



TEXAS CATTLE FEEDERS ASSOCIATION

NEWSLETTER

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Volume 51, Number 21

May 26, 2017

Perdue, Lighthizer Talk Trade with House Ag Committee

House Agriculture Committee Chairman Michael Conaway (R-Texas), Ranking Member Collin Peterson (D-Minn.), and other members of the House Ag Committee were joined by USDA Secretary Sonny Perdue and U.S. Trade Rep. Robert Lighthizer at a roundtable this week to talk more on agriculture trade policy.

“Given that agriculture is one of the few areas where the U.S. enjoys a positive balance of trade, we’re eager to work together to continue building on our hard-fought gains,” Conaway said in remarks released by the committee.

During the meeting, Perdue promised lawmakers that exports would not decrease under the Trump Administration. The roundtable follows months of talk from the Administration that the current North American Free Trade Agreement (NAFTA) would be renegotiated.

Representatives from the Texas Cattle Feeders Association (TCFA) and the National Cattlemen’s Beef Association (NCBA) are concerned that renegotiating NAFTA might not be in the best interest of U.S. beef producers.

Currently, U.S. beef has unlimited, duty-free access to both the Canadian and Mexican markets.

“We are concerned our governments will mess with a good thing and jeopardize the access we already have,” said Kent Bacus, director of international trade at NCBA. “NAFTA is one of the best trade agreements we have,” he said.

According to NCBA, exports of American-produced beef to Mexico alone have grown by more than 750 percent since NAFTA was signed into law.

Despite concerns from beef groups, Perdue and Lighthizer both say U.S. agriculture has nothing to worry about when it comes to free and fair trade.

“America’s farmers and ranchers are second to none, and they have my commitment to fight unfair trade practices and grow more export opportunities,” Lighthizer said. “From family farms to food and beverage manufacturing jobs, truly free and fair agricultural trade raises wages and fuels our economy, and I look forward to continuing the conversation and building upon our discussions today.”

Senate Confirms Gov. Terry Branstad as Ambassador to China

The U.S. Senate confirmed Monday the appointment of Iowa Gov. Terry Branstad as the U.S. Ambassador to China. Branstad has served six terms as the Governor of Iowa, a state that annually exports more than \$10 billion of agricultural goods.

“Terry Branstad is an ideal person to help facilitate the U.S. beef industry’s return to the Chinese market for the first time in 13-plus years,” said Craig Uden, president of the National Cattlemen’s Beef Association (NCBA). “Ambassador Branstad has said that he intends to serve American-produced beef at the U.S. embassy in Beijing, and America’s cattle producers look forward to working with him to make that a reality as soon as possible.”

New Leadership at USMEF

The U.S. Meat Export Federation (USMEF) announced that Phil Seng will step down as CEO at the end of the year, and Dan Halstrom, USMEF senior vice president for marketing, will take the reins beginning Sept. 1. Seng served USMEF for 27 years.

Seng played a key role in opening up Japanese beef markets for U.S. exports. His marketing strategies and approach to the Japanese market received critical acclaim. He was inducted into the inaugural class of the Meat Industry Hall of Fame in 2009.

“In his term as president and CEO, Phil Seng has worked tirelessly leading USMEF to significantly increase U.S. beef exports around the world, especially in Japan and South Korea,” said TCFA Chairman Jim Lovell. “Phil has been a huge asset to the beef industry. We thank him for his service and look forward to continuing our strong partnership with USMEF under Dan Halstrom.”

U.S. Congress, Texas Legislature Pass Bills on Agro-Terrorism

Earlier this week, the U.S. Senate approved legislation (H.R. 1238) to address the threat of agro-terrorism and ensure the safety of the U.S. food supply. The bill, introduced by Senate Ag Committee Chairman Pat Roberts (R-Kan.) and Rep. David Young (R-Iowa), would require the Department of Homeland Security (DHS) to lead the government's efforts to secure the nation's food, agriculture and veterinary systems against terrorism and high-risk event. The bill also calls for collaboration with other agencies like the U.S. Department of Agriculture (USDA) to ensure food and agriculture sectors are integrated into the DHS domestic preparedness policy initiatives.

"An attack on our nation's food supply would cause irreparable damage," said Roberts. "This legislation reiterates the important and necessary role of the DHS in the agro-terrorism space."

Roberts said he understands the threat farmers and ranchers face, and that the spread of any deadly pathogen among our livestock and plant population would be devastating.

The bill was previously passed by the House of Representatives, but since the Senate added amendments further action is required of the House before it is sent to the President for his signature.

