



# TEXAS CATTLE FEEDERS ASSOCIATION

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# NEWSLETTER

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## **Frazier Calls Out R-CALF for its Unholy Alliances**

“By now you’ve probably seen that there’s a determined effort by activist organizations to undermine the beef industry. Groups like Humane Society of the United States (HSUS) and Public Justice are attempting to change the way we do business and they’ve banded together with groups like R-CALF and other like-minded organizations to target state beef councils and their work to promote beef. We might disagree on policy matters within the industry, but it’s another thing entirely to target the volunteer-led state beef councils through unholy alliances with animal rights activists and others intent on driving beef producers out of business,” says Kendal Frazier, NCBA CEO.

“You read that correctly: R-CALF and like-minded groups have joined with activist organizations like Public Justice. In this case, the Public Justice/R-CALF alliance is litigating a case against the Montana Beef Council. We’ve seen this trend increase lately. It was first begun by HSUS activists who used their deep pockets to buy influence in the beef industry and gain standing to file lawsuits against the checkoff in an all-out effort to end beef promotion, and ultimately, the production of beef in the United States.”

HSUS, Public Justice, R-CALF and others have been unsuccessful in the halls of Congress and they aren’t making progress among consumers or beef producers at the ballot box, so they’re spending their time and money to perpetuate misinformation and engage in a guerilla campaign against beef and the checkoff, Frazier says. They know ending the checkoff eliminates the only self-help program designed and led by beef producers and they know that’s all that stands between them and more meatless diets.

“We must work together to stop HSUS, Public Justice and their collaborators. We must stand together to prevent these activists from pushing cattle off the land, sliding beef off the plate and driving cattle producers off the ranch. Don’t believe everything you read; this fight is about stopping the activists from achieving those goals. And that’s all it’s about,” he says.

“I’ve said it before, but I’ll repeat it again so it’s clear: HSUS does not care about beef producers or the checkoff. They care about stopping the production and consumption of meat! Every member of the beef community that collaborates with this group, for any reason, is helping them achieve that goal. They will stop at nothing to change your way of life, drive beef producers out of business and irreparably harm the social and economic fabric of rural America.

“HSUS, Public Justice and their armies of urban lawyers would love nothing more than to remove beef from the plates of consumers. These activists are working to drive good cattlemen and cattlemen out of business by promoting a meatless agenda (visit: <http://tinyurl.com/HSUS-MeatlessMeals> and <http://tinyurl.com/HSUS-MeatlessMonday> for examples) and they’ve joined forces with some of your neighbors who have sold out and are helping them to accomplish that goal.

“We need to stand together and shine a light on these alliances between R-CALF and their activist partners at Public Justice and elsewhere. These shams must be exposed for what they really are. It’s time to stand together to stop the attacks, misinformation and propaganda. It’s not in our nature to challenge our friends and neighbors, but there’s too much at stake to continue in silence.”

## **NCBA Testifies on NAFTA: “Please Do No Harm!”**

NCBA CEO Kendal Frazier testified on Capitol Hill this week in support of the North American Free Trade Agreement (NAFTA) and warned Congress against using the treaty’s renegotiation to resurrect failed policies like mandatory Country-of-Origin Labeling (COOL).

“Quite frankly, it is difficult to improve upon duty-free, unlimited access to Canada and Mexico, and we are pleased to see the Office of the U.S. Trade Representative announce its support for continued reciprocal duty-free access,” Frazier told members of the U.S. House Committee on Agriculture. “Even still, our message remains the same: please do no harm and do not jeopardize our access.”

For more on Frazier’s testimony, go to <http://tinyurl.com/NCBA-TestifiesonNAFTA>.

## **Senate Committee Blocks E15 Bill**

In a major defeat for the ethanol industry, senators of both parties joined forces late last week to sink a controversial bill that would have allowed gasoline with 15 percent ethanol to be sold year-round, according to the *Washington Post*.

