



# TEXAS CATTLE FEEDERS ASSOCIATION

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# NEWSLETTER

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## **House Ag Committee Passes COOL Repeal Legislation**

On Wednesday the U.S. House Agriculture Committee overwhelmingly approved bipartisan legislation (H.R. 2393) to repeal country-of-origin labeling (COOL) law. House Agriculture Committee Chairman Mike Conaway (R-Texas) along with 68 supporting Democrats and Republicans introduced the bill that would repeal country-of-origin labeling requirements from beef, pork and chicken, while maintaining requirements for all other covered commodities.

This action was spurred by a fourth and final World Trade Organization (WTO) ruling on Monday that affirmed that the COOL law is discriminatory and violates international trade laws.

In response to the recent WTO ruling, Canadian Agriculture Minister Gerry Ritz said, "The rules have been adjudicated, the U.S. was found offside and now it's up to them to find the fix that makes us happy." He continued, "We're now driving the bus. We're not under it anymore, so we'll see at the end of the day."

Mexico and Canada will likely be able to impose retaliatory tariffs against the U.S. by late summer or early fall if COOL isn't repealed. The extent of retaliatory tariffs will depend on what the WTO allows following consultation with Mexico, Canada and the U.S.

"We would bring our economic model to them as to the hurt that we faced from a livestock perspective - somewhere between \$2.5 billion and \$3 billion a year - and make the arguments," Ritz said. "Hopefully we won't need it. Hopefully the Americans will decide we're serious and we'll get this repealed in short order."

There are 38 commodities already listed that Canada could put tariffs on and the list could grow even higher. Mexico has not yet released a list of targeted retaliatory tariffs but has been encouraged to do so.

"We must do all we can to avoid retaliation by Canada and Mexico," Chairman Conaway said. "This bill accomplishes full repeal for labeling requirements for beef, pork and chicken. I appreciate the support from my colleagues on both sides of the aisle. We will continue working to get this to the House floor as soon as possible ensuring our economy and a vast range of U.S. industries and the men and women who work for them do not suffer any economic implications of retaliation."

## **Walmart Issues Policy on Animal Welfare and Antibiotic Use**

Walmart and Sam's Club announced their new position on animal welfare and antibiotic use in farm animals today. Highlights of this new policy include the humane treatment of farm animals and responsible use of antibiotics in farm animals. Under their humane treatment policy, Walmart has adopted the "Five Freedoms" of animal welfare which include freedom from hunger and thirst; freedom from discomfort; freedom from pain, injury or disease; freedom to express normal behavior; and freedom from fear and distress. Walmart is asking their suppliers to take specific actions in regard to both policies such as providing progress reports to Walmart on animal welfare practices and adopting judicious use policies on antimicrobial administration from American Veterinary Medical Association (AVMA) and Food and Drug Administration (FDA).

"Walmart is committed to selling products that sustain people and the environment," said Kathleen McLaughlin, president of the Walmart Foundation and senior vice president of Walmart sustainability. "We have listened to our customers, and are asking our suppliers to engage in improved reporting standards and transparency measures regarding the treatment of farm animals."

To view a press release from Walmart, visit <http://tinyurl.com/Walmart-Updated-Policy>.

## **Senate Votes to End Debate on Trade Promotion Authority**

On Thursday, the U.S. Senate approved a cloture motion to limit debate on and amendments to the Bipartisan Congressional Trade Priorities and Accountability Act of 2015 (S. 995). The bill would grant the President the ability to negotiate trade agreements that would be subject to an up-or-down vote by Congress. Trade Promotion Authority will allow U.S. trade negotiators to craft the best deal possible for U.S. goods while providing our trading partners with the assurance that once a deal has been reached it will not be changed by Congress.

The cloture motion passed 62-38, indicating strong, bi-partisan support to pass the bill. However, the Senate

must first consider a number of controversial amendments, many of which are “poison pill” amendments that could jeopardize final passage if adopted. A vote on final passage could come as early as Friday night or Saturday morning.

