



TEXAS CATTLE FEEDERS ASSOCIATION

NEWSLETTER

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Beef Industry Leaders Complete Summer Business Meeting

TCFA leaders joined cattle producers from across the nation last week in Denver for NCBA's 2015 Summer Conference. Led by TCFA Chairman Tom McDonald, Chairman-Elect David Baumann and Vice Chairman Jim Lovell, TCFA members participated in numerous committee meetings and the Saturday board meeting to discuss and adopt a new five-year, long range plan for the beef industry along with revising existing policy and adopting new policy.

The Beef Industry Long Range Plan identified increased beef demand as the most important strategic objective and established a specific objective to "increase the wholesale beef demand index by two percent annually over the next five years." The following four core strategies were adopted to achieve this goal:

- **Drive growth in beef exports**, gain access to key markets, such as China, and promote the unique attributes of U.S. beef to foreign consumers.
- **Grow consumer trust in beef and beef production**, including a critical focus on antibiotic stewardship, the implementation of a certification/verification program and continued investment in beef safety initiatives.
- **Promote and strengthen beef's value proposition** by investing in research that allows the industry to communicate beef's nutritional benefits, capitalizing on media technologies to communicate beef's value proposition and responding to consumer-based market signals with product improvements and increased production efficiencies.
- **Protect and enhance the business and political climate for beef** by improving the industry's effectiveness in managing political and regulatory issues that threaten the overall business climate of beef production, assuring beef's inclusion in dietary recommendations, exploring new production technologies, improving crisis management planning, and developing the next generation of beef industry stakeholders.

In other items of interest, the NCBA Board: 1) approved a resolution to increase reportable cattle included in the CME Feeder Index following a university study to identify potential impacts of various sources of feeder cattle; 2) amended resolutions to continue support for the U.S. Roundtable for Sustainable Beef, sustainability research and programs for cattle producers; and 3) approved a dues increase for cow-calf, stocker, feeder and packer members effective Oct. 1, 2015. Feeders' dues will increase 6.5 cents, from 12.5 cents to 19 cents per head.

To view the condensed version of NCBA's long range plan, visit <http://tinyurl.com/2015NCBA-LRP-SV>, or you can review the complete version by visiting <http://tinyurl.com/2015NCBA-LRP-LV>. To review the CME Group Feeder Cattle Index, visit <http://tinyurl.com/2015-CME-INDEX>.

July Cattle Report

The U.S. *Cattle* report shows all cattle and calves reported at 98.4 million head, up 2 percent from last year. The last time all cattle and calves inventory for July 1 increased was 2006. The following is a report breakdown:

- Beef cows, 30.5 million, up 3 percent.
- Milk cows, 9.30 million, up 1 percent.
- All heifers 500 pounds and over, 15.9 million, up 2 percent.
- Beef replacement heifers, 4.90 million, up 7 percent.
- Milk replacement heifers, 4.20 million, up 2 percent.
- Other heifers, 6.80 million, down 1 percent.
- Steers, weighing 500 pounds and over, 14.1 million, up 3 percent.
- Bulls, weighing 500 pounds and over, 1.90 million, unchanged.
- Calves under 500 pounds, 26.7 million, up 2 percent.

Every category is either unchanged or higher compared to the previous year. The 2015 calf crop is expected to be 34.3 million, up 1 percent from 2014. Calves born during the first half of the year are estimated at 24.8 million, up 1 percent from the previous year. To read the full report, visit <http://tinyurl.com/2015-USDAJULYREPORT>.

Senate Could Debate COOL This Week

More than a month after the U.S. House of Representatives overwhelmingly voted to repeal the mandatory country-of-origin labeling (COOL) law for meat and meat products, the Senate appears ready to debate the issue. On Thursday, Agriculture Committee Chairman Pat Roberts (R-Kan.) filed an amendment to the highway funding bill, currently under consideration, that is identical to the COOL repeal legislation approved by the House. That same day, Sen. John Hoven (R-N.D.) and Agriculture Committee Ranking Member Debbie Stabenow (D-Mich.) introduced the Voluntary Country of Origin Labeling (COOL) and Trade Enforcement Act of 2015, which creates a voluntary labeling program using the same definitions as exist under the current mandatory law. The bill's authors have indicated that they also intend to file it as an amendment to the highway bill, setting up a COOL showdown that could play out before the August congressional recess.

Responding to the introduction of a voluntary labeling bill, Canadian Agriculture Minister Gerry Ritz and International Trade Minister Ed Fast made it clear that the approach was unacceptable and would necessitate Canada moving forward with retaliation if the bill was ultimately signed into law.

In a joint statement, Ritz and Fast said, "Senator Stabenow's COOL 2.0 fails to address Canada's concerns and would continue to undermine our integrated North American supply chains. By continuing the segregation of and discrimination against Canadian cattle and hogs, Senator Stabenow's measure will harm farmers, ranchers, packers, retailers and consumers on both sides of the border. This is contrary to successive World Trade Organization (WTO) decisions that have clearly ruled in Canada's favor."