In related news, the Texas Senate passed legislation (H.B. 1643) to make it a criminal offense to fly an unmanned aircraft over a feedyard, dairy or other CAFO without the owner's written consent, unless the unmanned aircraft is operated by a governmental entity or a commercial operator authorized by the Federal Aviation Administration.

The bill, introduced by Rep. Drew Springer (R-Munster) and Sen. Kel Seliger (R-Amarillo) adds CAFOs to the list of critical infrastructure facilities that currently have this protection. Under the law, it is an offense if a person intentionally or knowingly operates an unmanned aircraft over a critical infrastructure facility and the unmanned aircraft is not higher than 400 feet above ground level. A single violation of this law is a Class B Misdemeanor punishable by a fine of up to \$2,000, up to 180 days in jail or both. A subsequent offense is a Class A Misdemeanor punishable by a fine of up to \$4,000, up to one year in jail or both.

TCFA Hosts McDonalds Corporation for TX Beef Immersion Experience

TCFA and the National Cattlemen's Beef Association (NCBA) hosted a group of McDonalds executives for a beef immersion experience in the Amarillo area this week. Members of the McDonald's Global and U.S. supply chain teams were in attendance, including those with responsibility for sourcing beef, marketing, menu innovation, new product development, animal welfare, sustainability, quality control and communications. The



goal of the three-day experience was to foster collaboration throughout the U.S. beef supply chain to ensure better and more sustainable beef now and into the future. The group was hosted by the XL Ranch, Cactus Feedyard and Cargill Meats Solutions.

"The tour was a chance to showcase all aspects of cattle production from the ranch to the feedyard and on to the packing plant," said Ben Weinheimer, TCFA vice president. "This opportunity allowed us to spend time educating and collaborating with some of our industry's key supply chain participants, and it gave them the chance to see the challenges and opportunities producers face at the ground level."

Weinheimer noted that there is a shared commitment to raising cattle responsibly at each level of the food chain to produce beef for a growing population and meet the needs of beef consumers in the future.

TCFA 50th Anniversary Pictures Available on Facebook

The TCFA 50th Anniversary Reception was quite the celebration. Make sure you check out the pictures from the big day on the TCFA Facebook page at <http://tinyurl.com/TCFA-Facebook>.

Plant-Based Hamburger Will Hit Shelves Memorial Day Weekend

Beyond Meat, a plant-based protein maker, will begin distributing vegan burgers in more than 280 Safeway supermarkets in California, Hawaii and Nevada, according to *Bloomberg News*.

The product, which promises to bleed and sizzle like real beef, is backed by billionaire Bill Gates and food companies General Mills Inc. and Tyson Foods Inc. Up until now, the product has only been available at Whole Foods and a few restaurants.

“Early research indicates that 70 percent of Beyond Burger consumers are meat-eaters seeking to incorporate more plant-based foods into their diet,” said Beyond Meat CEO Ethan Brown.

Not everyone agrees. Jeffrey Hirsch, a food marketing expert and the founder of marketing firm The Right Brain Studio, says companies like Beyond Meat and Impossible Foods may face difficulty competing with large-scale beef producers.

“They’re still not mainstream, and if there was really demand you would see them at McDonalds and Shake Shacks — but you don’t,” Hirsch said.

Another issue plaguing plant-based protein makers is price. According to *USA Today*, Beyond Meat sells two quarter-pound patties for \$5.99, while two average beef-based burger patties would cost just over \$1 at most grocery stores. To read more, visit <http://tinyurl.com/Bloomberg-TCFA>.

Editorial: When Farmers Succeed, America Succeeds

In an editorial to *Farm Policy Facts*, U.S. Rep. Kevin Brady (R-Texas), chairman of the House Ways and Means Committee, says that, “With increasing competition around the world and an increasingly burdensome tax and regulatory environment in the United States, America’s farmers and ranchers need pro-growth policies that will help them compete and win across the globe — but especially here at home.”

The House Ways and Means Committee is primarily responsible for U.S. tax policy, and, according to Brady, the current tax code is harmful to American agriculture. Brady says his new tax plan calls for reform that begins with, “significantly lower tax rates for farmers, ranchers and all American job creators so they can keep more of their hard-earned income and invest it in growing their businesses.”

He also says the plan calls for a complete repeal of the death tax and the Alternative Minimum Tax.

In his editorial, Brady mentions the need for more support of free trade and better health care policies that provide access to affordable, quality health care plans. TCFA is extremely supportive of Chairman Brady’s efforts to reform the tax code and appreciates the inclusion of provisions that benefit agriculture. However, TCFA is concerned that proposals to implement a border adjustment tax and to end interest expense deductions would unduly burden the cattle feeders and other agricultural producers. To read the full editorial, visit <http://tinyurl.com/Editorial-Brady-TCFA>.

