



TEXAS CATTLE FEEDERS ASSOCIATION NEWSLETTER

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Call Your Senator Immediately To Oppose The Dairy Buyout! Citing overproduction and economic hardships, dairy groups are urging Congress to include language in the economic stimulus bill that would use taxpayer funds to purchase nearly 320,000 head of older cows from dairy farmers.

TCFA and NCBA have contacted Members of the House and Senate to inform them about the consequences a dairy buyout would have for cattle producers and urge them to oppose any such proposal. TCFA will continue its efforts to block this proposal in the Senate, but we also need your help. Please use the letter posted at <http://capwiz.com/beefusa/issues/alert/?alertid=12482171> as a template to write and send your own letters or make phone calls to your senators.

The proposed buyout would remove approximately 6.5 billion gallons of milk from the market and increase dairy prices. That might sound like a good idea to the dairy industry, but cattle feeders understand all too well the dramatic effects such a proposal would have on the beef market. A similar dairy buyout plan was implemented in 1986 and resulted in a 25% decrease in the price paid to producers for beef cattle and sent the cattle market to its lowest point in the last 30 years. In total, the beef industry saw a \$1 billion loss from the 1986 buyout.

The dairy industry's initial efforts to include the buyout language in the House bill were stymied because a number of Congressmen raised concerns about the proposal, labeling it an earmark. However, the dairy groups have redoubled their efforts in the Senate where a committee markup of the stimulus bill is scheduled for early next week.

Another Possible Add-On To The Senate's Stimulus Bill is a ban on the processing of non-ambulatory cattle — an idea several Senators are promoting. NCBA and TCFA are working to keep such a provision out of the stimulus package. Cattle producers strongly support keeping any disabled or non-ambulatory animal out of the commercial food supply. But cattlemen have a right to keep their investment for their own consumption when an otherwise healthy animal's only disability might be, for example, a broken leg. USDA is currently working toward completing a final rule on processing of non-ambulatory cattle.

New Administration Reviewing Regulations: In a memo issued the day President Obama took office, White House Chief of Staff Rahm Emmanuel issued guidance on the federal regulatory process. The memo calls for extending by 60 days the effective date of regulations that have been published in the *Federal Register* but not yet taken effect for the purpose of reviewing questions of law and policy. In cases where pending implementation is postponed for 60 days for review, the memo provides for reopening the notice-and-comment period for 30 days to allow interested parties to provide comments. The directive could affect a number of regulations of interest to cattlemen including:

- Country-of-Origin Labeling (COOL)
- "Naturally-Raised" Labeling of Meat Products
- Enhanced Feed Ban
- EPCRA Reporting Requirements

The directive also potentially applies to certain rules dealing with the Endangered Species Act.

EPCRA: Estimates Of Ammonia And Hydrogen Sulfide Emissions were reported to local and state emergency management officials this week in response to an EPA final rule that was effective Jan. 20. The rule required an initial phone call to local and state entities, followed by submission of a written report within 30 days. Comments from feedyard managers regarding phone conversations with county judges, local emergency management coordinators and state agency representatives indicated very little interest in receiving the reports, even though EPA cited requests from local and state officials for the information as justification for the reporting requirement.

EPA Draft Permit For New Mexico: On Jan. 21, EPA proposed a general permit for Concentrated Animal Feeding Operations (CAFOs) located on state lands in New Mexico. When final, the permit will replace the previous permit issued by EPA, under which feedyards have been operating for 15 years. The proposed permit will continue to require many of the provisions from the previous permit and will add more specific requirements for nutrient management plans and proper closure of retention ponds that are taken out of service. TCFA staff and leadership will review the permit and submit comments by the Feb. 20 deadline. The proposed general permit and a fact sheet can be found at:

<http://www.epa.gov/region6/water/npdes/cafo/index.htm>. Contact Ben Weinheimer at ben@tcfa.org with any questions.

