



# TEXAS CATTLE FEEDERS ASSOCIATION

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# NEWSLETTER

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Volume 50, Number 21

May 27, 2016

## **USDA to Republish Parts of GIPSA Rule**

Last week, USDA transmitted a list of rules it intends to publish in the spring of 2016 to the Office of Information and Regulatory Affairs at the Office of Management and Budget. Included in that list were a final rule on Scope and Unfair Practices and a proposed rule on Undue Preference and Advantage in the livestock industry. Both of these rules were part of the broader 2010 Grain Inspection, Packers and Stockyards Administration (GIPSA) rule that went well beyond what was authorized in the 2008 Farm Bill and would have had a significant negative effect on the livestock industry.

Tens of thousands of comments were filed in opposition to the 2010 rule, and on several occasions, Congress included riders in USDA's annual funding bill in an effort to prevent the regulation from being finalized. However, no rider was included in FY 2016 appropriations bill, because USDA had told the industry and Members of Congress that they would not move forward with the rulemaking for cattle and pork; although, they did intend to work on a rule concerning issues within the poultry industry.

In his testimony before two congressional committees this week, NCBA President Tracy Bruner stated that, "Alternative marketing arrangements have been studied by USDA and independent groups, and the results show that these alternatives benefit producers and consumers alike. The proposed GIPSA marketing rule would have made USDA the ultimate arbiter of how cattle are marketed and taken away our ability as cattle producers to market cattle the way we want. That is why bi-partisan appropriations language defunded any additional work on, or implementation of, the proposed GIPSA marketing rule. We do not need USDA dictating how we can or cannot market our cattle."

TCFA and NCBA are working with Congress to again defund the rulemaking. The FY 2017 House agriculture appropriations bill includes a rider to prevent USDA from moving forward with the GIPSA rule, but the Senate version, which passed out of committee last week, does not. It is not clear if the House and Senate will consider the FY 2017 agriculture appropriations bills or include it in an omnibus spending bill. The livestock industry will work to include the defunding language in whichever funding bill is ultimately passed.

The abstracts of the GIPSA rules resubmitted by USDA last week are available at <http://tinyurl.com/GIPSA1> and <http://tinyurl.com/GIPSA2>.

## **Livestock Groups Testify on the State of the Livestock Industry**

This week, the U.S. Senate Agriculture Committee and the House Agriculture Subcommittee on Livestock and Foreign Agriculture held hearings regarding the state of the livestock industry. Both hearings addressed the assertion by USDA Secretary Tom Vilsack that he would reinstate the proposed Grain Inspection, Packers and Stockyards Administration (GIPSA) marketing rule that resulted from language included in the 2008 Farm Bill.

Tracy Bruner, NCBA president, testified before both committees, stressing that over-regulation poses the greatest threat to the profitability of cattle producers. "We see many more opportunities in the cattle industry than challenges," Bruner said in the Senate hearing. "The challenges we do face are the result of regulation, specifically rampant over-regulation from this administration. We need the Senate to focus on defunding the EPA's WOTUS final rule and pass the TPP which would give us the best access ever negotiated into the Japanese market."

Alongside Bruner, four other major U.S. livestock groups addressed the Senate Agriculture Committee in which they pushed an agenda calling for approval of the Trans-Pacific Partnership (TPP) and defunding the EPA's waters of the U.S. (WOTUS) final rule and national GMO labeling standard.

Many of the remarks in the Senate Committee hearing were similar to what was said before the House Agriculture Committee's Subcommittee hearing on the market outlook for the livestock, dairy and poultry sectors. Agriculture Committee Chairman Mike Conaway's (R-Texas) statement stressed the importance of limiting unnecessary regulatory burdens on U.S. farmers and ranchers.

“With the growing stress in farm country, the last thing our producers need are costly new regulations. Nonsensical EPA regulations like those addressing WOTUS or impending USDA rules interfering with the efficiency of livestock markets will have a disastrous effect on markets that are already in a weak state. As the Committee has explored the broader impacts and sweeping consequences this economic downturn is having on rural America, we must work together to provide our farmers and ranchers with the necessary tools to compete in the global marketplace,” said Conaway.

### **GAO to Study Cattle Price Decline, HFTs**

The U.S. Government Accountability Office (GAO) announced on Thursday that it has accepted a request from the Senate Judiciary Committee to conduct a review of cattle pricing, including the impact of high-frequency trading on futures.

The GAO will review “what is known about the extent to which high-frequency trading in cattle futures contracts has contributed to price fluctuations,” an agency spokesman said. It also will assess how changes in cattle trading over the past decade may have affected price swings in recent years, he added.

The agency has no time frame yet for completing its review. TCFA and NCBA will continue to monitor the process and assist by identifying respected industry and academic experts to engage in the study.

