



TEXAS CATTLE FEEDERS ASSOCIATION

NEWSLETTER

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House Vote to Repeal COOL Next Week

The U.S. House of Representatives is expected to debate and vote on the Country of Origin Labeling Amendments Act of 2015 (H.R. 2393) early next week. The bipartisan bill, introduced by House Agriculture Committee Chairman Mike Conaway (R-Texas), would repeal country-of-origin labeling (COOL) requirements for beef, pork and chicken, while maintaining requirements for all other covered commodities. TCFA urges members to contact their Representatives and ask them to vote yes on H.R. 2393.

On Thursday, TCFA Chairman Tom McDonald sent a letter to TCFA-area House members explaining the damage that COOL has done to the beef industry and urging them to vote in favor of H.R. 2393.

“Cattle feeders have endured the burden of COOL for far too long. It is not a food safety or consumer protection law. It is a failed, government-mandated marketing experiment that has cost U.S., Mexican and Canadian cattle producers hundreds of millions of dollars with no measurable producer or consumer benefit. In addition, COOL is jeopardizing relations with two of our largest trading partners – consistently ranking in the top three or four importers of U.S. beef. It is time to repeal this ill-conceived, protectionist law,” the letter stated.

Canada and Mexico released a joint statement on Friday announcing the amount of their expected retaliation request. View their statement by visiting <http://tinyurl.com/retaliation-statement>.

The following TCFA-area Representatives have signed on as cosponsors: Texas – Mike Conaway (R-Midland), Henry Cuellar (D-Laredo), Bill Flores (R-Waco), Randy Neugebauer (R-Lubbock), Pete Sessions (R-Dallas), Mac Thornberry (R-Clarendon) and Filemon Vela (D-Brownsville); Oklahoma – Jim Bridenstine (R-Tulsa), Tom Cole (R-Moore) and Frank Lucas (R-Cheyenne). You can view a full list of all 82 cosponsors by clicking on <http://tinyurl.com/TCFA-area-cosponsors>.

TCFA encourages members to contact their Representative and urge him or her to vote yes on H.R. 2393. You can find contact information for your Representative at www.house.gov/representatives/find/.

A copy of the TCFA letter sent to House members is available at <http://tinyurl.com/2015-COOL-Repeal>.

FDA Publishes Veterinary Feed Directive Final Rule

The Food and Drug Administration (FDA) on Wednesday released the final rule for the Veterinary Feed Directive (VFD), which will require licensed veterinary supervision for administering medically important antimicrobials in feed for specific animal health purposes.

The final rule continues to require veterinarians to issue all VFDs within the context of a veterinarian-client-patient relationship (VCPR), as defined by the veterinary regulatory body in their state of practice. However, all state VCPR standards must require that the veterinarian assume responsibility for making clinical judgments about patient health, have sufficient knowledge of the animal by conducting examinations and/or visits to the facility where the animal is managed and provide for any necessary follow-up evaluation or care. In states where the FDA determines that no applicable or appropriate state VCPR requirements exist, veterinarians will need to issue VFDs in compliance with federally-defined VCPR requirements.

TCFA and NCBA participated in a number of meetings with FDA and other stakeholders before and since the rule was first proposed in December 2013 to ensure that it was practical and continued the availability of medically important antimicrobials for disease treatment and prevention in food producing animals.

To view the final rule, visit <http://tinyurl.com/FDA-VFD-Final>. Also, NCBA will host a free webinar for cattlemen regarding the changing antibiotic use regulations Tuesday, June 23. To reserve a space, visit www.beefusa.org/cattlemenswebinarsseries.aspx.

White House Hosts Forum on Antibiotic Stewardship

The Obama Administration on Monday hosted a “White House Forum on Antibiotic Stewardship” to bring together key human and animal health constituencies involved in antibiotic stewardship – the development, promotion and implementation of activities to ensure the responsible use of antibiotics. As part of the event, more than 150 food companies, retailers and human and animal health stakeholders discussed efforts to implement changes over the

next five years to slow the emergence of resistant bacteria and prevent the spread of resistant infections.

Dr. Kathy Simmons, NCBA chief veterinarian, and Dr. Mike Apley, Kansas State University professor, veterinarian and cattle producer, participated in the forum on behalf of NCBA.