The measure had become a flash point on Capitol Hill, dividing both Republicans and Democrats – with senators from ethanol-producing states supporting the bill – while also uniting diverse groups in opposition, such as environmentalists, boaters and motorcyclists. The legislation also represented a key opportunity for the ethanol sector, as the expansion of E15 sales would have been a financial boon and, to at least some degree, a marketplace defeat for the oil industry.

Committee leaders announced Friday that there would be no action on the bill before the August recess, though it's unclear whether it'll be resurrected sometime in the fall. Ethanol sector leaders bemoaned the delay but said the battle for E15 isn't finished.

## **EPA Administrator Scott Pruitt in Guymon This Week to Discuss WOTUS**

Yesterday, EPA Administrator Pruitt participated in a town hall meeting with farmers and ranchers from Texas, Oklahoma, New Mexico and Kansas to hear concerns about EPA policies and regulations. Topping the list was the repeal and replacement of the Obama era 2015 Waters of the United State (WOTUS) rule. Almost 100 farmers and ranchers were in attendance at the meeting, which was hosted by TCFA members Jason and Chris Hitch at the Hitch Enterprises offices in Guymon, Okla.

"It was really refreshing to hear positive and optimistic messages from the head of EPA regarding the importance of recognizing that farmers and ranchers are the first and best stewards of the land and natural resources," stated Jason Hitch, TCFA Past Chairman. "As a fellow Oklahoman, it is great to have Mr. Pruitt in a position where he can affect meaningful change on the many years of regulatory overreach that we have had to deal with from EPA."

In February, President Trump signed an Executive Order, directing EPA to revise or rescind the 2015 WOTUS rule. On July 27, EPA's official proposed rescension of the rule was issued in the *Federal Register*. Comments can be submitted on the regulations.gov website at [www.regulations.gov/document?D=EPA-HQ-OW-2017-0203-0001](http://www.regulations.gov/document?D=EPA-HQ-OW-2017-0203-0001). An example comment letter for members to use is available by going to <http://tinyurl.com/2017-07-ExampleCommentLtrWOTUS>.

"The 2015 WOTUS rule was finalized by the Obama Administration during my tenure as TCFA Chairman. We knew then that this was going to be one of the biggest and most important fights for cattle feeders to lead and prevent a huge expansion of regulatory authority over waters on our private property," said Tom McDonald, TCFA Past Chairman. "With the swift leadership of President Trump and Administrator Pruitt, the door is open again for cattle feeders to be heard loud and clear that the 2015 rule is unacceptable and must be rescinded. I encourage all TCFA members to submit comments in support of rescinding the rule by the Aug. 28, 2017 deadline."

As EPA moves forward with this process, rescinding the 2015 is the first priority. That action will be followed by a new proposed rule to create a definition of WOTUS that is simple and provides clarity and objectivity of what is and is not a Waters of the United States. For more information on WOTUS, contact Ben Weinheimer, TCFA Vice President, or Josh Winegarner, TCFA Director of Government Relations.

## **Japan Triggers Frozen Beef Safeguard**

The Japanese government yesterday released its June import figures for frozen beef. From this data it now is clear that beef imports during the first quarter (April 1-June 30) of Japan's fiscal year from the United States and other countries covered under Japan's "safeguard" mechanism, were large enough (by a margin of just 113 metric tons) to trigger an increase in the duty charged on imports of frozen beef, reports the U.S. Meat Export Federation (USMEF). The rate will increase from 38.5 percent to 50 percent for the remainder of the current fiscal year, which runs through March 31, 2018.

"We're very disappointed to learn that the tariff on frozen beef imports to Japan will increase until April 2018. Japan is the top export market for U.S. beef in both volume and value, and anything that restricts our sales to Japan will have a negative impact on America's ranching families and Japanese consumers. Our producers lose access, and beef becomes a lot more expensive for Japanese consumers. We hope the Trump Administration and Congress realize that this unfortunate development underscores the urgent need for a bilateral trade agreement with Japan absent the Trans-Pacific Partnership, stated NCBA President Craig Uden."

