



TEXAS CATTLE FEEDERS ASSOCIATION

NEWSLETTER

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Another Dairy Herd Retirement Was Announced Today (Friday) by Cooperatives Working Together (CWT). This is the second buyout by CWT this year and comes just days after CWT announced the results of its previous effort. It is also the eighth herd retirement round since the program began in 2003.

In order to have a more immediate impact with the new retirement round, CWT is shortening the time frame for producers to submit bids. A maximum bid level is also being announced for this round. "With the ongoing financial pressure on dairy farmers, and because the vast majority of farmers are familiar with CWT's Herd Retirement program and how it works, we shortened the bidding window to two weeks," said Jerry Kozak, President and CEO of NMPF, which manages CWT. "To expedite and simplify the bidding process, CWT will consider bids up to, but not to exceed \$5.25 per hundredweight. However, there is no guarantee that a producer who bids at the maximum level will be selected." Producers must still bid on a per hundredweight basis, and CWT will continue to review and accept bids beginning from the lowest bids received and moving up toward the maximum level. Bids must be postmarked by July 24.

"Carrying out a second herd retirement right on the heels of the largest-ever herd retirement should give us a double-barreled attack on milk production in a very short period of time, resulting in a farm level price recovery several months sooner than would otherwise occur," Kozak said. As has been the case in recent herd retirements, in addition to submitting bids for their milk herds, participating farmers will have the option of offering all of their bred heifers at a flat price of \$700 per animal.

CWT did not announce how many cows it hopes to remove in the new round.

In the just concluded herd retirement round, CWT said it removed 101,040 cows that produced almost 2 billion lbs. of milk. Altogether, CWT's buyout encompassed 367 herds in 41 states.

These figures reflect the final number of dairies that were successfully audited in the herd retirement process in May and June. CWT had received 538 bids from 41 states during the bidding process in April. As has been the case with its previous herd retirement rounds, most of the cows removed were in the western regions of the country. This round also removed 818 bred heifers.

Congressional Action On Appropriations:

On Thursday, the U.S. House of Representatives passed the \$22.9 billion FY 2010 Agriculture Appropriations bill (H.R. 2997) by a vote of 266 to 160. The bill increases spending by nearly 11% over FY 2009 with the bulk of the increase going to USDA's Women, Infants and Children feeding program, FDA and international food aid. The bill also contains a controversial, trade-distorting provision that effectively bans imports of some Chinese chicken products by not allowing USDA-FSIS to conduct a necessary and appropriate risk assessment, based on sound science, as to whether these imports pose any risk to American consumers. That provision is significant to U.S. cattlemen because it is preventing our government from successfully negotiating an agreement on beef exports to China and is adversely impacting our credibility with other trading partners. The bill also provides \$5 million to study the risks of researching foot and mouth disease on the mainland, instead of the \$36 million sought by the Department of Homeland Security to begin construction of the National Bio and Agro Defense Facility (NBADF) in Manhattan, Kansas — which is intended to replace the Plum Island Disease Center off the coast of New York State.

TCFA was successful in maintaining funding for the ongoing feedyard air quality/emissions reduction research being conducted through Texas AgriLife Research and Extension, West Texas A&M University, Kansas State University and USDA—ARS. TCFA, NCBA and others were also able to maintain full funding of \$200 million for the Market Access Program and \$34.5 million for the Foreign Market Development Program. A summary of the House bill is available at

http://appropriations.house.gov/pdf/Ag_FY10_FC_Summary_As_Amended_06-18-09.pdf.

Also this week, the Senate Appropriations Committee approved its version of the FY 2010 Agriculture Appropriations bill. Like the House version, the Senate bill contains funding for the feedyard air quality/emissions reduction research and full funding for MAP and FMD. However, the bill does not contain the provision to prohibit Chinese chicken imports. The Senate bill also provides funds to build NBADF. It is unclear when the full

Senate will consider the bill. A summary of the Senate bill is available at http://appropriations.senate.gov/agriculture/2009_07_07_Summary_of_FY_2010_Agriculture_Appropriations.pdf?CFID=5060359&CFTOKEN=83467908.

Opposition To Nomination Of Animal Rights Activist: NCBA sent a letter to U.S. Senate Agriculture Committee Ranking Member Saxby Chambliss (R-Ga.) thanking him for placing a hold on the nomination of Cass R. Sunstein, an unabashed animal rights advocate, to be the Administrator of the Office of Information and Regulatory Affairs (OIRA) within the Office of Management and Budget — where he would wield great power and influence through his responsibility to approve, reject or change all regulations promulgated by the Obama Administration. TCFA has also encouraged the Senators from Texas, Oklahoma and New Mexico to register their formal opposition by also placing a hold on this nomination. To see a copy of the NCBA letter, go to http://www.tcfa.org/Newsletter/ncba_letter_sunstein_2009-07-10.pdf.

