



TEXAS CATTLE FEEDERS ASSOCIATION

NEWSLETTER

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Senate Poised to Pass Tax Reform

The U.S. Senate is poised to approve the Senate Republican Tax Reform Bill Friday. At the time of press, the Senate was debating the bill on the floor and is expected to vote later today. Unlike the House version of the bill, the Senate's Tax Cuts and Jobs Act would preserve the interest expense deduction.

The Senate version of the bill also doubles the estate tax exemption but doesn't fully repeal the tax.

Whereas the House version doubles the exemption and fully repeals the estate tax after six years.

If approved, the bill will go to a conference committee made up of members of both the House and Senate where the differences between the two bills will, in theory, be reconciled. TCFA and NCBA will continue to work with Congress 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 Files Comments in Support of ELDs Rule Delay

TCFA filed comments Thursday encouraging the U.S. Department of Transportation's Federal Motor Carrier Safety Administration (FMCSA) to issue a one-year waiver and partial exemption for livestock haulers from the Final Rule on Electronic Logging Devices (ELDs) and Hours of Service (HOS) set to be implemented on Dec. 18, 2017.

Last week, FMCSA issued a 90-day waiver of the ELDs enforcement date for haulers of all agriculture commodities pushing the **new ELD enforcement date to March 18, 2018**. Until then, truckers will continue to use paper logs. The 90-day waiver was issued to allow enough time to receive and consider comments on the livestock industry's one-year waiver petition and to provide stakeholders with additional guidance and clarification on ELDs enforcement procedures and the 150 air-mile agriculture exemption from HOS.

In September, several national livestock organizations, including NCBA, formally petitioned FMCSA for a one-year waiver and partial exemption for livestock haulers from the Final ELDs Rules. 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.

TCFA would like to thank those members who submitted comments supporting the waiver request. To read TCFA's comments, visit tinyurl.com/TCFA-ELDS-2017.

Court Delays Implementation of Emission Reporting Requirements

Last week, the D.C. Circuit Court of Appeals issued a decision to stay a mandate that would have required livestock producers to file air emission reports under the Comprehensive Environmental Response, Compensation & Liability Act (CERCLA) and the Emergency Planning & Community Right-to-Know Act (EPCRA).

The previous deadline set by the court would have required that reports be filed with the National Response Center, which is managed by the Coast Guard, beginning Nov. 15, 2017. The extension granted by the Court on Nov. 22 pushes the date back for when the reporting obligation could go into effect to Jan. 22, 2018. EPA had requested the additional time from the Court in order to provide compliance assistance to livestock producers, update its guidance, and develop a more streamlined reporting form.

TCFA has contended for many years that air emissions from livestock operations were never intended to be regulated by these laws. During the additional time period granted the Court, TCFA, NCBA and other livestock

groups will continue to work with EPA on administrative solutions as well as possible legislative fixes within Congress.

No action is needed by feedyards regarding reporting of air emissions until the Court lifts its stay and issues a mandate; however, that situation may change in January depending on the Court's ultimate decision. TCFA will continue to send out updated information whenever it becomes available.

EPA Sets 2018 RFS Targets Slightly Higher

The EPA finalized a rule Thursday that would hold steady the Renewable Fuels Standard (RFS) for 2018, a turn from the administration's previous call to cut the federal biofuels mandate.

In a statement, EPA Administrator Scott Pruitt said, "Maintaining the renewable fuel standard at current levels ensures stability in the marketplace and follows through with my commitment to meet the statutory deadlines and lead the Agency by upholding the rule of law."

The rule requires refiners to mix 19.29 billion gallons of renewable fuels into the gasoline supply in 2018 — 25 percent lower than the target Congress established in 2017, [The Hill](#) reports. Refiners will also be required to blend 15 billion gallons of conventional corn-based ethanol into the fuel supply, as well as 4.29 billion gallons of biodiesel to be blended into the diesel fuel supply. To read more, visit tinyurl.com/TCFA-EPA-RFS.

Cattlemen's Organizations File Comments on WOTUS Listening Sessions

TCFA, NCBA and several other state cattlemen's organizations jointly submitted comments to EPA this week in response to EPA's request for input regarding specific questions posed by the Agency during listening sessions held in October. The request for information is intended to assist EPA with drafting a new definition of Waters of the U.S. (WOTUS) that will ultimately replace the 2015 Obama Administration rule and definition of WOTUS.

In the comments, the organizations provided suggestions and recommendations to several questions on key issues such as WOTUS jurisdictional determination methods for rivers, streams and wetlands; types of waters that should be excluded; the agricultural stormwater exemption; farm and stock ponds; irrigated areas and irrigation ponds; agricultural drainage ditches; waste treatment systems for livestock agriculture; and playa lakes. Input was also provided on how relatively permanent waters and continuous surface connection should be defined, as well as a cost-benefit analysis to demonstrate the economic impact, if the 2015 rule would have remained in place. To read the comments, visit tinyurl.com/NCBA-PLC-WOTUS.