According to a White House Fact Sheet released following the event, "Private sector participation is essential to our Nation's success in preventing, detecting, and responding to antibiotic-resistant bacterial infections and in preserving the efficacy of our existing antibiotics while enhancing the innovation and development of new antibiotics, therapeutics, diagnostics and vaccines."

"Antimicrobial resistance is a multi-faceted and extremely complex issue that cannot be adequately addressed by solely focusing on the use of antibiotics in animal agriculture," said TCFA Chairman Tom McDonald. "I am pleased that the Administration has engaged a wide array of stakeholders in this process."

In conjunction with the forum, President Obama signed a presidential memorandum (PM) directing federal departments and agencies to create a purchasing preference for meat and poultry produced according to responsible antibiotic use. To achieve this goal, the PM directs a three-tiered, phased approach using federal purchasing authorities to offer options for meats from animals raised according to responsible antibiotic-use policies within federal agencies' facilities. While the PM does not specifically define responsible antibiotic use, it references previous FDA guidance on judicious use of antibiotics and ending antibiotic use for growth promotion.

However, the Fact Sheet also states that the Presidential Food Service is committing to only serve meats and poultry that have not been treated with hormones or antibiotics.

You can watch a recording of the forum at <http://tinyurl.com/White-House-Forum-Video> and read the Fact Sheet at <http://tinyurl.com/White-House-Forum>.

Texas Legislature Adjourns Sine Die

The 84th Regular Session of the Texas Legislature came to a close on Monday after fulfilling its constitutional duties to pass a state budget and consider changes to state law. The 140-day session, which began on January 13, 2015, included extensive debate on education, transportation, tax relief, water, environment, guns and a wide range of other issues. Governor Abbott has until June 21 to sign or veto bills.

TCFA and other Texas agriculture and landowner groups were successful in blocking and/or amending several bills that would have been harmful to Texas agriculture and private property rights. TCFA and the other groups were also successful in passing several beneficial bills. Below are some of the bills that passed and have been sent to the Governor:

- **General Appropriations (HB 1)** – Sponsored by Rep. John Otto (R-Dayton) and Sen. Jane Nelson (R-Flower Mound), the \$209.4 billion biennial budget bill increases funding for public schools, boosts formula funding for higher education, invests additional general revenue in transportation and promotes border security and public safety. The bill also provides increased funding for the Texas Animal Health Commission (TAHC), the Texas Department of Agriculture and the Texas A&M AgriLife Research and Extension Service. Additionally, HB1 accomplishes this by limiting overall spending growth to less than that necessary to account for population and inflation growth and leaves \$11 billion in the Rainy Day Fund.
- **Supplemental Appropriations (HB 2)** – Sponsored by Rep. John Otto (R-Dayton) and Sen. Jane Nelson (R-Flower Mound), the \$564.6 million supplemental appropriations bill will fund unbudgeted needs during the current biennium. Included in the bill was additional funding for the TAHC to support efforts to combat the spread of fever ticks in South Texas and to test and monitor two TB-infected dairy herds.
- **Tuition Revenue Bonds (HB 100)** – Sponsored by Rep. John Zerwas (R-Richmond) and Sen. Kel Seliger (R-Amarillo), the bill approves \$3.1 billion to support construction projects at state universities. The bonds are secured with tuition revenue, but the Legislature approves them and has historically used general revenue to pay them off. Of the amount authorized for the Texas A&M University System, \$38.2 million is dedicated to West Texas A&M University for an agriculture sciences complex, which will include a new meats lab and animal handling demonstration and education area.
- **Franchise Tax Relief (HB 32)** – Sponsored by Rep. Dennis Bonnen (R-Angleton) and Sen. Jane Nelson (R-Flower Mound), the bill reduces the franchise tax on Texas businesses by 25 percent, increases the revenue threshold for businesses to use the E-Z rate from \$10 million to \$20 million and reduces the E-Z rate from 0.575 percent to 0.331 percent. It provides \$2.56 billion in business tax relief over the biennium.
- **Property Tax Relief (SB 1)** – Sponsored by Sen. Jane Nelson (R-Flower Mound) and Rep. Dennis Bonnen (R-Angleton), the bill increases the homestead exemption for school district property taxes from \$15,000 to \$25,000, providing \$1.2 billion in property tax relief over the biennium for Texas homeowners (roughly \$130 per year, per taxpayer). Implementation of this bill is contingent on voter passage of a constitutional amendment in November.