### **Texas Supreme Court Applies Accommodation to Water in Support of Rancher**

The Supreme Court of Texas (SCOTX) issued a majority opinion today in *Coyote Lake Ranch v. The City of Lubbock* applying the accommodation doctrine to resolve conflicts between a surface owner and a water rights owner. The accommodation doctrine is a long held judicial precedent that states, absent an agreement to the contrary, a mineral leasee has an implied right to use the surface as reasonably necessary to produce and remove the minerals but must exercise that right with due regard for the surface owner’s rights. This principle has been used numerous times to settle conflicts between an oil and gas leasee and a surface owner, but today’s ruling is the first time SCOTX has been applied the accommodation doctrine to water rights.

Coyote Lake filed the lawsuit in an attempt to prevent the City of Lubbock (water rights owner) from unnecessarily damaging highly erodible land by building roads, drilling wells and building utility lines in their effort to produce groundwater. The city claimed that their deed to the water rights allowed them unrestricted access to build and drill wherever they chose, but the ranch argued that the deed did not afford unrestricted access and that they city should use only the amount of the surface necessary to its operations and has a duty to conduct its operations with due regard for the rights of the surface owner under the accommodation doctrine.

The SCOTX opinion found that the ranch is protected under the accommodation doctrine and remanded the case to the trial court for further proceedings on what access is reasonably necessary for the city to produce water. TCFA and several other Texas agriculture groups filed an amicus brief with the SCOTX supporting Coyote Lake.

### **Bill Introduced to Ease EPA Oversight of Fuel Tanks on Farms**

Late this week, U.S. Sen. Deb Fischer (R-Neb.) introduced legislation (S. 2993) that would provide regulatory relief to agriculture producers by reducing the EPA’s authority to regulate on-farm fuel storage. The bill, known as the Farmers Undertake Environmental Land Stewardship (FUELS) Act, would spare more farmers from requirements to maintain fuel spill prevention plans under the Spill Prevention, Control, and Countermeasure (SPCC) – a regulation originally designed for major oil refineries.

Currently SPCC regulations require agricultural operations to develop an SPCC plan if the facility has above ground oil storage capacity greater than 1,320 gals. or a buried oil storage capacity greater than 42,000 gals., or if the facility stores, transfers, uses or consumes oil or oil products, such as diesel fuel, gasoline, lube oil, hydraulic oil, adjuvant oil, crop oil, vegetable oil or animal fat.

The FUELS Act would exempt farms with less than 10,000 gals. of fuel storage capacity. Farms with 10,001 to 42,000 gals. of storage with no history of spills would have to maintain a self-certified spill plan but would otherwise be exempt from the regulations. Additionally, all aggregate above ground storage tanks for animal feed ingredients, regardless of capacity are exempt under the FUELS Act.

Sen. Jim Inhofe (R-Okla.), the Chairman of the Environment and Public Works Committee, joined Fischer as an original cosponsor of the legislation.

To view a copy of the bill, visit <http://tinyurl.com/EPA-5-27-16>.

### **TAHC Announces Schwartz as New State Veterinarian**

Dr. Andy Schwartz of Austin has been named the new Texas State Veterinarian by the Texas Animal Health Commission (TAHC). Dr. Schwartz grew up on a diverse family farm in Priddy, Texas, where he got his start in

animal agriculture. He received an undergraduate degree in Animal Agriculture from Tarleton State University before attending Texas A&M University School of Veterinary Medicine where he received a Doctor of Veterinary Medicine degree.

He began his professional career in a mixed animal practice that included beef and dairy cattle, horses, swine and sheep. He started his career with TAHC as a field veterinarian, was promoted to Region Director, then to State Epidemiologist/Assistant Executive Director and his most recent promotion to Executive Director/State Veterinarian.

To read the full press release, visit <http://tinyurl.com/TAHC-5-27-16>.

### **OIE Presents Strategy to Combat Antimicrobial Resistance**

The World Organization for Animal Health (OIE) has recommended a strategy to combat antimicrobial resistance and protect the effectiveness of antimicrobials used in both veterinary and human medicine. OIE has asked its member nations to adopt the plan in which OIE will assist countries in carrying out the following objectives: regulate the manufacture, circulation and use of antimicrobials in animals, according to international standards; train animal health professionals; communicate to raise awareness among stakeholders; ensure veterinary supervision of antimicrobial use in animal health; monitor antimicrobial use and the development of resistance.

To learn more from OIE, visit [www.oie.int/en/for-the-media/amr/press-releases/](http://www.oie.int/en/for-the-media/amr/press-releases/).

