



TEXAS CATTLE FEEDERS ASSOCIATION

NEWSLETTER

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Mandatory Meat Labels Economically Not Worth the Fight

Research conducted by Kansas State University, in collaboration with Oklahoma State University, finds that most shoppers don't take the time to look for labels indicating where meat originated and aren't willing to pay extra for the mandated country-of-origin label (COOL) that provides those details.

In the study, 1,950 Americans were surveyed about four specific meat and dairy products – ground beef, steak, chicken breast and milk – and COOL ranked the lowest in importance for consumers across 11 different product attributes. In fact, origin ranked 9th in ground beef and last in steak.

“Less than one-third of the participants surveyed know that it is a law to label where the meat originates,” said Glynn Tonsor, associate professor of agricultural economics at Kansas State University. “Effectively, producers lose and consumers lose because we have not observed an aggregate demand increase in response to that origin information.”

The labels were implemented in 2009 to provide shoppers more information about the origin of their meat, and in 2013, the labels were revised to provide even more specifics about the origin, including where the animal was born, raised and processed. Tonsor surveyed consumers in 2009 and in 2013 and found the same results: Most shoppers aren't interested in the labels.

“Time and time again, we find that food safety, price, freshness and taste tend to be attributes, regardless of the meat product we're talking about, that rank highly in importance and drive purchasing decisions,” Tonsor said. “Social issues like origin, environmental impact and sustainability matter to consumers but do not drive purchasing decisions.” Find more information at <http://tinyurl.com/cool-labels-not-worth-fight>.

Beef Board Appointments Announced

U.S. Agriculture Secretary Tom Vilsack has announced 25 appointments to the Cattlemen's Beef Promotion and Research Board. All appointees will serve three-year terms. The Secretary selects the appointees nominated by beef, veal, dairy and importers certified organizations.

Newly appointed members representing cattle producers in Cattle Feeding Country are former TCFA Board member Richard A. Winter of Canyon, Texas; Jackie W. Means, Van Horn, Texas; Lavinia G. Sartwelle, Sealy, Texas; Paul H. Looney, Fredericksburg, Texas; Barbara A. Jacques, Shidler, Okla.; and Terry L. Wyatt, Hollister, Okla.

The board oversees the collection of \$1 per head on all cattle sold in the United States, and \$1 per head equivalent on imported cattle, beef and beef products. In addition, the board contracts with established national, non-profit and industry-governed organizations to implement programs of promotion, research, consumer information, industry information, foreign marketing and producer communications.

View a full list of appointments to the Board at <http://tinyurl.com/beefboard-appts>.

RFID Study Tracks Cattle

The USDA's Animal and Plant Health Inspection Service (APHIS) is conducting an 18-month nation-wide pilot study using ultra high-frequency (UHF) radio frequency identification (RFID) tags to test the ability for producers, veterinarians and packing plants to track cattle and their health data.

Eight states including Oklahoma, Colorado, Florida, Tennessee, California, Hawaii, Montana and Michigan are involved with the study. Currently there are at least 15 producers and several packing plants participating in the project, totaling to around 150,000 head of cattle.

The goal of the study is to test the accuracy and reliability of the UHF tags versus the previously used low frequency (LF) tags, which could only be used in very close proximity to the reader. The tags will be tested for durability in real-world environments and will be tested for accuracy in various environments that involve large

volumes of cattle, such as moving through wide alleyways, coming on or off a truck, or going from one field into another. The reliability will be tested from animals moving past fixed readers or handheld units.

APHIS has purchased the UHF RFID tags from HANA Micron America Inc., which also offers a complete livestock tracking and management system that can collect data into the cloud or local servers. The system comes with a chute reader for use on individual animals and a gate reader for use on multiple, fast-moving animals. They offer another piece of software that is a Bluetooth reader to be used with the AniTrace app, which is compatible with Android-based phones and tablets. Development is underway for compatibility with iOS devices as well. Find more information on this study at <http://tinyurl.com/rfidstudy>.

