



# TEXAS CATTLE FEEDERS ASSOCIATION

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# NEWSLETTER

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## **CME Group Announces Changes to Live Cattle Futures Markets**

CME Group announced this week that it would be taking a number of actions intended to enhance Live Cattle futures markets. The group says these new measures are based on feedback from the cattle industry as well as results from an independent study conducted by Informa Economics. The actions include revised grading and quality specifications, delayed listing of additional contracts, and a seasonal discount at Worthing, S.D. delivery location.

“We greatly value our relationship with the cattle community and are committed to helping producers and commercial firms manage their price risk,” said Tim Andriesen, CME Group Managing Director of Agricultural Products. “Since the start of the year, we have been working with the NCBA and the broader industry to enhance our cattle futures markets. While we are announcing these changes and will continue our ongoing work with the industry, we have concerns about the lack of transparency of cash cattle markets.”

“We appreciate the CME Group efforts to enhance the viability of the Live Cattle futures markets, which are an important risk management tool to TCFA members,” said TCFA Chairman David Baumann in response to the CME announcement today (<http://tinyurl.com/CME-8-5-16>). “Revisions to grading and quality specs will better reflect today’s fed cattle market, and we recognize the importance of increasing negotiated trade and price transparency. However, we are strongly opposed to cash settlement of the Live Cattle contract and do not believe this is a viable solution. We look forward to working with the CME Group and other industry stakeholders to quickly address this issue so producers have access to additional contract months.”

These changes must be reviewed and approved by the Commodity Futures Trading Commission before being implemented for the October 2017 contract.

## **USDA Announces Reopening of Brazilian Market to U.S. Beef Exports**

USDA reached an agreement with Brazil’s Ministry of Agriculture, Livestock and Food Supply to allow access for U.S. beef and beef products to the Brazilian market for the first time since 2003. According to a news release from USDA, this action reflects the negligible risk classification for bovine spongiform encephalopathy (BSE) for the U.S. as determined by the World Organization for Animal Health.

“The Brazilian market offers excellent long term potential for U.S. beef exporters. The United States looks forward to providing Brazil’s 200-million-plus consumers, and growing middle class, with high quality American beef and beef products,” said Agriculture Secretary Tom Vilsack.

**In a separate decision, USDA’s Food Safety Inspection Service determined that Brazil’s** food safety system governing meat products remains equivalent to that of the U.S. and that fresh (chilled or frozen) beef can be safely imported from Brazil.

To read the full news release from USDA, visit <http://tinyurl.com/Brazil-8-5-16>.

## **President Signs GMO Labeling Bill**

Last Friday, President Obama signed into law a bill that would require foods made with genetically modified ingredients to carry a text label, symbol or digital code indicating such. This law preempts state laws related to GMO labeling, including that which was implemented in Vermont in July. Meat from animals fed genetically modified feeds is exempt from this labeling.

To view the full language of the bill, visit <http://tinyurl.com/GMO1-7-1-16>.

## **BPI v. ABC Tentative Court Date Over “Pink Slime” Dispute**

A tentative date of June 2017 has been set for the start of the jury trial in a South Dakota state court over the “pink slime” dispute known as Beef Products Inc. (BPI) v. ABC.

Back in 2012, BPI sued ABC after the network and its news division repeatedly called the Dakota Dunes-based company’s lean, finely textured beef “pink slime.” BPI chief executive Eldon Roth perfected a way to extract finely textured beef that was typically used in hamburger production.

The defendants in the case include ABC anchor Diane Sawyer, two network reporters who covered the story, as well as two former USDA employees, and a former BPI employee who were interviewed for the network's coverage of the "pink slime" story.

To read the full story, visit <http://tinyurl.com/LFTB-8-5-16>.

### **Students Compete in 2016 TCFA Junior Fed Beef Challenge**

A new generation of cattle industry leaders is emerging, and 49 of those individuals made their way to the campus of West Texas A&M University on Friday, July 29, to showcase their skills and knowledge at the 2016 TCFA Junior Fed Beef Challenge.

