



# TEXAS CATTLE FEEDERS ASSOCIATION

---

# NEWSLETTER

---

5501 I-40 W. • AMARILLO, TEXAS • PHONE (806) 358-3681 • [www.tcfa.org](http://www.tcfa.org) • [info@tcfa.org](mailto:info@tcfa.org)

Volume 51, Number 29

July 21, 2017

## **USTR Releases NAFTA Negotiating Objectives, Talks to Start August 16**

United States Trade Representative Robert Lighthizer on Monday released a detailed and comprehensive summary of the negotiating objectives for the renegotiation of the North American Free Trade Agreement (NAFTA).

“Through the renegotiation of NAFTA, the Trump Administration will seek a much better agreement that reduces the U.S. trade deficit and is fair for all Americans by improving market access in Canada and Mexico for U.S. manufacturing, agriculture, and services,” according to the USTR news release.

TCFA and NCBA have been outspoken supporters of NAFTA because the terms of the agreement helped develop Canada and Mexico into two important export markets for U.S. beef. TCFA and NCBA have expressed concern that any changes to the terms of NAFTA that impact beef and cattle trade may jeopardize the industry's current access to Canada and Mexico.

“TCFA’s message on NAFTA has been don’t try to fix what isn’t broken,” said TCFA Chairman Jim Lovell. “And, based on the summary of negotiating objectives, it appears the Administration listened to what we’ve been saying. The summary encourages the continuation of terms that have benefitted U.S. beef exports for decades—specifically duty-free access and science-based sanitary and phytosanitary standards—and indicates no effort to reinstate mandatory country of origin labeling.”

On Wednesday, USTR announced the first round of the NAFTA renegotiations will take place in Washington, D.C. from August 16–20, 2017. John Melle, Assistant U.S. Trade Representative for the Western Hemisphere, will serve as Chief Negotiator for the NAFTA negotiations. In his role as Chief Negotiator, Melle will be responsible for the day-to-day negotiations at the staff level.

To read the USTR summary of negotiating objectives for NAFTA, go to <http://tinyurl.com/ycqrwnnq>.

## **TCFA, NCBA Sign Coalition Letter in Support of FMD Vaccine Bank**

TCFA and NCBA this week joined with more than 100 other agricultural groups and industry leaders in calling for Congress to establish and fully fund a robust Foot and Mouth Disease (FMD) vaccine bank as part of the 2018 Farm Bill. The letter was sent to U.S. Senate Agriculture, Nutrition and Forestry Committee Chairman Pat Roberts (R-Kan.) and Ranking Member Debbie Stabenow (D-Mich.), as well as U.S. House Agriculture Committee Chairman Mike Conaway (R-Texas) and Ranking Member Collin Peterson (D-Minn.)

In the letter, the coalition requests that that the vaccine bank be funded at \$150 million per year for the 10-year life of the Farm Bill and stresses the ramification for inaction.

“Waiting to buy it [the vaccine] when we need it is not an option”, the letter states. “An outbreak of FMD will have a devastating effect on all of agriculture—not just livestock producers—and will have long-lasting ramifications for the viability of U.S. agriculture, the maintenance of food security and affordability in this great nation, and overall national security. The ability to rapidly vaccinate susceptible livestock in the face of an FMD outbreak is critical.”

Establishing and fully funding an FMD vaccine bank is one of the top Farm Bill priorities for TCFA and NCBA.

To read more, go to <http://tinyurl.com/ybnr5f59>.

## **USDA Subcabinet Nominees Announced**

President Donald Trump on Wednesday sent to the U.S. Senate Agriculture Committee its notice of intent to nominate Stephen Censky to serve as USDA deputy secretary. The President announced Censky as his pick on July 14, but Wednesday’s action started the official confirmation process. Censky has been CEO of the American Soybean Association for the last 21 years.

“Our work has only just begun in delivering results for the people of American agriculture, and the experience and leadership skills of Stephen Censky will only enhance our efforts,” Secretary of Agriculture Sonny Perdue said. “He will bring enthusiasm and a dedication to this country which will be great assets to

USDA's customers. I am extremely pleased with the nomination for this key position and am hopeful that the Senate will take it up in short order."

