



TEXAS CATTLE FEEDERS ASSOCIATION

NEWSLETTER

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House Republican Tax Plan Out of Committee; Senate Releases Version

The House Ways and Means Committee on Thursday approved the House Republican tax reform bill (H.R. 1) by a party-line vote of 24-16. The only amendments adopted during the markup were proposed by Ways and Means Committee Chairman Kevin Brady (R-Texas).

Unfortunately, the bill still contains a provision that would limit the ability to deduct interest expense for entities with \$25 million or more in gross receipts, a provision detrimental to the cattle feeding industry.

This in the same week that Senate Finance Committee Chairman Orin Hatch (R-Utah) released his version of the bill. The Senate committee is scheduled to begin consideration of their bill next week.

TCFA is working closely with the House Ways and Means Committee to amend the provision before the bill is considered by the full House. TCFA is also working with the Senate Finance Committee to include language that will enable cattle feeders to continue to deduct interest expense.

To read more about the House version of the bill, visit tinyurl.com/2018-Tax-Reform. To read the bill summary for the Senate version, visit tinyurl.com/2018-Tax-Reform-Senate. For questions, contact Josh Winegarner, TCFA director of government relations, at josh@tcfa.org.

Oklahoma Cattlemen Vote Down State Checkoff

Both R-Calf and the Organization for Competitive Markets (OCM), a group backed by the Humane Society of the United States (HSUS), claimed victory Thursday after Oklahoma Secretary of Agriculture Jim Reese reported the move to put forth a \$1 per-head assessment on cattle sales inside the state was defeated.

"This is an unfortunate loss for the beef industry here in Oklahoma," said Michael Kelsey, Oklahoma Cattlemen's Association (OCA) executive vice president. "Investing in a state-level beef checkoff would have greatly increased the opportunities to market, promote and educate consumers about beef and beef producers. We ran a good campaign that worked hard to reach out and educate beef producers."

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.

"State and federal checkoff programs have added significant value to all beef producers," said Jason Peeler, TCFA Chairman and past Texas Beef Council Board member. "It's unfortunate that we let anti-agriculture activists defeat an initiative that would've increased the value of beef in Oklahoma and help correct the misinformation that HSUS and other activist groups spread about beef production and our product."

U.S. Court Approves Settlement in BLM/Red River Case

A U.S. District Court judge approved a settlement between the federal Bureau of Land Management (BLM) and Texas landowners along the Red River this week ending a long-running dispute involving property rights.

In 2013, the BLM began updating their Resource Management Plan. During that process, landowners were told, for the first time, that the property they own, have deeds to, and have paid taxes on could actually belong to the federal government. In 2015, landowners joined a lawsuit to fight for their private property.

Robert Henneke, a lawyer for the landowners, said the agency's claims amounted to an unlawful federal land grab of 116 miles and 90,000 acres of private property. This settlement signals the BLM being pushed out of Texas and across the Red River, he said.

"Texas families owned and worked the land at the heart of this matter for generations, until the unfair attempt to seize it," George P. Bush, Texas Land Commissioner, said in a statement. "The Land Office has held mineral rights to this land, on behalf of our children and future Texans, for nearly two centuries. Texans have always defended our land and our rights."

Henneke said the settlement contains three provisions, including the one dictating that the river, wherever it may flow now and in decades to come, constitutes the boundary. Federal officials will dismiss the land surveys that were previously done, he said, and the BLM will issue a disclaimer on maps the agency previously released showing federal boundaries that extended into Texas.

NAFTA News: Perdue Talks Contingency Plan Should U.S. Withdraw

USDA Secretary Sonny Perdue is working with the Trump administration and Congress on a plan to protect farmers and ranchers from negative market effects should the U.S. withdraw from NAFTA, *Politico* reports.

"We're talking with the administration and Congress about some mitigation efforts if that were to occur; about how we could protect our producers with a safety net based on prices that may respond negatively to any kind of NAFTA withdrawal," Perdue told reporters.

Pulling out of NAFTA could have "some tragic consequences" for U.S. producers, Perdue noted, but farmers can adapt to changes in the market. He also said he does not think a contingency plan will have to be put into action because he believes NAFTA 2.0 will be "successfully" renegotiated.

