



TEXAS CATTLE FEEDERS ASSOCIATION

NEWSLETTER

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Academies of Science Finds GMOs Safe for Human Consumption

A committee of more than 50 scientists, researchers, agriculturalists and industry experts convened by the National Academies of Sciences, Engineering, and Medicine has released a 388-page report detailing the undeniable safety of genetically modified foods as they relate to human health. The committee reviewed more than 900 studies which span the 20 years since genetically modified crops were introduced.

The report found that genetically engineered crops are safe for humans and animals to eat and have not caused increases in cancer, obesity, gastrointestinal illness, kidney disease, autism or allergies. The report listed many benefits of utilizing genetically engineered crops, as well as refuted common scientifically-unfounded claims against genetically modified organisms.

To read the full *USA Today* coverage of the report, visit <http://tinyurl.com/GMO-5-20-16>. To download a full version of the report or for more details on it, visit <http://nas-sites.org/ge-crops/>.

TCFA Files Comments Opposing TB – Brucellosis Rule

On Monday, TCFA filed comments in the *Federal Register* opposing the Brucellosis and Bovine Tuberculosis Update to General Provisions (Docket No. APHIS-2011-0044) proposed by the Animal and Plant Health Inspection Service (APHIS) in December 2015. While TCFA supports the concept of updating and improving the regulatory disease programs and appreciates the tremendous amount of time and effort APHIS has put into developing the proposed rule and program standards, thorough analysis of the proposal revealed a number of fundamental concerns that must be addressed before the agency moves forward.

TCFA is concerned that the proposed rule combines both diseases into one program, changes the regulatory mission from eradication of the diseases to control of the diseases and appears to shift much of the financial burden of the disease programs to the states, which may not have the necessary resources. APHIS also needs to provide clarification and additional information to support the changes proposed to the import inspection and movement process. In the comments, TCFA requested that APHIS withdraw the proposed rule and work with the affected industries to address these issues.

TCFA members and staff have participated in a number of public meetings and listening sessions, reviewed the concept papers and provided comments on the draft framework of the rule. However, many of the concerns and constructive recommendations were not addressed in the proposed rule.

TCFA's comments are available at <http://tinyurl.com/TCFA-TB>.

International Trade Commission Report Shows Economic Benefit of TPP

This week, the U.S. International Trade Commission (ITC) released a report on the economic benefit of the Trans-Pacific Partnership (TPP) to the U.S. economy. The report confirms that TPP not only levels the playing field for U.S. beef exports, but also supports U.S. economic growth.

ITC calculates export increases for most agricultural goods with dairy and meat being the biggest winners. The report concludes that if TPP were implemented in 2017, agricultural exports would increase to about \$7.2 billion by 2032.

“Model results indicate that, by 2032, U.S. beef exports would increase by nearly \$876 million over the baseline, compared with an increase in U.S. beef imports of \$419 million over the baseline,” according to the ITC. “Japan is currently the largest export market for U.S. beef, and Japan's 38.5 percent tariff on fresh and frozen beef cuts would be reduced to 9 percent over 16 years.”

The report emphasizes the majority (\$840 million) of the increased beef exports would be created by increased access to Japan's market.

To read the full report, visit www.usitc.gov/publications/332/pub4607.pdf.

EPA Proposes Increase in Renewable Fuel Levels

On Wednesday, the Environmental Protection Agency (EPA) released a proposal to increase renewable fuel volume requirements across all types of biofuels under the Renewable Fuel Standard (RFS). The proposed regulation would require refineries to blend a total of 18.8 billion gallons of renewable fuels into the gasoline supply in 2017. This proposal by EPA is an increase of 7 million gallons over the 2016 level but significantly lower than the volume mandated by statute for 2017 (24 billion gallons).

Likewise, the corn-based ethanol portion of the total RFS is set at 14.8 billion gallons for 2017. Though this is an increase from this year's 14.5 billion gallons, it is still below the 15 billion gallons mandated in statute. EPA will hold a public hearing on this proposal in early June 2016 and will accept comments for 60 days.

EPA Inspector General to Research Billboard Controversy

The Environmental Protection Agency (EPA) has been heavily criticized by a number of agricultural organizations, as well as 145 members of the U.S. House of Representatives, for an EPA-funded advocacy campaign in the state of Washington promoting increased regulation of agriculture. Now EPA's Office of Inspector General has announced plans to investigate EPA's involvement with the "What's Upstream" campaign, which blames agriculture for polluting waterways.

The primary violation under investigation involves the failure to disclose EPA's funding of the campaign. The Inspector General will look deeper into whether or not EPA followed all applicable laws in funding the advocacy campaign by interviewing officials, conducting an audit at the fisheries commission and reviewing grant records in EPA's Seattle office.

To view the EPA's project notification, visit <http://tinyurl.com/EPA-5-20-16>.