2009 Junior Fed Beef Career & Leadership Program A Success: TCFA, along with West Texas A&M University and Texas AgriLife Extension, took another big step last week in educating and developing the next generation of cattle feeding industry experts. Thirteen students from all across Cattle Feeding Country assembled in Canyon for the first ever "Feedyard Camp." Students were introduced to aspects of the feeding industry including commercial feedyard operations, beef harvesting and processing, and retail beef programs and merchandising. They also participated in problem-solving activities related to day-to-day feedyard operations. At the conclusion of the program, students said they had a better knowledge and understanding of cattle feeding and a greater interest in pursuing careers in the industry.



These are the students and instructors from the first Junior Fed Beef Career & Leadership Program "Feedyard Camp" conducted by TCFA, West Texas A&M University and Texas AgriLife Extension. Last week's event brought 13 students from across the TCFA membership area to Canyon to learn about various aspects of the cattle feeding industry.

This program was made available to qualifying students free of charge thanks to participating TCFA member feedyards and Allied Industry sponsor companies who helped pay for program costs and meals. A special thanks to our program sponsors including Beef

Tech Cattle Feeders, Carson County Feedyard, Canadian Feedyard, Hansford County Feeders, Heritage Feeders-Happy, Mc6 Cattle Feeders and the Paul F. and Virginia Engler Foundation. Meals were sponsored by Allied Industry partner companies including Bayer HealthCare, Intervet/Schering-Plough, Merial, Novartis Animal Health, Micro Beef Technologies and Pfizer Animal Health. And a special thanks to David Baumann, Dell Volmer, Ben Fort, Bruce Graham, Russell Goble, Dr. Kendall Karr, Dr. Charlie Deyhle and Tyson Fresh Meats.

The General Permit For Concentrated Animal Feeding Operations (CAFOs) In Texas was renewed by TCEQ this week. The renewed General Permit becomes effective on July 20, which is the expiration date for the existing permit. The permit renewal application will not be available until July 20.

Feedyards will have 120 days to submit a permit renewal application. There will be no gap in permit coverage for renewal applications submitted within 120 days. Inspections, recordkeeping and technical requirements are largely unchanged from the existing permit. Several significant adjustments and clarifications recommended by TCFA during the comment period on the draft permit were addressed by TCEQ.

In June, TCEQ sent a letter to feedyards about the availability of a new electronic permitting system. Feedyards will have the option of using an on-line e-permits system or paper application.

Renewal fees will be \$75 for electronic submissions or \$100 for paper submissions. The permit renewal fee is separate from the annual TCEQ permitting fee of \$800 that is typically paid in the fall of each year. Feedyards must continue to pay the annual fee of \$800 when they receive that invoice.

For all feedyards participating in the TCFA Environmental Services Program in which quarterly visits are made, TCFA staff will complete the renewal application on your behalf. If you have any questions, please contact TCFA at (806) 358-3681.

Texas Special Session: The Texas Legislature met in Special Session for about a day-and-a-half earlier this month and addressed two of the three issues Governor Rick Perry set on the agenda. The Legislature passed a bill to delay for two more years the sunset of five state agencies (Transportation, Insurance, Racing, Affordable Housing, and the Office of Public Insurance Counsel) that were not reauthorized during the regular session and approved a measure to provide the Texas Department of Transportation (TXDOT) with the statutory authority to issue \$2 billion in general obligation highway bonds already approved by voters. However, neither of the chambers was willing to pass the third item on the call: a bill to extend the authority of TXDOT to enter into comprehensive development agreements with private companies to build toll roads. TCFA is disappointed that the Legislature did not have an opportunity to pass comprehensive eminent domain reform during the special session because the issue was not included in the Governor's call.

Federal Working Group Issues Food Safety Recommendations: The President's Food Safety Working Group released a number of recommendations earlier this week aimed at improving the safety of the U.S. food supply. Among the recommendations, the group proposes increased government enforcement at beef facilities. Specifically, the group recommends that by the end of July, the FSIS: 1) issue improved instructions to its workforce on how to verify that establishments that handle beef are acting to reduce the presence of *E. coli.*, and 2) increase its sampling to find this pathogen, focusing largely on the components that go into making ground beef. The details of how these proposals would be implemented are not yet clear.

Food safety is a top priority of TCFA and NCBA members. While the U.S. has the safest food supply in the world, our industry is constantly looking for ways to increase the efficiency and effectiveness of the systems we have in place. Since 1993, cattle producers have invested more than \$27 million in beef safety research, and the beef industry as a whole spends approximately \$350 million every year on beef safety. We hope the Administration will work closely with industry to ensure any changes are based on sound science and will accomplish our common goal of improving food safety.

The Working Group, created in March, is chaired by Ag Secretary Tom Vilsack and Health and Human Services Secretary Kathleen Sebelius, and includes participants from FDA, FSIS, the Centers for Disease Control and Prevention (CDC), the Department of Homeland Security, the Commerce Department, the State Department, EPA and several offices of the White House.