USDA Issued A Voluntary Standard For "Naturally Raised" Livestock And Meat Products this week. The naturally raised marketing claim standard states that livestock used for the production of meat and meat products have been raised entirely without growth promotants, antibiotics (except for ionophores used as coccidiostats for parasite control), and have never been fed animal byproducts. The voluntary standard will establish the minimum requirements for those producers who choose to operate a USDA-verified program involving a naturally raised claim. To read the full USDA notice go to:

<http://edocket.access.gpo.gov/2009/E9-1007.htm>

Canada And Hong Kong have reached an agreement in principle on the sale of Canadian beef. The Canadian Cattlemen's Association (CCA) said the first phase of the deal calls for Hong Kong to initially accept most bone-in products (excluding vertebral column cuts and rib cuts) from cattle under 30 months of age. After Canada has met Hong Kong's requirements for four months, the range of exportable products will expand to include rib cuts, boneless beef and offal from all Canadian cattle. By the end of the calendar year, if all of Hong Kong's requirements are met, the market will be opened to all remaining Canadian beef exports from cattle under 30 months of age, including T-bone and porterhouse steaks. CCA said the agreement sends a strong signal to other Asian markets that it is time to review export restrictions and show more flexibility as OIE beef trade guidelines grow in acceptance.

Due To Government Mandates, Ethanol Production Will Have To Increase despite the industry's current hardships, according to Dr. Steve Amosson, a Texas AgriLife Extension Service economist. The credit crisis and declining ethanol margins are among the factors that have halted ethanol plant construction in the U.S. Nevertheless, blenders are still required to produce 11.1 billion gals. of renewable fuel this year. Failure to satisfy the Renewable Fuels Standard mandate could subject blenders to penalties including having to return any profit from non-renewable fuels and fines of \$25,000 a day, said Amosson, who added that the potential for such consequences will likely be sufficient incentive for ethanol production to climb. "Expanded ethanol production is probably a given," said Amosson.

Meanwhile NCBA President Andy Groseta Sent A Letter to House Speaker Nancy Pelosi and Senate Majority Leader Harry Reid encouraging the development of second-generation biofuels as part of the stimulus package being considered in Congress. The letter points out that feed grain prices driven up by government supports for ethanol have caused steep losses for cattlemen. "Cattle producers support new technologies to utilize non-feed crops and industry wastes as an energy source," the letter states.

In other biofuels news, VeraSun Energy Corp. told *Meatingplace.com* that the South Dakota-based company will auction seven ethanol plants as part of a bankruptcy financing agreement with lenders.

The Plum Island Animal Disease Center Will Close In 2015, the same year the National Bio- and Agro-Defense Facility (NBAF) is scheduled to become operational. The Department of Homeland Security released its formal Record of Decision this week confirming Manhattan, Kansas as the NBAF site. Facility design for NBAF will begin this year and construction is set to start in 2010.

A New Horse Slaughter Bill has been introduced in the U.S. House of Representatives by Rep. John Conyers (D-Mich.) and Rep. Dan Burton (R-Ind.). *Horse.com* reports that the bill would prohibit the transport, sale, delivery or export of horses for slaughter for human consumption and also criminalizes the purchase, sale, delivery or export of horsemeat for human consumption. The bill is H.R. 503, the "Conyers-Burton Prevention of Equine Cruelty Act."

Get Out Your Sortin' Stick And Sharpen Your 'Cipherin' Pencil! The 2009 TCFA Fed Beef Challenge contest will be held Wednesday, April 15 at the Amarillo Livestock Auction. Find the best of the best at your feedyard and plan to enter. A full slate of activities is planned including the carcass contest, live evaluation contests, a great steak feed and other special events. Watch the *Newsletter* for more information or contact Trent Tyson at trent@tcfa.org or (806) 358-3681.

Calling all Junior Cattle Feeders! Locate the best steers you can find and make plans to participate in the 2009 TCFA Junior Fed Beef Challenge. Contest day will be Saturday, Aug. 1 at West Texas A&M University in Canyon. Steers can be validated anytime between March 1 and April 1.

The Junior Fed Beef Challenge gives young cattle feeders in the TCFA area a chance to learn about commercial cattle feeding and compete for college scholarships, premiums and prizes. Watch future editions of the *Newsletter* for more information, or contact Trent Tyson at trent@tcfa.org or (806) 358-3681.

Please note: All links are still available at www.tcfa.org under Newsletter links.