



TEXAS CATTLE FEEDERS ASSOCIATION NEWSLETTER

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Thornberry Hosted Ag Round Table

U.S. Rep. Mac Thornberry hosted an agricultural round table with producers at the TCFA office on Thursday, August 10.

“We are lucky to have a Congressman like Mac who takes the time to sit down with his constituents and listen to their thoughts – whether in DC or at home,” said TCFA Chairman Jim Lovell.

Rep. Thornberry began the discussion by updating the group on national security issues. The group then discussed proposals on tax reform and immigration reform.

Lovell also expressed TCFA’s support of NAFTA and opposition to including a livestock title in the Farm Bill.

“We do not want a Livestock Title in the Farm Bill, nor do we want to see COOL, the GIPSA rule authorizing language or a packer ban show up in the Miscellaneous Title,” stated Lovell.

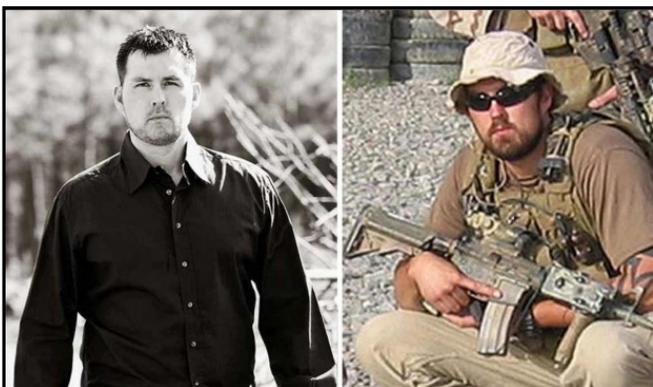
TCFA attendees also urged Rep. Thornberry to work with the Agriculture and Homeland Security Committees to establish and fully fund a robust FMD vaccine bank.

Rep. Thornberry welcomed all of the comments and committed to continue working with those in attendance, and others on all the issues discussed.



Marcus Luttrell – TCFA Annual Convention

Registration for the 2017 TCFA 50th Anniversary Convention is now open! Make plans to join us at the Embassy Suites Downtown Amarillo Oct. 8-10 to hear some great speakers, participate in unique touring opportunities and network with friends.



You won’t want to miss **Marcus Luttrell**, former Navy SEAL and author of the book *Lone Survivor*. A native Texan, Luttrell and SEAL Team 10 faced impossible odds in a fire fight with the Taliban with Luttrell as the only survivor. His story of courage, valor and an indomitable fighting spirit is a must attend.

Check out the entire speaker lineup, as well as activity details, by going to www.tcfa.org/news-events/convention/.

Make your hotel reservations online at <http://tinyurl.com/tcfa-conv-embassysuites> to secure your room at the Embassy Suites Downtown Amarillo. **Your hotel reservations must be made by Sept. 24**, so don’t

delay!

Figures Released in BPI-ABC News Settlement

According to news reports this week, Walt Disney Co., which owns ABC News, paid \$177 million, in addition to insurance recoveries, to settle the lawsuit filed by Beef Products, Inc. BPI sued American Broadcasting Company (ABC) in 2012, saying it and reporter Jim Avila had defamed the company by using the “pink slime” tag, and making errors and omissions in a series of reports that year.

Disney reported the settlement of the litigation in a footnote to its quarterly financial report, saying it was seeking additional insurance proceeds to recover its cash payment. The financial tables show a charge of \$177 million described as being “in connection with settlement of litigation.” The figure is not directly linked to the “pink slime” case, but the BPI litigation is the only one Disney specifies in the report, according to *Reuters*.

“As Disney disclosed, \$177 million is not the total settlement amount. Based on Disney’s disclosure, it appears that Disney is funding \$177 million of the settlement and its insurers are paying the rest,” Dan Webb of Winston & Strawn, who headed up the litigation for BPI in the case against ABC, told *Meatingplace* in an emailed statement.

