



TEXAS CATTLE FEEDERS ASSOCIATION

NEWSLETTER

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TCFA Board of Directors Met This Week in Amarillo

Many 2015 TCFA Board members braved the snow, while several others joined via webinar, to conduct the 2015 January Board meeting at the TCFA office this week. The Board met to discuss issues and goals for moving forward into a productive new year and took the following actions:

- Accepted reports from TCFA standing committees including adoption of 2015 goals.
- Accepted the 2014 annual independent audit report.
- Received updates from NCBA CEO Forrest Roberts on trade with China, latest efforts to enhance the national beef checkoff program and policy funding initiatives at NCBA.
- Received updates from TBC Executive V.P. Richard Wortham on the Texas state beef checkoff and Sr. Manager of Beef Resources Jason Bagley on international market development efforts.
- Received staff reports on several projects, including national and state legislative initiatives, service programs and beef sustainability among other things.

The Board was joined by 2015 Leadership Program participants Andrea Payan-Phipps of Cargill Cattle Feeders – Bovina, Cee Arnett of Bovina Feeders and Evan Easley of Spearman Cattle Feeders. Jay Cortese of Friona Industries provided a report of his 2014 Leadership Program experience to the members.

Chairman Tom McDonald, immediate Past Chairman Jason Hitch, CEO Ross Wilson and V.P. Ben Weinheimer, presented a trip report on their November 2014 trip to Brazil and Argentina, where they met with others from around the world at the Global Roundtable for Sustainable Beef, met with animal health officials on foot-and-mouth disease eradication efforts and toured ranching and feeding operations. The group also gained an update on a December 2014 trip by McDonald and Wilson to Asia to explore opportunities of promoting and exporting Texas beef to places like Japan and China.

The group went through the Budget and Audit Committee Report, as well as all other committee update reports. Wilson also provided his report on financials, membership and staff progress reports.

Key Priorities for Cattle Producers in the 114th Congress

Trade, tax and transportation top the priority list for cattle producers this legislative session, especially with a newly formed Senate controlled by Republicans, says Colin Woodall, vice president of government affairs at NCBA. New committee leadership will come in with willingness to take on issues important to cattlemen that have not been adequately addressed in the last couple of years.

With 2014 being a record year for beef exports, trade continues to be a high priority for cattle producers. Approximately \$6.5 billion in export sales were recorded just through November alone. Japan led that market at about \$1.5 billion, but two other \$1 billion markets have emerged in Mexico and Hong Kong.

Woodall says the Senate Finance Committee will take a leadership role in getting the Trade Promotion Authority (TPA) reauthorized and the Trans-Pacific Partnership (TPP) passed. *Agri-Pulse* reported that chairman of the Senate Finance Committee, Orrin Hatch (R-Utah), unveiled his committee's agenda in a speech to the U.S. Chamber of Commerce on Tuesday morning, and although a timetable has not yet been established, the panel is said to take up TPA early this year. Sen. John Cornyn (R-Texas) will chair the subcommittee on international trade.

Also, Woodall says an overall tax reform is needed to prevent what occurred at the end of 2014 when extreme effort went into extending the tax provisions that expired at the end of 2013, such as bonus depreciation and Section 179. "We can't afford to do that year in and year out," he said. "We need certainty in the tax code, especially for producers. The only way we're going to get that is with overall tax reform, and we feel our Senate is up to that task."

Reauthorization of the transportation bill is also top-of-mind for NCBA, whether it's infrastructure for trucks carrying cattle to market or if it's trying to increase the trailer weights.

"We need to make sure that we're addressing that and not just doing two-year, short-term reauthorizations," Woodall continued. "We need a true change in our overall approach to infrastructure."

In regard to Waters of the United States (WOTUS), Woodall made it clear that EPA Administrator Gina McCarthy fully intends to move forward with the WOTUS rule, and if she does, it will happen this year. Even though Sen. Jim Inhofe (R-Okla.), chair of the Environment and Public Works Committee, is committed to pushing back on the largest ever land grab by the federal government, Woodall stresses the importance of producers to stay engaged on this issue.

"Even though the comment period is over, there is still opportunity for cattle producers to engage, and we need producers to engage by talking to their members of Congress and their two Senators in making it very clear that EPA cannot be allowed to move forward with a final rule on the WOTUS," Woodall said. "We need to continue to tell the story of what this land grab would do to all of your operations across the country."

To hear Woodall's full commentary, visit <http://tinyurl.com/cattlemen-legislative-session>.