Also on Wednesday, the President nominated Dr. Sam Clovis, of Iowa, to serve as undersecretary for research, education and economics and Ted McKinney, director of the Indiana State Department of Agriculture, to serve as undersecretary for trade and foreign agricultural affairs.

Agriculture Secretary Sonny Perdue, in a statement applauding the President's move, said Clovis, who led the transition efforts at USDA, had become "a trusted adviser and steady hand." Perdue also said McKinney would be a person "who wakes up every morning asking how we can sell more American agricultural products in foreign markets."

With these announcements, President Trump has now nominated four out of about 250 political appointees at USDA; however, most do not require Senate confirmation.

### **Beef Industry Leaders Complete Summer Business Meeting**

TCFA leaders joined over 700 cattle producers from across the nation last week in Denver for NCBA's 2017 Summer Business Meeting. Led by TCFA Chairman Jim Lovell, Chairman-Elect Jason Peeler and Vice Chairman Levi Berry, TCFA members participated in numerous committee meetings and the NCBA Board of Directors meeting to create the framework for policy, as well as revisit existing policy, and checkoff efforts on behalf of U.S. cattle producers for the year ahead.

The NCBA Board formally adopted policy positions on animal identification and traceability, international trade, tax reform, modernizing the Endangered Species Act and market issues (for a detailed summary of the market issues discussed, please see the Market Comments section of this edition of the TCFA *Newsletter*).

The adopted animal identification and traceability policy states that NCBA will work to ensure that any program developed, among other things, 1) is built on private sector animal identification and verification programs backed by the USDA, 2) is compatible with the general traceability principles of USDA APHIS ADT and OIE programs, 3) utilizes low cost visual or electronic official tagging devices, 4) requires that producer information for disease traceability is kept confidential, 5) protects producers from liability and 6) operates at the speed of commerce.

"It's been a great week for America's cattle industry, and meetings like this allow us to network, share best practices across the beef supply chain, and come together to adopt the policy positions that we'll fight for in Washington, D.C.," said NCBA President Craig Uden. "I'm proud of everybody who took the time away from their busy operations to help set our industry's direction for another important year."

### **Alabama Cow Tests Positive for Atypical BSE**

On Tuesday, the USDA Animal and Plant Health Inspection Service (APHIS) announced that an eleven-year old cow in Alabama tested positive for atypical Bovine Spongiform Encephalopathy (BSE). The animal was showing clinical signs and was found through routine surveillance at an Alabama livestock market. The cow never entered slaughter channels and at no time presented a risk to the food supply, or to human health in the United States.

Atypical BSE is different than the classical disease and generally occurs in older animals, usually eight years of age or greater. Researchers believe that atypical cases of BSE arise rarely and spontaneously in all cattle populations.

The World Organization for Animal Health (OIE) has recognized the U.S. as negligible risk for BSE. As noted in the OIE guidelines for determining this status, atypical BSE cases do not impact official BSE risk status recognition as this form of the disease is believed to occur spontaneously in all cattle populations at a very low rate. Therefore, this finding of an atypical case will not change the negligible risk status of the U.S., and should not lead to any trade issues.

### **H-2A Flexibility Provision Included in Appropriations Bill**

On Tuesday, the U.S. House Appropriations Committee adopted an amendment to the FY 2018 homeland security spending bill, which could help livestock and dairy producers with year-round labor needs. The amendment, offered by Rep. Dan Newhouse (R-Wash.), would expand the range of businesses that can apply for foreign workers through the H-2A visa program and remove the stipulation that the work be temporary or seasonal. The measure was agreed to by voice vote with bipartisan support.

"This amendment is a small starting point of relief we can provide our farmers who need access to workers," Newhouse said in a statement. He also emphasized that the measure did not change the three-year maximum limit on how long a worker can stay in the U.S., nor would it change the fact that agricultural producers must first try to hire U.S. citizens.

TCFA supports the amendment and worked with committee members to keep it in the bill.

