



TEXAS CATTLE FEEDERS ASSOCIATION

NEWSLETTER

5501 I-40 W. • AMARILLO, TEXAS • PHONE (806) 358-3681 • www.tcfa.org • info@tcfa.org

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House Passes Tax Reform; Senate Bill Out of Committee

The U.S. House on Thursday approved the House Republican tax reform bill (H.R. 1) by a vote of 227 to 205. While much of the bill is beneficial, it unfortunately 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.

The Senate Finance Committee also approved its version of the bill on Thursday. TCFA, NCBA and other groups were successful in adding an amendment that preserves the interest expense deduction for agriculture entities, including cattle feeders. The full Senate will likely consider the bill after Thanksgiving.

Once the Senate passes the bill, a conference committee will be necessary to reconcile the differences between the two versions of the bill. TCFA and NCBA will continue to work with the chairmen and members of the committee to include a fix for the interest expense issue in the final version.

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.

TCFA Members Encouraged to File Comments in Support of ELDs Rule Delay

The U.S. Department of Transportation's Federal Motor Carrier Safety Administration is soliciting comments on a request filed by several national livestock organizations, including NCBA, to issue a waiver and partial exemption for livestock haulers from the Final Rule on Electronic Logging Devices (ELDs) and Hours of Service set to be implemented on Dec. 18, 2017.

TCFA is drafting comments supporting the waiver request and encourages members to do so also. Draft comments, which can be customized to your operation, can be downloaded at tinyurl.com/ELD-Comments. Comments should be filed at tinyurl.com/EDL-Comments-File. The deadline to file comments is Nov. 30. A copy of the waiver petition is available at tinyurl.com/ELD-Petition.

TCFA, NCBA and other livestock groups are also working with Members of Congress to include a one-year ELDs delay for livestock haulers in the FY 2018 funding package. However, an omnibus appropriations bill is not expected to be considered until late December or early January, after the ELDs implementation date.

Texas Ag Groups Send Letter Supporting NAFTA

TCFA and 27 other Texas agriculture groups sent a letter to Commerce Secretary Wilbur Ross this week reiterating the importance of NAFTA. Much of the letter's content was originally sent to Sec. Ross by over 80 national groups in late October. The Texas groups were not included on the original letter but made the decision to resend the letter to emphasize the points made.

The letter states, "The undersigned Texas agricultural groups take exception to your observation that harm to American food and agriculture interests from a potential NAFTA withdrawal is an "empty threat." The threat is anything but empty, especially for Texas producers, who have greatly benefitted from the trade agreement."

The letter goes on to say, "We respectfully ask that the Administration continue to seek positive engagement that would advance America's economic interests by opening new export opportunities and by tackling non-tariff concerns our industries have identified. That forward progress must begin by maintaining the "do no harm" pledge toward food and agriculture trade within NAFTA renegotiation."

The letter was copied to Agriculture Secretary Sonny Perdue, U.S. Trade Representative Robert Lighthizer and the Texas Congressional Delegation.

The fifth round of NAFTA negotiations begins today and runs through Nov. 21 in Mexico City. The next round is scheduled for Dec. 11-16 in Washington, D.C., but that meeting could be pushed into January depending on the Mexico City talks. To read the full letter, visit tinyurl.com/TX-Ag-NAFTA.

Texas Ranks Fourth in States Hardest Hit by NAFTA Withdrawal

The Lone Star State would take a huge blow if the U.S. withdraws from NAFTA, putting at risk nearly one million jobs that depend on trade with Canada and Mexico, according to the U.S. Chamber of Commerce.

"Not only is Texas the top exporting state, but nearly half (48%) of its exports are destined for the NAFTA market, and these sales bring in more than \$112 billion in export revenue," according to the group's state-by-state analysis.

The Mexican market is especially critical to Texas. If the United States withdrew from NAFTA, Texas agriculture would suffer, the report says. Notably, Mexican tariffs on beef would rise from zero to 25 percent, "a devastating blow for an iconic Texas product."

"These threats must be taken seriously. Quitting NAFTA would be an economic, political and national-security disaster," U.S. Chamber CEO Tom Donohue said. To read the full report, visit <http://tinyurl.com/U-S-Chamber-NAFTA>.

Perdue Moves Forward with Agency Reorganization

U.S. Ag Secretary Sonny Perdue issued a memorandum Tuesday directing the Grain Inspection, Packers and Stockyards Administration (GIPSA) be eliminated as a stand-alone agency and move its function to a newly created Fair Trade Practices Area in the Agricultural Marketing Service and the Federal Grain Inspection Service (FGIS).