COOL Coalition Calls for Immediate Action

As part of the COOL Reform Coalition, NCBA has signed a letter to Congress asking for immediate action to assure U.S. compliance with international trade obligations. The coalition is comprised of a diverse group of associations and companies that represent U.S. food, agriculture and manufacturing industries, each having a great stake in potential trade retaliation.

"Canada has already issued a preliminary retaliation list targeting a broad spectrum of commodities and manufactured products that would affect every state in the country," states the letter. "Mexico has not yet announced a preliminary retaliation list, but has implemented retaliatory tariffs in the past, which may be indicative of future tariff actions. If tariff retaliation is authorized, U.S. industries would suffer billions in lost sales and take years to recover lost export markets after the tariffs are lifted."

To read the entire letter, go to <http://tinyurl.com/cool-mssg-congress>.

Export Trade is Fast Requiring Traceability

Presenters at the International Livestock Forum held at Colorado State University last week stressed that while the meat industry discusses the issue of traceability of animals, it is increasingly in danger of losing major market share to key export countries, particularly Asia, *Meatingplace* reports.

"China has huge potential but [companies that hope to export meat there] need traceability and labeling," said Mark Gustafson, director of the International Beef Sales Division for JBS in Greeley, Colo. "There's a list of criteria" determining access to the Chinese market, and "traceability is one of them. Australia has claimed they can meet the criteria, and there are several other countries. But [the U.S.] hasn't come to an agreement on [traceability] yet."

"It's high on the radar. I know that this is probably the No. 1 access issue on beef, and [industry leadership] is trying to expedite it," he said.

The lack of a traceability system in the meat supply chain could threaten what is otherwise a promising avenue for profits. "USDA inspection is a marketing tool" in foreign markets, noted Dan Halstrom, the senior vice president of marketing and communications for the U.S. Meat Export Federation in Denver. "They know that the U.S. food safety system is No. 1 in the world."

CattleFax Randy Blach said, "We have production systems in place, the safety and quality systems in place, and the quality differentiation. We do not have age and source verification. We do in some markets, but not across the industry. And maybe that's good, because now [the push for traceability] is market-driven. It was never going to work with the government mandating it through the National Animal Identification System." Find the article at <http://tinyurl.com/export-traceability>.

West Coast Port Situation Hurting Meat Industry

The International Longshore and Warehouse Union's stalled labor talks with the Pacific Maritime Association have been tying up ports on the West Coast causing costly effects for U.S. exporters, including the meat industry.

Companies are unable to reach their Asian markets with agricultural products, and beyond not being able to ship products, some containers have already been loaded and are sitting stranded in the ports. The Port of Oakland is so backed up that it would take 45 days to get back on track, and that is only if the labor situation were resolved immediately.

North American Meat Institute CEO Barry Carpenter is calling the situation a "crisis." He estimates that U.S. meat and poultry companies ship around 200,000 metric tons of products to Asian markets in a normal month, and they are losing millions of dollars in the wake of this labor dispute that continues.

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>.

HSUS Refuses to Release Documents, Sues Oklahoma AG

The Oklahoma Attorney General (AG) Scott Pruitt, who has the statutory authority to monitor and regulate charities operating in Oklahoma, has again requested records from the Humane Society of the United States (HSUS) on Wednesday through a civil investigative demand (CID). The group, which according to a news release has had several time extensions, continues to refuse to hand them over; instead, they are now suing the AG's office.

Pruitt says he is reviewing the solicitation practices of the HSUS to address concerns that the group's solicitations in Oklahoma may be misleading.

"The concern is that the HSUS projects heart-wrenching imagery of puppies and kittens in solicitations in order to extract donations from unsuspecting Oklahomans who believe their donations are going to help local animal shelters, but instead, their hard-earned money may go to high-powered lobbying and special interest campaigns that are determined to shape state and federal legislation that would harm farmers, ranchers and other Oklahomans," a statement from Pruitt says.

A statement released by HSUS on Wednesday, claims that Pruitt's requests amount to a "fishing expedition" and that he doesn't have the authority to request the documents, which include confidential and proprietary information. Find more information on this case at <http://tinyurl.com/hsus-sues-okla-pruitt>.

Beef Checkoff Launches MBA 2.0

The beef checkoff's Masters of Beef Advocacy (MBA) program has launched MBA 2.0, an opportunity for beef and dairy producers to step up and be 'Advocates' for the industry and all of agriculture. Building on the success of the original MBA courses, with nearly 6,000 graduates to date, the program hinges on the importance for consumers to hear directly from those growing and delivering their food to them.