"I don't think there's any question that both Canada and Mexico intend to retaliate if Congress passes anything less than full repeal," said TCFA Director of Government Relations Josh Winegarner. "Unfortunately, Senator Stabenow seems oblivious to this reality and continues to champion the misguided belief that a voluntary COOL program will somehow appease Canada and Mexico. Instead, she is engaging two of our largest export markets in a high stakes game of chicken, ultimately leading to a trade war that will cause significant harm to our nation's economy."

TCFA has contacted Senators from Texas, Oklahoma and New Mexico and urged them to support full repeal.

House Passes GM Labeling Bill

On Thursday, the U.S. House of Representative passed the Safe and Accurate Food Labeling Act (H.R. 1599) by a vote of 275 to 150. The bill, introduced by Rep. Mike Pompeo (R-Kan.) would establish a voluntary, federal program for labeling genetically modified (GM) ingredients and prevent states from enacting their own GM labeling laws.

"Advances in technology have allowed the U.S. to enjoy the safest, highest quality, most abundant, diverse and affordable supply of food and fiber mankind has ever known. With the world's population expected to reach 10 billion by 2050, biotechnology is an essential tool for our farmers to meet this demand in an environmentally sound, sustainable and affordable way. Unfortunately, proposed Federal and State laws threaten this innovation by generating a patchwork of differing labeling requirements, which will result in inconsistent and confusing information for consumers and interfere with interstate commerce. H.R. 1599 establishes a voluntary nation-wide marketing program that gives consumers access to consistent, reliable information while protecting advancements in food production technology and innovation," House Agriculture Committee Chairman Mike Conaway (R-Texas) said in a statement.

The bill contains a troubling provision that was included at the last minute concerning the voluntary labeling of meat products as GM-free. However, Chairman Conaway has promised to remove the provision during the conference committee -- if the Senate passes a similar bill.

WTO Rules U.S. in Violation for Ban on Argentinian Beef

A World Trade Organization (WTO) dispute settlement panel today ruled that the U.S. ban on imports of Argentinian beef because of foot-and-mouth disease concerns violates several parts of the WTO agreement governing human, animal and plant health.

The panel sided with Argentina on most of its arguments, finding that the ban was not based on the World Organization for Animal Health's Terrestrial Animal Health Code, which it considers the applicable international

standard, and that the U.S. took too long to evaluate Argentina's requests for certain regions to be declared disease-free. The panel also found that USDA did not make its decisions based on a risk assessment and could have taken less-restrictive approaches.

A spokesman with the Office of the U.S. Trade Representative said the U.S. has already addressed the problems that were faulted by the WTO. "Although the panel upheld certain of Argentina's claims, it is important to note that USDA completed its regulatory process prior to the issuance of today's panel report," spokesman Andrew Bates said. "After a thorough and transparent scientific review, USDA has found that FMD conditions in Argentina no longer require a ban on beef from Argentina."

Late last month, USDA lifted its ban on the Patagonia region of Argentina and will also allow imports from the northern part of the country starting at the end of September.

The WTO panel's ruling is available at <http://tinyurl.com/2015-7-24-WTO>.

U.S. Roundtable for Sustainable Beef Holds First Annual Meeting

More than 120 beef producers, retailers, foodservice operators, processors, academics, allied industry partners and other special interest groups met in Denver on July 14 and 15 for the first U.S. Roundtable for Sustainable Beef (USRSB) General Assembly meeting.

The primary outcome of the two-day event was to align members to five objectives of the USRSB: 1) the establishment of sustainability indicators; 2) development of a method to verify those indicators; 3) creation of a program philosophy for implementing sustainability objectives; 4) generation of field projects that prove sustainability concepts; and 5) establishment of goals for progress.

During the meeting, attendees reviewed sustainability efforts in the crop, dairy and potato industries, as well as results of beef sustainability pilot projects in Florida and Canada. Three USRSB working groups -- Indicators and Goals for Progress, Verification, and Field Projects -- met to discuss their objectives, scope of work and next steps.

USRSB members also voted to ratify the following Board of Directors during the business meeting:

Producers: John Butler, *Beef Marketing Group (Chair-Elect)*; Ben Weinheimer, *Texas Cattle Feeders Association*

Allied Industry Partners: Mark Shaw, *Micro Technologies*; Jennie Hodgen, *Merck Animal Health*

Civil Society/Academia: Chad Ellis, *Noble Foundation*; Nancy Labbe, *World Wildlife Fund*

Processors: Nicole Johnson-Hoffman, *Cargill (Chair)*; Cameron Bruett, *JBS*

Retailers: Susan Forsell, *McDonald's Corporation*; Brittini Furrow, *Walmart*

The USRSB was formed in March 2015 and has 93 founding members. It is a multi-stakeholder initiative developed to advance, support and communicate continuous improvement in sustainability of the U.S. beef value chain.

