



TEXAS CATTLE FEEDERS ASSOCIATION

NEWSLETTER

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Perdue, Mexican and Canadian Counterparts Pledge Cooperation on NAFTA

Following a meeting this week in Savannah, Ga., USDA Secretary Sonny Perdue, Canadian Minister of Agriculture and Agri-Food Lawrence MacAulay, and Mexican Secretary of Agriculture, Livestock, Rural Development, Fisheries and Food Jose Calzada promised to work together as the NAFTA agreement is renegotiated.

In a statement issued at the conclusion of the talks, the three said, “Our three nations are connected not only geographically, but through our deeply integrated agricultural markets. Our trading relationship is vital to the economies — and the people — of our respective countries. We are working together to support and create good jobs in all three countries. We share a commitment to keeping our markets open and transparent so that trade can continue to grow. That mutual commitment was reaffirmed in our discussions this week.

“The North American Free Trade Agreement has greatly helped our respective agricultural sectors as well as our consumers who have benefitted from an ever-growing variety of safe, affordable food products all year around. While even the best trading partnerships face challenges from time to time, our agricultural differences are relatively few in the context of the \$85 billion in agricultural trade that flows between our three nations each year.”

For the complete statement, go to <http://tinyurl.com/ycpeekcu>.

USDA Halts Beef Imports From Brazil

Ag Secretary Sonny Perdue announced yesterday that the U.S. will suspend all imports of fresh beef from Brazil because of recurring concerns about the safety of the products intended for the American market. The suspension of shipments will remain in place until the Brazilian Ministry of Agriculture takes corrective action which the USDA finds satisfactory.

Since March, USDA’s Food Safety and Inspection Service (FSIS) has been inspecting 100 percent of all meat products arriving in the United States from Brazil and has refused entry to 11 percent of Brazilian fresh beef products. That figure is substantially higher than the rejection rate of 1 percent of shipments from the rest of the world, according to USDA.

To read the USDA announcement, go to <http://tinyurl.com/y9393z7e>.

Amazon’s “Gray Swan” Purchase of Whole Foods Will Likely Upset the Retail Applectart

“Amazon’s announcement to acquire Whole Foods Market, Inc. for approximately \$13.7 billion (\$42 per share — all cash) wasn’t really the black swan investors and business pundits like to marvel over. Rather, Amazon’s acquisition of a food retailer, rather than merely providing third-party merchandising and delivery services, is more of a gray swan. A broad-enough mind could have expected someone to take a stab at reinventing the retail food business; arguably, some are in the midst of trying. Plus, Amazon has a history of transforming entire retail industries, so such occurrences, though infrequent, aren’t necessarily rare,” reports Wes Ishmael for *BEEF*.

But disruptive it will be, according to an article in *Supermarket News*. “Amazon’s **surprise acquisition of Whole Foods** could have wide-ranging implications for the grocery industry and its players that go beyond whatever benefits the merging companies find in one another,” according to the article.

“Reaction to the deal on Wall Street was murder on some public grocery stocks like Kroger (down more than 10%), Smart & Final (down 16%), Supervalu (down 13%), United Natural Foods (down 8%), Sprouts Farmers Markets (down 8%) and Wal-Mart Stores (down 5%). Though some analysts said the immediate reaction was out of proportion to the effect of the deal, there’s little doubt some ripples could be felt, but they might not necessarily be bad ones.”

To read the *BEEF* article, go to <http://tinyurl.com/yct8egoo>.

To read the article in *Supermarket News*, click on <http://tinyurl.com/y75h7f39>.

USRSB Registration Opens

Registration is open for the 2017 U.S. Roundtable for Sustainable Beef General Assembly Meeting, July 11-12 in Denver.

This year's event features updates from working groups, including TCFA's Ben Weinheimer, a discussion about beef sustainability metrics, as well as a sustainability research update and more.

Review the conference schedule at <http://tinyurl.com/ybigysxk>.

Register online at <http://tinyurl.com/y8ebltyb>.

Doud Tagged as Next Head U.S. Ag Negotiator

There will be a familiar face in the office of the U.S. Trade Representative (USTR). Gregg Doud, past economist for NCBA for almost a decade, was named this week as President Trump's nominee to succeed Darci Vetter, from the Obama administration, as the new chief agricultural negotiator at USTR. Doud currently is president of the Commodity Markets Council and is a former Senate Agriculture Committee aide, among his many ag positions.

Doud is well known throughout the ag community as a knowledgeable and capable economist, and his nomination has received widespread support from ag organizations across the spectrum of the industry, according to the *Oklahoma Farm Report*.

BPI-ABC Trial Marches On

The South Dakota trial pitting Beef Products, Inc. (BPI) against ABC News continues, with BPI executives taking the stand to recount the fallout over ABC's "pink slime" reports. BPI is suing the network and its reporter, Jim Avila, for defamation in a \$1.9 billion case over ABC's series of reports in spring 2012 that raised questions about its suitability for human consumption. The case is being tried in Circuit Court in Elk Point, S.D. If BPI prevails, it could be awarded up to three times the original amount sought for "product disparagement," reports *MeatingPlace.com*.

BPI lawyers have now moved to questioning BPI customers and suppliers about their use of lean finely textured beef (LFTB), the correct name for the product BPI produces. Witnesses said they occasionally noticed an ammonia smell and taste to the product. LFTB's buyers also testified to the fact that demand from their customers — retailers and quick-service restaurants, mostly — for ground beef including LFTB dropped dramatically beginning in March 2012. When asked, each specifically identified ABC News' reports and the "bad publicity" as the reason for the drop in demand, although the executives testifying may not have heard as much directly from their customers.

