



TEXAS CATTLE FEEDERS ASSOCIATION

NEWSLETTER

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Progress on Agriculture Appointments

After months of waiting, the U.S. Senate has finally acted on Pres. Trump's nominations for top positions at USDA, confirming Stephen Censky, for deputy secretary, and Ted McKinney, for the newly created position of undersecretary for trade and foreign agricultural affairs, by voice vote on Tuesday.

Also this week, the Senate Committee on Agriculture held confirmation hearings for Greg Ibach and Bill Northey, the President's nominations for USDA undersecretary for marketing and regulatory affairs and undersecretary for farm production and conservation.

Agriculture Secretary Sonny Perdue, who has been frustrated by the glacial pace of the confirmation process, said in a statement, "We eagerly await their arrival at USDA and urge the Senate to continue to act on other nominees who are awaiting confirmation."

Greg Doud, a former NCBA staffer who has been nominated to serve as the chief agriculture negotiator for the Office of the U.S. Trade Representative, also testified before the committee.

Perdue, Conaway Push to Wrap-up NAFTA Negotiations

House Agriculture Chairman Mike Conaway (R-TX), one of many U.S. farm leaders impatient with the lack of progress in NAFTA negotiations, is headed north to do something about it, according to *Politico's Morning Agriculture*. Chairman Conaway will lead a bipartisan delegation of House members to Ottawa this weekend to "communicate a sense of urgency" to Canadian trade negotiators. It's time to lay out concrete agricultural proposals and wrap up the talks, Conaway said.

His comments came a day after Agriculture Secretary Sonny Perdue expressed disappointment with the slow pace of talks, but suggested there is potential for serious agricultural discussions in Round 4, which begins next week.

"Honestly, we've been somewhat disappointed in the first three rounds, but we think this is the way these things get going," Perdue said at a Washington International Trade Association event. "If you've ever watched a boxing match, they circle one another for a while, and I think we've been circling." The administration, he added, will "lay some things on the table in this next round ... over some serious issues."

"Sec. Perdue hit the nail on the head when he said we need to stop circling the ring in NAFTA negotiations," Conaway said. "We're serious about getting this done and we need our Canadian counterparts to understand that time is of the essence here."

EU and Canada Beef Fight is Over

The European Union (EU) and Canada settled a 21-year dispute over the EU's ban on beef from cattle given hormones, POLITICO Europe [reports](#).

Canada had started a WTO dispute settlement in 1996, arguing that Europe's food safety standards forbidding hormones did not have sufficient scientific basis. And while the EU lost the fight, it continued to block beef imports from hormone-treated cattle, enabling Canada to impose retaliatory tariffs.

The agreement came as a result of a bilateral trade agreement in which Canada agreed to give up any right to retaliate in exchange for an increase in duty free beef, pork and wheat exports to the EU.

The EU is still engaged in a similar dispute with the U.S., which could lead the Trump administration to impose retaliatory tariffs on European products like cheese and scooters.

Attention Oklahoma Cattlemen: Vote YES on the Oklahoma Checkoff

Request your ballot to vote yes for the Oklahoma state checkoff. Beef producers, regardless of age, who would pay the assessment are eligible to vote. Out-of-state producers who have cattle in Oklahoma are also eligible.

Producers can request a mail-in ballot from the Oklahoma Beef Checkoff Ballot Committee by calling (405) 235-4391. Completed mail-in ballots must be returned to the committee with a postmark no later than Oct. 27,

2017. Voting in person will take place Nov. 1 at all Oklahoma County Extension offices. Eligible producers may vote at any extension office, regardless of where their cattle are located or where they live. For more information, visit www.oklahomabeefcheckoff.com.

The \$1 assessment is in addition to the U.S. Beef Checkoff program, and, if approved, will be managed by Oklahoma cattlemen and women to promote, market and educate consumers about Oklahoma beef.

Oklahoma would follow Texas and 14 other states who have already adopted a state program. The Oklahoma Beef Council will serve as the management entity of the state-level checkoff program. TCFA, the Oklahoma Cattlemen's Association, the Oklahoma Farm Bureau are among several of the groups that support the \$1 per head assessment.

According to a 2014 economic study by Dr. Harry Kaiser of Cornell University, the national checkoff program yields \$11.20 return for every \$1 invested.

"Imagine how much value an additional dollar would add for Oklahoma producers — we have the ability to face challenges head on and the opportunity to shape the future of the beef industry," Givens said. "I ask you to join me in voting yes for an Oklahoma Beef Checkoff."

