



TEXAS CATTLE FEEDERS ASSOCIATION

NEWSLETTER

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USDA Withdraws Controversial GIPSA Rule

USDA announced plans Tuesday to withdraw the Grain Inspection, Packers and Stockyards Act (GIPSA) interim final anti-competition rule and take no further action on a complementary proposed rule imposed during the last days of the Obama administration.

"TCFA is very pleased that USDA has withdrawn the Obama-era GIPSA rule," said TCFA Chairman Jason Peeler. "The anti-competition rule would have caused serious disruption in how we produce, value and market cattle by jeopardizing alternative marketing agreements and stifling the innovative efforts of U.S. cattle producers to add value, manage risk, and enhance the quality and safety of our beef supply."

In comments filed in March and June of this year, TCFA urged the Trump administration to withdraw the final rule noting that it ignored several federal court decisions and went well beyond what was authorized by Congress in the Farm Bill.

"After nearly a decade of battling partisan and contentious GIPSA reforms, America's livestock, poultry and packing industries can breathe a sigh of relief," said Rep. Mike Conaway (R-Midland), chair of the House Ag Committee. "Today's decision helps restore both Congressional intent and common sense by ensuring American producers have the freedom to market their products without the threat of frivolous lawsuits. I appreciate the Trump administration's dedication to regulatory reform through the rollback of unnecessary and burdensome regulations like these. I am particularly thankful for Sec. Perdue's leadership on this effort."

The document rescinding the final rule can be found [here](http://tinyurl.com/GIPSA-3-24-17). To read TCFA's comments, visit <http://tinyurl.com/GIPSA-3-24-17>.

Trump Reiterates Threat to Walk Out of NAFTA

President Trump reiterated his threat to walk out of the North American Free Trade Agreement (NAFTA) as the fourth round of negotiations between the U.S., Mexico and Canada finished this week.

"If we can't make a deal, it'll be terminated, and that will be fine," Trump said about the trade deal. The next round of negotiations was postponed until November to allow the three countries time to bridge "conceptual gaps" that were exposed during the latest round of talks. The delay makes it impossible to conclude renegotiation of NAFTA by the end of the year.

Potential withdrawal from the agreement has those in the agriculture community concerned. Scrapping NAFTA could lead to tariffs which in turn would hurt grain exports and disrupt the flow of cattle into feedyards, area farmers and ranchers have said.

"The current NAFTA agreement has been a huge success for U.S. beef," said Jason Peeler, TCFA chairman. "It has significantly added value to our industry. We urge the administration not to walk out on one of the most successful agriculture trade agreements in history."

Speaking to the *Amarillo Globe News*, Paul Defoor, TCFA vice chairman and co-chief executive of Cactus Feeders, said, "If we damage our trading relationship with Canada and Mexico, it would hit us pretty hard. I'm not sure how we would make it up."

He said that the price for finished beef cattle that come out of the feedyard is \$1.10 a pound, working out to about \$1,400 a head, and approximately \$300 of that can be attributed to export demand created by trade deals like NAFTA.

Despite the hardline statement of the President, Ag Secretary Sonny Perdue is hopeful a deal can be reached that would leave those provisions intact that have benefited the ag industry.

"That's my hope," Perdue said in an interview with the *Wall Street Journal* earlier this week. "I'm not the U.S. trade representative. Ambassador Lighthizer is. I try to stay in his ear to let him know what ag producers would like to see."

TCFA and NCBA continue to engage with Congress and the administration urging them to maintain the successful trade partnerships with Canada and Mexico.

HSUS/R-CALF Wants to Derail Oklahoma Checkoff

R-CALF and the Organization for Competitive Markets (OCM) have partnered with HSUS and other anti-agriculture groups on efforts to take down the successful beef checkoff, and right now they have their sights set on Oklahoma.

Oklahoma beef producers are in the middle of a state checkoff vote, and **TCFA is encouraging any producer who sells cattle in Oklahoma to vote in favor of the checkoff.** R-CALF and OCM want the Oklahoma Checkoff to fail so they've partnered with HSUS to work against it despite the fact that checkoff dollars have helped increase beef demand, which has allowed all beef producers to sell more beef for more money.