"USMEF recognizes that the safeguard will not only have negative implications for U.S. beef producers, but will also have a significant impact on the Japanese foodservice industry," explained USMEF President and CEO Philip Seng. "It will be especially difficult for the gyudon beef bowl restaurants that rely heavily on Choice

U.S. short plate as a primary ingredient. This sector endured a tremendous setback when U.S. beef was absent from the Japanese market due to BSE, and was finally enjoying robust growth due to greater availability of U.S. beef and strong consumer demand.”

Seng said USMEF will work with its partners in Japan to mitigate the impact of the safeguard as much as possible. “We will also continue to pursue all opportunities to address the safeguard situation by encouraging the U.S. and Japanese governments to reach a mutually beneficial resolution to this issue.”

To read more from USMEF, go to <http://tinyurl.com/JapansFrozenBeef>.

Further analysis and charts are also available at <http://tinyurl.com/2017-07-28-proofpoint>.

For a USMEF Fact Sheet on the import trigger, go to <http://tinyurl.com/JapanFactSheet>.

### **MRSA Emerged Years Before Methicillin was Discovered**

Methicillin Resistant Staphylococcus Aureus (MRSA) emerged long before the antibiotic methicillin was introduced into clinical practice, according to a study published this week in the open-access journal *Genome Biology*. Rather than use of methicillin itself, it was the widespread use of earlier antibiotics such as penicillin that caused MRSA to emerge, researchers at the University of St. Andrews, the University of Dundee and the Wellcome Trust Sanger Institute in the U.K. suggested.

The researchers found that *S. aureus* acquired the gene that confers methicillin resistance – *mecA* – as early as the mid-1940s – 14 years before the first use of methicillin, *Feedstuffs* reports.

The research article is available at <http://tinyurl.com/MRSA-Emergence>.

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

### **Higher Hay Prices on the Horizon**

Global forage demand is seeing a significant escalation, leaving U.S. alfalfa and other hay producers in a good position and U.S. beef producers searching for alternatives. In a new report from the *RaboResearch Food and Agribusiness* group, Dairy Analyst James Williamson explores the source of the demand.

The report, “Foraging for Higher Prices,” finds seven states – Arizona, California, Idaho, Nevada, Oregon, Utah and Washington – produce 18 percent of U.S. hay and nearly 90 percent of U.S. hay exports.

Throughout 2015 and 2016, lower milk prices for U.S. dairy producers, coupled with weather-related forage quality issues, resulted in building hay stocks and downward pressure on hay prices.

“This downward pressure on prices isn’t the end of the story,” notes Williamson. “We’ve seen the top six hay importers – responsible for buying over 95 percent of U.S. hay exports – increasing their import volumes and paying a premium for higher-quality hay, supporting prices at their current levels. As a result, prices will likely continue moving in an upward trend.”

### **Cows’ Ability to Fight HIV May Hold Clue to Vaccine**

Cattle have a “remarkable” ability to fight HIV, according to a new study that researchers say could help develop a vaccine for humans. Cattle can rapidly produce special antibodies that neutralize the virus, scientists found.

Only 10 to 20 percent of humans with HIV naturally develop the “broadly neutralizing antibodies” (bNAbs) and those who do, only begin generating them about two years after infection, by which time the virus has mutated, reports the British newspaper, *The Independent*.

But researchers found that cattle injected with HIV proteins developed the immune response within weeks. All four calves tested developed bNAbs as quickly as 35 to 50 days.

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

### **Japanese Company Buys Creekstone Farms, Looks to Chinese Market**

Japanese meat company Marubeni has added a U.S. beef processor to its portfolio, anticipating greater exports to China after Beijing lifted a long-standing ban on meat from American cattle in June. The Japanese trading house acquired all of Kansas-based Creekstone Farms, a distributor of premium beef, in a deal worth about \$170 million, including liabilities. With the resumption of American beef exports to China, Marubeni expects the country’s appetite for the meat to grow as its middle class expands, reports the Japanese newspaper *Nikkei*.

Creekstone, which recorded \$550 million in sales last year, processes beef for sale to supermarkets and restaurants. It is the 12th largest U.S. beef producer by volume and among the top processors of premium beef. In 2016, Creekstone processed about 250,000 head of cattle, with about 80% of the beef going to U.S. consumers and the rest shipped to Europe, Japan and other countries.