TCFA encourages members who are eligible to vote in favor of the state checkoff.

HSUS Seeks to Challenge Oklahoma Beef Checkoff

The Organization for Competitive Markets (OCM) backed by the Humane Society of the United States (HSUS) filed a lawsuit in Oklahoma claiming that the Oklahoma Beef Council (OBC) used checkoff dollars in support of a referendum for an additional dollar checkoff in the state.

The Oklahoma Beef Council (OBC) responded in a statement saying, "The OBC is led by a voluntary board of beef and dairy producers, so we understand and appreciate the concerns recently expressed by some producers...The beef producers of this state put their trust in OBC, and we take this trust extremely seriously. We have already taken steps to ensure the integrity of the Beef Checkoff in Oklahoma and a greater level of accountability generally...Finally, to be clear, the Oklahoma Beef Council is not involved nor has it funded the 'Vote Yes' beef checkoff referendum process in Oklahoma led by a coalition of Oklahoma beef and agricultural organizations."

In his column for *Beef Magazine*, Troy Marshall notes that the future of the beef checkoff will not be determined in the courts, but rather by the commitment of ranchers to the beef industry. "Those who wish to destroy the industry will not succeed by bringing down the checkoff, they will succeed only if we fail to respond appropriately," he said.

This isn't the first time that HSUS has tried to take down the checkoff. In 2012, the groups sought an injunction against USDA's Agricultural Marketing Service, Cattlemen's Beef Board and the Beef Promotion Operating Committee with the goal of ending the use of checkoff funds by NCBA.

Beef Cattle Herd Expected to Increase

Research from CoBank shows that the beef cattle herd is expected to increase over the next two years, with beef production predicted to increase another 3-5 percent.

"The beef herd expansion we've seen from 2014 to 2017 has been the most aggressive three-year start to any expansion on record, commented Trevor Amen, animal protein economist at CoBank. "Recent slaughter numbers and the cattle on feed mix indicate the expansion rate is slowing, but barring any significant export market disruptions or weather events, expansion will continue through the end of the decade."

He added that the demand for beef had so far exceeded expectation for 2017, while price and favorable margins for feeders and packers had helped to boost overall industry profitability. Amen predicts that processing plants will add additional slaughter hours to manage extra supply through 2019, and that processors will invest in automation and robotics to meet demand and reduce the risk of skilled labor shortages.

U.S. Treasury, IRS to Withdraw Section 2704 Valuation Regulation

The U.S. Treasury on Wednesday announced intent to withdraw its proposed Section 2704 valuation regulation.

"Livestock producers have used legitimate valuation discounts for more than two decades as a means of maintaining ownership of the family business from one generation to the next. These regulations threatened to upend succession plans, halt any potential expansion and growth, and would have required a majority of livestock operations to liquidate assets in order to simply survive from one generation to the next," said Kevin Kester, NCBA president-elect, in a statement.

Doctors Learn About Beef Production and Heart Health

In conjunction with the American Academy of Family Physicians annual conference in San Antonio, Texas, family doctors experienced a closer look at beef production by visiting a cattle ranch and learning about antibiotic stewardship.

More than 50 doctors participated and surveys revealed positive shifts in attitudes regarding positives of beef outweighing the negatives of beef. Multiple doctors reported there was "much more science involved in raising cattle than I knew."

In addition, research on [beef and heart health](#) was chosen to represent innovative research relevant to family medicine at the conference.

NCBA Convention Registration Now Open

Registration for the 2018 Cattle Industry Convention and NCBA Trade Show is open. This year's convention will be held in Phoenix, Ariz., Jan. 31-Feb. 2. You can register at convention.beefusa.org/.

The annual Cattle Industry Convention provides an opportunity for members of the NCBA, Cattlemen's Beef Board, CattleFax, the American National CattleWoman and the National Cattlemen's Foundation to meet and set policy for the year ahead. The NCBA trade show includes more than 300 exhibitors on more than six acres of floor space and a newly expanded outdoor exhibit space.

All 2018 convention registrants who book before Jan. 5, 2018, receive an early-bird discount. This year's participants are also eligible for travel discounts from Southwest Airlines to and from the conference. Enterprise and National are the official rental car partners of the Cattle Industry Convention and NCBA Trade Show, providing this year's participants with a 5 percent discount off rental car rates by utilizing the contract ID/Promo Code "L12GF94."

For additional information about the 2018 Cattle Industry Convention and NCBA Trade Show, or to register, please visit convention.beefusa.org/.

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Texas Cattle Feeders Association

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