### **Port Performance Act Introduced**

U.S. Senate introduced John Thune (R-S.D.) the Port Performance Act (5.1298) this week in an effort to prevent another port crisis. This comes in response to the 29 West Coast ports being shut down earlier this year due to a labor dispute causing damage to the meat industry and the overall U.S. economy. This Act would require the federal government to keep up-to-date information related to productivity at major U.S. ports. This should signal when slowdowns are occurring and allow the government to intervene before the labor dispute becomes unmanageable.

### **Texas Legislative Session Drawing to a Close, Movement on Taxes, Budget**

With only 10 days left in the 84<sup>th</sup> Session of the Texas Legislature, there are a number of major initiatives yet to be finalized. Late last night, Gov. Greg Abbott, Lt. Gov. Dan Patrick and House Speaker Joe Straus announced the terms of a \$3.8 billion tax relief package. Both chambers must still sign off on the deal, which calls for a 25 percent across-the-board reduction to the business margins tax and a \$10,000 increase in the homestead exemption starting this year - contingent on passage of a constitutional amendment on the November ballot.

An agreement on tax relief should pave the way for passage of the FY 2016 and FY 2017 budget bill. A House-Senate conference committee is currently meeting to reconcile the difference between the chambers' bills. The agreement could also stimulate action on a number of other funding related bills, including tuition revenue bonds and the FY 2015 supplemental appropriations bill.

The last day of the Session is June 1. TCFA staff will provide a detailed Session wrap-up later in the month.

### **Property Tax Protest Deadline Fast Approaching**

On May 1, county appraisal districts in Texas began mailing taxpayers a Notice of Appraised Value for property subject to taxation. Taxpayers have until May 31, or the 30th day after a Notice of Appraised Value was mailed to the property owner, to contest their appraised value by filing a written protest with the district's appraisal review board. Protests filed after the deadline require a determination by the review board that good cause, such as serious illness, exists for the late filing. If you have any questions about protesting your Notice of Appraised Value or would like TCFA staff to assist you in the protest process, please contact [josh@tcfa.org](mailto:josh@tcfa.org) or [christie@tcfa.org](mailto:christie@tcfa.org).

TCFA staff has compiled the following list of important property tax dates and deadlines for your reference and convenience. You can view the list by visiting <http://tinyurl.com/2015-TCFA-Draft-Property-Tax>.

### **FDA Proposes New Rule on Antimicrobial Sales Data Collection**

The U.S. Food and Drug Administration (FDA) proposed a rule on Tuesday that would require manufacturers to report estimated sales of antimicrobials that are intended for use in food-producing animals based on species. Animal drug sponsors are already required to provide information on overall sales of antimicrobials to food-producing animals, but this new rule would require them to show their specific estimates for each species. The data is intended to help FDA better understand how antimicrobials are sold and distributed as well as helping to make sure that those used in human medicine are used judiciously in animal medicine.

According to a press release from FDA, adding species-specific information will help to provide a fuller, more detailed picture to understand links between usage patterns and trends in resistance. FDA is accepting public comments on the proposed regulation for 90 days from the date of publication. Comments should be submitted to [www.regulations.gov](http://www.regulations.gov). To read more about the proposed rule, visit <http://tinyurl.com/FDA-Sales-Data-Collection>.

### **Environmental Protection Agency Accused of Improper Lobbying for Water Rule**

The Environmental Protection Agency (EPA) is being accused of violating the Anti-Lobbying Act in their efforts to gain public support for the Waters of the United States (WOTUS) rule under the Clean Water Act. The Anti-Lobbying Act limits “grass-roots” lobbying, which according to the New York Times is “communications by executive officials directed to members of the public at large, or particular segments of the general public, intended to persuade them in turn to communicate with their elected representatives on some issue of concern to the executive.” Despite this, EPA has been strongly campaigning for their stance across social media including rallying support on Twitter and blogging efforts.

According to Jeffrey W. Lubbers, a professor of administrative law at American University, he has not seen a federal agency try so strongly to generate support during an open comment period. Ellen Steen of the American Farm Bureau Federation noted that this type of activity is “exactly what the Anti-Lobbying Act is meant to prevent.”