Again, TCFA strongly encourages any members who are eligible to vote in the Oklahoma Checkoff to do so favorably. If you have requested a mail-in ballot, make sure that completed ballot is 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.

TCFA Feedyard Tech Fall Semester Concludes

TCFA, in collaboration with West Texas A&M University and Texas A&M AgriLife Extension, presented 47 area high school students representing 10 school districts with a certificate and jacket for completing the Machinery Operation, Safety and Repair portion of the Feedyard Technician Certification Program Oct. 17-18 at West Texas A&M University's Stanley Schaeffer Agriculture Education Learning Lab.

WTAMU students who are obtaining a degree in Agriculture Education tested the Feedyard Technician Program participants on metal-working skills such as welding and cutting. The students had the opportunity to train on wheel loader and skid steer operation and safety at Warren CAT in Amarillo. They also received a thorough feedyard and mill safety training at Dawn Custom Cattle Feeders and Bovina Feedyard.

To complete the certification process, the students were tested over their skills with a written exam. They were also interviewed by TCFA and feedyard industry officials on topics covered in the training.

Completion of this certification program enables students to be better prepared to obtain employment within a feedyard with a basic understanding of the knowledge and skills necessary to be an asset to the operation.

Students in the program are identified by their Agricultural Science Teacher, feedyard managers or have expressed interest to be accepted into the program. They should be enrolled in at least one high school agricultural class each semester and participate in extracurricular activities such as FFA.

If you are interested in potentially hiring students who have participated in the program, please contact Brady Miller at brady@tcfa.org or Rachel Hernandez at rachel@tcfa.org, or call (806) 358-3681.



2017 TCFA Annual Convention – Jason Dorsey

Jason Dorsey spoke at the 2017 TCFA Annual Convention, and he didn't disappoint. As the most sought-after Millennials and Gen Z researcher and speaker, he helps companies and leaders through his unique research and results-based consulting better understand the current and future workforce.

Dorsey talked about generations — mainly focusing on Millennials and Generation Z, and how this large part of the workforce is driving trends. He said the number one trend that shapes a generation is parenting. How you were raised is the greatest indicator of what you will go on to do in the workforce or the marketplace,

he said. The number two trend driving generations is technology. Everyone has a different relationship with technology largely driven by their age, he said.

He also compared Millennials and Generation Z. Millennials are the largest generation in the U.S. workforce. Millennials will out spend every generation in the U.S. this year, and are the most diverse, but they also have tremendous college debt which delays major life commitments. He noted that this affects everyone, especially producers who wish to market their products to them.

Dorsey says that Gen Zers are dramatically different than Millennials. They have lower expectations; they saw the Great Recession and Millennials struggle and said "they don't want to be like them." They will become the fastest growing generation in both the workforce and marketplace over the next five years. This generation doesn't remember 9/11 or a time before the Internet, smartphones or social media. Gen Z is also more conservative in their spending than Millennials.

The number one takeaway for reaching these consumers is do it visually with videos and pictures. Consumers in these generations want to see more diversity, and they want to see the human side of the beef industry.

EPA Directive Seeks to Clamp Down on "Sue and Settle"

EPA Administrator Scott Pruitt has signed an agency wide directive that would curb settlements with environmental groups. The directive puts in place a timeline for public notice of complaints against EPA and will also require the agency to reach out to states and regulated entities affected by a potential settlement or consent agreement, and will post — and regularly update — a list of all such deals, as well as attorney fees paid.

"The days of regulation through litigation are over," Pruitt said in a statement. "We will no longer go behind closed doors and use consent decrees and settlement agreements to resolve lawsuits filed against the agency by special interest groups where doing so would circumvent the regulatory process set forth by Congress."

The directive says that any proposed or modified consent decree or settlement will be published for a 30-day public comment period — unless a different amount of time is required by law — and a public hearing may be held if one is requested.

