



# TEXAS CATTLE FEEDERS ASSOCIATION

# NEWSLETTER

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**Dairy Herd Buyout:** Cooperatives Working Together (CWT) has announced tentative acceptance of 388 bids representing 102,898 cows and 2 billion lbs. of milk production capacity in the first of a series of herd retirements planned over the next twelve months. The number of cows and pounds of milk represent the largest single herd retirement carried out in the six-year history of CWT. Starting next week, CWT field auditors will visit farms whose bids were accepted to check milk production records, inspect herds and tag each cow for processing. Cows should begin moving off dairies by late May. All producers whose bids were accepted should be notified by June 12, and the farm audits should be complete by early July. For perspective on the buyout's significance, click the TCFA Market Report link at the bottom of *Newsletter*.

**WASDE Report Issued:** The opening line in the Coarse Grain section of the May World Agriculture Supply and Demand Estimates (WASDE) report read, "Slightly lower production, rising use and tighter ending stocks." That set the tone for a stronger market. The report provides the first formal USDA estimates for the 2009-2010 crop. Projections for old crop ending stocks were lowered slightly to 1.6 billion bu. Total production is estimated at 12.1 billion bu., down 11 million bu. from 2008-2009, with reduced acres offsetting the expectation for higher yields of 155.4 bu.-per acre. However, the anticipated per acre yield is 1.5 bu. below trend-line yield due to slow planting progress in the Eastern Corn Belt. The reduction in 2009-2010 beginning stocks are the result of a 50 million bu. increase in both ethanol production and grain exports. Total corn usage in 2009-2010 is projected to be up 3% from the current year; corn specifically targeted for ethanol production is projected to increase 7% to 4.1 billion bu., reflecting the rising federal biofuels mandate. Exports are expected to be up 9% due to recovering world trade and tight world grains supplies. The increase in ethanol and exports is partially offset with a projected 2% decline in domestic feed demand because of reduced animal feeding and more feed grain being replaced with increased availability of distillers' products.

**Beef Trade Deal Finalized:** The U.S. and the EU signed a Memorandum of Understanding (MOU) yesterday in Geneva, which provides U.S. producers significant additional access at zero duty to the EU market for beef produced without growth-promoting hormones. NCBA has been working closely with industry and the U.S. Trade Representative (USTR) on this issue for several years and is pleased that steps are being taken toward ending this long-standing dispute. However, while this is a positive step forward, it does not resolve the disagreement over hormones.

"Many Europeans have never experienced a dinner that includes the highest quality beef in the world," said Gregg Doud, NCBA chief economist. "Now it's time to remove our 'market-access hat' and get down to the business of marketing U.S. beef in Europe."

To read more on the U.S.-EU deal, including the terms of the MOU, go to [http://www.tcfa.org/Newsletter/US\\_EU\\_Jump\\_05-15-09.pdf](http://www.tcfa.org/Newsletter/US_EU_Jump_05-15-09.pdf).

**Hall Of Famers: Former TCFA Board Chairman Paul F. Engler And W.D. Farr** have been named as the first two inductees in the newly established Cattle Feeders Hall of Fame.

Engler, 79, is a long-time TCFA member whose service includes chairing the TCFA Board of Directors in 2002. He is most recognized as founder and chairman of Cactus Feeders, the largest privately owned fed cattle producer in the United States.

Farr, who passed away in 2007 at age 97, was considered by many to be the pioneer of Colorado agriculture because of his innovative work in cattle feeder business management and environmental stewardship.

"Engler and Farr exemplify why the Cattle Feeders Hall of Fame was established: To celebrate the rich traditions of the cattle feeding industry and recognize those who have devoted their careers to preserving its mission and improving production practices," said Betty Jo Gigot, nominating committee chair. "It's a privilege

to give the very first Hall of Fame awards to two gentlemen whose leadership and vision has fueled inspiration and innovation that is still being carried out today."

Engler and Farr were chosen by fellow cattle feeders for the honor. They were among a group of 12 distinguished individuals nominated by members of the cattle feeding industry.

The Cattle Feeders Hall of Fame is an effort launched by Intervet/Schering-Plough, *CattleNetwork* and Osborn & Barr with plans to broaden the number of sponsors as the project develops, according to a Hall of Fame spokesperson.

For more on the contributions of Engler and Farr and the Hall of Fame, go to [http://cattlenetwork.com/Cattle\\_Feeding\\_Content.asp?ContentID=315167](http://cattlenetwork.com/Cattle_Feeding_Content.asp?ContentID=315167).

**Theft Of Cattle And Other Livestock Would Be Elevated To A Third Degree Felony** under legislation that has cleared the Texas Legislature. SB 1163 — sponsored by Senator Kel Seliger (R-Amarillo) and Representative Lois Kolkhorst (R-Brenham) — has been sent to the Governor for his signature. In 1993, the Texas Legislature lowered the theft of less than 10 head of livestock from a third degree felony to a state jail felony. Not surprisingly, cattle theft has since risen, especially during tough economic times. In 2007, 2,400 head of cattle were reported stolen to the TSCRA Special Rangers, and that number jumped to 6,404 in 2008. TCFA applauds Senator Seliger and Representative Kolkhorst for their hard work and urges the Governor to sign the bill.

**The TCFA Bills Of Interest Tab** on the TCFA website has been updated. Please go to [www.tcfa.org](http://www.tcfa.org) and click on the tab to view information on the bills that TCFA is tracking.

