



TEXAS CATTLE FEEDERS ASSOCIATION  
**NEWSLETTER**

5501 I-40 WEST

AMARILLO, TEXAS 79106

806/358-3681

# **MERRY CHRISTMAS**

**from your friends at TCFA**



### **Congress Finally Repeals COOL**

A provision included in the FY 2016 Omnibus Appropriations bill, which was passed by the U.S. House and Senate today, fully and immediately repeals the country-of-origin labeling (COOL) law for red meat. This action will prevent Mexico and Canada from imposing over \$1 billion in retaliatory tariffs authorized by the World Trade Organization (WTO) last week.

“TCFA commends Congress for taking action on this critical issue before it became an economic disaster for U.S. trade,” said TCFA Chairman David Baumann. “Because mandatory COOL has been repealed, we can look forward to growing U.S. trade with Mexico and Canada.”

COOL became law in the 2002 Farm Bill but was not implemented until 2008 when USDA published its first rule. That same year, the Mexican and Canadian governments filed complaints with the WTO claiming that the rule was discriminatory toward meat from imported animals. On four separate occasions, WTO dispute settlement panels sided with Mexico and Canada, leading to the decision last week to authorize those countries to impose hefty retaliatory tariffs on U.S. goods.

“Cattle feeders have endured the financial burden of COOL for far too long,” Baumann said. “With this bad policy now behind us, we can focus our financial resources on voluntary marketing strategies and improved production practices instead of simply wasting them on a discriminatory government mandated program.”

TCFA was instrumental in delaying implementation of COOL in 2002 and since that time has worked continuously with Members of Congress and other stakeholders to repeal this bad law.

### **Congress Passes \$1.1 Trillion for Spending and \$680 Billion in Tax Extenders**

On Friday, the U.S. House and Senate overwhelmingly passed a \$1.1 trillion Omnibus Appropriations bill and a \$680 billion tax extenders package. In addition to the COOL repeal provision, the Omnibus includes a number of other important policy provisions and provides funding for federal agencies and programs important to agriculture.

Among the policy provisions included in the bill are riders to require continued congressional oversight of the Dietary Guidelines process and increase scrutiny on beef imports from regions known to harbor foreign animal disease. The Omnibus restricts funds from being used to implement the final 2015 Dietary Guidelines for Americans unless based on the latest science and within the scope of nutrition and health, and creates an independent review of the Dietary Guidelines process. The bill also requires the Secretary of USDA to establish a prioritization process for APHIS to conduct audits and reviews of countries with APHIS animal health status recognitions.

However, the Omnibus also includes a provision to restrict the use of funds to inspect horses for slaughter and does not include a provision to restrict funds for implementation of the EPA Waters of the U.S. rule.

Included in the tax extenders package were several important provisions to cattle producers and farmers, including a provision that permanently extends the charitable deduction for contributions of real property for conservation purposes. The provision also permanently extends the enhanced deduction for certain individual and corporate farmers and ranchers. The bill also includes a provision that permanently extends the Section 179 small business expensing limitation and phase-out amounts in effect at \$500,000 and \$2 million, respectively and indexed to inflation.

The bill also contains a provision that extends bonus depreciation for property acquired and placed in service during 2015 through 2019 (with an additional year for certain property with a longer production period). The bonus depreciation percentage is 50 percent for property placed in service during 2015, 2016 and 2017 and phases down, with 40 percent in 2018, and 30 percent in 2019. The provision continues to allow taxpayers to elect to accelerate the use of AMT credits in lieu of bonus depreciation under special rules for property placed in service during 2015.

The President is expected to sign the bill soon in order to keep the government funded through 2016.

A detailed breakdown of the pertinent provisions is available at <http://tinyurl.com/Omnibus-12-18-15>.