2016 Texas Runoff Elections – Election Day Tuesday

Early voting for the 2016 Texas Runoff Elections has closed. Election Day is Tuesday, May 24.

Visit <http://tinyurl.com/2016-TX-Runoff> for a list of BEEF-PAC supported candidates. Please contact Josh Winegarner at (806) 358-3681 or josh@tcfa.org with questions about these candidates or to find out more information about the candidates from your area.

FY 2017 Agriculture Appropriations Bill Clears Senate Committee

The U.S. Senate Appropriations Committee approved the FY 2017 Agriculture Appropriations bill by a 30-0 vote on Thursday. The bill provides \$21.25 billion in discretionary funding, \$250 million below the FY 2016 enacted level. Mandatory funding in the bill totals \$126.5 billion, for a total of \$147.7 billion in discretionary and mandatory funding.

The bill provides \$2.54 billion for agriculture research programs, \$939.3 million for Animal and Plant Health Inspection Service, \$864.5 million for the Natural Resources Conservation Service, \$1.518 billion for the Farm Service Agency, \$1.033 billion for Food Safety and Inspection Service programs, \$683.3 million for rural development and \$2.759 billion for the Food and Drug Administration.

In addition, the bill unfortunately includes a provision to prohibit the use of funds to inspect horses at slaughter, which effectively bans the processing of horses in the U.S. This provision was also included in the FY 2017 Agriculture Appropriations bill passed by the U.S. House Appropriations Committee in late April.

To view the full summary of the bill, visit <http://tinyurl.com/2017-Senate-Appropriations>.

2017 National Defense Authorization Act Proposes Block to Prairie Chicken Listing

This week, the U.S. House of Representatives passed the 2017 National Defense Authorization Act (NDAA) (H.R. 4909), which includes language to prevent a future listing of the Lesser Prairie Chicken under the Endangered Species Act. The bill, introduced by Rep. Mac Thornberry (R-Texas), authorizes and prioritizes funding for the Department of Defense and military activities and construction, and prescribes military personnel strengths for FY 2017.

The Senate is expected to debate its version of the bill this month. House and Senate leaders must reconcile any differences before sending a final measure to the White House, however President Obama has already threatened a veto.

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.

Please see the USDA letter to nominating organizations outlining required considerations for diversity of nominees at <http://tinyurl.com/2016-CBB-Nominations>.

DOL Publishes New Overtime Exemption Rule

On Wednesday, the Obama Administration announced the publication of a final rule which changes the Department of Labor's overtime regulations. The Administration believes that the new rule will extend overtime pay to over four million workers within the first year of implementation.

The final rule focuses primarily on updating the salary and compensation levels needed for executive, administrative and professional workers to be exempt from overtime. Specifically, the final rule raises the standard salary level from \$455 per week (\$23,660 annually) to \$913 per week (\$47,476 annually) and establishes a mechanism for automatically updating the salary and compensation levels every three years. The final rule takes effect Dec. 1, 2016.

TCFA is reviewing the final rule and consulting with legal counsel to better understand the implications for the cattle feeding industry. At this time, TCFA does not believe the rule will impact the current overtime exemption for agricultural employees. TCFA will provide additional information once the analysis has been completed.

To read the rule and accompanying fact sheets, go to www.dol.gov/whd/overtime/final2016/.

Superior Livestock Auction Launches Fed Cattle Exchange

Superior Livestock Auction has launched a new website called Fed Cattle Exchange, which will allow feedyards and beef processors to negotiate trade via an electronic auction format. The idea was developed by cattle feeders for cattle feeders, and the first sale is May 25, with showlists due by 3:00 p.m. CDT the previous Thursday.

The goal of the website, as stated by its founders, is to increase frequency, transparency and depth of negotiated trade. Only packers can bid, and if you register, you can view the auction. Feeders are encouraged to put a small, variable and representative sample of cattle on the exchange so that the base price for your business-to-business relationships (Formulas/Grids/Averages) are more representative of the region and meaningful. The goal is to not replace your business-to-business relationships.

Signing up is extremely easy; creating a consignment is equally as easy. Payment is made directly from the packer to the feeder. Consignment fees are \$1/head. Feeders have the ability to PO the sale if they don't like the price at a cost of \$10/head.

Contact Danny Jones at Superior with questions at (405) 834-6690, or visit www.fedcattleexchange.com.

Texas Water Development Board Adopts State Water Plan, Names New Executive Administrator

The Texas Water Development Board (TWDB) voted unanimously this week to adopt the 2017 State Water Plan. The new plan seeks to adequately address the water needs of a growing population, estimating a 70 percent population increase by 2070. The plan offers over 5,500 strategies to help conserve water as well as create additional water supplies. The capital costs associated with the plan are \$62.6 billion, with water providers estimating they will need about \$36.1 billion in state assistance.

Also this week, TWDB named Jeff Walker as its new executive administrator. He has served in various positions at TWDB for over 25 years, including director of Project Development, team lead for Financial Assessment, financial analyst and agricultural conservation specialist.