GAO to Review APHIS Rules on Brazil & Argentina Imports

The Government Accountability Office (GAO) has informed members of Congress that it will review the process and risk assessments that USDA Animal and Plant Health Inspection Service (APHIS) used to formulate rules that would allow the importation of beef and cattle from regions within Brazil and northern Argentina into the United States. GAO anticipates that the review will begin in about five months.

This announcement is in response to a bipartisan letter from the Texas congressional delegation requesting that GAO evaluate the methodology and controls used in the site visit review process, which formed the foundation for the proposed rules. The letter was signed by Sen. John Cornyn, Reps. Mac Thornberry (R-Clarendon), Mike Conaway (R-Midland), Randy Neugebauer (R-Lubbock) and 23 other members of the Texas delegation. The letter is available at <http://tinyurl.com/gaolet>. TCFA filed comments opposing both rules.

EPA Releases Connectivity Report for WOTUS Rule

The EPA Office of Research and Development (ORD) has finalized the science report, *Connectivity of Streams and Wetlands to Downstream Waters: A Review and Synthesis of the Scientific Evidence*. According to the agency's fact sheet, the purpose of this report is to summarize the current scientific understanding about the connectivity and mechanisms by which streams and wetlands, singly or in aggregate, affect the physical, chemical and biological integrity of downstream waters. EPA has conducted a thorough review of the literature regarding the effects that streams, nontidal wetlands and open waters have on larger downstream waters such as rivers, lakes, estuaries and oceans.

EPA Administrator Gina McCarthy has said that the report will be vital in final rulemaking on the Waters of the United States (WOTUS) rule that EPA and the U.S. Army Corps of Engineers are writing and was referenced in the proposed rule. However, the agencies moved forward with the proposed rule and closed the official comment period prior to completion of the report, limiting the opportunity for public comment on both the rule and the report.

It is uncertain when the final rule will be published. TCFA, NCBA and a number of other agriculture organizations and members filed comments opposed to the rule. Republican leaders in Congress have also expressed opposition to the proposed rule and have vowed to block its implementation. Find the report and fact sheet at <http://tinyurl.com/connectivity-report> and <http://tinyurl.com/wotus-conn-fact-sheet>.

Judge's Ruling Could Subject Manure to RCRA Regulation as 'Solid Waste'

On Jan. 14, Judge Thomas Rice of the U.S. District Court for the Eastern District of Washington granted summary judgment for environmentalists on most of their claims against a Washington state dairy, finding that manure is a "solid waste" under the Resource Conservation & Recovery Act (RCRA) when it is applied to crops without regard for the plants' actual nutritional needs or stored in leaky or otherwise defective lagoons, and the resulting contamination of groundwater constitutes "imminent and substantial endangerment."

The Community Association for Restoration of the Environment (CARE) brought the suit against Cow Palace, LLC, and is one of five cases CARE and the Center for Food Safety have mounted against Washington state dairies over nitrate contamination in groundwater that the groups say is due to poor management of animal waste at the facilities. While the cases involve similar legal issues and are all being considered by Rice, they are proceeding at different paces, and the substantive ruling only applies to Cow Palace as of yet.

Industry attorneys are already planning to appeal the decision. If Rice's decision survives review by the U.S. Court of Appeals for the 9th Circuit, the precedent created by a ruling for CARE could require concentrated animal feeding operations not covered by Clean Water Act discharge permits to either seek permit coverage or upgrade their manure storage facilities to comply with RCRA's waste disposal requirements, including lining and covering the lagoons to meet the act's definition of a "sanitary landfill."