## **ELD Delay Included in Appropriations Bill**

The House Appropriations Committee on Monday approved the FY 2018 Transportation, Housing and Urban Development funding bill, which includes a provision to delay for one year a requirement mandating the use of electronic logging devices (ELDs) for livestock and insect haulers.

TCFA, NCBA and other livestock groups support the delay and continue to work with Congress and the Administration to provide additional flexibility for livestock haulers in relation to the ELDs and hours of service rules.

## **EPA Requests Stay on CERCLA/EPCRA Reporting**

Earlier this week, EPA filed a motion with the D.C. Circuit Court of Appeals to request a six month stay on a ruling by the Court in April that would require concentrated animal feeding operations (CAFOs) to report ammonia and hydrogen sulfide emissions if more than 100 pounds per day are emitted.

In July, the Court declined to reconsider its April decision which vacated a 2008 rule exempting CAFOs from reporting their air emissions to federal authorities under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) and the Emergency Planning and Community Right-to-Know Act (EPCRA).

The stay requested by EPA this week is another attempt to obtain some relief from the D.C. Court and allow time for EPA and industry to work toward a solution. In the request, EPA notes that it “intends to explore possible regulatory or other administrative approaches to address these reporting obligations.”

In addition to the ongoing legal and regulatory solutions being sought, TCFA, NCBA and other livestock groups are working with Congress to clarify in statute that livestock emissions are not subject to CERCLA and EPCRA reporting requirements.

## **House Budget Proposal Seeks \$10 Billion Cut for Agriculture**

The U.S. House Budget Committee on Tuesday released its proposed budget for FY2018, which calls for a \$10 billion reduction in agricultural programs spending over the next decade. The budget plan does not stipulate how the Agriculture Committee should find the savings, but it does recommend reforms to the Supplemental Nutrition Assistance Program (SNAP).

“The budget resolution recommends focusing on reforms that will restore overall SNAP funding to sustainable levels, while still providing states the flexibility to tailor the program to best meet the needs of their SNAP-eligible populations,” the committee says.

The Budget Committee initially sought roughly \$70 billion in cuts to agricultural programs, but House Agriculture Chairman Mike Conaway was able to limit the bleeding by explaining to Budget Committee members the savings that agriculture has already provided. Had Chairman Conaway not been successful, he would have had little, if any, flexibility in drafting the 2018 Farm Bill.

## **APHIS Releases Emerging Animal Disease Preparedness and Response Plan**

USDA’s Animal and Plant Health Inspection Service (APHIS), Veterinary Services (VS) has made its Emerging Animal Disease Preparedness and Response Plan available for public review. The plan outlines a strategy to detect and respond to emerging animal diseases and define the processes that APHIS will use to identify, evaluate and respond to emerging diseases in animal populations.

APHIS developed the framework for this plan in 2014, then shared an initial draft of the plan for input with federal and state agencies, American Association of Veterinary Laboratory Diagnosticians (AAVLD), livestock groups and individuals. Their feedback is included in the current plan. It is a living document, which may be updated as infrastructure or policies change.

The plan provides the VS strategic direction to detect and respond to emerging animal diseases and outlines the processes VS uses to identify, evaluate, and respond to emerging diseases in animal populations. Rather than providing a single process to fit all emerging diseases, the VS plan outlines roles and responsibilities across VS business units for evaluating animal health information and determining response options. The plan also describes the need for communication and collaboration between VS, state animal health officials and animal industry representatives and stakeholders to effectively detect and respond to emerging animal diseases.

To view the response plan, go to <http://tinyurl.com/y94q3q4n>.

To read more, go to <http://tinyurl.com/y8evpwkt>.

## **New Beef WISE Study Released**

New research published in *Obesity Science & Practice* shows that lean beef, as part of a healthy and higher-protein diet, can help people lose weight while maintaining muscle and a healthy heart. “The Beef WISE Study: Beef’s Role in Weight Improvement, Satisfaction, and Energy,” conducted at the University of Colorado Anschutz Health and Wellness Center with a research grant from the beef checkoff, adds to the growing body of evidence demonstrating lean beef can contribute to a healthy weight loss diet.