Perdue's statements come during the same week that House Agriculture Committee leaders and representatives from the ag industry called on Trump not to withdraw from NAFTA and to finish the negotiations quickly to avoid a decline in U.S. farm exports.

"I am hopeful that both Canada and Mexico will come to the next round of negotiations prepared to have substantive conversations," said Rep. Mike Conaway, chair of the House Ag Committee. "We are eager to conclude these negotiations and to move on to inking new agreements that expand trade opportunities for American agricultural producers."

U.S. Court Rules in Favor of New Mexico Ranching Family in Water Rights Case

A U.S. Court has sided with a New Mexico ranching family in a battle over access to water on federal land, *Fox News* reports. The Goss family filed suit more than 20 years ago claiming that the federal government did not provide just compensation after condemning the family's property which contained water rights that had been established before the land was condemned.

Chief Judge Susan Braden issued a decision in the Goss' favor stating that the U.S. Forest Service's (USFS) actions constituted a taking under U.S. law and violated the right to beneficial use of stock water sources under New Mexico law. Braden ruled the USFS violated the Fifth Amendment clause that states, "private property (shall not) be taken for public use without just compensation."

The judge has not yet determined how much compensation the family is owed.

"It's been a huge financial burden to the Gosses," said Michael Van Zandt, the attorney for the family, noting that the family was forced to decrease its herd as forest officials fenced off more areas over the years due to habitat concerns and endangered species.

The Office of the State Engineer, the agency that handles water rights issues in the state, said the ruling recognizes that, for more than a century, New Mexico has lived under the doctrine that beneficial use of water makes for the establishment of a water right.

"The decision affirms this doctrine and gives certainty to ranchers in the state that protect their water rights and the way they have been ranching in New Mexico since before statehood," a spokesperson for the agency said.

TCFA Convention-Marcus Luttrell

Marcus Luttrell was the keynote speaker during the closing general session of the 2017 TCFA Annual Convention. TCFA was honored to host area first responders at the session.

Luttrell is a former Navy SEAL and author of the book *Lone Survivor*. He's a native Texan and spoke about the impossible odds he faced in a fire fight with the Taliban along with the rest of SEAL Team 10. Luttrell was the only survivor.

Luttrell talked about the difference between fear and being afraid. Luttrell told the story of how he and his twin brother, Morgan, began training for the SEALs at age 14 with a former United States Army soldier who lived close to the family. He talked about his journey to become a Navy SEAL and the teamwork mentality that was instituted in each of them during training.

On June 28, 2005, Luttrell and SEAL Team 10 were assigned a mission to kill a high-ranking Taliban leader, when they stumbled upon a group of goat herders. They eventually let the goat herders go, and within an hour, the SEALs were engaged in a gun battle with Taliban forces. Three of the four SEALs were killed. Luttrell was the only survivor. Badly wounded, he traveled seven miles before he was given shelter by an Afghan tribe who alerted American forces. Luttrell was rescued six days after the gun battle. Luttrell went back and served one more tour before being medically retired.

His message to attendees was that you are never out of the fight. TCFA was honored to have him share his heroic story and pay tribute to those who paid the ultimate sacrifice.

WHO Recommendations on Antibiotics Not Supported by Sound Science

The top scientist at USDA came out with a strong statement against recommendations the World Health Organization (WHO) issued against the use of antibiotics in healthy food-producing animals.

"The WHO guidelines are not in alignment with U.S. policy and are not supported by sound science, USDA Acting Chief Scientist Chavonda Jacobs-Young said in a statement. "The recommendations erroneously conflate disease prevention with growth promotion in animals."

On Tuesday, the WHO issued a strong recommendation against the use of antibiotics in healthy food-producing animals. The group said in a statement that the over-use and misuse of antibiotics in animals and humans is contributing to the rising threat of antibiotic resistance.