This annual contest allows students age nine through graduating seniors the opportunity to gain industry knowledge and practical experience in commercial cattle feeding. Students feed a pen of three steers and compete on their knowledge of the industry through a written test and an interview or oral presentation, depending on their division. Cattle performance points are also figured into the score to determine the winners of more than \$20,000 in prizes, premiums and college scholarships.

The Overall Champion of the contest and winner of a \$5,000 scholarship, a plaque and trophy buckle sponsored by Zoetis was Amelia Stavinoha of Eagle Lake. Reserve Overall Champion and winner of a \$3,000 scholarship, a plaque and trophy buckle sponsored by Micro Technologies was Caitlyn Harmon of Weimar. The First Runner-Up and winner of a \$2,000 scholarship, a plaque and trophy buckle sponsored by Vaquero Trading, LLC, was Ryley Brooks of Kingsbury. In the junior division, Leroy Stavinoha was named the Overall Champion, receiving a \$200 prize, a plaque and a trophy buckle sponsored by Merck Animal Health.

In addition to the previously listed winners, students who participated in this year's contest include: Avery Arnett, Clovis, N.M.; Ryley Brooks, Kingsbury; Addison Carlson, Hereford; Ashleigh Carlson, Hereford; Emily Carlson, Hereford; Hayden Carlson, Hereford; Britan Council, Brenham; Caitlyn Council, Brenham; Destin Council, Brenham; Tracy Criner, Coweta; Eric Daniels, Dalhart; Luke Daniels, Dalhart; Maggie Davis, Spearman; Cy Davis, Spearman; Jack Davis, Spearman; Brayden DeBorde, Bardwell; Ramiro Gonzalez, Mt. Pleasant; Cole Grisham, Van Vleck; Jake Hale, Throckmorton; Seth Hale, Throckmorton; Kyle Herron, Dripping Springs; Brett Heitschmidt, Nazareth; Emily Heitschmidt, Nazareth; Ryan Heitschmidt, Nazareth; Thomas Keeling, Hereford; Calleigh Kirkland, Vega; Carson Kirkland, Vega; Gavin Kubala, Schulenburg; Avery Kubecka, Palacios; Colton Leopold, Nada; Caxton Moorehouse, Dalhart; Colter Pohlman, Hereford; Cutter Pohlman, Hereford; Timothy Schonefeld, Brenham; Clayton Stevenson, Earth; Emma Stevenson, Earth; Trenton Uptmore, West; Brent Vacek, East Bernard; Wilsey Wendler, College Station; Alexis Whitely, Sanger; Tara Whitely, Sanger; Ty Whitely, Sanger; Brennen Wilson, Gilmer; Ryan Wood, Dalhart and Kaylie Zapalac, La Grange.

To view full contest results, visit [www.tcfa.org/news-events/jfbc.html](http://www.tcfa.org/news-events/jfbc.html).



### **FSIS Addresses Label Claims**

USDA's Food Safety Inspection Service (FSIS) is addressing "antibiotic free" label claims on meat and poultry products with concern for consumer confusion.

"Due to the extreme efforts underway by many marketing firms associated with meat, poultry and processing products, we are seeing an extraordinary increase in the types of claims being made that kind of cross the line of whether or not they're misleading to the consumer," said Dan Engeljohn, USDA assistant administrator for the Office of Policy and Program development. "Because there is a great deal of profit that can be made from mislabeled product that might be misleading, we do need to put a little focus there."

As a part of his address at the Southwest Meat Association conference, Engeljohn went on to say that food safety will remain the primary concern of USDA inspectors, and that the law requires USDA to ensure that consumers are not being misled.

To read more coverage from *Meatingplace* on the topic, visit <http://tinyurl.com/FSIS-8-5-16>.

### **FDA Releases Biannual Progress Report**

The U.S. Food and Drug Administration (FDA) has released its Center for Veterinary Medicine (CVM) Update, highlighting its recent actions related to the use of antimicrobials in food-producing animals, such as the Veterinary Feed Directive and data collection efforts.

