



TEXAS CATTLE FEEDERS ASSOCIATION

NEWSLETTER

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TCFA Comments on APHIS Proposed Rule to Import Fresh Beef from Argentina

“We urge APHIS to withdraw the proposed rule in order to conduct a quantitative risk analysis and to move quickly to work with Argentina to identify program deficiencies based on recognized, science-based standards to allow exportation of fresh, matured, deboned beef to the U.S.,” stated TCFA Chairman Tom McDonald in comments filed last week on a proposed rule from USDA APHIS for the importation of fresh, matured, deboned beef from a region in Northern Argentina into the United States. “The quantitative format is consistent with the risk analysis performed for Uruguay in 2002, which more objectively and accurately defines the risk scale for risk estimation and other components of the risk assessment. We urge that this rulemaking not move forward until a quantitative risk analysis is completed, which should be done as quickly as possible.”

“Our recent tour of the Argentine cattle industry and meetings with government officials provided significant evidence that Argentina has a very robust animal identification and traceability system in place. We were also impressed with many of the virus identification and mitigation steps utilized in the beef packing plants, including rigorous ante- and post-mortem inspection (hooves, head, lymph nodes, etc.) and pH sampling of every carcass to ensure carcass pH levels below 6.0 are achieved for virus destruction,” added McDonald.

“TCFA fully understands the value of access to international markets and the economic deprivation that comes from being denied access to certain markets because of protectionist government policies. Our members have long believed that trade policies must be based on sound science, along with the compliance abilities of a region or country. We support the concept of regionalization to more efficiently and effectively manage animal disease issues, allowing countries to more quickly regain access to international markets.”

TCFA will work with Congress, NCBA and other stakeholders to ensure that U.S. herd health is not jeopardized. Read TCFA’s comments at <http://tinyurl.com/tcfa-comments-aphis-arg-import>.

NCBA Submits Comments on Dietary Guidelines for Americans

Last week, NCBA submitted comments to the Dietary Guidelines Advisory Committee requesting they reconsider their conclusion from the seventh and final public meeting on Dec. 15 where they decided to remove lean meats from the Dietary Guidelines for Americans.

NCBA has been engaged throughout the 2015 Dietary Guidelines process since 2011. In their comments, they state, “...the egregious conclusion to remove lean meats from the common characteristics of dietary patterns associated with positive health outcomes is historic and unsubstantiated. It is inconsistent with more than three decades of scientific evidence on the benefits of lean meat in healthy diets and is also in direct conflict with all previous editions of the Dietary Guidelines for Americans. At least in part, it reflects the Committee’s overreliance on observational data which is inherently limited by the inability to clearly disentangle the independent effects of red meat in dietary patterns evaluated.”

The letter concluded by saying, “While the Committee’s recommendations to the Secretaries should be an evidence-based process and the final Guidelines should reflect the totality of the science, key science was either not considered or ignored as part of this process. We respectfully request for the Committee to reconsider their conclusion from the seventh public meeting and include lean meats as a core component of a healthy dietary pattern, staying consistent with the 2010 (and previous) Dietary Guidelines for Americans.”

The committee accepted public comments until Dec. 30 and plans to submit its report to the U.S. Departments of Agriculture and Health and Human Services in early 2015. The Secretaries will then share the report with the public and open a comment period, also expected to be early in the year.

Read NCBA’s comments at <http://tinyurl.com/ncba-dietary-guidelines>.

Top Diet Trends For 2015

The annual “*What’s Trending in Nutrition*” report from Pollock Communications and *Today’s Dietitian* surveys more than 500 registered dietitians and highlights what is forecasted to be in – and out – when it comes to nutrition and healthy eating in 2015. The results are in, and the following is a partial list of what registered dietitians say is trending for 2015:

- *The “beef” about beef.* According to dietitians, most consumers view animal-based protein, such as meat, fish and poultry, as high-quality, but nutrition pros rank quality proteins differently. Nutrition experts recommend fish and seafood, eggs, legumes and nuts, poultry and dairy as healthy, high-quality proteins, followed by soy. Red meat is considered less healthy among the nutrition pros, most likely due to the saturated fat, cholesterol and high environmental demands required to produce beef.
- *“Low-fat” fizzles.* While low-carb remains strong, low-fat gets weaker. For another consecutive year, the overwhelming majority of dietitians predict that the low-fat diet will fall flat in 2015, with only 4 percent naming it as a popular eating trend among consumers.
- *Good fat vs. bad fat.* As consumers welcome fat back into their eating plans, the question focuses on which fats are best. In the battle of the fats, 84 percent of nutrition experts agree that consumers should replace saturated fat with good fats (mono- and polyunsaturated fatty acids).

To view the full list of list of the top 15 diet trends for 2015, visit <http://tinyurl.com/top-diet-trends-2015>.

