



# TEXAS CATTLE FEEDERS ASSOCIATION NEWSLETTER

5501 I-40 WEST

AMARILLO, TEXAS 79106

806 / 358-3681

Volume 43, Number 23

June 5, 2009

**The Livestock Industry Is Accused Of "Hogging" Antibiotics In New Ads** posted by the Pew Campaign on Human Health and Industrial Farming. The ads are installed in Washington, D.C. Metro stations and trains. *Drovers* reports the ads are intended to influence congressional debate on the use of antibiotics in animal agriculture. Pew's ads claim up to 70% of human antibiotics are fed to animals in CAFOs and that such use is leading to the development of deadly strains of drug-resistant bacteria that can spread to humans.

Meanwhile, an effort to limit the use of antibiotics in livestock production has been rejected in California's state senate. In its original form, SB 416, called for a ban on the use of sub-therapeutic antibiotics in livestock by the year 2015. The bill was softened as it made its way through the process before being voted down by the state senate Wednesday and placed on the chamber's inactive file.

**The 81<sup>st</sup> Session Of The Texas Legislature Adjourned On June 1** but may be called into special session later this summer by the Governor to complete some unfinished business. Below are some of the relevant legislative initiatives that were enacted this year:

**Eminent Domain (HJR 14)** – This constitutional amendment limits the taking of private property through eminent domain. The resolution defines public use and limits the ownership, use and enjoyment of condemned land to the state, a political subdivision of the state, the public at large, or an entity granted the power of eminent domain. It also requires a two-thirds vote of the legislature to grant future eminent domain authority. The constitutional amendment must be ratified by Texas voters next November in order to take effect.

**(SB 18)** – This more comprehensive eminent domain legislation was not considered in the House of Representatives and failed to pass due to procedural time constraints. The bill provided significant and long-sought landowner protections – including requirements that authorities involved in the taking of property provide accurate and timely information, negotiate in good faith, provide adequate compensation for impairment of access and allow previous property owners to repurchase taken property (at the original sales price) if not used for the stated purpose within 10 years. We urge the Governor to call a special session to consider and pass this important private property rights protection legislation.

**Property Tax (HJR 36)** – This constitutional amendment requires that administrative and judicial enforcement of uniform standards and procedures for appraisal of property for ad valorem tax purposes be prescribed by general law, rather than originating in the county where the tax is imposed. The constitutional amendment also allows the legislature to authorize consolidated appraisal review boards (**HB 3611**) and to require a residence homestead to be appraised on the basis of its use as a residence (**HB 3613**).

**(HB 8)** – This legislation overhauls the Comptroller's property value study. Specifically, it requires the Comptroller to conduct a study at least every two years using comparable sales and generally accepted auditing and sampling techniques to determine the total taxable value of all property in each school district. The bill also requires the comptroller, at least once every two years, to review the governance of each appraisal district; the taxpayer assistance provided; and the operating and appraisal standards, procedures and methodology used by each appraisal district to determine compliance with generally accepted standards, procedures and methodology.

**(HB 2447)** – This bill abolishes the Board of Tax Professional Examiners and transfers its functions to the Texas Department of Licensing and Regulation.

**(HB 2591)** – This legislation strengthens the regulation of property tax consultants.

**(SB 771)** – This legislation clarifies appraisal standards for the use of comparable sales and requires chief appraisers to present substantial evidence for increasing the appraised value of property whose value was reduced on appeal in the prior year.

**(SB 1458)** – This bill clarifies that property constructed or installed on leased land is eligible for abatement and that a taxing unit and property owner could agree to defer the commencement of the abatement period.

**Margins / Franchise Tax (HB 4765)** – This legislation raises the small business exemption from \$300,000 to \$1 million for the next two years and then \$600,000 thereafter.

**Sales Tax (HB 3144)** – This legislation exempts tangible personal property sold or used as a component part of a motor vehicle, machinery or other equipment exclusively used or employed on a farm or ranch from sales and use taxes.

**(SB 958)** – This legislation exempts machinery and equipment used exclusively in an agricultural aircraft operation from sales tax.

**Appropriations (SB 1)** – The state's \$182.3 billion budget for FY 2010 and FY 2011 contains \$850,000 to continue distillers' grains feeding research and \$525,000 for ongoing air quality research related to livestock production by Texas AgriLife Research in Amarillo. The bill also provides funding for other important programs at TDA, TAHC, TVMDL, TCEQ and Texas AgriLife Research and Extension.