### **MS Beef-a-Thon**

The Panhandle Chapter of the National Multiple Sclerosis Society will hold its 46th annual MS Beef-a-Thon Sunday, June 5 from 3:00 p.m. to 6:00 p.m. on television station KCIT Fox 14. The Panhandle chapter is the only one in the nation to conduct an event of this kind that features beef. All proceeds go towards the Panhandle Chapter of the National Multiple Sclerosis Society. Last year, Beef-a-Thon raised \$32,500.

Area cattle producers donate beef that will be sold in custom-cut quarters and ground beef packages. Edes Custom Meats processes the cattle and packages the beef quarters according to the custom orders. Thank you also to the Potter and Randall County Sherriff's departments who will be picking up the cattle.

Thank you to all TCFA member feedyards who graciously donated a steer to be auctioned off at this year's Beef-a-Thon: Bar-G Feedyard; Bovina Feeders, Inc.; Circle Three Feedyard; Dean Cluck Feedyard; Dimmitt Feed Yard, LLC; Dumas Feedyard, LLC; Hartley Feeders; Keeling Cattle Feeders, Inc.; Kirkland Feedyard, Inc.; Owl Feedyard, Inc.; Quien Sabe Feeders; Rafter 3 Feedyard, Ltd.; Randall County Feedyard; and Western Cattle Feeders, LLC.

### **Meat Scientist Highlights Health Benefits of Grain-Fed Beef Fat**

Dr. Stephen Smith, a meat science professor at Texas A&M University, recently spoke at a conference for the American Wagyu Association, where he shared information on the health benefits associated with the fat in grain-fed beef. With the popularity of different labeling options, some consumers are led to believe that grass-fed beef is better for them. However, in a recent study conducted by Smith's department, researchers found that grain-fed ground beef contained 8.3 grams of oleic acid (the same heart-healthy fat found in olive oil), while grass-fed ground beef only contained 6.3 grams. And although grass-fed beef does contain more omega-3 fatty acids, levels of omega-3 fatty acids in both grass-fed and grain-fed beef are far below recommended daily intakes.

Grain-fed beef does, however, provide nutritionally significant levels of oleic acid (8.3 grams per 4-oz. serving), which lowers bad cholesterol and raises good cholesterol in humans. The World Health Organization recommends oleic acid be 15 to 30 percent of a person's daily energy intake; for women that is recommended at 25 to 50 grams per day and for men 40 to 80 grams per day.

To learn more, visit [www.theland.com.au/story/3899048/beefs-healthy-fats-trumpeted/](http://www.theland.com.au/story/3899048/beefs-healthy-fats-trumpeted/).

### **NDSU Testing Large UAS in Agriculture**

Farmers and ranchers have begun using small unmanned aircraft systems (UAS), generally 55 lbs. or less, for various uses on their operations. Now, North Dakota State University (NDSU) Extension Service specialists are testing large UAS for roles in agriculture as well.

“Most small UAS need to capture hundreds of individual images to make a single mosaicked image of one square mile. A large UAS could capture high-resolution imagery of one square mile in a single image. This would make it possible to capture imagery useable for precision crop management over hundreds of thousands of acres in a single day at very high resolution,” said NDSU extension agricultural machine systems specialist John Nowatzki, the principal investigator on this project.

The NDSU project will use the Hermes 450 and small rotorcopter and fixed-wing UAS to collect imagery from a designated area in North Dakota every two weeks during the 2016 growing season. The Hermes 450 will gather images from altitudes of 3,000’, 5,000’ and 8,000’, while the small UAS will fly at 400’ or lower.

To learn more about the project, visit <http://tinyurl.com/UAS-5-27-16>.

### **Agriculture 40 Under 40 Awards**

Farm Journal Media is accepting nominations for its 2016 40 Under 40 Awards. These awards recognize young leaders in the agriculture industry who are instrumental in meeting the 2050 challenge of feeding our growing world population. Nominees may be submitted from the following categories: produce; production; processors; food safety and research; food transportation; organization or associations; academia; government and allied industry.

Nominees must be 40 years or younger by July 30, 2016, and deadline for nomination is July 31, 2016. To learn more or submit a nomination, visit <http://40under40ag.com/>.

### **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](mailto: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>.

### **Seminar for Recent Advances in Understanding BRD**

Texas A&M Veterinary Medical Diagnostic Laboratory is hosting a one-day seminar at Texas A&M AgriLife Research and Extension in Amarillo addressing the latest veterinary and research advances to understanding Bovine Respiratory Disease (BRD). Topics covered will include population genomics and resistance to BRD; innate immunity and BRD – a new perspective; stress and animal susceptibility to the BRD complex; BRD diagnostics; and nutrition and BRD.

The seminar will be held on Saturday, June 18, from 7:30 a.m. to 5:15 p.m. Registration is \$50. This seminar offers attendees 7.5 CEUs. Register at <http://tinyurl.com/BRD-5-27-16>.

### **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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