



# TEXAS CATTLE FEEDERS ASSOCIATION

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# NEWSLETTER

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

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## **Comprehensive Tax Reform Bill Introduced**

House Republicans released their version of a comprehensive tax reform bill Thursday. According to the U.S. House Ways and Means Committee's promotional materials, the Tax Cuts and Jobs Act (H.R. 1) "will deliver much-needed tax relief to millions of families, help our workers and job creators compete and win here at home and around the world, and make the tax code simpler and fairer for all Americans."

Unfortunately, the bill contains a provision that would limit the ability to deduct interest expense to entities with \$25 million or less in gross receipts. This provision is detrimental to the cattle feeding industry, and TCFA is working with Chairman Kevin Brady (R-TX) and other House Members to amend this provision.

With regard to business taxes, the bill would:

- Set the maximum small business/pass-through tax rate at 25 percent.
- Reduce the corporate tax rate to 20 percent.
- Double the Estate Tax exclusion from \$5 million to \$10 million, fully repeal the tax in 2023 and maintain stepped-up basis.
- Repeal the Alternative Minimum Tax.
- Provide immediate, 100 percent expensing on capital purchases made between Sept. 2017 and Jan. 2023.
- Increase the Sec. 179 expensing limit to \$5 million with a \$20 million phase-out amount.
- Maintain cash method of accounting and expand its use to corporate entities with \$25 million or less in gross receipts.
- Maintain like-kind exchanges for real property.

The House Ways and Means Committee is scheduled to consider the bill next week, and House leadership's goal is for the full House to consider the bill prior to the Thanksgiving recess. To read more about the bill, visit [tinyurl.com/2018-Tax-Reform](http://tinyurl.com/2018-Tax-Reform).

## **USMEF: Pleased by Strong Export Numbers but Worried About Trump Trade Policies**

Exports of U.S. beef were up 23 percent in Japan, 16 percent in Hong Kong/China and 8 percent in Korea, executives at the U.S. Meat Export Federation (USMEF) said at the opening of the USMEF Strategic Planning Conference this week.

While officials said they are "pleased" with the gains, they reiterated strong concerns about President Trump's trade policies.

"Leaving NAFTA would be a mistake and even thinking of leaving NAFTA would be a mistake," said Philip Seng, USMEF CEO. "Leaving TPP left the United States at a disadvantage," he said noting that U.S. competitors are paying lower duties to export their products in many Asian markets than U.S. producers. "The only bad trade agreement is the one you're not in," he said.

Also this week, U.S. Sen. Pat Roberts (R-Kan.) called for a public education campaign to combat claims by Trump that NAFTA has been a disaster for the U.S.

Roberts, the chair of the Senate's agriculture committee, said in a speech that U.S. agricultural exports since NAFTA had risen 289 percent to Mexico and 265 percent to Canada.

"We must educate," he said. "Our message must be clear and consistent in every way. We must commit to challenge this view, set the record straight, and explain what is at stake. These issues affect real jobs and real lives."

### **Attention Feedyard Managers: New OSHA Submission Requirements**

The Occupational Safety and Health Administration (OSHA) has issued a final rule that requires employers to electronically submit injury and illness data.

Feedyards with 20-249 employees must electronically submit information from OSHA Form 300A. **The deadline to submit 2016 information electronically is Dec. 1, 2017.** The deadline to submit 2017 information electronically is July 1, 2018.

Please note, the electronic submission requirements do not change an employer's obligation to complete and retain injury and illness records. To submit 300A information electronically, follow these steps:

1. Go to [www.osha.gov/recordkeeping/index.html](http://www.osha.gov/recordkeeping/index.html).
2. Scroll to the UPDATED: Electronic Submission of Records information and click on the ITA launch page link.
3. Click the blue tab that says Launch ITA.
4. Follow the instructions to create an account (username, password, etc.)
5. Login to your account and create an establishment.
6. Add 300A data and submit.
7. Review your email confirmation.

To view a video tutorial, go [tinyurl.com/2018-OSHA](http://tinyurl.com/2018-OSHA).

### **2017 TCFA Annual Convention – Michael Uetz**

Michael Uetz is Managing Principal in the Chicago office for Midan Marketing, where he oversees the work of the Market Research Team. Michael's long-term connection with the meat industry started on his family's ranch in North Dakota and blossomed during his time at NCBA.

His understanding of the complete meat channel combined with his market research expertise gives his clients a competitive edge. He talked in detail about the changing environment in retail, alternative food shopping trends, and the changing consumer. Uetz told attendees that the beef industry needs to begin to own the protein message by letting consumers know that when they choose beef they are choosing a great source of protein. To do this, he recommends that the industry begin to label their products to tell consumers just exactly what they are getting nutritionally, and he noted that other protein sources, like peanut butter, are already doing this with success.

Uetz also talked about food trends. He discussed how Millennials want to know more about what's behind the production of our products. He also noted how today's consumer cares more about hearing what is not in the product rather than what is in the product.

"Transparency is key," he said. "Consumers want to know everything about where this product comes from."

The way consumers shop has also changed, Uetz noted. It's becoming harder and harder to get consumers to come to a brick and mortar store. "Convenience is the name of the game," he said.