The memo also called for the Codex Alimentarius program in USDA's Food Safety and Inspection Service be moved to the Office of the Undersecretary for Trade and Agricultural Affairs.

TCFA Hosts Rep. David Rouzer at TCFA Offices

U.S. Rep. David Rouzer (R-N.C.), chairman of the House Agriculture Committee's Livestock Subcommittee, visited the TCFA office on Friday, Nov. 10. The morning began with a breakfast where Rouzer updated representatives from local agriculture groups on tax reform, the farm bill, immigration reform and the FMD vaccine bank.

Rouzer and TCFA staff then toured the Texas Tech Health Science Center in Amarillo where he learned about plans for the future veterinary school. TCFA staff then took him on a tour of Panhandle agriculture, with stops at Cactus Feeders and Caviness Beef Packers. Rouzer talked with the owners and staff at both locations about federal issues that affect their operations.



Rouzer also had the opportunity to meet with several other TCFA members, local farmers and agriculture lenders at events in Dumas and Hereford. He told the groups he is committed to supporting the fed cattle industry in Congress. TCFA would like to thank all those that hosted Rep. Rouzer for tours and attended the various events. For more pictures, visit tinyurl.com/TCFA-Rouzer-Photos.

NO ACTION Needed by Feedyards on CERCLA for Now

Based on new information made available this week, the D.C. Circuit Court must make a decision one way or another to either issue a mandate that would require reports under CERCLA – the "Superfund" law, or grant EPA's request for an extension.

Previously, the EPA had reported that the potential mandate to report would automatically go into effect on Nov. 15 if the Court was silent on Nov. 14. That is not the case now.

No action is needed by feedyards, regarding reporting of air emissions under CERCLA, until the Court makes an official decision. A decision from the court could come at any time, but TCFA will send out updated information whenever it becomes available. Please contact Ben at ben@tcfa.org or Matt at matt@tcfa.org with any questions or call (806) 358-3681.

TCFA Offices Closed for Thanksgiving

TCFA will be closed Thursday, Nov. 23 and Friday, Nov. 24 for Thanksgiving. Join us as we pause to celebrate the many blessings in our lives and the many opportunities still ahead. There will be no *Newsletter* next week. The Market Report will be sent out on Monday following Thanksgiving.

Engler Gives Largest Donation in WTAMU History

West Texas A&M University today announced its largest gift in the University's 117-year history. Paul Engler and the Paul F. and Virginia J. Engler Foundation have agreed to donate at least \$1 million a year for a period of no less than 80 years to the institution. In response, The Texas A&M University System Board of Regents has granted naming rights to the Paul Engler College of Agriculture and Natural Sciences and the Paul and Virginia Engler College of Business.

"West Texas A&M University is the lifeblood of the Texas Panhandle," John Sharp, chancellor of The Texas A&M University System, said. "An investment in this institution is an investment in the future of the region. What an honor it is to become part of the legacy of Paul Engler, a man whose true grit and entrepreneurial spirit has transformed an entire industry."

"This is an exciting time for our college and our students," Dr. Dean Hawkins, dean of the Paul Engler College of Agriculture and Natural Sciences, said. "With the construction of our new ag complex and the gift from Paul, the college is in a position to provide the best in educational opportunities as well as financial support to our students than ever before. We are very grateful for Paul's generosity and excited about the future of agriculture at WTAMU." For the full story, visit <http://tinyurl.com/Engler-WTAMU>.

Ad Deadline for *Cattle Feeders Resource Guide* Dec. 1

TCFA is accepting ads for the 2018 *Cattle Feeders Resource Guide* until Friday, 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.

USRSB Announces Alignment to Sustainability Metrics for Supply Chain

This week, the U.S. Roundtable for Sustainable Beef (USRSB) announced the release of USRSB Sustainability Metrics, the latest outcome of a full supply chain effort to demonstrate how all participants in the beef industry continue to strive toward improving efficiency, ensuring proper health, nutrition and care of cattle, protecting natural resources, providing jobs, contributing to the economy and improving the financial bottom line.

In 2016, the USRSB released High Priority Indicators to address areas of sustainability most important to the beef industry. Those areas include: Efficiency & Yield, Animal Health & Well-being, Employee Safety & Well-being, Land Resources, Water Resources and Air & Greenhouse Gas Emissions. The USRSB Sustainability Metrics accompany the High Priority Indicators and will provide the basis for operations throughout the supply chain to evaluate their respective operations using a voluntary self-assessment approach.