To read more, go to <http://tinyurl.com/ABC-pinkslime>.

June Results Confirm Strong First Half for U.S. Red Meat Exports

U.S. beef exports continued to trend above year-ago levels in June, capping a very strong first half of the year. According to statistics released by USDA and compiled by the U.S. Meat Export Federation (USMEF), exports also achieved higher values on a per-head-slaughtered basis and accounted for a steady-to-higher percentage of total production.

June beef exports were the largest of 2017, reaching 109,554 metric tons (mt) – up 11 percent year-over-year and the largest June total since 2011. Export value increased 10 percent to \$602.5 million. For January through June, beef exports were up 12 percent in volume (606,876 mt) and 15 percent in value (\$3.35 billion) compared to the first half of last year.

Exports accounted for nearly 13 percent of total U.S. beef production in June and 10 percent for muscle cuts only – each about even with a year ago. The ratios were the same for January through June, which was also steady with the first half of last year. Export value per head of fed slaughter averaged \$264.51 in June, up 6 percent from a year ago. Through June, per-head export value was up 8 percent to \$269.21.

For more details on U.S. beef exports, go to <http://tinyurl.com/JuneExports-results>.

Will Drought Put an End to Cowherd Expansion?

It’s possible the severely dry weather we are experiencing this year, especially up north in the Dakotas and surrounding areas, could potentially impact the size of the cow herd as we head towards the new year. Jim Robb of the Livestock Marketing Information Center recently took a road trip around some of the droughtier areas of the country, for a first-hand look at conditions on the ground.

“We’re really on the cusp of this becoming a nationwide issue,” says Robb, after touring parts of the drought-stressed Northern Plains. “The drought really covers central and eastern Montana, most all of North and South Dakota, and it’s drifting down into Nebraska, especially the Northern Sandhills and eastern Wyoming.”

Robb reports the land he covered looked even more droughtier than what is indicated on the Drought Monitor. Some of these areas have been in drought conditions going on two years now, mostly in low rainfall regions, making it a struggle for the land to recover. He notes that 15 percent of all US cattle are currently residing in the drought zone. He says this is beginning to impact marketing patterns—with cull cow numbers picking up, lighter weight calves arriving at markets and increased movement. To what extent, though, is still up for speculation, according to the *Oklahoma Farm Report*.

Click here to read and hear more <http://tinyurl.com/SevereDrought>.

Crop Conditions Continue to Slip

According to the August 7 Crop Progress report, the condition of the corn crop fell slightly. On average, corn is 60 percent in good to excellent condition and 27 percent in fair condition. That’s down 1 percent from last week, and down a whopping 16 percent from a year ago, reports *Corn and Soybean Digest*. Iowa corn appears to be doing well so far in the dry conditions, with 53 percent good, 11 percent excellent and 26 percent in fair condition. Texas shows 17 percent excellent, 52 percent good and 28 percent fair, with only 2 percent poor and 1 percent very poor.

The report shows 93 percent of the corn in the U.S. is silking. That's up from last week's 85 percent. Last year at this time, 96 percent was silking. The four-year average shows 94 percent silking. Missouri farmers report all of their corn is silking. Meanwhile Tennessee, Texas and North Carolina report 99 percent silking. In the Midwest, 97 percent of the corn is silking in Illinois and Nebraska. Indiana and Iowa farmers report 95 percent of their corn is silking.

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

China Looking to be a Bigger Player in Global Agriculture

After a series of high-profile acquisitions and more likely on the way, China is poised to have a much larger footprint in the global food supply chain in the near future, according to a new report from Rabobank. The report highlights six acquisitions from the last six years that demonstrate China's agricultural priorities and perhaps predict the role the world's most populous country is seeking on the global agriculture stage.

