



TEXAS CATTLE FEEDERS ASSOCIATION

NEWSLETTER

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Volume 49, Number 45

November 6, 2015

2015 TCFA Annual Convention – TCFA Chairman’s Address

TCFA Chairman Tom McDonald addressed fellow cattlemen this week in San Antonio at the TCFA Annual Convention discussing the ever-changing dynamics of the beef industry.

McDonald opened by sharing his appreciation for the opportunity to serve TCFA members as Chairman. He has unique ties to the Association, as the TCFA market department offered him his first post-graduate position 25 years ago. Since that time, it has been a dream of his to join the “men on the wall” as a TCFA Chairman to be able to serve members and the beef industry as a whole. He reflected back to the “men on the wall” and what challenges they all faced in their time alongside the industry. Markets, government regulations and Mother Nature have all caused cattle feeders to rise to the occasion with determination and grit until victory was achieved.

McDonald went on to say with levity, “Now, in 2015, everything is finally perfect! All of the problems of the past have been solved. There will never be another bad day, and nothing but sunshine, high fed cattle prices and happy, knowledgeable consumers lie before us!” With a heavier tone, he continued, “Not hardly, the challenges facing our industry today are only escalating, and it often seems as if the very industry I so proudly joined more than 25 years ago is increasingly viewed as a villain in popular culture. Many of the issues we face today are the same issues those Chairmen on that wall faced in the past, but some of them are very different.”

McDonald addressed the major political and regulatory issues that came about in 2015 that TCFA has been and will continue to be actively involved in. He gave updates on sustainability, Waters of the U.S., trade promotion authority, antimicrobial resistance, mandatory country-of-origin labeling, Dietary Guidelines, special interest groups and consumer concerns with agriculture.

Throughout his term as Chairman, McDonald has been passionate about the issue of reaching the Millennial generation for the fed beef industry as employees, consumers and advocates. For this purpose, he established TCFA’s first ever Millennial Task Force. This group is made up of individuals spanning the age range that makes up the Millennial generation from across various agricultural entities. The group was tasked with a set of objectives that it will report to the Board of Directors in their January meeting. He discussed the other youth programs that TCFA offers in an effort to recruit more young people to the industry.

He closed by saying, “It’s been a pleasure and a sincere honor to serve you all. I know that there will be difficult times ahead, but in the spirit of those men who led us before, let us boldly face those challenges, stand up for our values and what we believe in, and get to the business of feeding this crowded, hungry planet.”

Watch next week’s *Newsletter* for complete Convention coverage.

2015 TCFA Annual Convention – New TCFA Officers and Board Members

David Baumann of Dawn will serve as chairman of the board; Jim Lovell of Canyon is chairman-elect; and Jason Peeler of Floresville is vice chairman.

Members elected to one-year terms on the board of directors are David Baumann of Dawn, Levi Berry of Happy, Roger Clift of Gruver, Stacy McCasland of Wheeler and Brad Stout of Amarillo.

Directors chosen for two-year terms on the board of directors are Joel Bassinger of Vega, Jody Bellah of Throckmorton, Michael Bentley of Canadian, Blain Ferris of Hereford, Jim Lovell of Canyon and Jimmy Schwertner of Schwertner.

Elected to three-year terms are William Bransgrove of Hereford, Paul Defoor of Amarillo, Ben Fort of Dimmitt, Tyler Keeling of Amarillo, Jason Peeler of Floresville and Kynan Sturgess of Hereford.



Left to right: David Baumann, Jim Lovell and Jason Peeler

Also serving on the TCFA Board are the Association's two immediate past chairmen: Tom McDonald of Dalhart and Jason Hitch of Guymon, Okla.

Retiring members of the TCFA Board include Brad Hastings of Amarillo, Jordan Levi of Oklahoma City, Okla., Bill Robertson of Wichita, Kan., Andy Rogers of Dimmitt, Kyle Williams of Lubbock and 2013 TCFA Chairman Walt Olson of Gruver.

Senate Passes Resolution to Withdraw WOTUS Rule

On Thursday, the U.S. Senate passed a joint resolution of disapproval under the Congressional Review Act regarding the Waters of the U.S. (WOTUS) rule. The joint resolution (S.J. Res. 22) was introduced by Sen. Joni Ernst (R-Iowa) and passed by a vote of 53 – 44. The joint resolution, which needed only a simple majority to take up and pass, would require the EPA and the Corps of Engineers to withdraw the WOTUS rule and prevent them from engaging in similar rulemaking. The House also is expected to pass S.J. Res. 22, but the President has already expressed his intent to veto the measure.

Prior to the passage of S.J. Res. 22, a similar measure (S. 1140) introduced by Sen. John Barrasso (R-Wyo.) failed to garner the 60 votes necessary to bring the bill up for consideration. However, the 57 to 41 procedural vote on S. 1140 and the passage of S.J. Res. 22 demonstrate bipartisan opposition to the rule.

TCFA and NCBA supported both measures and are also working with Congress to block funding for implementation of the rule through the appropriations process.

House Passes Highway Bill, Fails to Fix Truck Weights, Hours-of-Service

The U.S. House of Representatives passed a six-year reauthorization of the Highway Bill (H.R. 22) on Wednesday, but failed to advance two separate amendments to address outdated truck weight regulations.

Both Rep. Reid Ribble (R-Wisc.) and Rep. Tom Rooney (R-Fla.) introduced amendments that offered simple, commonsense solutions to the inefficient trucking system currently in place. Rep. Ribble's amendment would have allowed trucks weighing up to 91,000 pounds on the road with the addition of a sixth axle. Similarly, Rep. Rooney's amendment would have allowed states the option to issue special permits for livestock shippers to operate vehicles weighing up to 95,000 pounds.