- **GPS Sales Tax Exemption (SB 140)** – Sponsored by Sen. Charles Perry (R-Lubbock) and Rep. Tom Craddick (R-Midland), the bill exempts GPS equipment and data services used for farming and ranching activities from the state sales tax. The bill was signed by Governor Abbott and takes effect on Sept. 1.
- **Contested Case Hearings (SB 907)** – Sponsored by Sen. Troy Fraser (R- Horseshoe Bay) and Rep. Geanie Morrison (R-Victoria), the bill provides TCEQ with discretion to determine who is an “affected person” eligible to request a contested case hearing and sets an 180-day time limit for the proceedings. The bill was signed by Governor Abbott and takes effect on Sept. 1.
- **TAHC Class C Misdemeanor (SB 970)** – Sponsored by Sen. Charles Perry (R-Lubbock) and Rep. Kyle Kacal (R-Bryan), the bill creates a Class C misdemeanor for individuals who intentionally mishandle livestock after they have been notified by TAHC that an animal has been exposed to an infectious disease and been placed under a hold order. The bill was signed by Governor Abbott and takes effect on Sept. 1.
- **Feed Trucks (SB 971)** – Sponsored by Sen. Charles Perry (R-Lubbock) and Rep. Kyle Kacal (R-Bryan), the bill amends the definition of implements of husbandry to include a motor vehicle designed and adapted to deliver feed to livestock. This statutory change will allow feed trucks to temporarily operate at slow speed on non-interstate highways within the state without registration or farm tags. The change in classification will also exempt cattle feed trucks from width limitations during transport. The bill was signed by Governor Abbott and takes effect on Sept. 1.
- **Brackish Groundwater (HB 30)** – Sponsored by Rep. Lyle Larson (R-San Antonio) and Sen. Charles Perry (R-Lubbock), the bill directs the Texas Water Development Board to identify and designate regional brackish groundwater production zones.
- **DFC Appeals (HB 200)** – Sponsored by Rep. Jim Keffer (R-Eastland) and Sen. Charles Perry (R-Lubbock), the bill protects private property rights and creates a meaningful appeals process through which a property owner may challenge the adoption of desired future conditions (DFCs), rules and permits. The bill also provides the option to resolve DFC disputes through arbitration.
- **Prescribed Burn (HB 801)** – Sponsored by Rep. Ken King (R-Canadian) and Sen. Kevin Eltife (R-Tyler), the bill requires the Texas Parks and Wildlife Department to provide neighbors with proper notice and to obtain necessary insurance before conducting burns.
- **Beef Council (HB 1934)** – Sponsored by Rep. Kyle Kacal (R-Bryan) and Sen. Charles Perry (R-Lubbock), the bill allows the Texas Beef Council and its committees to meet by telephone conference call and makes technical changes to the statute. The bill was signed by Governor Abbott and takes effect on Sept. 1.

TCFA Representatives Attend NCBA’s Young Cattlemen’s Conference

TCFA Leadership Program participants Andrea Payan-Phipps and Evan Easley attended NCBA’s Young Cattlemen’s Conference (YCC) along with around 50 others to learn more about the beef industry and government policy that affects it. They began the tour at NCBA’s office in Denver, then traveled to a JBS Five Rivers Feedyard, the JBS Greeley packing and processing facility, Safeway, the Chicago Board of Trade, McDonalds and Whitestone Farms in Virginia. The group finished their trip in Washington D.C., where they received a policy update on issues such as WOTUS, Dietary Guidelines for Americans, foreign animal disease and the Endangered Species Act. They also met with members of Congress from their states to promote the importance of passing Trade Promotion Authority and repealing COOL.

Port Training in Colombia for U.S. Beef and Pork Imports

U.S. Meat Export Federation (USMEF), along with USA Poultry and Egg Export Council (USAPEEC) and the USDA Foreign Agricultural Service (FAS), held a series of food safety workshops at key ports in Colombia that are most responsible for import inspection of U.S. meat products. The workshops covered several important topics, such as U.S. beef quality and yield grading programs, attributes of frozen product and how product gets from the plant to the port for export.