In addition to participating in regular moderate-intensity exercise, the 99 overweight or obese study participants were separated into two groups that followed the higher-protein diet. One group consumed four or more servings of lean beef each week and the other group was restricted from eating red meat. Subjects in both groups lost equal amounts of body weight and fat mass while preserving muscle.

“A key finding of this study is that 90 to 95 percent of the weight lost came from fat, not muscle,” said Drew Sayer, PhD. “This shows that lean beef doesn’t have to be restricted in a higher-protein diet and is just as effective as other protein choices in supporting healthy weight loss and leaner bodies.”

For more, visit <http://tinyurl.com/y7sdwqky>.

## **Lipps to Serve as Administrator of Food and Nutrition Service**

Agriculture Secretary Sonny Perdue on Wednesday announced that Texas native Brandon Lipps will serve as administrator of the Food and Nutrition Service, as well as acting deputy undersecretary of food, nutrition and consumer services. President Trump has yet to nominate an undersecretary for that mission area.

Brandon formerly worked for the Texas Tech University System as the chief of staff and director of federal affairs in the Office of the Chancellor. Prior to his role at Texas Tech, Brandon was a staffer for the U.S. House Agriculture Committee and former Texas State Senator Bob Duncan.

TCFA staff worked closely with Brandon over the last several years and looks forward to continuing that relationship in his new role.

## **Response to a Vexing Cattle Market**

“It hasn’t been smooth sailing for the beef cattle industry over the past year. For its part, the cattle market has certainly been aggravating. As a beef producer, I know the limitations of what any of us at the ranch level can do individually to fully control profitability and assure that the bottom line has more black ink on it than red,” says Jerry Effertz, chairman of the Federation of State Beef Councils.

Our industry organizations must not only be aware of those limitations, but be on the lookout for ways that damaging outside influences can be mitigated, he said. Recently the Federation of State Beef Councils did just that, dipping into its reserve funds to support national and international promotion programs that would help increase demand for beef, *Feedstuffs* reports.

“The federation allocated more than \$1.2 million from its reserve funds over the last nine months for this effort. These dollars come from state beef council boards who voluntarily remit part of their half of the \$1-per-head beef checkoff to be used at the national and international levels. State board members recognize that beef production states without large population centers benefit from spending their checkoff dollars where most beef consumers live.”

To read more about how the Federation is helping beef demand, go to <http://tinyurl.com/y9g6zd5s>.

## **Texas Ranch Named Regional Environmental Stewardship Winner**

Sterling Cattle Company, owned by Jimmy and Theresa Sterling of Coahoma, Texas, was honored as one of six families to receive regional Environmental Stewardship awards during the 2017 Cattle Industry Summer Business Meeting last week. The Environmental Stewardship Award Program recognizes the nation’s best cattle and livestock operation and their stewardship and conservation efforts. This year’s regional winners will compete for the national award, which will be announced during the Annual Cattle Industry Convention in Phoenix, Ariz., in February 2018.

In addition to Sterling Cattle Company, this year’s regional winners include: Blue Lake Farm, LLC, operated by Rusty and Jessie Thomson, Sharon, S.C.; SFI, Inc., Seth and Etta Smith, Nemaha, Iowa; Flying Diamond Ranch, Scott and Jean Johnson, Kit Carson, Colo.; Jim O’Haco Cattle Company, Jim and Jeanni O’Haco, Winslow, Ariz.; and Munson Angus Farms, LLC, Chuck and Deanna Munson, Junction City, Kan.

## TCFA Members Attend Annual Young Cattlemen's Conference

TCFA members Pete Dahl, Barry Morris and Dillon Scoggins were among a group of 60 young cattlemen and women from across the country who participated in the National Cattlemen's Beef Association's (NCBA) Young Cattlemen's Conference (YCC).

The purpose of the conference is to expose young leaders to all aspects of the beef industry, develop a nationwide network of cattle producers and hone their leadership skills. The tour helps participants understand all areas of the industry ranging from structure to issues management, from production research to marketing.

