



TEXAS CATTLE FEEDERS ASSOCIATION

NEWSLETTER

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One Step Forward, Two Steps Back on TPP

Last week, TCFA and most agriculture groups were encouraged by news from the Obama Administration that the President intends to send the Trans Pacific Partnership (TPP) to Congress soon to ensure enough time for debate and ratification of the trade deal before the end of the year. However, the perception of progress was short lived.

At an event sponsored by the Kentucky Farm Bureau on Thursday, Senate Majority Leader Mitch McConnell (R-Ky.) said Congress will not take action on the TPP this year.

"The current agreement, the Trans-Pacific agreement, which has some serious flaws, will not be acted upon this year," McConnell said. "But it will still be around. It can be massaged, changed, worked on during the next administration."

In his speech, McConnell acknowledged that "the politics of trade have become rather toxic," but stressed the benefits of free trade deals, particularly for the agricultural sector. "So I hope America will stay in the trade business," he said, "and to do that, it's going to have to be done on a bipartisan basis."

Despite McConnell's statement and the vocal opposition from both presidential candidates and both chambers of Congress, the Obama Administration has not backed off and is continuing to push for action this year.

In a statement responding to a new USDA forecast that predicts U.S. ag exports will hit \$133 billion next year, U.S. Agriculture Secretary Tom Vilsack said, "The United States has the opportunity to expand those benefits even further through passage of new trade agreements such as the Trans-Pacific Partnership." Vilsack continued, "Such agreements are key to a stable and prosperous farm economy, helping boost global demand for U.S. farm and food products, increasing U.S. market share versus our competitors, and ensuring that our farmers and ranchers have stable and predictable markets for the quality goods they produce."

U.S. Trade Representative Mike Froman also weighed in recently stating, "We're a vote away from either cementing our leadership in the region or handing the keys of the castle to China."

U.S. Ag Exports Value to Increase

Earlier this week, USDA Economic Research Service and Foreign Agriculture Service released a FY 2017 export forecast indicating that U.S. agricultural exports have begun to rally and will continue the record-setting pace that began in 2009. Specifically, U.S. beef exports are expected to reach \$5.3 billion in 2017.

"These numbers once again demonstrate the resiliency and reliability of U.S. farmers and ranchers in the face of continued challenges," U.S. Agriculture Secretary Tom Vilsack said in a statement responding to the report. "The projected \$133 billion in total exports for FY 2017 is up \$6 billion from last forecast and would be the sixth-highest total on record. The United States' agricultural trade surplus is also projected to rise to \$19.5 billion, up 40 percent from \$13.9 billion in FY 2016. The United States has continued to post an agricultural trade surplus since recordkeeping began in the 1960s."

The report also predicts China will overtake Canada as the top destination for U.S. agricultural products.

You can find the report at <http://tinyurl.com/ERS-8-26-16> and read Sec. Vilsack's full statement at <http://tinyurl.com/USDA-8-26-16>.

Environmental Groups Try to Force ESA Listings

Several environmental groups led by the Center for Biological Diversity have threatened to sue the U.S. Department of Interior and Fish and Wildlife Services with a goal to force action on 417 proposed Endangered Species Act (ESA) listings. NCBA Federal Lands division says the behavior of these groups has actually interfered with species recovery by pushing arbitrary listing decision deadlines that leave no time for sound research and science-based decisions. NCBA also notes the overall inefficiency of the ESA – in the 40 years since the ESA was passed, there was a less than two percent recovery rate of over 2,000 listed species.

To read the full news release from NCBA, visit <http://tinyurl.com/NCBA-8-26-16>.

AMS Seeks Comment on Revising Carcass Beef Grades

USDA's Agricultural Marketing Service (AMS) is seeking comment on whether or not to amend the U.S. Standards for Grades of Carcass Beef to include dentition and documentation of actual age as an additional determination of maturity grouping for official quality grading. According to AMS, the beef standards only include skeletal and muscular evidence as a determination of maturity grouping. The proposed changes would allow carcasses of grain-fed steers and heifers determined to be less than 30 months old either by dentition or by documentation of actual age to be included in the youngest maturity group for carcasses recognized as "beef" regardless of skeletal evidences of maturity.