**State Checkoff** – Provisions were included in the TDA Sunset bill **(SB 1016)** to update the state beef checkoff statute so that it more closely conforms to the federal beef checkoff statute.

**Cattle Theft (SB 1163)** – This legislation elevated theft of cattle and other livestock to a third degree felony.

**Vet Loan Repayment Program (HB 1684)** – This legislation establishes a program, administered by the Office of Rural Community Affairs (ORCA), to provide loan repayment assistance to veterinarians who agree to provide care for livestock in rural areas. The bill authorizes ORCA to determine the amount of repayment assistance provided for each year for up to four years of service.

**Nominations** – Former TCFA Chairman Jim Schwertner was confirmed by the Texas Senate to serve on the Texas A&M University Board of Regents. The Senate also confirmed longtime TCFA friend and legal counsel John Huffaker to serve on the Texas Tech University Board of Regents and Dr. Bryan Shaw to serve on the Texas Commission on Environmental Quality. Dr. Shaw is a cattle producer and a former associate professor in the Biological and Agricultural Engineering Department at Texas A&M University.

**A New OIE Resolution Raises Cattle Age Limits Related To BSE Prevention** and international beef trade. Under the resolution adopted at the May annual meeting, exports and imports of boneless beef from cattle of all ages will be permitted. Previously, boneless beef was restricted to a 30-month age limit. Some analysts believe the resolution gives the U.S. another boost in its efforts to convince Japan to relax its 20-month age limit. Japan's age restriction on beef imports is limiting the U.S. to about 25% of pre-BSE levels of trade, translating to at least \$1 billion in untapped beef export revenues each year.

**A Slight Increase In The Ethanol Blend Rate Would Benefit The U.S. Energy Supply** as long as higher blends do not harm car engines, U.S. Energy Secretary Steven Chu said at this week's *Reuters* Global Energy Summit in Washington, D.C.

"We are looking at whether when you go up to 12% and 13% (of ethanol in gasoline) whether the current fleet of automobiles would be fine in terms of the gaskets and seals and things of that nature," Chu said. "If it turns out the existing automobile fleet ... could accept that, it would be good if we can go up to 12% or 13%."

However, Chu also said the U.S. should move as quickly as possible beyond corn and on to cellulosic biofuels.

EPA is currently studying a proposal to increase the ethanol blend rate to 15%, but has said it has up to Dec. 1 to take action.

**Fever Tick Assistance:** USDA-NRCS is providing technical and financial assistance to ranchers in 17 South Texas counties to help fight the spread of the cattle fever tick. Livestock producers can voluntarily work with their local NRCS and SWCD to develop a conservation plan that will help them meet their land management goals and objectives and simultaneously fight the spread of fever ticks. Conservation and land management practices that are eligible for financial assistance through this initiative include cross fencing, trough and livestock pipe, pond, well, brush management, range planting, prescribed burning, prescribed grazing and wildlife habitat management. The installation and implementation of these practices will help to alter or destroy the cattle fever tick habitat and help manage wildlife, which are potential carriers of fever ticks.

For more information, including a list of the eligible counties, go to [http://www.tsswcb.state.tx.us/files/docs/infoed/Con\\_News/TechnicalandFinancialAssistancetoFightFeverTick.pdf](http://www.tsswcb.state.tx.us/files/docs/infoed/Con_News/TechnicalandFinancialAssistancetoFightFeverTick.pdf).

**Corn Planting:** As of Sunday, May 31, planting progress for this year's corn crop was finally nearing completion at 93% complete compared to 82% the week prior, 94% a year ago and 97% for the five-year average. There continues to be a wide degree of variation in planting progress on a state-by-state basis. Planting is completed in Nebraska and North Carolina and near completion in Iowa, Minnesota, Ohio and Texas. Illinois and Indiana continue to lag.

While planting progress is the most widely observed number by the market in general, many agronomists and market analysts will argue that emergence is actually a much more critical number. Their argument is that, while early planting progress is impressive, it is nearly meaningless if the seed only sits idle in cold, wet soil and has increased risk of damage if it sits too long. They also argue that emergence is the point when growing degree days can be counted. As of last Sunday, corn emergence was 73% compared to 71% a year ago and the five-year average of 86%. The initial crop condition score of the season was 70% good to excellent, up 7% from the initial report a year ago.