To learn more about the 2017 State Water Plan, visit <http://tinyurl.com/2017-Water-Plan>. To learn more about Walker's appointment, visit <http://tinyurl.com/TWDB-5-20-16>.

Meal Kit Delivery Service to Become Multi-Billion-Dollar Market

Market research firm Packaged Facts released a report predicting that the U.S. meal kit delivery services market will generate approximately \$1.5 billion in sales in 2016, growing to a multi-billion-dollar market over the next five years.

"Online portals let consumers order meals ahead from picture menus showing gorgeous photos of the finished dish, and the services deliver the pre-measured fresh ingredients along with recipes to their doorstep to help them cook chef-quality meals at home," says Packaged Facts. "Marketers are aiming for—and finding—a "sweet spot" with consumers who do not have the time, inclination, or know-how to shop for individual ingredients, navigate a recipe, and cook from scratch, yet do not want to eat yet another heat-and-eat prepared meal, order takeout food, or dine out."

The report also notes that, despite positives, the growth of this market could harm both the restaurant and grocery industries. Because of this, some grocers and food marketers are adding meal kit delivery services in addition to their primary services in order to reach a growing and changing marketplace.

To learn more about the report, visit www.packagedfacts.com/Meal-Kit-Delivery-10037319/.

USMEF Working to Expand Beef Variety Meats Export Markets

Dan Halstrom, U.S. Meat Export Federation (USMEF) senior vice president for global marketing was featured on the Oklahoma Farm Report's Beef Buzz to discuss work to expand export markets for U.S. beef variety meats. Halstrom says Japan and South Korea are markets where USMEF is really focusing its efforts.

"We've had a lot of success this year in Japan, especially with beef tongue. The volume on exports is up about 20 percent compared to last year," Halstrom says. "Beef feet and oxtails have a very big market in Korea, and we've seen more volume in the first three months this year than we did in the first half of last year."

Halstrom says markets including Egypt, Peru, Angola and South Africa also have opportunity for increased U.S. variety meat exports. He says another key strategy is working to build demand in these smaller markets.

To listen to the full Beef Buzz, visit <http://tinyurl.com/USMEF-5-20-16>.

FoodS Indicates Consumer Understanding Disconnect with Hormone Use

Oklahoma State University's Department of Agricultural Economics released its latest installment of its Food Demand Survey (FoodS), which focused on what consumers believe about how animals used for food production are raised. Specifically, questions were asked related to hormone use. Of farm animals grown for food in the U.S., survey respondents believed that growth-promoting hormones were given to 60 percent of cattle, 54 percent of hogs and 55 percent of broiler chickens. Less than 2 percent of respondents knew that hogs and broiler chickens are not given hormones.

The survey also found that consumers were willing to pay more for meats labeled "no added hormones." On average, respondents were willing to pay premiums between \$1 per lb. and \$2 per lb. more for these labels. The highest premium noted by respondents was \$2.14 per lb. more for steak, and the lowest premium noted was \$1.32 per lb. for deli ham.

"All this perhaps explains why many pork and poultry producers add the claim 'no added hormones' to the label. These labels, however, while truthful, might also be misleading," said Dr. Jayson Lusk, "because, as our survey shows, people think there are high levels of hormone use in pork and poultry production."

To learn more, visit <http://agecon.okstate.edu/faculty/publications/5345.pdf>.

Americans Strive for Healthier Diet

The International Food Information Council Foundation released the findings of its latest survey on consumer attitudes toward food. Overall, the results showed that people are conscious about what they eat and are interested in learning more about what makes food healthy in order to make informed decisions. More people are examining food labels than in last year's survey. Nearly half of respondents said they had read an article or book or watched a documentary about the food system in the past year, and about half of those made changes to their food purchases based on what they learned. The majority of those surveyed did not have a change in opinion on animal protein over the last year. However, 12 percent said they now perceive it as more healthful, and 15 percent said they see it as less healthful.

Other topics covered in the survey involve perceptions of "natural" foods, sustainability, local foods and more. The survey found that 56 percent of Americans believe that modern agriculture produces nutritious foods, 53 percent believe it produces safe foods, and 51 percent believe it produces high-quality foods.

To view the full survey results, visit <http://tinyurl.com/2016-Food-Survey>.

Corpus Christi Grain Grading Workshop

Texas A&M AgriLife Extension Service will hold a one-day workshop at the Texas A&M AgriLife Research and Extension Center in Corpus Christi that will focus on grain grading, grain grading standards, proper sampling techniques and how to identify different types of damage. The workshop will be held June 7 from 9:00 a.m. to 4:30 p.m. and can count toward the TCFA Beef Quality Assurance training for feedmill/feed department employees. The cost of the workshop is \$75 per participant. Pre-registration is required.

View the brochure at <http://tinyurl.com/2016-Grain-Grading-CC>.

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Texas Cattle Feeders Association

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