Applications For Livestock Indemnity Program (LIP) Benefits Will Be Accepted Beginning July 13, USDA has announced. "This program will provide livestock producers with a vital safety net to help them overcome the damaging financial impact of natural disasters," said Ag Secretary Tom Vilsack. LIP, which is administered by USDA-FSA, compensates livestock owners and contract growers for livestock death losses in excess of normal mortality due to adverse weather, including losses due to hurricanes, floods, blizzards, disease, wildfires, extreme heat and extreme cold. Eligible losses must have occurred on or after Jan. 1, 2008, and before Oct. 1, 2011. For more information, go to http://www.usda.gov/wps/portal/!ut/p/s.7_0_A/7_0_1OB?contentidonly=true&contentid=2009/07/0291.xml.

Livestock And Crop Losses Due To Drought In Texas might approach record levels this year, the Texas AgriLife Extension Service said. In 2006, Texas suffered record drought losses of \$4.1 billion. Travis Miller, an Extension drought specialist, told *Associated Press* that this year's losses "could easily be that" again. As of June 30, 11% of the state was in "extreme" or "exceptional" drought conditions — with South and Central Texas the primary areas affected. Large portions of Oklahoma and New Mexico are also in drought status. For a detailed look at where affected areas are, go to <http://drought.unl.edu/DM/MONITOR.html>.

Fever Tick Update: Congressman Henry Cuellar (D-Laredo) has requested that the Agriculture and Food Policy Center (AFPC) at Texas A&M University conduct a study to assess the economic impact of cattle fever ticks on cattle producers, the State of Texas and the United States. AFPC was also asked to determine the financial commitment and most efficient strategy to contain and eradicate cattle fever ticks in Texas. TCFA is very appreciative of Congressman Cuellar's efforts, and we will continue to work with him and other members of Congress to secure the funding needed to address this important issue.

Also of note, **NRCS has scheduled two workshops** to discuss the technical and financial assistance available to help cattle producers and other landowners fight the spread of cattle fever ticks. The one-day workshops will run from 8:30 a.m. to 4:30 p.m. on Monday, Aug. 10 in Eagle Pass and Tuesday, Aug. 11 in Cotulla. For more information or to RSVP, contact Mario Morales or Leigh Ann Sanderlin at the Rio Grande — Nueces RC&D at (830) 279-0164. The NRCS announcement regarding these meetings is available at http://www.tx.nrcs.usda.gov/news/releases/cattle_tick.html.

The 2007 No Match Rule Will Be Rescinded under a proposal offered this week by the Department of Homeland Security (DHS). Along with scrapping No Match, DHS says it plans to strengthen employment eligibility verification through a new regulation that will award federal contracts only to employers who use E-Verify to check employee work authorization.

E-Verify, which compares information from the Employment Eligibility Verification Form (I-9) against federal government databases to verify workers' employment eligibility, is a free web-based system operated by DHS in partnership with the Social Security Administration (SSA). The system facilitates compliance with federal immigration laws and helps to deter unauthorized individuals from attempting to work and also helps employers avoid employing unauthorized aliens.

The No-Match Rule was blocked by court order shortly after issuance and has never taken effect. That rule was intended to establish procedures that employers could follow if they receive SSA No-Match letters or notices from DHS that call into question work eligibility information provided by employees. Unfortunately, these notices most often inform an employer many months or even a year later that an employee's name and Social Security Number provided for a W-2 earnings report do not match SSA records — often due to typographical errors or unreported name changes. DHS says that E-Verify addresses data inaccuracies that can result in No-Match letters in a more timely manner and provides a better tool for identifying unauthorized individuals and combating illegal employment.

Several Important Federal Government Appointments were announced this week, including:

- Michael R. Taylor, J.D., as senior advisor to the FDA Commissioner. Taylor has previously held a number of positions with FDA and USDA, generally specializing in food safety issues.
- Jerold R. Mande, M.P.H. as USDA's Deputy Under Secretary for Food Safety. He will have responsibility for FSIS. Most recently, Mande has been the Associate Director for Public Policy at the Yale Cancer Center, Yale University School of Medicine.
- Dr. Rajen Anand as Executive Director of the USDA Center for Nutrition Policy and Promotion, which has responsibility for developing the Dietary Guidelines for Americans and the MyPyramid food guidance system. Anand's background includes 30 years as a professor of physiology, and he holds doctorates in veterinary medicine and in human physiology, nutrition and biochemistry.
- Jonathan Coppess as Administrator for FSA. Coppess previously served as a U.S. legislative assistant for agriculture, energy and environmental policy for U.S. Senator Ben Nelson (D-Fla.).

A Manure Management Conference Is Scheduled Sept. 29-30 at the Austin Marriott North in Round Rock, the Texas AgriLife Extension Service has announced. It has been 10 years since the last such conference was held, according to AgriLife officials, who note that over that time there have been major advances in technology to help manage animal manure and process generated wastewater. There have also been considerable changes in state and federal regulations governing livestock operations and the manure they produce. For more information about the event and to register, go to <http://aqnews.tamu.edu/showstory.php?id=1278>.

Vegetarians Have Weaker Bones Than Meat-Eaters, according to a joint Australian-Vietnamese study. The *New York Daily News* reports researchers found that vegetarians had 5% less dense bones than people who eat meat. Vegans — who refrain from eating all animal products including milk and eggs — had 6% weaker bones. The research examined the diets and bone strength of more than 2,700 people.

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