### **EPA Broke Law in Promoting WOTUS Rule**

The Government Accountability Office (GAO) announced this week that it found the Environmental Protection Agency (EPA) in violation of federal law in promoting the Waters of the U.S. (WOTUS) rule. The decision found the EPA engaged in covert propaganda and grassroots lobbying to support the WOTUS rule through social media campaigns. EPA’s use of social media amplification tool Thunderclap was under scrutiny for how it was used in promoting WOTUS. Thunderclap would post a message about WOTUS to accounts that showed support for it. EPA set a goal of reaching 500 users, which it exceeded, then causing the message to post to

980 social media accounts on Sept. 29, 2014 at 2:00 p.m. The estimated reach of this message was over 1.8 million people.

Sen. Jim Inhofe (R-Okla.), chairman of the U.S. Senate Environment and Public Works (EPW) Committee, first requested GAO review EPA's use of social media. He says, "Courts have already raised questions about the legality of the Waters of the U.S. rule and have temporarily halted it from going into effect. EPA officials act as if the law does not apply to them, but this GAO opinion should serve as another reminder that EPA officials are not above the law."

To read GAO's full report, visit <http://tinyurl.com/GAO-12-18-15>.

### **New FSIS Guidelines Seek Better Beef Tracking and Cleaner Poultry**

USDA's Food Safety and Inspection Service (FSIS) has posted new guidelines for record-keeping requirements for beef producers to make it easier and quicker to track foodborne illnesses to their source.

Under the new final rule, FSIS is amending its record-keeping regulations to require that all official establishments and retail stores that grind raw beef products maintain the following records: the establishment numbers of establishments supplying material used to prepare each lot of raw ground beef product, all supplier lot numbers and production dates, the names of the supplied materials (including beef components and any materials carried over from one production lot to the next), the date and time each lot of raw ground beef product is produced, and the date and time when grinding equipment and other related food-contact surfaces are cleaned and sanitized.

USDA Deputy Under Secretary for Food Safety Brian Ronholm said, "USDA is committed to providing resources and assistance to makers of ground beef to ensure they can be a part of this important and essential new public health measure."

To read the final rule, visit <http://tinyurl.com/FSIS-12-18-15>.

### **Research Says Vegetarian Diets Harmful to Environment**

A recent study out of Carnegie Mellon University published in *Environment Systems and Decisions* found that diets consisting primarily of fruits, vegetables, dairy and seafood are more harmful to the environment than those including more meats because of the overall greenhouse gas (GHG) emissions per calorie. The study was conducted by measuring the changes in energy use, blue water footprint and GHG emissions associated with U.S. food consumption patterns.

"Eating lettuce is over three times worse in greenhouse gas emissions than eating bacon," said Paul Fischbeck, professor of social and decisions sciences and engineering and public policy. "Lots of common vegetables require more resources per calorie than you would think."

The study also notes that maintaining a healthy weight and consuming fewer calories has a positive effect on the environment including reducing GHG emissions by nine percent. To learn more, visit

<http://tinyurl.com/GHG-12-18>.

### **FAA Establishes Mandatory Drone Registry**

The Federal Aviation Administration announced this week that recreational users of unmanned aerial systems (UAS) or drones must register their systems with the federal government on a website that will go live Dec. 21. Drones purchased before Dec. 21 must be registered by Feb. 19. If a drone is purchased after Dec. 21, it must be registered before the operator may fly it. The registration fee will be \$5; however, if you register within the first 30 days, that fee will be waived.

To view the full announcement from FAA, visit [www.faa.gov/uas/registration/](http://www.faa.gov/uas/registration/).

### **Kane Beef Signs South American Capital Partners**

Sam Kane Beef Processors, LLC announced this week a new investment by the Fernandez Group of companies through its TAAG Americas subsidiary, led by Alfredo Fernandez-Pined and his sons Alfredo, Carlos and Manuel. The group is a leading dairy operator in South America with milk and beef cattle herds and dairy operations in Venezuela, Colombia and Argentina, among others.

The investors plan to continue improving relationships with South Texas cattle suppliers and to make additional investments in the plant's equipment and resources and building a better sales team.