The agency said the directive was necessary given that special interest groups have filed lawsuits for years to force the agency to issue regulations to advance their interests and priorities, and on their specific time frame. To read the full directive, visit <http://tinyurl.com/2018-EPA-Directive>.

EPA Holds WOTUS Teleconference

The EPA and the U.S. Department of the Army held a teleconference this week to hear from agriculture stakeholders about their recommendations to revise the definition of Waters of the United States (WOTUS) under the Clean Water Act (CWA).

"EPA is committed to an open and transparent process for reviewing the definition of 'Waters of the United States,'" said EPA Administrator Scott Pruitt. "Receiving input from across the country will help us make informed decisions as we move through our two-step process that will return power to the states and provide regulatory certainty to our nation's farmers and businesses."

TCFA Vice President Ben Weinheimer participated in the teleconference.

The agencies are gathering recommendations and feedback to help inform the step two rulemaking, which would revise the definition of WOTUS under the CWA. This is one teleconference out of 11 the agency intends to hold with different groups of stakeholders over the next few weeks.

Securing All Livestock Equitably (SALE) Act Introduced in Congress

On Tuesday, Rep. Roger Marshall (R-Kan.) introduced the Securing All Livestock Equitably (SALE) Act in Congress. According to Marshall, the bill will offer protections to sale barns and livestock producers from the recurring trend of defaults of livestock dealers. The SALE Act would place livestock sold to a dealer, and proceeds/receivables from already sold livestock, in a trust until the original seller has been paid.

The Livestock Marketing Association (LMA) applauded the move. "LMA is grateful for the tremendous leadership of Congressman Marshall in the introduction of the SALE Act, which would correct an unfairness in current law causing dealer payment defaults to devastate unpaid livestock auction markets, like mine, as well as farmers and ranchers selling to dealers directly," said Jerry Etheredge, LMA president. "Along with our partner producer organizations, we encourage the House to take swift action to approve this bill."

According to LMA, payment protection options in the Packers and Stockyard Act currently do not provide sufficient protection. Current law results in livestock sellers going unpaid with little recourse in a livestock dealer default.

From 1999-2013, the average return on a livestock dealer bond claim was 15 cents per dollar, according to data from the Grain Inspection Packers and Stockyards Administration (GIPSA),

Original co-sponsors include Rep. Jodey Arrington (R-Texas) and Frank Lucas (R-Okla.). For more information on the bill, visit <http://tinyurl.com/2018-SALE-Act>.

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/.

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/.

BLOG: The Future of Meat

In her blog post, *The Future of Meat* for *Meatingplace.com*, Hannah Thompson, communications director for the Animal Agriculture Alliance, writes about her takeaways from the *Wall Street Journal's* Global Food Forum this month in New York City.

Thompson says the session that left the biggest impression on her was titled "The Mystery of Meat," which featured speakers from the plant-based burger company Beyond Meat, and cultured meat companies Mosa Meat and Memphis Meats.

Thompson writes about a question asked to the audience during the discussion, "By 2042, the amount of 'meatless' or 'cowless' meat as a percentage of overall meat consumption will be..." She notes that almost a quarter of the attendees thought that at least half of meat consumption will be from plant based or cultured within 25 years, a figure Thompson finds baffling.

To read her full post, visit <http://tinyurl.com/201-TheFutureofMeat>.

Sponsor Spotlight

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

This week's spotlight shines on:



Temple Tag and Z Tags are two long-standing and trusted brands in livestock identification.

Temple Tag, celebrating 60 years in the industry, was one of the forerunners in the creation and commercial sale of livestock visual ID tags. Temple Tag's continued success in the Feeder/Feedlot market is a result of years of superior face-to-face customer service and providing high-quality livestock ID products.

Z Tags has had decades of success by serving the retail market with premium quality livestock tags designed for every farmer, rancher and cattleman on the continent. Datamars' leadership in RFID technology and global animal identification builds upon both brands continued innovation and quality focus to deliver easier-to-use products to livestock producers with outstanding customer service. Contact the TCFA area representatives, Benny McLain at (806) 676-4119 or Darin Burns at (830) 305-4443.

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Texas Cattle Feeders Association

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