While some opponents claim that increasing truck weights will cause safety issues, the U.S. Department of Transportation's own *Comprehensive Truck Size and Weight Study* shows the numerous benefits to increasing truck weights without sacrificing safety.

TCFA and NCBA adamantly supported these amendments and encouraged numerous House Members to support adoption. However, a majority of the House Members chose to ignore the science and instead sided with the railroads and state transportation agencies in opposition to the amendments.

The House also failed to fix the mandatory 30-minute rest period rule, which requires truck drivers to take a 30-minute rest break after eight hours of driving, regardless of the load or environmental conditions. TCFA and NCBA have taken issue with this rule because it threatens the health of the animals being transported to sit on the side of the road in certain environmental conditions, like hot, humid days. The groups have successfully petitioned for seasonal waivers to the rule in the last several years but had hoped Congress would help us protect our animals by making the waivers permanent.

A conference committee has been convened to reconcile the differences between the House and Senate versions of the bill. TCFA and NCBA will continue to push for changes to the bill.

Final Text of Trans-Pacific Partnership Deal Announced

The White House released the full text of the Trans-Pacific Partnership (TPP) this week for public review. This information comes exactly one month since the agreement was made between the 12 nations in Atlanta. Congress and the general public will have at least 90 days to review the more than 2,000-page document before President Obama can sign the agreement.

"We're still reading through the full agreement, but what we've seen looks positive," said TCFA Chairman David Baumann. "We know that U.S. beef is in high demand by foreign consumers, and we heard this week at the TCFA Convention the importance of the Asian markets. This agreement will level the playing field by lowering, and in some cases eliminating, discriminatory tariffs on U.S. beef imports. TPP member nations already account for more than 60 percent of total U.S. beef exports, and we hope that the agreement will allow us to grow our market share in that region."

With passage of Trade Promotion Authority earlier this year, Congress cannot amend the deal; they will only be able to give an up or down vote. To view the full TPP text, visit <http://tinyurl.com/TPP-11-6-15>.

Texas Congressman Elected Chair of House Ways and Means Committee

Rep. Kevin Brady (R-Texas) was elected by House Republicans on Thursday as chairman of the powerful Ways and Means Committee, which has jurisdiction over tax, trade, health care and welfare issues. Brady also had the support of newly-elected Speaker of the House Paul Ryan (R-Wisc.), who previously chaired the committee.

Rep. Brady, who resides in The Woodlands and represents the 8th Congressional District of Texas, has served in Congress since 1997. He has been a strong leader on trade and tax issues, having authored and passed legislation to eliminate the estate tax. Rep. Brady has said that his first priorities would include work on legislation permanently renewing some expired tax breaks and expanding trade with Pacific nations.

"TCFA has a strong relationship with Rep. Brady, and BEEF-PAC has supported his reelection efforts throughout his tenure," said TCFA Director of Government Relations Josh Winegarner. "He's proven to be a friend of agriculture, and we look forward to working with him to lessen the tax burden on cattle feeders and to expand foreign trade markets for U.S. beef.

Rep. Brady is now one of seven Texas Representatives currently chairing House committees. The others include:

- Mike Conaway – Agriculture
- Mac Thornberry – Armed Services
- Jeb Hensarling – Financial Services
- Mike McCaul – Homeland Security
- Pete Sessions – Rules
- Lamar Smith – Science & Technology

FSIS Deputy Under Secretary Visit China

This week the USDA Food Safety Inspection Service (FSIS) Deputy Under Secretary Al Almanza visited China to deliver a speech on international commitment to science-based food safety policies that protect public health and facilitate trade to the China International Food Safety and Quality Conference in Beijing. He emphasized the importance of global partnerships, and said, "As our food supply becomes increasingly global, FSIS will continue to collaborate at the government and industry level with our partners around the world."

To learn more, visit <http://tinyurl.com/FSIS-11-6-15>.

NPD Group Predicts IARC Report to have Little Impact on Consumer Behavior

Many are wondering about the long-term implications of last week's controversial report from the World Health Organization linking processed meats to cancer. According to The NPD Group, a global leader in food information for over 30 years, this report will have little impact on the consumption of the foods it included in its analyses. NPD bases this prediction off historical factors. It analyzed consumption behaviors following the 2002 American Cancer Society (ACS) report which advised consumers to limit their consumption of red and processed meats, particularly those high in fats. This report was highly publicized at the time and cited highly reputable studies. Despite these things, there was "no discernable difference in the consumption of processed and red meats or many of the other animal proteins tracked after the ACS guidelines were released compared to eating patterns prior to 2002."

To learn more, visit <http://tinyurl.com/NPD-11-6-15>.

Study Finds Millennials Distrust Large Food Companies

Mintel has released new research that finds adults ages 21 to 38 are twice as likely to distrust large food manufacturers as those outside their age group. The study found that 43 percent of U.S. Millennials distrust these companies as opposed to only 18 percent of non-Millennials. This group seeks unique foods from brands that they perceive as trustworthy. They put great emphasis on authenticity and ethics at the company level.

The study also found that 74 percent of Millennials want food companies to be more transparent about their products, 59 percent said they would stop buying a brand's products if they believe the brand is unethical, and 57 percent say they only shop the fresh sections of grocery stores. Additionally, 39 percent of Millennials reported purchasing their groceries primarily online.

To learn more, visit <http://tinyurl.com/Mintel-11-6-15>.

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Texas Cattle Feeders Association

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