"We are very excited for Kane Beef's future, which looks very bright and very strong indeed," the Fernandez family said in a news release.

### **FAPC Top Food Trends for 2016 Announced**

Oklahoma State University's Robert M. Kerr Food & Agricultural Products Center (FAPC) compiled a list of the top 16 food trends for 2016. The trend list included ethics, new cuts of meat, transparency of foods, having a

story, locally grown produce and food waste reduction, among others. The report said that consumers, particularly Millennials, are choosing to support businesses that are perceived as being ethical. They will choose a product over another if they see the company as having and practicing good core beliefs, regardless of price. Consumers also want to be able to know the origin of their food through transparency. The report notes that 34 percent of customers would be willing to pay more for the transparency of food products. They also want to know not only where their food comes from but also the story behind the food and the company that made it.

To read FAPC's full report, visit <http://fapc.biz/news/fapc-picks-top-16-food-trends-for-2016>.

### **NCBA Cattle Industry Convention Registration**

The 2016 Cattle Industry Convention and NCBA Trade Show will be held Jan. 27-29 in San Diego, Calif. Convention participants will hear from industry leaders, gather insight on industry trends and enjoy an evening of stars and stripes on the USS Midway. This year's Cowboy Concert Series will feature Martina McBride. NCBA President Philip Ellis said this convention is a must for everyone involved in the cattle industry.

Early registration is open through Jan. 4. Visit [www.beefusa.org/convregistration.aspx](http://www.beefusa.org/convregistration.aspx) to register.

### **2016 Cattle Feeders Resource Guide – Advertise Today!**

The deadline for advertising in TCFA's 2016 *Cattle Feeders Resource Guide* has been extended to Friday, **Jan. 15**. The revamped publication better serves TCFA supporting sponsors, while TCFA members also benefit from receiving timelier product and service recommendations from allied industry partners.

Advertisers who purchase a full-page, four-color ad in the *Cattle Feeders Resource Guide* receive a free bonus web ad on TCFA's website, [www.tcfa.org](http://www.tcfa.org), a great opportunity to target potential buyers.

View the rate card at <http://tinyurl.com/2016-TCFA-RateCard>, or contact Scena Snider for more details at (806) 358-3681 or [scena@tcfa.org](mailto:scena@tcfa.org).

### **Feeders and Feedyards in the News**

**Joe Kovanda** of **Bartlett Cattle Company** was honored in Vance Publishing's 40 Under 40, which recognizes young leaders in the agricultural industry who will be instrumental in meeting the 2050 challenge of feeding 9 billion people. To learn more or read about other recipients, visit <http://40under40ag.com/2015-class/>.

### **Sponsor Spotlight**

TCFA is proud to recognize its top sponsors whose efforts help deliver top-notch service.

This week's spotlight shines on



Merial is a proud partner of the cattle industry and a long-standing sponsor of TCFA. As an innovation-driven animal health company, Merial provides high-quality products, relevant educational programs and valuable insights on best management practices to help increase herd health, cattle productivity and producer profitability. With a comprehensive range of products such as LONGRANGE™ (eprinomectin), ZACTRAN® (gamithromycin), IVOMECS® EPRINEX® (eprinomectin) and the IVOMECS® (ivermectin) portfolio, and the MERIAL SUREHEALTH™ calf preconditioning program, the company offers a broad array of support to help meet the diverse needs of producers. For more information, visit [www.merial.com](http://www.merial.com) or call (888) 637-4251. 3239 Satellite Blvd., Duluth, GA 30096.

This copyrighted material is the property of TCFA and is intended for the use of TCFA members only. It may not be redistributed, transmitted, stored or reproduced, in whole or in part, without the prior written consent of TCFA. The information contained in this material is believed to be reliable and correct, and the views expressed reflect judgments at this time and are subject to change without notice. TCFA does not warrant or guarantee that the information is complete, comprehensive or accurate and it should not be relied upon as such.

**Texas Cattle Feeders Association**

**December 18, 2015**