronic Reporting Rule would require electronic reporting instead of the current paper-based reporting. The first proposed rule was issued on July 30, 2013, and EPA accepted comments through Dec. 12, 2013. During that comment period, NCBA, TCFA and other cattle organizations submitted comments in opposition to certain aspects of the proposed rule, especially as it relates to the online availability of information about our members’ facilities especially when there are a number of domestic and/or international entities that could pose a potential threat to the safety of our people and livestock.

According to EPA, the second proposal issued this week is an opportunity for EPA to identify many of the issues raised by commenters during the public comment period for the first proposed rule, clarify any misunderstandings about the proposal, and discuss possibilities for how EPA might modify the rule to address issues raised by stakeholders. The comment period will close on Jan. 30, 2015. EPA indicates that they will respond to all comments for both of the proposed rules when it takes final action on the rule.

TCFA will review the proposed rule and submit comments prior to Jan. 30. For more information, contact Ben Weinheimer at ben@tcfa.org. To read the proposed rule, go to <http://tinyurl.com/epa-e-reporting>.

USDA Disaster Assistance to Help Thousands of Producers with 2012 and 2013 Losses

Last week, USDA announced that nearly 2,500 applicants will receive disaster assistance through the Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP) for losses suffered from Oct. 1, 2011, through Sept. 30, 2013.

The program, re-authorized by the 2014 Farm Bill, provides disaster relief to livestock, honeybee and farm-raised fish producers not covered by other agricultural disaster assistance programs. Eligible losses may include excessive heat or winds, flooding, blizzards, hail, wildfires, lightning strikes, volcanic eruptions and diseases, or in the case of honeybees, losses due to colony collapse disorder.

“As promised, we’re making sure that thousands of producers who suffered through two and a half difficult years without Farm Bill assistance are getting some relief,” said Agriculture Secretary Tom Vilsack. “Once the Farm Bill was restored, not only did we implement the disaster assistance programs in record time, we’re issuing payments less than three months after the enrollment deadline. The funds will hopefully help producers with some of the financial losses they sustained during that time.”

The Farm Bill caps ELAP disaster funding at \$20 million per federal fiscal year. To accommodate the number of requests, which exceeded funds available for each of the affected years, payments will be reduced to ensure that all eligible applicants receive a prorated share of assistance.

To learn more about USDA Farm Service Agency (FSA) disaster assistance programs, visit the FSA factsheet page at www.fsa.usda.gov/factsheets or contact your local FSA office at <http://go.usa.gov/pYV3>.

NCBA’s Cattlemen’s College Lineup Set for Feb. 3-4 in San Antonio

NCBA’s Cattlemen’s College is celebrating its 22nd year and has established a reputation as one of the most thorough cattle producer education programs in the nation. The 2015 edition of Cattlemen’s College, which will be held Feb. 3-4, 2015, in San Antonio, offers a wide range of informative, hands-on educational workshops designed for cattle operations of every size and sector.

The program headlines the first day of activities at the 2015 Cattle Industry Convention and NCBA Trade Show. Early registration for Cattlemen’s College and the convention ends Jan. 9, 2015. Cattlemen’s College registration information, as well as a complete schedule for the 2015 Cattle Industry Convention and NCBA Trade Show are available online at www.beefusa.org.

NCF Accepting Applications for Beef Industry Scholarship

Applications for 2015-16 beef industry scholarships sponsored by the CME Group are now being accepted. Ten scholarships valued at \$1,500 each will be awarded to outstanding students pursuing careers in the beef industry. Students studying education, communication, production, research or other areas related to the beef industry should consider applying for the scholarship. Applicants must be a graduating high school senior or full-time undergraduate student enrolled at a two or four year college.

The National Cattlemen’s Foundation (NCF) administers the program. Applicants for the 2015-16 scholarship will be required to write a one-page letter expressing future career goals related to the beef industry, along with a 750-word essay describing an issue in the beef industry. Applications should be submitted by Dec. 19, 2014 and sent to National Cattlemen’s Foundation, 9110 E. Nichols Ave., Suite 300, Centennial, CO 80112. For more information visit www.nationalcattlemensfoundation.org.