Meeting Beef Demand in 2015

As beef production is expected to fall in 2015 and into 2016, pushing retail prices higher, concerns surrounding beef demand will continue for months to come, says Oklahoma State University Extension Livestock Marketing Specialist Dr. Derrell Peel who offers the following insights on beef demand for the coming year.

“The demand challenge is not just one of beef quantity but, perhaps increasingly, one of beef quality. The question of whether beef consumers will pay even higher prices for a smaller quantity of beef will likely depend critically on beef quality. There is a degree of quantity versus quality tradeoff in the beef industry that may be more critical in the coming months.

“The industry in general has a strong short-run incentive to mitigate decreased animal numbers with larger carcass weights. Managing for larger animals increases the chances of negative quality impacts. One such measure is quality grade, which, measured as Choice grading percentage, has remained above year-over-year levels through most of 2014 but has dropped close to year-ago levels recently as carcass weights have jumped sharply. Potential quality grade impacts should be monitored carefully in coming months as efforts to push carcass weights continue.

“Increased carcass weights may be directly contributing to demand challenges. Beef carcasses are so big that extended cooling time is sometimes required to properly chill carcasses, and some packing plants are remodeling to handle larger carcasses. And yet, demand for larger muscle cuts is not growing. Indeed, concerns about portion size have been raised for a number of years. These concerns may be particularly important in coming months.

“There are strong indications that consumers will pay premium prices for beef, but only if quality is premium as well. Consumers demand a package of beef product with attributes that include marbling, tenderness, flavor and product size. Using bigger carcasses in the short-term pursuit of beef quantity at the expense of middle meat demand is not beneficial for the beef industry.”

Daily Livestock Report Predicts Top Issues for 2015

Daily Livestock Report’s Steve Meyers and Len Steiner have forecasted the most influential factors on the animal protein industry for the new year. In their latest report, the analysts discuss the state of the meat and poultry demand, the U.S. economy, growth of the broiler sector, the number of pigs saved per litter and the outlook for pasture and range conditions.

Regarding meat demand, Meyers and Steiner say big questions for 2015 include if the “new-found comfort with animal fats” will continue and if “the desire for dietary protein stay strong.” To view the report in its entirety, visit <http://tinyurl.com/dlr123114>.

Rabobank Finds Tight Global Beef Supplies Amid Strong Consumer Demand

Tight cattle and beef supplies were an ongoing factor during Q4 of 2014, despite prices softening slightly on the preceding quarter. According to Rabobank’s Beef Quarterly Q4 report, the U.S. is still the major driver of the global beef market, with import demand affecting prices and volumes for other countries.

Angus Gidley-Baird, Rabobank analyst, said, "A recent strengthening in the U.S. economy and dollar will support continued imports to the U.S.; however, we are watching a drop in the oil price and depreciation of the Russian Ruble given Russia's status as the world's largest beef importer."

The report provides a regional outlook, starting with the U.S., whose prices have continued at record levels, with supply expected to be tight in Q1 of 2015.

Brazil is likely to see strong international demand for its beef continue, due to increasing exports to Russia and reopening of the Chinese market.

In the EU, the market is increasingly separating into a premium and ground beef market, according to the report. The price of prime beef is said to be elevated in 2015 while ground beef prices will remain under pressure due to a lack of demand and increased supply from dairy-based beef.

Record slaughter levels have been seen in Australia in 2014, and with a dry summer expected in 2015, this high level is expected to be sustained.

China's retail price for beef is expected to remain stable throughout the rest of 2014 and into Q1 2015, as consumption is not strong enough to push prices beyond the historically high levels currently seen.

Rabobank says 2015 is a critical year for Canada as the country needs to decide whether to start rebuilding its industry, or further downsizing it. Find the full report at <http://tinyurl.com/rabo-q4-14>.

Consumers Will Pay More for Steak, Not Hamburger

The December *Food Demand Survey*, conducted each month by Oklahoma State University, showed that consumers increased the price they were willing to pay for steak, pork chops, deli ham and chicken wings, but lowered the amount they were willing to pay for hamburger and chicken breasts.

Survey results show consumers' willingness to pay for steak in December 2014 was \$7.80, compared to \$7.00 in November 2014 and \$6.41 in December 2013. Their willingness to pay for hamburger in December 2014 was \$4.49, compared to \$4.62 in November 2014 and \$4.20 in December 2013.

The research also found that *E. coli*, salmonella and GMOs are the most visible issues in the news. The largest percentage jump in awareness from November to December was regarding gestation crates, while the largest percentage decrease in issue awareness was about hormones.

Generally, taste, safety and price remain consumers' most important values when purchasing foods. The report revealed an increase in consumers' perceived value of taste and a decrease in perceived value of nutrition. Find December's *Food Demand Survey* results at <http://tinyurl.com/dec14-osu-fds>.