Both RCRA and the Superfund law generally exempt manure from regulation when applied as a fertilizer, but courts had never broadly ruled on how to interpret the waiver and whether it extends to pre-application waste storage. In his ruling, Rice holds that manure application is only exempt from waste laws when it is “returned to the soil as fertilizers,” and that over-application of manure to the point where it no longer adds usable nutrients, as well as storing the waste in defective lagoons, is “not ‘useful’ or ‘beneficial’ but rather constitute[s] discard.”

In a separate order, Judge Rice also denied requests from the National Cattlemen’s Beef Association, the American Farm Bureau Federation and state industry groups to file amicus briefs in the case, because “Prospective amici’s brief offers no additional legal or other substantive information or perspective that has not already been represented to, or previously decided by, the Court in this litigation or that is particularly helpful to this Court’s pending determination.”

Sid Miller Sworn In as Ag Commissioner

Sid Miller took the oath of office as Texas’s 12th Commissioner of Agriculture last week before hundreds of fellow Texans at the State Capitol in Austin. Gov. Rick Perry administered the oath during a formal ceremony.

“Agriculture touches the lives of every man, woman and child in Texas more times a day than any other industry,” Commissioner Miller said. “It doesn’t matter whether you live on a farm in Hockley County or in the suburbs of Houston. Life doesn’t work without agriculture. It matters to every parent who wants to ensure their children have access to the best quality and safest food available. Agriculture matters to the one-in-seven Texans who work in an agriculture-related job. Texas has always been at the forefront of producing the food and fiber that sustains our nation and the world. Let’s face it: Agriculture is the driving force that makes our lives worth living.”

To watch a video recap of the swearing-in ceremony, go to <http://tinyurl.com/sid-miller-swear-in-recap>. Read Commissioner Miller’s full biography at <http://tinyurl.com/sid-miller-bio>.

Producers Urged to Enroll in Disaster Assistance Programs Before Jan. 30 Deadline

Livestock producers who have suffered eligible disaster-related losses are encouraged to call their local FSA office and schedule an appointment before the upcoming Jan. 30 deadline. Producers must be placed on an appointment register before the deadline in order to receive program benefits. The Livestock Forage Disaster Program (LFP) compensates eligible livestock producers for grazing losses due to drought or fire on federal lands between Oct. 1, 2011 and Dec. 31, 2014. Producers forced to liquidate their livestock may be eligible for program benefits. Find more details at <http://tinyurl.com/fsafactsheet>.

USDA Announces Funding for New Farm Bill Conservation Measure

The USDA released a list of 115 projects across the country that will receive federal funding under the new Regional Conservation Partnership Program (RCPP), which was created in the 2014 Farm Bill. This RCPP funding was divided into three pools: addressing critical conservation areas; targeting projects that cross state lines; and focusing on projects that lie within a single state. Submitted conservation projects are aimed at protecting water quality and efficiency, restoring critical wildlife habitat, protecting natural resources on private lands and other environmental challenges.

“We’re giving private companies, local communities, and other non-government partners a way to invest in a new era in conservation that ultimately benefits us all,” Agriculture Secretary Tom Vilsack said. “These efforts keep our land resilient and water clean and promote economic growth in agriculture, construction, tourism, outdoor recreation and other industries.”

The full list of projects and their USDA grants can be found at <http://tinyurl.com/rcppchart> and <http://tinyurl.com/rcppprojsummary>. To find additional details, go to <http://tinyurl.com/rcpp-enviro-chall>.

USDA Seeks Input on Major Proposed Changes to Food Program

For the first time since the inception of the USDA’s Child and Adult Care Food Program (CACFP) in 1968, the agency is proposing new nutrition standards for meals provided through the program. USDA released a proposed rule last week and is seeking input from the public.

Under the proposed rule, meals served to children and adults in day care will include a greater variety of vegetables and fruits, more whole grains and less sugar and fat. The proposed recommendations for minimum servings of animal proteins (defined as lean meat, poultry or fish) at lunch and supper are as follows: 1 ounce for children ages 1-2; 1.5 ounces for children ages 3-5; and 2 ounces for all others (including adults). Additionally, the rule would allow tofu to be used to meet all or part of the meat or meat alternate components.

