



TEXAS CATTLE FEEDERS ASSOCIATION

NEWSLETTER

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Amendment to Exempt Livestock Operations from CERCLA and EPCRA Offered in U.S. House

TCFA is encouraging all members of Congress to support an amendment to the 2018 Appropriations Bill that would exempt U.S. farmers and ranchers from burdensome and unnecessary reporting requirements under the Comprehensive Environmental Response, Compensation & Liability Act (CERCLA) and the Emergency Planning & Community Right-to-Know Act (EPCRA).

The amendment was offered by Rep. Billy Long (R-Mo.) and would prohibit EPA from enforcing reporting requirements from livestock producers under CERCLA and EPCRA for one year. The original law never intended for livestock producers to be subject to reporting requirements.

"Neither CERCLA nor EPCRA requirements were ever intended to include agriculture operations," said Josh Winegarner, TCFA director of government relations. "But since Congress didn't explicitly exempt agriculture from the laws when they were enacted decades ago, the Courts have concluded that EPA must enforce emissions reporting from feedyards, dairies and ranches."

"This is both burdensome and unnecessary," he said. "What's more is that the receiving entities of these reports — the Coast Guard and local emergency managers — do not want them because they are 'unnecessary and unusable'."

Senate and House Appoint Tax Conferees; Cornyn, Brady, Doggett Appointed

The U.S. Senate and House have appointed members to serve on the conference committee that will reconcile their respective versions of the tax reform bill. Three Texans were named to the committee, including Senate Majority Whip John Cornyn (R-San Antonio), House Ways and Means Committee Chair Kevin Brady (R-Conroe) and House Ways and Means Committee Member Lloyd Doggett (D-Austin).

"We have a once-in-a-generation opportunity to reform America's broken tax code," Cornyn said in a statement on Facebook. "We need to meet this challenge. The House and Senate will meet to resolve the difference between our two tax reform bills, and I look forward to being part of that conversation."

TCFA and NCBA are working with conferees to address a number of concerns, the most significant of which is the preservation of the interest expense deduction on inventory purchases.

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 at josh@tcfa.org.

FDA Publishes Annual ADUFA Report

This week, the U.S. Food and Drug Administration (FDA) published the annual report summarizing sales and distribution data for all antimicrobial drugs approved for use in food-producing animals, referred to as the Animal Drug User Fee Act (ADUFA) 2016 Sales Report. Under ADUFA, antimicrobial drug sponsors are required to report to FDA on an annual basis the number of antimicrobial drugs sold or distributed for use in food-producing animals during the previous year.

This year's report represents the first year that drug sponsors have been required to estimate the sales data for species specification of use per the drug label for the four major food-animal species — swine, cattle, chickens and turkeys.

Trends of note include:

- Domestic sales and distribution of antimicrobials approved for use in food-producing animals decreased by 10% from 2015.
- Domestic sales and distribution of the medically important antimicrobials approved for use in food-producing animals decreased by 14% from 2015, with decreases represented in all individual drug classes.

- In 2016, domestic sales and distribution of medically important antimicrobials accounted for 60% of the domestic sales of all antimicrobial drugs approved for use in food-producing animals.
 - In 2016, it is estimated that 43% of the domestic sales and distribution of medically important antimicrobials was intended for use in cattle, 37% intended for use in swine, 9% in turkeys, 6% in chickens, and 4% in other species.
 - In 2016, it is estimated that 80% of domestic sales and distribution of cephalosporins, 64% of sulfas, 51% of amnioglycosides, and 49% of tetracyclines was intended for use in cattle.
- The complete report can be found at tinyurl.com/2016-ADUFA.

Senators Request Delay in ELD Requirements for Livestock Haulers

A bipartisan group of lawmakers are calling for delayed implementation of electronic logging devices (ELDs) for trucks transporting livestock.

The group, led by U.S. Sens. Jerry Moran (R-Kan.) and Heidi Heitkamp (D-N.D.), sent a letter to Senate leadership this week supporting a provision in the U.S. House-passed appropriations bill that would delay implementation of ELDs and give the Federal Motor Carrier Safety Association (FMCSA) time to make adjustments to hours of service rules to address animal welfare concerns. The provision in the House bill was included in response to a request from TCFA, NCBA and other livestock groups to delay implementation for one year.

"It is common for cattle in Western and Southeastern states to be purchased by producers and feedlots in the Midwest and Great Plains," the Senators wrote in the letter. "These animals must be transported hundreds and even thousands of miles to their final destinations in a safe and humane manner. Long distance transportation is often the most stressful event in a livestock animal's life, and it is impractical and inhumane to stop, offload multiple times, or significantly delay delivery of these animals."

TCFA, last week, filed comments encouraging FMCSA to issue a one-year waiver and partial exemption for livestock haulers from the rule — which is scheduled to go into effect March 18.

To read TCFA's comments, visit tinyurl.com/TCFA-ELDS-2017. For questions, email Josh Winegarner at josh@tcfa.org.