Future Food Dilemma

Uncertainty is the name of the game for those who produce safe, nutritional food for the world – especially when the consumer is the one holding the last piece of the future food puzzle with their purchasing decisions. According to *Feedstuffs*, a decrease in global population is not predicted to occur until after 2100.

Jayson Lusk, Oklahoma State University food and agriculture economist, and his researchers asked U.S. consumers questions regarding the future of food in the December *Food Demand Survey (FoodDS)*, including if participants would eat future food products currently being developed by scientists.

Only 18.52 percent would eat hamburger from meat grown in the lab; 20.41 percent would consume pizza from a 3-D food printer; and 21.11 percent would eat protein bar made with insect flour. Approximately 80 percent said they would not eat the three new products.

According to the survey, consumers were more open to trying new products developed to address food safety concerns or enhance nutritional value. Over 64 percent said they would eat rice with a higher level of vitamin A. Just under half would eat an apple that does not turn brown and would drink milk from a carton that changed color in accordance to freshness.

When asked about concerns over future food and agriculture challenges, the top response was having affordable food for the consumer, while inequitable distribution of food throughout the world, U.S. food imports and exports, and the profitability of U.S. farmers and ranchers ranked lowest.

More than three-quarters of those polled said adopting a more "natural" agriculture production that includes additional local, organic and unprocessed food over adopting more "technological" agricultural system would be the most effective in addressing the future food challenge.

For the full story, visit <http://tinyurl.com/future-food-dilemma>.

Consumers Want to Know What's in Food

According to new research conducted by Technomic, most consumers want restaurants to be more transparent about menu-item ingredients and voice rising concern about food additives. Consumers say

fresh, natural or unprocessed attributes help improve perceived taste and health. View all of Technomic's findings from the Healthy Eating Consumer Trend Report at <http://tinyurl.com/tech-cons-rpt>.

Starbucks Updates Animal Welfare Policy

Starbucks recently released an updated policy statement, backed by the Humane Society of the United States (HSUS), highlighting their stance on animal welfare issues. Other than "eliminating the use of artificial growth hormones and fast-growing practices for poultry," they also say their focus is on supporting responsible use of antibiotics; addressing concerns related to dehorning, tail docking and castration both with and without anesthesia; and phasing out gestation stalls for pigs and cages for chickens.

The company has not announced specific timeframes for each area but added that it is "working with the industry on creating reasonable timeframes."

Find Starbucks' statement on their animal welfare policy at <http://tinyurl.com/starbucks-awp>.

Texas A&M Introduces Master's of Agriculture Degree with Emphasis on Meat Industry

Students at Texas A&M University now have the ability to obtain a master's degree of agriculture in animal science with an emphasis on the meat industry. According to university officials, the newly introduced degree plan will better prepare students for a variety of careers in the U.S. meat industry.

To obtain the degree, students will be required to complete 36 hours of coursework in meat science, management, marketing, communication and leadership, as well as two short-term professional internships within the meat industry customized to meet specific student career interests. Students can complete a graduate certificate in meat science as a component of this degree plan.

"Through collaboration with our colleagues in the departments of agricultural economics, agricultural leadership, management, marketing and poultry science, students will be fundamentally exposed to interpersonal communication and employee management skills development," said Dr. Russell Cross, head of animal science at TAMU. "This will enhance their ability to relate to and supervise employees under their direction upon achieving full-time employment."

For more information about the new master's program, contact Dr. David Forrest at d-forrest@tamu.edu or (979) 845-1541. The degree plan may be viewed at <http://animalscience.tamu.edu>.

Southwest Beef Symposium

The 2015 Southwest Beef Symposium, jointly hosted by the Texas A&M AgriLife Extension Service and New Mexico State University Cooperative Extension Service, is set for Jan. 14-15 at the Wyndham Garden Hotel, 3100 Interstate 40 West, Amarillo.

"Looking to the Future" is the theme of the two-day event that features 12 speakers who will address a number of topics related to big-picture emerging issues in the global beef industry, rangeland resource management and beef herd management.

Individual registration is \$80, which includes a steak dinner on Jan. 14, lunch on Jan. 15, refreshments and symposium proceedings. Registration is required by Jan. 9 and seating is limited to 150, so be sure to register early. Others will be put on a waiting list.

Register online at <http://agriferegister.tamu.edu> or by phone at (979) 845-2604. For more information, visit the symposium website at <http://aces.nmsu.edu/ces/swbeef/> or contact Dr. Ted McCollum, AgriLife Extension beef cattle specialist, at (806) 677-5600 or ft-mccollum@tamu.edu.

Happy New Year!

Your friends at TCFA would like to wish you and your family a happy and prosperous new year. Thank you for letting us serve you as we look forward to a productive year in 2015. This year has provided a number of successes to celebrate. To view a video recap of end-of-year policy updates from NCBA's Kristina Butts, go to http://youtu.be/1AWIUdhO_aU.

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