To learn more about the suggested change, visit <http://tinyurl.com/AMS-8-26-16>. Comments may be posted online at www.regulations.gov.

Rabobank August Report Shows Increased Meat Consumption

According to the latest report from Rabobank, 2015 showed the largest increase in U.S. meat consumption since the 1970s. Throughout 2015, the average American ate 193 pounds of red meat and poultry products, a five percent increase over the previous year.

Despite the positives, Rabobank does foresee some challenges to keep up with the growth. "This will continue the upward trajectory of U.S. protein consumption toward the all-time peak of the mid-2000s, which will ask a lot of U.S. consumers and will come at the cost of lower prices. By the end of this expansion cycle in late 2018, we expect a more challenging profit environment across the U.S. meat industry, providing strategic opportunities for those producers with the capital and foresight to take advantage of them," the report states.

To read the full report from Rabobank, visit <http://tinyurl.com/Rabobank-8-26-16>.

New Specialty Steak Cut Unveiled

Researchers at the University of Nevada, Reno, have unveiled a new cut of beef to be viewed as a high-end delicacy. The Bonanza Cut is described as a quarter-moon shaped slice of beef with taste and tenderness comparable to that of a filet mignon. Each beef carcass yields two of this cut totaling one-half pound.

"Meat processors will like this specialty cut for a number of reasons, one because it's very easy to trim," said Amilton de Mello, assistant professor of meat science. "When you separate the chuck and the ribs, the Flat Iron steak goes one way - with the Chuck - and the relatively small end stays with the rib side; this is the Bonanza Cut. Chefs and restaurants will love this cut; it can be portioned for many sizes of servings. And for meat producers, it offers a higher price point and more profits by taking this cut in a new direction."

To learn more about the Bonanza Cut, visit <http://tinyurl.com/BonanzaCut>.

FSIS to Accept Non-GMO Label Claims

USDA's Food Safety Inspection Service (FSIS) announced this week that it would begin approving negative claims for meat, poultry and egg products that do not contain bioengineered ingredients, or that are derived from livestock that do not consume bioengineered feed. Previously, FSIS had not approved such claims on packaging unless they included the name of a third-party verification group to certify the claim. Comments on this program may be submitted through Oct. 24, 2016.

To learn more, visit <http://tinyurl.com/FSIS-8-26-16>.

Survey Shows Kids' Influence on Household Purchasing Decisions

The report "Kids Food & Beverage Market in the U.S., Eighth Edition" analyzed survey data from market research publisher Packaged Facts to see what impact children had on household purchasing decisions in the U.S. The data showed that 26 percent of parents learn about a new product from their child.

"Children under age six are just as important to marketers as older children are because life-long dietary habits are established during this time period and brand loyalty begins," said David Sprinkle, research director at Packaged Facts. "This suggests industry players should focus on product development designed to capture younger kids and gain allegiance from parents earlier to keep them involved with the brand throughout childhood."

According to the report's findings, the key factors that determine what ends up in parents' shopping carts are brands or products that are recognizable to the children; products parents deem healthiest and most nutritious for their children; foods that kids themselves enjoy eating; and foods recommended by parents' peers either directly or through social media or online review.

To learn more about the report, visit www.packagedfacts.com/Kids-Food-Beverage-9896631/.

Outstanding Young Farmer and Rancher Contest

Texas Farm Bureau is accepting applications for its Outstanding Young Farmer and Rancher Contest. There will be 13 finalists selected, one from each of the Texas Farm Bureau districts. Following a second round of judging, three finalists will be selected. After an on-farm visit, they will be Texas Farm Bureau's guests in San Antonio in December, where one final winner will be announced at the annual meeting. Expenses will also be paid for the state winner to travel to compete in the national contest at the American Farm Bureau Federation Annual Meeting.

Entries must be postmarked on or before Aug. 31. To learn more or to enter, visit <http://texasfarmbureau.org/leadership/young-farmer-rancher/>.

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Texas Cattle Feeders Association

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