"YCC 2017 was an experience of a lifetime. The opportunity to see different aspects of the industry, especially the political side, is invaluable," said Pete Dahl with Cactus Feeders. "For me, one of the most rewarding things about YCC was building relationships with people from all over the U.S. and learning about their operations and the difficulties they face. I am thankful that TCFA selected me as a participant; I left YCC with 59 new friends."

The tour began in Denver at NCBA headquarters, then traveled to JBS Five Rivers' Kunar Feedyard and the Greeley packing facility in northern Colorado. The group then traveled to OSI, Inc. in Chicago and McDonald's global headquarters, before making their final stop in Washington, D.C., to visit with congressmen and senators.



## Mark Your Calendar for These Upcoming Events

**TCFA's 50<sup>th</sup> Anniversary Convention:** Join us October 8-10 at the Embassy Suites Downtown Amarillo for TCFA's 50<sup>th</sup> Anniversary Convention. 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.

**Feeding Quality Forums:** The 2017 Feeding Quality Forums will meet August 29 in La Vista, Neb., near Omaha, and August 31 in Garden City, Kan. Topics include market insight with Dan Basse of AgResource Company, value-added programs with Doug Stanton of IMI Global, price discovery with Ed Greiman of Superior Livestock Auction, genetic value differences of feeder cattle with Justin Sexten of Certified Angus Beef LLC, and relating feed intake to cattle performance with Richard Zinn of the University of California-Davis.

Seating is limited, so those interested are encouraged to register soon. For more information and to register, go to [www.feedingqualityforum.com](http://www.feedingqualityforum.com).

**Fire Recovery:** Almost five months after wildfires ripped across much of the northeastern Texas Panhandle, the Texas A&M AgriLife Extension Service will host a daylong range recovery meeting and field discussion. The traveling event is set to cross the fire-stricken counties Aug. 3, beginning with breakfast at 7 a.m. in Pampa and concluding with a steak dinner at 6:30 p.m. in Lipscomb.

There is no charge for any part of the meetings, but those planning to attend are asked to contact Jordan Chandler at (806) 677-5600 or their county AgriLife Extension office for planning purposes. For more information, go to <http://tinyurl.com/Wildfire-Recovery>.

**Cattle Trails Wheat, Stocker Conference:** Beef producers can hear from experts on best management practices during the upcoming Cattle Trails Wheat and Stocker Cattle Conference, set for Aug. 1 at the Comanche County Fairgrounds Annex Building, 920 S.W. Sheridan Road, Lawton, Okla. Texas AgriLife Extension and the Oklahoma Cooperative Extension Service will host the conference from 8 a.m. to 2 p.m. Registration is \$25 per person and includes educational materials, a noon meal and refreshments. Checks should be payable to OSU Extension.

For more information on the event or to download the registration form, go to <http://tinyurl.com/Cattle-trails-wheat>.

## Sponsor Spotlight

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

This week's spotlight shines on:



Elanco's comprehensive food animal product and service offering enables them to partner with customers to help them solve their greatest business challenges in the following key areas: **Health Management** offers a holistic approach to preventing and managing disease, and reducing future threats to food safety; **Feed Optimization** ensures animals receive the nutrients they need to grow to their full potential, while managing resource inputs efficiently; **End-Point Management** powered by Elanco Knowledge Solutions data, monitors and optimizes animal health and productivity, and drives business success; and **Assurance & Access** powered by *Elanco Global Market Access/Elanco Pulse Institute*, enables confident business decision-making as customers seek to expand their businesses to markets around the world.

This comprehensive set of animal health products and knowledge services empowers food producers, veterinarians and all food chain customers to advance their business and help address the demand for a safe, affordable, abundant food supply.

In the beef industry, Elanco works to demonstrate what they call Full Value Beef™ – partnering with their customers to better understand their businesses and provide meaningful solutions. Elanco delivers value in this health management space through vaccines, antibiotics, implants, analytics and technical support. For more information, visit [www.elanco.us/why](http://www.elanco.us/why).