The sense of urgency around feeding China's 1.4 billion people has been leading to deals both private and public for the last several years. In April, Alex Zhang, cofounder and management partner of Beijing Hosen Investment Management (Hosen Capital), who has invested \$300 million in food and agribusiness-related companies that are either located in China or are directly involved in meeting Chinese demand, reports *AgFunderNews*, "The whole industry is modernizing at a speed we haven't seen in Chinese food industry history, and if we follow a similar pattern in the way the U.S. food industry evolved in the past, we are now at the stage that we will see more and more sector consolidation. We will see more trade sales and large Chinese food companies will continue to go global," said Zhang. "Our food industry will evolve in a similar fashion to our internet industry where four of the world's top 10 companies are Chinese; we will probably see something similar in 10 years' time in the food industry."

The Rabobank report suggests that China's acquisitions are not simply meant to give the country more global superiority in terms of food production and ag-related holdings, but also to meet specific goals within the nation's own food supply. The report further says that future investments will likely focus on "technology that improves livestock productivity."

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

Foodservice Trends Show More People Eating at Home

In the last two years, we have seen a wide gap open between food cost inflation at foodservice vs. grocery stores. Restaurants now have to cope with increased competition for both customers and labor. As a result, they have used the savings from lower raw material costs to bolster wages and refurbish restaurants, according to the *Daily Livestock Report*.

Food cost inflation at foodservice, both full service restaurants and fast food, has been steadily rising in the last two years even as raw material prices have declined. Food inflation at grocery stores, on the other hand, has declined, which may have caused shoppers to substitute some eating out nights with home cooked meals. Foodservice dollar sales have far outpaced grocery store sales in the last decade, evidence that U.S. consumers still like to dine out. But if retailers have gained traffic thanks to lower prices, this would imply that summer retail promotions have gained more importance (higher foot traffic) for the meat industry.

For more, go to <http://tinyurl.com/FoodCostInflation>.

Are Feedyards Still a Target for a Bioterrorism Attack?

Remember 2001? It was a year that will remain in the annals of history as one of the most tumultuous and upsetting times in the U.S. In the space of several months, terrorists flew commercial jets into the World Trade Center and a foot-and-mouth disease outbreak in the United Kingdom had U.S. livestock producers on edge.

At the time, the concern for a terrorist attack on the U.S. beef industry was off the charts. Time, it seems, has blunted that concern. But while the FBI says the risk of bioterrorism is low for animal agriculture, it is still on the radar.

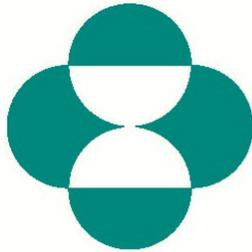
The reason the FBI says animal agriculture is a low risk is because an attack on agriculture is an attack on our economy and national security. It isn't sexy, it doesn't blow things up and kill lots of people. But the FBI also considers U.S. agriculture to be a prime target for such an attack, simply because agriculture can be a soft target. And make no mistake: agriculture is on the terrorist radar. Documents captured in caves and terrorist training camps indicate there are plans for just such an attack.

Click here to read more. <http://tinyurl.com/BioterrorismAttack>.

Sponsor Spotlight

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

This week's spotlight shines on:



MERCK

Animal Health

Merck Animal Health has been a faithful supporter of TCFA, with sponsorships of the TCFA Annual Convention and Summer Meeting, Fed Beef Challenge, Junior Fed Beef Challenge and TCFA Best Safety Practices Awards. They will continue the strong commitment to the success of TCFA members, delivering innovative animal health products such as REVALOR[®] (trenbolone acetate and estradiol) implants, Zuprevo[®] (tildipirosin), Resflor Gold[®] (florfenicol and flunixin meglumine), NUFLOR[®] (florfenicol), VISTA[®] vaccines, VISION[®] vaccines, SAFE-GUARD[®] (fenbendazole) dewormer and ULTRA SABER[™] (lambdacyhalothrin/piperonyl butoxide) pour-on, all supported by the industry's top technical service and sales teams. For more information, please go to www.merck-animal-health-usa.com.

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