The proposed meal pattern updates submitted to the *Federal Register* Friday for publication this week are designed to work alongside USDA's school meals standards, which have been rolled out to schools nationwide over the last two years. To review the proposed changes, go to <http://tinyurl.com/cacfp-meal-pattern-rule>.

House Passes Dodd-Frank Changes

The House passed legislation on Wednesday to delay the implementation of Dodd-Frank's "Volcker rule," which requires big banks to sell off financial investments known as collateralized loan obligations (CLOs), until 2019 instead of 2017 as originally planned. According to *The Hill*, the White House is threatening to veto the bill, which passed by a vote of 271-154 where 29 Democrats joined all but one Republican in support.

Progressives argue that CLOs are a risky form of financing that, if left unregulated, could lead to another financial collapse. However, centrist Democrats and Republicans say CLOs are an important way for small and big businesses alike to obtain financing during a sluggish economic recovery.

For more information, go to <http://tinyurl.com/house-passes-doddfrank-changes>.

Cargill Sells Texas Feedyard to California-Based Family Operator

Cargill Cattle Feeders LLC completed the sale of its Lockney, Texas, feedyard to Lofton Trust, a family-owned cattle operation based in California on Jan. 8. The feedyard, which originally opened in 1970 and was acquired by Cargill in 1986, will now operate under Western Cattle Feeders LLC. The facility has a 60,000 head capacity and employs approximately 20 people.

"We are excited to be a part of the Lockney community and the Texas Cattle Feeders Association," said Bob Lofton, president of Western Cattle Feeders LLC. "We look forward to many years of success in the Texas cattle feeding business."

"This is a win for Lockney, its employees, the Texas beef business, Cargill and Lofton Trust," said Todd Allen, President of Wichita, Kan.-based Cargill Cattle Feeders. "We were dismayed about the prospect of Lockney closing in the wake of the Plainview beef plant shutting down, so being able to keep the feedyard viable is a wonderful feeling. We are confident the Lofton Trust will work hard to maintain its ongoing success."

Cargill continues to operate four major feedyards in Texas, Kansas and Colorado with a combined capacity of approximately 300,000 cattle.

TCFA Says Goodbye to Jan B. McElhaney

Past TCFA Board and committee member Jan B. McElhaney, 80, of Floresville, passed away on Jan. 5. He was raised in Ruidoso, N.M. where he eventually became Cowboy Boss to manage cattle for the Mescalero Apache tribe before moving on to California to manage large cattle ranches and then to the Texas Panhandle to become part of the booming cattle feeding industry. He eventually became managing partner of Sugarland Feedyard in Hereford, Texas, until its sale in 2000. Please join us in keeping the McElhaney family in your thoughts and prayers. A full obituary can be viewed at <http://tinyurl.com/jan-mcelhaney>.

Beef 4 Kids Initiative

Knowing the importance of beef in a child's diet, TCFA teamed up with Snack Pak 4 Kids in 2012 to ensure that beef is provided in weekend snack paks for children at risk of hunger in the Texas Panhandle. Since that time, TCFA members have rallied to make sure that kids who face the possibility of missing meals over the weekend – 17 to 31 percent of kids in the Texas Panhandle – have access to a high quality beef product as an excellent protein source.

There are over 6,000 students in the program who receive a snack pak every weekend, and survey results show that the beef sticks provided by the Beef 4 Kids initiative are the No. 1 liked item, right behind the choice that says, "I like it all." Results also indicated 94 percent of teachers with students in the program saw improvement in academic performance.

Please help us continue this program that is vital to the children of the Texas Panhandle with a donation to the Beef 4 Kids program. For more information, visit <http://tinyurl.com/beef4kids> or contact Kayla Lanford at kayla@tcfa.org or (806) 358-3681.

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