Each course has all new content based on consumer research about questions regarding the beef industry. It takes about an hour to complete and follows the beef lifecycle. Course subjects include the beef community, raising cattle on grass, life in the feedyard, from cattle to beef, and Beef. It's What's for Dinner.

Individuals who completed the original MBA courses will remain enrolled in the program and can take the 2.0 classes to update their certificate. MBA grads then have the opportunity to join the private Facebook group where they can have interaction and dialogue about emerging industry issues. The MBA program is funded by the beef checkoff, and there is no cost to participate. Start your MBA 2.0 coursework at www.beef.org/mba.

Texas Tech University Discovers New Salmonella Serotype

A new serotype of salmonella has been discovered by Marie Bugarel, a research assistant professor at Texas Tech University. Named for its location of discovery, *Salmonella Lubbock* may now encompass 20 to 30 percent of two current strains, *Salmonella Montevideo* and *Mbandaka*.

Through her work in controlling salmonella in cattle, Bugarel invented a unique system of simultaneously detecting and distinguishing strains of the bacteria by targeting a specific combination of DNA.

"This discovery illustrates there is more that needs to be discovered about salmonella and how it interacts with cattle populations," said Texas Tech University food safety professor Guy Loneragan. "With this understanding will come awareness of how to intervene to break the ecological cycle and reduce salmonella in animals and in beef, pork and chicken products." Find the story at <http://tinyurl.com/salmonella-lubbock>.

New Technology Keeps Bacteria from Sticking

Researchers from Cornell University and Rensselaer Polytechnic Institute have developed an electrochemical process that creates a metal surface that prevents bacteria from attaching to it. The new technology could hold promise for applications in the food processing, medical and even shipping industries.

The process is called anodization, and it creates nanoscale pores that alter the electrical charge of the surface. This causes a force on bacteria cells that will not allow them to attach to the surface. The pores that this process creates can be as tiny as 15 nanometers. To provide some scale perspective, a sheet of paper is around 100,000 nanometers thick.

When applied to aluminum, this process creates a surface that prevents the attachment of surrogates of *E. coli* O157:H7 and *Listeria monocytogenes*. Other possible applications for this technology are being explored. For more information on this new technology, visit <http://tinyurl.com/new-tech-bact-from-sticking>.

TCFA Dues Rebate Criteria and Forms Available

If you fed 10,000 head or more in 2014, you may apply for a dues rebate. The rebate applies to the cumulative number of cattle fed by a single feeding entity. Rebate applications must be completed and returned to the TCFA office by April 15. For more information or to request an application, contact Jason Slane at (806) 358-3681 or jason@tcfa.org.

McKnight Leadership Scholarship

The deadline to apply for the McKnight Leader Scholars Program at Oklahoma State University (OSU) is Monday, Feb. 2. The program provides a full out-of-state tuition waiver for four years; provides \$5,000 for each of the students' first two years at OSU; and it offers students an opportunity to develop essential leadership skills through exclusive coursework and seminars.

If you know of a student you would like to nominate for the program or of a student who is interested in applying, make sure to visit www.osugiving.com/mcknightscholarship to find the application and nomination forms. Eligible students will be chosen according to leadership and extracurricular activities. Students must be from out-of-state with preference given to students from rural Texas. Transfer students are also eligible.

For information or to nominate a student, contact Cassi Rash at cassi.rash@okstate.edu or (806) 323-9917.

TCFA CEO Ross Wilson Recognized for 30 Years of Dedication and Service

This month marks the 30-year anniversary of CEO Ross Wilson's service to TCFA. His career at the Association began in 1985 as government affairs director, and since that time, he has built a long legacy of leadership and integrity that is respected by all who know him.

At the conclusion of the Board dinner, held in conjunction with their meeting this week, 2015 TCFA Chairman Tom McDonald, along with TCFA officers David Baumann and Jim Lovell, surprised Wilson with a handmade shotgun as a token of the leadership's appreciation.

"When you think about influential organizations that really make things happen, TCFA immediately comes to mind for most, and that's a true testament of the hard work and dedication of our leader in Ross Wilson," McDonald said. "Having worked with Ross early on in my career at TCFA and now in my role as Chairman, I know firsthand how much he cares about the cattle feeding industry and the people who represent it. His passion for what he does is contagious, and we are thankful to him for all he has done and continues to do for our industry."



Pictured (L-R): Vice Chairman Jim Lovell; Chairman Tom McDonald; CEO Ross Wilson; and Chairman-Elect David Baumann.

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