To read a summary of the report, visit <http://tinyurl.com/FDA-8-5-16>.

### **McDonald's Announces Ingredient Changes**

McDonald's USA announced this week multiple menu changes including removing artificial preservatives from several items and introducing buns that no longer contain high fructose corn syrup. The company also announced that it had reached its goal, previously set for March 2017, to serve only chicken raised without the use of antibiotics important to human medicine.

To read the full McDonald's announcement, visit <http://tinyurl.com/McDonalds-8-5-16>.

### **Wendy's Announces Antibiotic Goals**

Wendy's announced goals this week to source chicken raised without the use of antibiotics important to human medicine by 2017. The company is also evaluating its beef and pork menu items and has said that an antibiotic reduction goal will be set for these two groups by 2017.

To learn more, visit <http://tinyurl.com/Wendys-8-5-16>.

### **U.S. Market for Meat Snacks Grows**

Meat snack foods are growing in popularity in the U.S., but those promoted using health-based marketing are faring better than traditional snacks. Jack Link's classic style jerky dollar sales were down 7 percent with volume sales down 15 percent. However, Krave, which promotes itself as healthy had dollar sales up 71 percent with volume sales up 84 percent over the past year. Oberto Sausage has also seen grown with its new "All Natural Oberto Jerky" brand, and ConAgra Foods saw an increase in sales with its classic "Slim Jim."

### **Poultry Producer Promotes Responsible Antibiotic Use on Farm**

Sanderson Farms, the third largest poultry producer in the U.S., has launched an advertising campaign focused on the responsible use of antibiotics, why the company chooses to use antibiotics as a tool in its animal health program, and gives its perspective on antibiotic-free marketing claims made by other producers.

"There's a lot of confusion about the labels used to market chicken," said Mike Cockrell, chief financial officer at Sanderson. "We have decided we're not going to sacrifice our environmental goals, our animal welfare goals or our food safety goals for marketing purposes."

To learn more, visit [www.sandersonfarms.com/truth-about-chicken/](http://www.sandersonfarms.com/truth-about-chicken/).

### **Food Safety Modernization Act Webinar Series**

The American Feed Industry Association (AFIA) and *Feedstuffs* are hosting a free four-part educational webinar series on the requirements under the Food Safety Modernization Act (FSMA). Topics covered include:

- overview of FSMA, current good manufacturing practices and recall plan;
- animal food safety plan, supply chain program;
- records, foreign supplier verification program, third-party certification and transportation rule; and
- pet food.

Note that cattle feedyards and their feedmills are not subject to FSMA unless they produce and sell feed for use outside of their operation. To learn more or to register for a webinar, visit <http://tinyurl.com/FSMA-8-5-16>.

## Labor and Employment Law Seminar

The 15<sup>th</sup> Annual Labor and Employment Law Seminar will be held at Amarillo National Bank's Plaza II Conference Room on Sept. 22, 2016, beginning at 8:30 a.m. and finishing at 3:30 p.m. Featured speakers will include Kevin Hazelwood, Vice President of Human Resources at Cactus Feeders, Inc.; Molly Manning, Partner at Mullin Hoard and Brown; Michelle Bryson, Owner of Fugua-Bryson Benefits Group; Chip McCampbell, SPHR, HR Director for Bruckner's Truck Sales; and Hillary LaManna, PHR, GPHR, HR Director for Bask Tek LLC. Topics to be covered in the program, among others, include:

- Labor and employment law updates with a focus on a variety of current topics including changes to wage and hour compliance, protecting confidential information, disability law, employee leave issues and immigration;
- Employer Provided Health Insurance and the Affordable Care Act; and
- Labor and Employment law issues and successor liability arising from mergers and acquisitions.

Program cost is \$55, and group discounts are available. Contact Lori Ingram at [lingram@mhba.com](mailto:lingram@mhba.com) for more information or to register for the event.

## Sponsor Spotlight

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**Texas Cattle Feeders Association**

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