Livestock Haulers Set the Bar High According to New Audit

Livestock haulers have set the bar high when it comes to transporting cattle. That's according to the latest Beef Quality Audit that examined time and distance traveled, trailer dimensions, and the number of cattle in each load.

Jesse Fulton, associate director of producer education at NCBA, says this was the first time the checkoff-funded survey looked at the transportation of market steers and heifers.

The report indicates that, "cattle mobility has set the bar high for future audits with almost 97 percent of those cattle coming off the truck with no lameness," he said.

Those high marks can be attributed to the BQA practices used throughout the industry, Fulton said. And while livestock haulers have set the bar high, there is still room for improvement, notably the amount of trailer space for cattle.

"There is some bruising occurring in the trailer, and the cattle are a little taller than they used to be," Fulton said. "Trailer design really needs to be looked at."

AMS Announces Changes to Beef Grading System

The U.S. Department of Agriculture's (USDA) Agricultural Marketing Service (AMS) announced it will update the voluntary U.S. Standards for Grades of Carcass Beef. USDA quality grades are used by companies to provide information to purchasers about meat's tenderness, juiciness and flavor, and are a major factor in determining the value of beef and live cattle.

This update to the standards will provide companies using the USDA grading program with additional options — dentition or age documentation — to establish the maturity of animals and ensure that cattle 30 months or younger are included in the youngest maturity group recognized as beef, AMS said.

In 2016, TCFA and NCBA filed comments with the AMS supporting a petition to revise the current standards to include documentation and dentition as authorized methods to determine age.

The change for voluntary beef grading activities will go into effect Dec 18. To read more, visit tinyurl.com/AMS-GradingChanges.

Compromise Reached to Fund Government to Dec. 22

Congress passed a two-week funding bill Thursday averting a government shutdown and buying them two more weeks to address funding issues on domestic spending, immigration and health care.

The House voted 235 to 193 with 18 Republicans voting against the bill and 14 Democrats supporting it. The Senate passed it by an 81 to 14 vote before sending it to President Trump who, at the time press, had yet to sign it, but is expected to by the deadline today.

Gov. Abbott Requests RFS Waiver

In a letter sent to EPA Administrator Scott Pruitt, Texas Gov. Greg Abbott requested a waiver of the Renewable Fuel Standard (RFS) mandate stating that, "Current implementation of this dated federal mandate severely impacts Texas' otherwise strong economy and jeopardizes the employment of hundreds of thousands of Texans."

Last week, EPA finalized a rule that would hold steady the RFS for 2018, a turn from the administration's previous call to cut the federal biofuels mandate.

TCFA continues to urge Congress and the administration to work toward phasing out the RFS.

Meatless Meat Won't Compete with Real Meat for Now

A new study from CoBank, a cooperative bank that services agribusinesses, says that it is unlikely that meatless meat will have a market effect on real meat companies for now.

The road to commercial viability and consumer acceptance of protein products from plants, insects and cultured meats is at least a decade away, and even though the alternative protein category will grow in the coming years, it will be overshadowed by the current retail market size of \$49 billion in annual sales for all meat and poultry categories, according to the report.

The report notes that cultured meat products are expensive and will require a regulatory framework before they enter the market. A brief synopsis of the report can be found at tinyurl.com/CoBank-MeatlessMeat-Video.

STUDY: Consumers Pay More for Misleading Beef Labels

New research shows that consumers are confused by the word "natural", but are still willing to pay significantly more for steaks labeled natural even though they're unfamiliar with the USDA definition, reports *High Plains Journal*.

Carola Grebitus, assistant professor of food industry management at the W.P. Carey School of Business at Arizona State University, investigated the claim that natural labeling misleads consumers by conducting an online experiment. The researchers tested consumers' willingness to pay for steak labeled with different attributes — natural, grass or corn fed, fed without genetically modified feed and produced without growth hormones and antibiotics. Half of the participants were provided with the definition of natural, while half were not.

"Our results indicate that consumers who are unfamiliar with the definition of natural overestimate the positive effects of "natural" production and therefore are willing to pay a premium for natural labeled beef," said Grebitus.

Beef consumers who are uninformed and unfamiliar with the USDA definition of natural will pay \$1.26 more per pound, the report said. They are willing to pay \$2.43 more per pound when combined with other labels like natural and no growth hormone.

Consumers given the definition were not willing to pay a premium for natural alone, unless it was coupled with another label. The research showed that informed consumers pay \$3.07 more per pound for beef labeled as natural and no growth hormones.

To read the full story, visit tinyurl.com/NaturalLabel-HPJ.

Fumonisin Update Meetings Scheduled Dec. 19 in Dumas and Dimmitt

Texas Corn Producers and the Texas A&M AgriLife Extension Service will host two meetings Dec. 19 regarding fumonisin issues in corn this year and what to expect for 2018.

The first meeting will be from 9-11:30 a.m. at the Moore County Community Center, 1600 S. Maddox St. in Dumas. The second will be from 5:30-8 p.m. in the Castro County Expo Center, 405 S.E. 4th St. in Dimmitt.

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.

Attention Employers: Important IRS Information Regarding Health Care

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](http://www.irs.gov) or consult with your tax professional.

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.

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