WHO's track record isn't exactly spotless. Earlier this year *Reuters* reported that the organization had manipulated findings on glyphosate, an herbicide weed killer, to falsely accuse the product of being carcinogenic. Burt Rutherford with *Beef Magazine* wrote in his column that the draft report reviewed by *Reuters* in a comparison with the published report showed the removal of multiple scientists' conclusions that their studies had found no link between glyphosate and cancer in laboratory animals.

"The WHO previously requested that the standards for on-farm antibiotic use in animals be updated through a transparent, consensus, science-based process of CODEX. However, before the first meeting of CODEX was held, WHO released these guidelines which, according to language in the guidelines, are based on 'low-quality evidence,' and in some cases, 'very low-quality evidence,'" said Jacobs-Young.

Jacobs-Young went on to say, "Under current FDA policy, medically important antibiotics should not be used for growth promotion in animals. In the U.S., the FDA allows for the use of antimicrobial drugs in treating, controlling and preventing disease in food-producing animals under the professional oversight of licensed veterinarians. While the WHO guidelines acknowledge the role of veterinarians, they would also impose unnecessary and unrealistic constraints on their professional judgment."

China eCommerce Firm Strikes Deal with Montana Beef Group

China's largest eCommerce firm, JD.com, struck a deal this week with the Montana Stockgrowers Association to buy U.S. beef and pork over three years, the *Associated Press* reports. Montana livestock industry representatives said the move marks a significant break into the sizeable and growing Chinese beef market.

The deal was signed Wednesday as President Donald Trump was in Beijing for talks with Chinese President Xi Jinping. The agreement also suggests potential for the company to invest in a new slaughterhouse in the state.

This is good news for the industry, but it's important to note the cattle and beef must comply with the terms of trade agreed to by the U.S. and China earlier this year.

USMEF Elects New Officers

The U.S. Meat Export Federations (USMEF) elected new officers for 2017-2018 during its Strategic Planning Conference this week. Dennis Stiffler, Ph.D., was elected chairman.

Stiffler has 30 years of livestock, meat industry and international marketing experience. His first interaction with USMEF was when he was on the faculty at Texas A&M University. He later held various positions in the red meat industry, including the export business. In 2010 he was appointed to the USMEF Executive Committee as a member of the American Lamb Board.

Conley Nelson will serve as the new USMEF chair-elect. Nelson is general manager of Smithfield Foods' hog production division and served as president of the National Pork Board in 2012-13. Serving as vice chair is Idaho cattle feeder Cevin Jones, who operates Intermountain Beef, a custom feedlot. Serving as secretary-treasurer is Pat Binger of Wichita, Kan., who heads international sales for Cargill Protein Group.

FSA County Committee Elections Begin

USDA's Farm Service Agency (FSA) sent out ballots to eligible farmers and ranchers this week for the 2017 FSA County Committee elections. Producers must return ballots by mail or in person to their local FSA offices by Dec. 4, 2017. Each committee has three to 11 elected members who serve three-year terms with one-third of the committee seats up for election each year. Producers must participate or cooperate in an FSA program to be eligible to vote in the county committee election.

To learn more, visit www.fsa.usda.gov/elections.

Deadline Approaching to Advertise in the *Cattle Feeders Resource Guide*

TCFA is accepting ads for the 2018 *Cattle Feeders Resource Guide* until Dec. 1, 2017.

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. For questions, please contact Carmen Fenton at carmen@tcfa.org.

Twitter Nixes 140-Character Tweet

Twitter said this week that 280-character tweets will now be standard. In a blog post, Twitter said the expanded character limit would allow for easier expression while retaining the brevity for which the service is known. What does 280-characters look like? This short blurb.

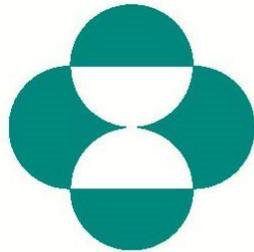
Jobs Added to TCFA Job Listing Website

New job postings have been added to the TCFA Member Feedyards Job Openings web page. To view the web page and current listings, visit www.tcfa.org/news-events/jobs.html. If you have any additional questions, please contact Carmen Fenton at carmen@tcfa.org.

Sponsor Spotlight

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

This week's spotlight shines on:



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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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Texas Cattle Feeders Association

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