TCFA is an association member of the roundtable, and several TCFA feedyard members are direct members of the USRSB. TCFA Vice President Ben Weinheimer and Past Chairman Tom McDonald serve on the USRSB Board of Directors which oversees the work of the member-led organization comprised of more than 100 entities from all parts of the beef supply chain including cow-calf producers, auction markets, feedyards, packers, processors, retail, food service, allied industry, academia and conservation organizations. Weinheimer also serves as co-chair of the Indicator Working Group that helped lead the supply chain through this process. Collectively, the members of the roundtable represent 30% of the cattle in the U.S., 80% of the packing capacity, and 28% of beef consumers.

"The development of the sustainability metrics was led by each segment of the supply chain to help ensure that the recommendations brought forward for a given segment were reasonable and appropriate for them," said Weinheimer. "While the process allowed for input across supply chain segments, the ultimate decisions for these metrics resided with the members that represented each segment."

The USRSB hopes this work will continue to demonstrate that the U.S. beef industry is a global leader when it comes to being economically viable and addressing social and environmental issues. To learn more about the USRSB and explore the [USRSB Indicator and Metric Summary](#) visit www.usrsb.org/.

Walmart Advocates for More Third-Party Certification to Measure Agricultural Sustainability

Walmart Stores, Inc. wants a third-party certification process to confirm that production agriculture is addressing climate change and using practices that are deemed sustainable. That's the message Brittni Furrow, senior director of Sustainability of Global Food Business for Walmart, told producers at the Sustainable Agriculture Summit this week in Kansas City, Missouri.

"We can't come to every one of your operations and check them out," Furrow said. "Within our industry, a lot of agricultural commodities around the world who have created third-party verification create a standard of good products and work with the non-government officials (NGOs) and the industry to certify your products. It's done with other commodity markets that are traded all over the place."

Furrow noted Walmart is often asked what the retailer is doing to educate consumers. Consumers are driven by various influencers beyond Walmart, especially in the social-media space. She said, that's an area farmers need to watch because younger consumers, like investors, are keyed into issues around sustainability right now.

"Our millennial consumer will be 35 percent of our retail sales by 2020, and they are making it very clear that sustainability matters," Furrow said. "Lots of studies tell us climate change is the number 1 global concern that the millennial generation cares about, and they are looking to purchase with a brand they trust doing the right work on the issues they care about."

In related news (see article on USRSB in this Newsletter), as a member of the U.S. Roundtable for Sustainable Beef, Walmart and 100 plus other entities representing the entire supply chain, announced the release of a Sustainability Indicator and Metric Report. While that report focuses in great detail on the metrics developed for all segments of the supply chain, it also highlights the USRSB Sustainability Assurance Framework. A framework to provide indicators, metrics and sustainability assessment guides to all types of businesses engaged in cattle and beef production, intended to be driven by voluntary adoption and implementation. At the same time, that framework does not preclude businesses from funding their own efforts around supply chain verification. However, the USRSB as an organization has specifically outlined in the framework that it will not be in the verification business.

To read more about the panel, visit the full story by the panel moderator Chris Clayton, ag policy editor for DTN, at <http://tinyurl.com/2018-Walmart-Clayton>.

TPP Trade Deal Moves Forward Without U.S.

The 11 members of the Trans-Pacific Partnership agreed on elements of a new trade framework this week without the United States, which pulled out of the pact in January, a move experts say will put U.S. meat exports at a disadvantage.

"Leaving TPP left the United States at a disadvantage," said Phil Seng, U.S. Meat Export Federation CEO, 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.

The U.S. meat industry has been pushing for a bilateral trade deal with Japan, one of the largest markets that would have opened to the U.S. under TPP. Experts say that without the umbrella of TPP, Japan is less likely to enter into agreements with the U.S.

TPP will ease trade among Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam. A formal agreement is expected to be signed early next year.

New Video Highlights Low Carbon Footprint of U.S. Beef

The U.S. beef industry has one of the lowest carbon footprints in the world. That's the message beef producers are working to impress upon consumers through a new sustainability video recently launched by the Beef Checkoff. The video credits improved cattle genetics, quality of cattle feeds, animal management techniques, and the use of technology in reducing the carbon footprint of U.S. beef by an estimated 9-16% from the 1970s to the present day.