**Is The Media Beginning To Reveal The Truth About HSUS?** There might be cause for hope in a piece by WSB-TV in Atlanta, which focuses on deceptive fundraising campaigns by HSUS that result in little, if any, assistance to animal shelters. See the report at <http://www.youtube.com/watch?v=ta8GdABQPHA>.

**However, HSUS continues to succeed in its state government efforts** as Maine has become the sixth state to pass a measure related to animal confinement. Legislation signed by Maine's governor this week will prohibit sow gestation crates and veal crates for calves beginning in 2011. Previously, similar action has been taken in California, Colorado, Florida, Arizona and Oregon.

Meanwhile, an animal rights activist who serves as a New York state lawmaker has filed a bill to prohibit confinement of breeding pigs, veal calves and egg-laying hens by 2015, *Farm and Dairy* reports. Assembly Member Linda Rosenthal is a member of HSUS who received the organization's humane legislator award in March. She recently helped HSUS use undercover cameras to target New York retailers selling mislabeled fur.

**Registration For The Cattle Industry Summer Conference Is Under Way.** Scheduled for July 14-18 in Denver, the conference features meetings of NCBA, ANCW, NCF, CattleFax and Cattlemen's Beef Promotion & Research Board. For more information and to register, go to <http://www.beefusa.org/convsummerconference.aspx>.

**USMEF Reports U.S. Beef Exports Registered A Solid Performance In March,** led by a surge in shipments to Vietnam, Japan and the Middle East. Beef plus beef variety meat exports for the month jumped by 5% in volume over March 2008, but declined by about 1% in value, primarily because of a 17% decline in variety meat export value, which offset a 4% increase in muscle cut value. In the first quarter, beef exports increased 3% in volume to 203,475 metric tons (mt.) and by 1% in value to \$690.9 million. Exports accounted for 9.5% of beef and variety meat production in the first quarter.

**NCBA Urges President Obama To Strengthen U.S.-China Trade Relationship.** NCBA joined with more than 30 companies and associations this week in urging President Obama to support a robust Joint Commission on Commerce and Trade (JCCT). NCBA regards the JCCT — led by the U.S. Trade Representative and the U.S. Department of Commerce — as a results-driven and effective mechanism for promoting further access to the Chinese market and ensuring U.S. companies have a fair trading structure with meaningful opportunities to compete in the Chinese market. China is currently closed to U.S. beef exports but represents one of the largest potential growth markets for U.S. beef — worth in excess of \$100 billion.

**Oklahoma Attorney General Drew Edmondson Has Lost In Court Again** in his efforts to prevent poultry growers from applying poultry litter as fertilizer on land in the Illinois River watershed. This week, a

federal appeals court upheld a lower court ruling that denied Edmondson's request for a preliminary injunction, *The Journal Record* reported. The 10<sup>th</sup> Circuit Court of Appeals agreed with the lower court that Edmondson has failed to demonstrate bacteria in the waters of the watershed were caused by poultry waste. A lawsuit Edmondson filed against 13 poultry companies is scheduled for trial in September.

**Announcements About Key USDA Positions** include the appointment of Rayne Pegg as Administrator of USDA-AMS. Pegg most recently served as Deputy Secretary of Legislation and Policy for the California Department of Food and Agriculture. Also, Jule Paradis will serve as Administrator for USDA's Food and Nutrition Service. Paradis previously served at USDA as Deputy Under Secretary for Food, Nutrition and Consumer Services from December 1997 until January 2001.

Also, Evan Segal will be nominated as Chief Financial Officer for USDA. He is the former President and Owner of Dormont Manufacturing, a Pennsylvania company that makes stainless steel parts for gas appliances. And Victor Vasquez has been appointed as Deputy Under Secretary for Rural Development at USDA. Vasquez most recently served as Deputy Assistant Commissioner for the Department of Transitional Assistance in Massachusetts.

**White Energy Has Filed For Chapter 11 Bankruptcy.** The Dallas-based ethanol producer said its action was prompted by the high cost of raw materials and low ethanol prices, according to the *Houston Chronicle*. In court papers, the company said it planned to continue normal business operations while in bankruptcy. White Energy recently idled its plant in Plainview but has maintained production at its facility in Hereford.

**NCBA Chief Veterinarian Dr. Elizabeth Parker Has A New Leadership Role:** Chairing the Animal Agriculture Alliance's board of directors. The Alliance is a broad-based coalition of individual producers, producer organizations, suppliers, packer-processors, private industry and retailers. Dr. Parker praised the Alliance's role as a forum for agricultural groups to develop common messages. "When anti-agriculture groups regularly exercise hyperbole to make their case, a reliable group needs to be able to correct the record," she said. "I consider the Alliance to be in an excellent position to explain the stewardship and responsibility that livestock producers exercise in caring for their animals."

**Want To Know What The 2007 Census Of Agriculture Says About Ag Trends In Your Area?** In a new supplement to the national information released earlier this year, USDA-NASS is now providing survey data broken down to the congressional district level at [http://www.agcensus.usda.gov/Publications/2007/Online\\_Highlights/Congressional\\_District\\_Profiles/index.asp](http://www.agcensus.usda.gov/Publications/2007/Online_Highlights/Congressional_District_Profiles/index.asp).

**CattleFax Corporate College Is Scheduled June 2-3 In Denver.** The event is designed to provide participants with a thorough understanding of the beef industry's market sector. For more information on registration and the program lineup, go to <http://www.cattlefax.com/meetings/seminars/cattlefax-corporate-college-09-09-08>.

Please note: All links are still available at [www.tcfa.org](http://www.tcfa.org) under Newsletter links.