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

### **NCBA, Others Tout Success of KORUS**

The CEOs of the National Cattlemen's Beef Association (NCBA), the North American Meat Institute, and the U.S. Meat Export Federation sent a letter to USDA Secretary Sonny Perdue and Ambassador Robert Lighthizer of the U.S. Trade Representative's Office (USTR) yesterday to highlight the success the U.S. beef industry has experienced with its exports to South Korea since the commencement of the Korea-U.S. Free Trade Agreement (KORUS).

The industry letter was prompted by the recent announcement from the Trump Administration that there will be a special session with South Korea to discuss potential changes to the KORUS. The meeting will be held in Washington, D.C. in August.

"Simply put, KORUS created the ideal environment for the U.S. beef industry to thrive in South Korea," the letter said. "We would not support any changes in the terms of the KORUS that would jeopardize either our market share or the significant investment that has been made in rebuilding Korean consumer confidence in the safety, quality, and consistency of U.S. beef."

To read more, go to <http://tinyurl.com/NCBA-KORUS>.

To read the letter, go to <http://tinyurl.com/NCBA-KORUSletter>.

### **College Aggies Online Program Returns This Fall**

The Animal Agriculture Alliance's 2017 College Aggies Online (CAO) scholarship program will kick off September 10. The program, now in its ninth year, connects college students from across the country who have a passion for agriculture and allows them to become confident, positive and proactive communicators. Both individuals and student organizations can participate in the weekly assignments and challenges that prepare students to become life-long advocates for agriculture.

Throughout the program, participants have the opportunity to interact with industry experts who serve as mentors. Industry mentors will offer advice while serving as a resource for students to develop their own personal brand and produce effective and engaging content.

To learn more about the competition and to sign up – either individually or as a club – go to <http://collegeaggies.animalagalliance.org>.

### **Perdue Holds Firm on Brazilian Beef Ban**

Brazil needs to demonstrate progress on food safety issues before a timeline can be set to end a U.S. ban on imports of fresh Brazilian beef, U.S. Agriculture Secretary Sonny Perdue said after meeting with his Brazilian counterpart in Washington, D.C., this week. Brazil's minister of agriculture, Blairo Maggi, traveled to Washington on Monday to press for a resumption of fresh beef exports from the country, reports *Meatingplace.com*.

"Open dialogue is good, but we need to see progress," Perdue said in a tweet accompanied by a photo taken with Maggi at their meeting.

### **NCBA, PLC Accepting Applications for Spring, Summer 2018 Interns, Law Clerk**

NCBA and the Public Lands Council (PLC) government affairs office in Washington, D.C., is accepting applications for 2018 spring and summer public policy interns, as well as semester law clerks. The deadline to submit an application for either position is Aug. 15, 2017.

The internships give college students the opportunity to work alongside staff on a range of issues that impact U.S. cattlemen and women. The interns will work closely with the lobbying team on Capitol Hill and assist with NCBA and PLC's regulatory efforts, providing college students a one-of-a-kind view into the policymaking process.

To apply for the public policy internships, go to <http://tinyurl.com/NCBA-PublicPolicyInternship>.

To apply for the law clerk position, go to <http://tinyurl.com/NCBA-LawClerk>.

### **National Cattlemen's Foundation Accepting Applications for W.D. Farr Scholarships**

The National Cattlemen's Foundation is accepting applications for the W.D. Farr Scholarships for the 2017-18 school year. Two annual \$12,000 grants will be awarded to outstanding graduate students who demonstrate superior achievement in academics and leadership and will allow the students to further their study in fields that benefit the cattle and beef industry.

To apply for the scholarship, graduate students planning to pursue a career in the beef industry should submit a cover letter, curriculum vitae, a description of applicant's goals and experience, a statement of belief in the industry as well as a review of the applicant's graduate research and three letters of recommendation. Applications close on Aug. 31, 2017. For more information and to apply, visit

[www.nationalcattlemensfoundation.org](http://www.nationalcattlemensfoundation.org).

## 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; beef merchandising guru, Michael Uetz; 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.

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