NCBA and PLC Accepting Summer Internship Applications

The government affairs office for NCBA and Public Lands Council (PLC) in Washington, D.C., is accepting applications for the summer 2015 public policy internship. The deadline to submit an application is Feb. 9, 2015. The full-time internship will begin May 18, 2015 and end Aug. 21, 2015. To apply, interested college juniors, seniors or graduate students should submit the application, college transcripts, two letters of recommendation and a resume to internships@beef.org. More information about the NCBA public policy internship is available on BeefUSA.org.

NCBA Environmental Stewardship Award Calls for Entries

Celebrating its 25th year, the Environmental Stewardship Award Program has opened its nomination season for 2015. The program has recognized the outstanding stewardship practices and conservation achievements of U.S. cattle producers for more than two decades. Regional and national award winners are honored for their commitment to protecting the environment and improving fish and wildlife habitat while operating profitable cattle businesses.

Seven regional winners and one national winner are selected annually by a committee of representatives from universities, conservation organizations, federal and state agencies, and cattle producers. The nominees compete for regional awards based on their state of residency, and these seven regional winners then compete for the national award. Candidates are judged on management of water, wildlife, vegetation, soil, as well as the nominee's leadership and the sustainability of his or her business as a whole.

Any individual, group or organization is eligible to nominate one individual or business who raises or feeds cattle. Past nominees are eligible and encouraged to resubmit their application; previous winners may not reapply. Along with a completed application, the applicant must submit one nomination letter and three letters of recommendation highlighting the nominee's leadership in conservation.

Applications for the 2015 ESAP award are due March 6, 2015. For more information and a complete application packet, visit www.environmentalstewardship.org.

Farmland Documentary Now On-Demand

Academy Award®-winning filmmaker James Moll's documentary, Farmland, is now available for rent and purchase via On-Demand platforms, which allows more people the opportunity to watch the film from their own homes and digital devices. The film's move to digital platforms takes place this month, following a successful four-week run on Hulu.com and Hulu Plus.

Farmland is available for digital download via iTunes, Amazon Instant Video, Blockbuster On Demand, Sony PlayStation, Vudu.com, Xbox and YouTube. Farmland will also be available to traditional satellite and cable television subscribers via Video-on-Demand or Pay-per-View platforms this month. DirecTV and DISH subscribers' access to Farmland through Video-on-Demand or Pay-per-View channels began this week. The film is also being made available to companies that deliver Video-on-Demand (VOD) or Pay-per-View (PPV) content to ATT U-Verse, Verizon Fios, Comcast, Cox Communications and Time Warner Cable.

Feeders and Feedyards in the News

Dr. Mike Engler, President and CEO of **Cactus Feeders**, and his wife Dalia were honored by the Texas Plains chapter of the Association of Fundraising Professionals on National Philanthropy Day with the area's Outstanding Philanthropist Award. Cactus Feeders has established a fund to work on hunger in the Texas Panhandle. Reflecting on his experience preparing the packs alongside elementary students for Snack Pak for Kids, Engler says, "I have to think that the Panhandle is going to be in great shape going forward because we're teaching our young kids how to take care of each other." Click here to view the video outlining the details of their work in the community <http://vimeo.com/111354699>.

Caviness Beef Packers was also recognized at the same event with the area's Outstanding Corporation Award. Caviness helped to build an indoor Kids Inc. sports complex that would facilitate soccer, volleyball and flag football in Hereford. The Caviness family business has been in the community for three generations. "[We] just feel a real sense of duty or calling to continue to make this region, this area better," said **Trevor Caviness**. Click here to view the video outlining the details of Caviness's contributions to the area <http://vimeo.com/111377373>.

Also in the news, **Dr. Dee Ellis** has been awarded the "2014 International Association of Emergency Managers Career Excellent Award." Dr. Ellis is Texas's State Veterinarian and the Executive Director of the Texas Animal Health Commission. This award is to recognize a national leader who has greatly promoted and improved the emergency management profession in the United States throughout his or her career. For over 20 years, Dr. Ellis has been significantly involved with animal-related emergency response. This is the first time ever that this honor has been awarded to a veterinarian.

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