This was to help Colombian officials better understand what happens on the U.S. side of the trade. In turn, U.S. representatives had the opportunity to learn more about why port officials in Colombia may reject certain boxes or loads, and they were able to help clarify issues to make the process more efficient.

“The strategy with these activities was to capitalize on established relationships with the government agencies of Colombia dealing with meat imports to clarify sensitive technical topics,” explained Dr. Nelson Huerta, USMEF director of technical services for Mexico, Central America and the Dominican Republic. “The ultimate objective is to increase awareness of USMEF and its regional activities as well as the quality and safety of U.S. red meats and variety meats exported to Colombia.”

To read more, visit <http://tinyurl.com/USMEF-Export-Training>.

Six European Countries Categorized at Lower BSE Risk Level

The World Organization for Animal Health has lowered bovine spongiform encephalopathy risk levels for France, Ireland, Switzerland, the Czech Republic, Cyprus and the Lichtenstein. These countries, formerly at the “controlled risk” level, have been lowered to the “negligible risk” level, meaning that the last known infected animal had to have been born more than 11 years ago. This ruling should reopen trade opportunities for these countries.

"The main advantage will be at international trade level because many countries insist on limiting trade exchange to countries that have the same risk status," said Karin Schwabenbauer, head of the World Organization for Animal Health Council and World Assembly.

Read more at <http://tinyurl.com/BSE-risk-lowered>.

Drought Conditions Subsiding in South Plains

According to the USDA Drought Monitor, based upon estimated monthly state averages, May 2015 was the wettest month ever for Texas at 8.81 inches and Oklahoma at 14.27 inches, breaking both the former state monthly records by several inches. According to the National Weather Service in Fort Worth, around 35 trillion gallons of rain have fallen over the state of Texas throughout the month of May.

To view the USDA's latest Drought Monitor, visit <http://droughtmonitor.unl.edu/Home.aspx>.

Nestlé USA to Remove Artificial Ingredients

Nestlé USA has announced that it will remove artificial flavors and reduce sodium in over 250 of its frozen pizza and snack brands by the end of 2015. The reduction in sodium will be 10 percent overall, compared to the 2013 levels of the same products. Popular brands affected by the change include DIGIORNO®, TOMBSTONE®, CALIFORNIA PIZZA KITCHEN®, JACK'S®, HOT POCKETS® and LEAN POCKETS®. The company is also planning to launch new products that reflect their commitments to better health and nutrition.

To view the press release from Nestlé USA, visit <http://www.nestleusa.com/media/pressreleases/pizza->

Feeders and Feedyards in the News

Littlefield Feedyard announces the promotion of **Ronnie Gonzales** to manager and the promotion of **Jared Lee** to assistant manager.

TCFA Says Goodbye to Richard Gebhart

Beef industry leader, Richard Gebhart, 58, of Claremore, Okla., passed away May 30. Richard was a fourth generation cattleman who operated Beacon Hill Ranch, a family-run Hereford business established in 1909. He served the cattle industry in all facets for many years. According to a press release from NCBA, Richard was named NCBA treasurer in 2014, served as a member of the Beef Promotion Operating Committee, was chairman of the Federation of State Beef Councils and vice chair of the Joint Issues Management Subcommittee. He was also an advisor on several sustainability efforts with the beef supply chain, and he participated in writing a comprehensive Life Cycle Assessment of the U.S. beef supply chain. He was a lifetime member of the Oklahoma Cattlemen's Association and the American Hereford Association where he served many roles benefitting both organizations.

"TCFA, NCBA and the beef industry lost a great friend and advocate with Richard's passing. Beef industry accomplishments in sustainability and many other initiatives would not have been possible without Richard's leadership, passion and strategic insights. He is one of the brightest minds and best thinkers we have had the honor of knowing and working with and will be deeply missed in many ways in the coming years," said TCFA CEO Ross Wilson.

"The contributions Richard made to our industry at the national level were extraordinary," said NCBA President Philip Ellis. "He was a giant of a man when it came to his generosity of time, expertise, leadership and knowledge. He will be deeply missed."

A celebration of Richard's life was held on June 4 – which would have been his 59th birthday – at the Claremore Expo Center.

Read more about Richard's life and legacy at <http://tinyurl.com/Richard-Gebhart>.

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Texas Cattle Feeders Association

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