### **McDonald's Sets New Requirements for Chicken Farmers**

McDonald's announced last week that farmers who supply chickens for food to the restaurant chain must adhere to a new set of animal welfare requirements put forth by the restaurant chain. The company said that these new animal welfare standards will impact 70 percent of their chicken supply and affect restaurants in 14 countries including the U.S.

According to the company, requirements for suppliers will be based on eight commitment points and fully implemented before 2024.

Earlier this year, McDonald's set out new requirements for limiting the use of cattle and pigs raised with antibiotics. And more recently, the global burger giant created a vegan burger coined the McVegan that is made from soy rather than meat. The burger is on a trial basis in Finland through mid-November. It should be noted that Don Thompson, the former CEO of McDonald's recently joined the board of directors at the plant-based burger company Beyond Meat.

### **New Lawsuit for ABC News**

ABC News is once again being sued for claims made during the organization's coverage of BPI's lean finely textured beef product. According to reports, AIG Specialty Insurance Co., one of the insurers for ABC's parent company Walt Disney Co., has sued over Disney's insistence that portions of its \$177 million settlement with BPI is covered under the company's AIG insurance policy.

In the lawsuit, AIG said that its policy specifically excludes coverage for legal claims that allege "malice," which BPI's product defamation lawsuit did include, unless the reports had targeted a "public person" and been cleared by attorney's ahead of time, which ABC said did not happen.

AIG said that the Disney policy covered some defamation claims, but only if the company had first found an outside lawyer to say the statements it planned to broadcast were acceptable, according to a report in *Reuters*. AIG filed its lawsuit accusing Disney of trying to "create coverage where none exists."

For more on the story, visit [tinyurl.com/2018-ABC-Lawsuit](http://tinyurl.com/2018-ABC-Lawsuit).

### **Advertise in the *Cattle Feeders Resource Guide***

TCFA would like to thank all of our advertisers who helped make the 50<sup>th</sup> Anniversary of the *Resource Guide* a huge success. It was an honor for our team to put together a tribute to our industry's history over the past 50 years, a history that each of you are a part of.

As we look to the next 50 years, TCFA will continue to provide our membership with the information they need to continue to grow their businesses. We want you to be a part of that growth, which is why we are asking you to support the cattle feeding industry again by committing to advertise in the 2018 *Resource Guide*.

Every TCFA member receives a copy of the *Cattle Feeders Resource Guide* – feedyard managers, general managers and owners, as well as feedyard customers and Industry Associate members representing every segment of the agricultural industry. The publication is distributed not only to TCFA members, but will also be available in an online format on the TCFA website for anyone who wishes to view it.

We hope you see the value in partnering with the largest cattle feeding association in the country, and we truly appreciate your continued support. To view the rate card for the 2018 *Resource Guide*, visit [tinyurl.com/2018-TCFA-RateCard](http://tinyurl.com/2018-TCFA-RateCard).

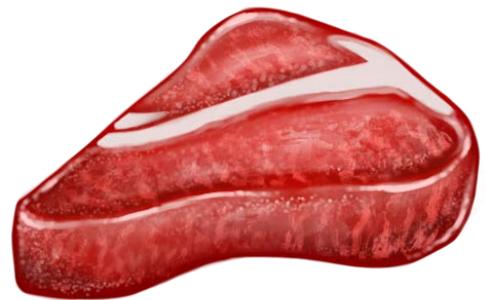
### **New Steak Emoji Hits the iPhone**

Beef finally has an emoji — and it's a good one. Apple released 70 new emojis with the new iOS 11.1 software update and steak is one of them.

"We are huge fans of the new steak emoji just released on the iPhone!" the checkoff said on the Beef It's What's for Dinner Facebook page.

Bridget Wasser, executive director and meat scientist for the checkoff agrees, "We have never seen a cut of steak quite like it. This steak would pair well with the wine, salad and vegetable emojis in all social media and text communication. We've got no beef with this steak — we think it's the most flavorful emoji yet."

To get the steak emoji, make sure you've downloaded the latest Apple software updates on your iPhone.



### **Ag Damages from Hurricane Harvey Top \$200M**

Hurricane Harvey caused more than \$200 million in crop and livestock losses, according to Texas A&M AgriLife Extension Service. Livestock losses totaled \$93 million.

"Livestock losses include not only cattle and calves that died during the hurricane, but also industry infrastructure," said David Anderson, Agrilife Extension livestock economist. "Beyond animals lost directly due to the storm, extensive supplies of hay for winter feeding were destroyed."

Anderson said that the replacement cost of hay that was destroyed from high flood waters contributed to the high cost as well as the value of fences, barns and animal-handling facilities.

"Overall, these livestock loss numbers could have been far, far worse had it not been for the quick action of ranchers ahead of and during the storm," Anderson said. "Also important were the proactive actions of cattle industry associations in Texas, countless volunteers, and AgriLife Extension working together in coordination."

## 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](http://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](http://convention.beefusa.org).

## Registration Open for Southwest Beef Symposium

Registration is now open for the Texas A&M AgriLife Extension Service Southwest Beef Symposium scheduled to take place Jan. 17-18, 2018, in Odessa, Texas. The symposium is an educational forum tailored for beef producers in the Southwest.

Registration and program information can be found by visiting [tinyurl.com/2018-BeefSymposium](http://tinyurl.com/2018-BeefSymposium).

## 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).

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