### **...Feeders And Feedyards In The News...**

**Betty Koontz, 76**, wife of former TCFA President Charlie Koontz, passed away May 25. A resident of Horseshoe Bay, her survivors include her husband, a daughter, a son and five grandchildren. TCFA expresses its sympathy to Charlie and all the family.

**Russell Goble** is the new manager of Carrizo Feeders, Ltd. **Leo Vermedahl** remains a partner in the feedyard.

**Five Rivers Cattle Feeding** has announced these changes:

- **Dick Chumley**, general manager of Coronado Feeders, has retired.
- **John Foley**, previously general manager at XIT Feeders, is the new general manager at Coronado Feeders.
- **Gene Lowrey**, previously general manager at Hartley Feeders, is now general manager at XIT Feeders.
- **Ryan Moorhouse** is now general manager at Hartley Feeders.

**Dennis Deen**, assistant manager at Henry C. Hitch Feedlot, won the Earl C. Brookover Best Animal Award with the Angus heifer he entered at Garden City Beef Empire Days last week.

**Tyson Foods Is Asking Hog Producers Who Supply The Company To Get Certified** in the Pork Quality Assurance (PQA) Plus<sup>®</sup> Program by June 30, 2010 and to complete a site assessment by January 1, 2011. In addition, Tyson is donating \$10,000 to the National Pork Producers Council, which will direct the money to a matching fund program with state organizations to help financially support the on-farm assessments.

**The United States Will Revive A Dairy Export Subsidy** that has been dormant for the past five years to counter subsidies introduced earlier this year by the European Union, *The Food & Fiber Letter* reports. Ag Secretary Tom Vilsack said USDA would operate the dairy export incentive program in a way that is "fully consistent with our WTO commitments, and we will make every attempt to minimize the impact on non-subsidizing foreign suppliers." Under the program, USDA will subsidize the export of about 92,000 tons of dairy products.

**A Mexican Truckers Association Is Seeking \$6 Billion In Damages From The U.S. Government**, the *Wall Street Journal* reports. The association known as Canacar says it acted in response to the U.S. refusal to allow Mexican trucks to carry cargo over U.S. roads. The damages are being sought through NAFTA's arbitration process.

**Animal Welfare Is The Focus Of A New Internet Portal Launched By The UN's Food And Agriculture Organization (FAO).** According to FAO, the Gateway to Farm Animal Welfare is designed to provide a reliable information source on legislation, research findings and animal welfare standards, practices and policies. Anticipated users include producers and others in the food industry, government officials, lawmakers, researchers and non-governmental organizations. FAO developed the portal in collaboration with partners including the European Commission, the International Fund for Agricultural Development, the World Organization for Animal Health, Compassion In World Farming, the Latin American Poultry Association, Humane Society International, the International Fund for Animal Welfare, the Royal Society for the Prevention of Cruelty to Animals, the Brooke, the World Society for the Protection of Animals, the International Dairy

Federation, the International Federation of Agriculture Producers and the World Veterinary Association. To see the website, go to <http://www.fao.org/ag/animalwelfare.html>.

**Not Even Exploiting Murder Is Beneath PETA's Dignity.** The radical animal rights group this week announced plans to put up billboards in Wichita, Kansas in response to the recent killing of controversial abortion doctor George Tiller. The *Wichita Eagle* reports the billboards will feature a photo of three baby chicks and will play off the abortion debate with the words: "Pro-Choice? Choose Vegetarian" and "Pro-Life? Choose Vegetarian." Understandably, many Wichita residents are upset by PETA's latest publicity stunt. Wichita TV station KAKE reports two sign companies have rejected PETA, but the group is continuing efforts to find locations for the billboards.

**TCFA Sponsor Spotlight.** TCFA is proud to recognize its top sponsors whose efforts help deliver top-notch services to members.

This week's spotlight shines on



Bank of America is a long-time sponsor of TCFA and the cattle feeding industry. In fact, the bank in Amarillo has been loaning money to the cattle industry for over 100 years. If you want a bank that understands the cattle business and has a long standing commitment to the industry, Bank of America is the bank for you. B of A has an expedient approval process and a wide range of financial products that allow it to arrange tailored banking solutions at competitive rates. To see how B of A can add real value to your business, call one of their Agri-business specialists at (806) 463-3911.

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