According to *MeatingPlace*, BPI's counsel stuck mostly to a set list of questions that affirmed that the witnesses:

- Knew how LFTB was made
- Knew the process used ammonia and did not have an issue with it
- Considered LFTB to be nutritious, wholesome and safe
- Did not consider LFTB to be filler, "padding" for their ground beef, an additive or anything other than beef
- Did not think LFTB was of lower quality than other forms of ground beef, and did not consider it "economic fraud"
- Did not think LFTB needed to be separately labeled, as it is beef
- Believed the term "pink slime" to be derogatory and negative
- Would not put their own companies' reputations in danger by using BPI's product if they felt there were issues

Is Food Safety Threatened by a Shortage of Public Health Veterinarians?

On-going vacancies and funding shortages for public-health veterinarians, particularly those with the USDA's Food Safety and Inspection Service (FSIS), could hamper efforts to ensure the safety of U.S. meat products and overall public health, according to the National Association of Federal Veterinarians (NAFV).

The NAFV notes that a recent Centers for Disease and Control and Prevention (CDC) food safety report indicates that the incidence of foodborne illnesses from *Listeria*, *Salmonella*, and *Shiga toxin-producing Escherichia coli* (STEC) have increased in recent years. Between 2013 and 2016, FSIS inspectors have recorded a 4% increase in *Listeria*, 2% in *Salmonella* and a 21% increase in STEC. And according to NAFV,

previous analyses have indicated the number of infections far exceeds those diagnosed, according to *Bovine Veterinarian*.

According to information from NAFV, there were 720 FSIS veterinarians working in food-safety inspections in 2016, reflecting an 11% vacancy rate. About \$10 million in FSIS appropriations would be needed to bring the agency's food-inspection force up to full strength.

To read the full article, click on <http://tinyurl.com/yd3rt7e2>.

Emergency CRP Grazing Extended

Earlier this week, USDA granted a 90-day extension of the emergency CRP grazing authorization for livestock producers in Texas, Oklahoma and Kansas counties affected by wildfires this past March. The extension will run through Sept. 30, 2017, for the following counties:

- **Texas** – Armstrong, Carson, Collingsworth, Donley, Gray, Hansford, Hemphill, Hutchinson, Lipscomb, Moore, Ochiltree, Potter, Randall, Roberts, Sherman and Wheeler
- **Oklahoma** – Beaver, Ellis, Harper, Roger Mills, Woodward and Woods
- **Kansas** – Clark, Comanche, Ellis, Ellsworth, Ford, Hodgeman, Kiowa, Lane, Lincoln, Meade, Ness, Russell and Seward.

The extension was requested by U.S. Reps. Mac Thornberry (R-Clarendon), Frank Lucas (R-Cheyenne) and Roger Marshall (R-Great Bend), who collectively represent the areas impacted by the wildfires. To read Agriculture Secretary Sonny Perdue's official response to the request, go to <http://tinyurl.com/yae5m2y9>.

Pro GMO Documentary Hopes to Turn Public Discourse Toward Science

Last year, a Pew Research poll gauged public sentiment toward genetic engineering of food crops (familarly, GMO). The results showed that while the public is consumed with fear and suspicion, scientists view the technology as safe and effective.

But this trend is changing with a new series of scientific documentaries, the first of which is a film titled "Food Evolution". The documentary examines the issues by taking a close and personal look at several global agricultural situations, the personalities involved, the successes, and most painfully, the damaging consequences of our failure to deploy useful technology that can help those in need, according to the Genetic Literacy Project.

"Food Evolution" conveys a scientific story with imagery, humanity and compassion that scientists never could alone. The film is narrated by Dr. Neil deGrasse Tyson, adding his gravitas to this important topic.

To read more about this possible game-changer in the GMO debate, go to <http://tinyurl.com/y9lyjba0>.

OIE to Establish a U.S.-Based Liaison Office in College Station

The World Organization for Animal Health (OIE) will establish a liaison office in the U.S., hosted by the Institute for Infectious Animal Diseases based in College Station, a unit within the Texas A&M University System that was recognized as an OIE Collaborating Center in the domain of biological threat reduction in 2014. The OIE office is expected to open on October 1, 2017, with the aims of increasing collaboration, establishing partnerships and maintaining donor relations with several U.S. state agencies and departments as well as organizations based in the U.S. that have an interest in global animal health and animal welfare. This office will also offer support to the OIE headquarters based in Paris, France, to accomplish the OIE's Sixth Strategic Plan, available at <http://tinyurl.com/yb8wtjk8>.

The OIE currently has a total of 181 member countries and 12 regional and sub-regional representations located on each continent.

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.

Sponsor Spotlight

TCFA is proud to recognize its top sponsors whose efforts help deliver top-notch service.

This week's spotlight shines on:



Bank of America Merrill Lynch has been a longtime sponsor of TCFA and the cattle feeding industry. In fact, the bank in Amarillo has been loaning money to the cattle industry for over 100 years. If you want a bank who understands the cattle business and who has a longstanding commitment to the industry, Bank of America is the bank for you. B of A has an expedient approval process and a wide range of financial products that allow them to arrange tailored banking solutions at competitive rates. To see how they can add real value to your business, call one of their agri-business specialists at (806) 463-3911