The checkoff plans to unveil more videos in the future and is encouraging beef lovers to share them on social media. To view the video, visit www.beefresearch.org/sustainability/q01/index.html.

Attention Employers: Important IRS Information

The IRS plans to notify employers of their potential liability for failing to provide health coverage compliant with the Affordable Care Act (ACA) by the end of the year. ACA states that employers with at least 50 full-time equivalent employees must offer minimum essential coverage that is affordable and provides minimum value. Any applicable large employer (ALE) that receives a Letter 226J will have **30 days to respond** before a payment is due to the IRS. Read more at tinyurl.com/2018-ACA-IRS.

Additionally, employers may want to stress to their employees that beginning in the 2018 reporting year, individuals will be required to indicate on their tax return if they had minimum essential health care coverage for the year, if they qualified for an exemption or if they are paying the individual shared responsibility payment. **This is the first time the IRS will not accept tax returns that do not include this information.**

Also, fully-insured employers can expect their carriers to furnish Form 1095-B to subscribers on or before Jan. 31, 2018, and submit reports to the IRS. However, self-funded ALE must furnish Form 1095-C to subscribers on or before Jan. 31, 2018, and submit reports to the IRS by Feb. 28, 2018, or by April 2, 2018, if filed electronically. For more information refer to the IRS [Tax Information Center](#) or consult with your tax professional.

BQA Launches New Transportation Program

The checkoff-funded Beef Quality Assurance (BQA) program has launched a new training and certification program for cattle transportation. The program, known as Beef Quality Assurance Transportation (BQAT), provides cattle producers and haulers with comprehensive training based on their roles in the cattle industry.

The BQA program offers training and certification programs for all sectors of the industry: cow-calf, stocker and feedyard. This is the first time a nationally recognized certification has been offered for the transportation segment of the industry. Online training for BQAT will be offered in two different modules: Farmer/Rancher and Professional. To begin training or learn more, visit www.bqa.org/.



Purchase a Kenneth Wyatt Print to Benefit TCFA Education Foundation

The TCFA Education Foundation is selling prints of the Kenneth Wyatt commemorative painting "Grandad's Legacy, Dad's Passion, Our Future." The painting was commissioned by TCFA in honor of the association's 50th anniversary.

The original oil painting is at the TCFA office in Amarillo. You may have seen it at the anniversary reception on May 18 and at the TCFA Annual Convention in October.

To order, visit tinyurl.com/Wyatt-Order-Form. In addition, there are five signed and numbered prints available for \$550 each, plus sales tax. If you wish to order, please mail the form as indicated, or fax the form to (806) 352-6026. Contact Shannon Standley at (806) 358-3681 or shannon@tcfa.org with questions.

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.

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.
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.

Jim Wiesemeyer to Keynote Amarillo Ag Appreciation Luncheon

Jim Wiesemeyer will keynote the Texas Wheat Symposium on Wednesday, Nov. 29 at the Amarillo Civic Center followed by the annual Amarillo Chamber Ag Appreciation Luncheon. The event is in conjunction with the Amarillo Farm and Ranch Show. Wiesemeyer, a past speaker at TCFA conventions, will address the current and future political landscape and how it relates to agriculture. Wiesemeyer has reported on ag business and trade policy since 1972, and is currently the Washington policy analyst for *Pro Farmer* and *Farm Journal*.

The symposium is hosted by the Texas Wheat Producers Association and will include an update from State Conservationist Salvador Salinas, Texas Agriculture Commissioner Sid Miller, a market commodity update from Texas A&M AgriLife Extension Economist Mark Welch, and a farm policy outlook panel. For more information, call (806) 352-2191 or email info@texaswheat.org.

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.

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.

Sponsor Spotlight

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

This week's spotlight shines on:



Micro Technologies, an AmerisourceBergen Company, is a proud and long-time sponsor of TCFA! Since 1971, Micro has supplied the beef industry with innovative solutions that improve animal value and productivity while also providing process verification of management, food safety and traceability requirements. They accomplish this by uniquely integrating advanced health, feed, animal, and information management systems with consumable products technologies such as animal health and micro feed ingredient products. In addition to its track record of cutting-edge innovation, Micro is best known for its unparalleled commitment to customer service. Please contact your Micro representative by calling (800) 858-4330 or visit them online at www.microtechnologies.com or www.mwivet.com.

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Texas Cattle Feeders Association

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