For more information, contact TCFA Vice President Ben Weinheimer at ben@tcfa.org.

Beef Producers Continue to Support the Checkoff

According to a study conducted in late June and early July by the independent firm Aspen Media & Market Research, 76 percent of producers continue to support the Beef Checkoff Program.

Of the 601 beef and dairy producers interviewed, an overwhelming majority continue to say their beef checkoff has value for them in many ways; 81 percent of producers say the beef checkoff has helped to contribute to a positive trend in beef demand; 71 percent of producers say the beef checkoff contributes to the profitability of their operations; 71 percent say the checkoff represents their interests; and 68 percent of producers believe the checkoff is well managed.

The survey shows that the more producers know where their beef checkoff dollars are going within the program, the more supportive they are. In addition, the study also found that only 10 percent of producers, the lowest ever recorded, do not support the program.

To find a summary of the research findings, visit www.beefboard.org/library/files/PAS/Beefmemo15_2.pdf.

USDA Updates CRP Changes

The U.S. Department of Agriculture (USDA) released the new Conservation Reserve Program regulations and the new conservation incentives for agriculture producers early this week. As of Sept. 1, 2015, agriculture producers with working grass, range and pasture lands can apply for financial aid to help conserve enrolled land while continuing to use the land for livestock grazing.

Within the 2014 Farm Bill, provisions on grasslands were made to allow up to two million acres of grassland to be added under the CRP cap. This CRP-Grasslands initiative provide producers who are establishing a long-term, resource-conserving covers with annual payments up to 75 percent of the grazing value and cost

share assistance up to 50 percent of the covers and additional practices.

To read the full article and view the new regulations, <http://tinyurl.com/2015-7-24-CRPCChanges>.

WTO Members Raise Record Number of Trade Concerns

In a mid-July meeting, the World Trade Organization (WTO) Committee on Sanitary and Phytosanitary (SPS) Measures, which deals with food safety, and animal and plant health, heard a number of specific trade concerns.

During the meeting, a total of eight new trade concerns were raised, and 16 measures previously discussed were back on the agenda, setting an all-time record number of specific trade concerns raised in the Committee's history.

One concern raised was the European Union's (EU) proposed amendment regarding the approval procedure for biotech products, genetically modified food and feed. The U.S. said that the amendment would allow the EU to restrict or ban the use of such products without a justifiable reason. The EU disagreed, claiming the proposal does not introduce any restriction or ban on biotech products, but would only provide the possibility for EU member states to opt out of the EU decision of authorization if they wish, for overriding reasons of public interest.

To read the full story, visit <http://tinyurl.com/2015-7-24-WTOConcern>.

Panel Gives ARS Animal Care Advice

The second phase review of the animal welfare and care policies of USDA's Agricultural Research Service (ARS) is finalized. During the review, no evidence of poor animal handling or abuse was found, but recommendations were made to establish more defined guidelines for the oversight committees and attending veterinarians.

Dr. Aaron Olson, panel chair and director of the Laboratory Animal Research Center at Utah State University, said a key finding was that the role and expectations of the Institutional Animal Care and Use Committee (IACUC) and attending veterinarians were not uniformly understood at all ARS facilities.

Additional suggestions and recommendations made during the review include:

- The panel recommended that ARS work to harmonize expectations of the IACUC across all sites that use animals in research.
- The panel report explains that for the IACUC to fulfill its welfare and oversight functions, it is vital for it to have adequate administrative and financial support.
- The panel urged facility directors to "make animal welfare oversight responsibilities a priority when considering budgetary needs and provide strong administrative support to individuals tasked with participating in oversight activities."
- The panel recommended providing adequate funding to maintain current facilities while upgrading or replacing aging facilities.

To read the full article visit <http://tinyurl.com/2015-7-24-ARS> or to read the review, visit <http://tinyurl.com/2015-7-24-ARS-REVIEW>.

Texas A&M Beef Cattle Short Course is Right Around the Corner

Record cattle prices are creating opportunities for producers to increase revenue, and several of these strategies will be discussed at the 61st Texas A&M Beef Cattle Short Course scheduled for Aug. 3-5 on the Texas A&M University campus in College Station.

Topics to be discussed include sustainability in the beef industry, winning and losing in the cattle business, future opportunities for beef producers, as well as a long-term weather outlook. The cattleman's college portion of the event allows participants to choose workshops based on their level of production experience and their needs. Topics include animal health, nutrition, reproduction, breeding, genetics, selection, research, marketing and handling. Management sessions will cover business, forage, range and purebred cattle.

Registration is \$180 per person and includes educational materials, trade show admittance, admission to the prime rib dinner, lunches, breakfasts and daily refreshments. Registration information and a schedule can be found on the short course website at <http://beefcattleshortcourse.com>.

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