New School Lunch Program Rules Aim to Provide More Flexibility

USDA released a new School Meal Flexibility Rule this week intended to change the standards for meals under the National School Lunch Program.

USDA Secretary Sonny Perdue says the new rules support the administration's commitment to give schools the flexibility needed to offer meals that are both healthy and appealing.

"Schools need flexibility in menu planning so they can serve nutritious and appealing meals," Perdue said. "Based on the feedback we've gotten from students, schools, and food service professionals in local schools across America, it's clear that many still face challenges incorporating some of the meal pattern requirements. Schools want to offer food that students actually want to eat."

The rule gives schools and industry more time to reduce sodium levels in school meals, allowing schools that meet the current Target 1 limit to be considered compliant for 2018-19. The rule also gives schools the option to serve low-fat flavored milk, a change from the current standards that only allow schools to serve low-fat and non-fat unflavored milk as well as non-fat flavored milk. It also grants exemptions for schools who have a hard time obtaining whole grain-rich foods.

The new rule reflects a key initiative of USDA's Regulatory Reform Agenda that was developed in response to President Trump's call to alleviate unnecessary regulatory burdens. To read the rule, visit tinyurl.com/Lunch-Program-Rules.

NAFTA NEWS: Fifth Round of Renegotiations Conclude

The fifth round of negotiations on the North American Free Trade Agreement (NAFTA) concluded last week in Mexico City, and while representatives from all three countries shared a joint statement expressing optimism that the negotiations would be finished as soon as possible, Robert Lighthizer, the administration's chief trade officer isn't as sure.

"While we have made progress on some of our efforts to modernize NAFTA, I remain concerned about the lack of headway," Lighthizer said in a statement following renegotiations. "Thus far, we have seen no evidence

that Canada or Mexico are willing to seriously engage on provisions that will lead to a rebalanced agreement. Absent rebalancing, we will not reach a satisfactory result."

Canada and Mexico aren't willing to seriously discuss proposals put forth by the Trump administration that increase the U.S. content on cars produced under NAFTA framework or a "sunset" provision that would require the three countries to reaffirm their commitment to NAFTA every five years. One Canadian official said, "On the controversial proposals, we cannot really negotiate as there seems to be little room to do so and little logic to the proposals," *Forbes* reports.

Trump continues to threaten to pull the U.S. out of NAFTA if concessions aren't made despite warnings from the agriculture community that doing so could potentially devastate U.S. agriculture exports.

Meanwhile, on Capitol Hill, *Politico* reports that Senate Agriculture Committee Chairman Pat Roberts (R-Kan.) raised the agriculture industry's concerns over NAFTA negotiations to the President. As Trump left a tax meeting with Senate Republicans, he asked Roberts, "How are your farmers?" to which Roberts replied, "They're worried about NAFTA, and I need to talk to you." Trump responded that he'd get back with the chairman.

Senate Committee Approves Kathleen White for a Top Environmental Post

On Wednesday, the Senate Environment and Public Works Committee approved Kathleen White to head the Council on Environmental Quality. Her nomination must now be approved by the full Senate.

White chaired the Texas Commission on Environmental Quality (TCEQ) for six years and served on the Texas Water Development Board under George W. Bush. White was the Director of Private Lands and the Environment for NCBA in Washington, D.C., and also served as the director of the Ranching Heritage Association.

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.

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.

Americans Would Suffer if They All Went Vegan

According to a new study published by the U.S. Department of Agriculture (USDA) and Virginia Tech, if Americans shifted away from food animal production, the U.S. population would not receive enough of several different dietary nutrients from the foods they eat.

Eliminating food animals would increase deficiencies in calcium, vitamins A and B12 and some important fatty acids that help to reduce cardiovascular disease and improve cognitive function and vision in infants, the study said. Animal food products are the only non-supplemental sources of some fatty acids and vitamin B12.

A plant-only diet would also require that individuals eat more food to meet their nutritional needs because the available foods from plants are not as nutrient dense as animal foods, the researchers said.

To read the findings, visit tinyurl.com/USDA-VATech.

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.

MSNBC Reporter Calls Rural America "Core Threat"

MSNBC reporter Joy Reid called rural Americans "the core threat to our democracy," in a tweet referring to a series of tweets by Jared Yates Sexton that claimed Trump supporters do not believe in the Constitution or founding principles unless they are "advantageous."

"By 2040, about 70% of Americans are expected to live in the 15 largest states. They will have only 30 senators representing them, while the remaining 30% of Americans will have 70 senators representing them," MSNBC producer Kyle Griffin tweeted.

Reid quoted Griffin's tweet and added, "This is the core threat to our democracy. The rural minority — the people @JYSexton just wrote a long thread about — have and will continue to have disproportionate power over the urban majority."

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.

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Texas Cattle Feeders Association

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