National Hamburger Day May 28

National Hamburger Day is Sunday, May 28. According to research from the Beef Checkoff, consumers are celebrating for a number of reasons. Here are the top five reasons why Americans love their hamburgers:

1. Hamburgers have great taste.
2. Hamburgers are a juicy, pleasurable eating experience.
3. You can order your hamburger the way you want it.
4. You get to define your level of doneness (medium, medium well, well done).
5. Hamburgers are a reasonably priced meal.

Cattle feeders take National Hamburger Day seriously, and here’s why: The feeders in the three-state area of Texas, Oklahoma and New Mexico produce 3.3 billion pounds of beef a year — or the equivalent to enough 4 oz. hamburgers to circle the globe more than 30 times.

Oklahoma Beef Council Employee Charged with Fraud

Former Oklahoma Beef Council employee pleaded guilty Wednesday to bank fraud and filing false federal income tax returns after she allegedly embezzled \$2.68 million from Oklahoma beef checkoff funds over a seven-year period, according to local Oklahoma news reports.



Melissa Morton worked as the Accounting and Compliance Manger at the Oklahoma Beef Council from October 1995 until late July 2016 and admitted she embezzled funds from her former employer from 2009-2016.

Morton faces up to 30 years in prison on the bank fraud charge, five years of supervised release and a \$1 million fine. She also faces up to three years in prison on the tax charge, one year of supervised release and a \$250,000 fine plus restitution to the Internal Revenue Service.

“Throughout, we have never lost sight of our mission of serving Oklahoma’s farming and ranching families through programs in beef promotion and education,” said a representative from the Oklahoma Beef Council. “We can’t emphasize enough that the positive impacts of the beef checkoff on our industry are so much greater and encompasses far greater benefits than the wrongdoing of one individual.”

According to reports, the council’s board of directors has been aggressively pursuing efforts on all fronts to maximize recovery, restitution and justice.

OIE Adopts Animal Welfare Strategy

The World Organization for Animal Health (OIE) adopted the first global strategy on animal welfare, according to a news story by *Feedstuffs*.

OIE said the strategy seeks to achieve, “A world where the welfare of animals is respected, promoted and advanced in ways that complement the pursuit of animal health, human well-being, socioeconomic development and environmental sustainability.”

The strategy is based on four pillars: development of international animal welfare standards; the enhancement of veterinary services capacity building and training; communication with governments, national and international organizations and the public to raise awareness on animal welfare; and progressive implementation of OIE standards on animal welfare and their corresponding policies. To read more about the strategy, visit <http://tinyurl.com/OIE-TCFA>.

Angus Certification Requirement Changes Take Effect July 1

Effective July 1, the revised specifications for phenotypic evaluations will require that cattle have a main body that is solid black with no color behind the shoulder, above the flanks, or breaking the midline behind the shoulder, according to USDA’s Agricultural Marketing Service (AMS).

Under current requirements, certified Angus cattle must be predominantly (51 percent) black, along with other exclusionary criteria. The agency said it is making the changes at the request of beef industry stakeholders. To read the full statement from AMS, visit <http://tinyurl.com/TCFA-AMS>.

SAVE THE DATE for TCFA’s 50th Anniversary Convention

Mark your calendars for TCFA’s 50th Anniversary Convention October 8-10 at the Embassy Suites Downtown Amarillo. The speaker lineup includes *Lone Survivor* author, Marcus Luttrell; generational/millennial expert, Jason Dorsey; and agricultural economist and global futurist, Dr. Lowell Catlett. The Cattle Feeders Get Together will feature live entertainment from 80s cover band The Spazmatics. Make plans to join us in Amarillo for this special event.

TVMDL to Host Seminar on BRD July 8; Early Registration Closes June 9

The Texas A&M Veterinary Medical Diagnostic Laboratory (TVMDL) will host a seminar on the recent advances in understanding the Bovine Respiratory Disease Complex (BRD) Saturday, July 8, at the Texas A&M AgriLife Research and Extension Center in Amarillo. The early bird registration price is \$75 and runs through June 9.

“BRD is a complex and constant challenge to the livestock industry,” said Dr. Gayman Helman, TVMDL. “The syndrome is the leading cause of sickness and death for cattle and calves in the U.S. This year’s seminar will focus on new information on prevention research, pathogens and treatment protocols.”

The seminar will offer attendees seven continuing education credits while also hearing the latest information on the disease. To register, visit <http://tinyurl.com/AgriLife-Register>. Find a complete conference agenda and registration flyer at <http://tinyurl.com/TVMDL-2017>.