### **China Lifts Three-year Embargo on Brazilian Beef Imports**

Tuesday, China lifted its embargo on Brazilian beef imports, ending a three-year ban and creating an opportunity for \$500 million dollars of new sales, according to Brazil's Agriculture Ministry.

Eight beef processing plants and one poultry plant have been approved to export to China. Seventeen other processing plants have been identified and await approval to export. This approval is expected by June when Brazilian Agriculture Minister Matia Abreu visits China. In total, these 26 plants represent \$520 million in sales to China. As Brazil is currently the world's largest beef exporter and China is its top trading partner, these countries both expect to increase sales in 2015.

To read the full article, visit <http://tinyurl.com/China-Embargo-Brazil>.

### **Consumers Willing to Pay More for Hamburger and Pork Chops but not Chicken**

According to the Food Demand Survey conducted by Oklahoma State University (OSU), consumers in the month ending in mid-May were more willing to pay up for hamburgers and pork chops and were less willing to purchase deli ham or chicken products. OSU economists speculate the pullback from poultry is a reaction to the recent outbreak of bird flu, as this is the second consecutive month bird flu awareness has increased.

To read the survey's complete findings, visit [www.meatingplace.com/Industry/News/Details/58384](http://www.meatingplace.com/Industry/News/Details/58384).

### **Cattle Feeders Hall of Fame**

Registration is now open for the 2015 Cattle Feeders Hall of Fame Induction Banquet on July 14 in Westminster, Colo. The event recognizes outstanding members of the cattle feeding community and announces inductees into the Cattle Feeders Hall of Fame. In the seventh year of nominations, this group of nominees showcases five unique pioneers and visionaries for the cattle feeding industry, including TCFA Past Chairmen James Herring of Friona Industries and Robert "Bob" Josserand of AzTx Cattle Co. From the five nominees, two will be inducted into the Cattle Feeders Hall of Fame.

In addition to the 2015 Hall of Fame inductees, the winner of the 2015 Industry Leadership Award will also be announced. The nominees for the Industry Leadership Award have contributed to the cattle feeding industry through outstanding advocacy and leadership. TCFA member Dr. Kenneth Eng, a pioneering consulting nutritionist, is featured as one of the nominees in this category.

Follow the link to register for the banquet at <http://tinyurl.com/2015-Cattle-Feeders-HOF>. Registration deadline is June 19.

### **Membership in the U.S. Roundtable for Sustainable Beef**

The U.S. Roundtable for Sustainable Beef (USRSB) is now accepting membership applications. USRSB is an independent, multi-stakeholder, transparent effort focused on shaping the sustainability framework for the U.S. beef value chain. Those whose membership applications are approved on or prior to June 1 will be considered "founding members" of the organization. The first General Assembly meeting of the USRSB will be held from 1:00 p.m., July 14, through noon, July 15, at the Hyatt Regency & Convention Center in Denver. Visit [www.usrsb.org](http://www.usrsb.org) to submit a membership application.

### **One Week Left to Submit Safety Practices Ideas!**

You have one week left to submit your best safety practice to the 2015 TCFA Safety Award Contest. Deadline for submissions is next Friday, May 29. The idea does not have to be originally created by the employee; it just has to be discovered and implemented by the feedyard. View the English Safety Award flyer at <http://tinyurl.com/sa-flyer-english> and the Spanish version at <http://tinyurl.com/safety-awards-spanish> for details. Make sure to submit your Best Safety Practices applications, which can be found at <http://tinyurl.com/2015-sa-app>, by next Friday.

### **Cattlemen's Beef Board Nominees Sought**

TCFA is a certified nominating organization and is in the process of identifying potential nominees for appointment to the Cattlemen's Beef Board. Please email names and bios of qualified and interested individuals to Shannon Standley at [shannon@tcfa.org](mailto:shannon@tcfa.org). Please see the USDA letter to nominating organizations outlining required considerations for diversity of nominees at <http://tinyurl.com/2015-CBB-Nominees>.

