



TEXAS CATTLE FEEDERS ASSOCIATION

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The 2009 TCFA Annual Convention brought 500 cattle feeders to Amarillo last week. And it was definitely a good time had by all, as our special photo page proves: http://www.tcfa.org/Newsletter/2009_convention.pdf.

In his convention address, **2009 TCFA Chairman Monte Cluck** described being "inspired by the attitudes of the members" that he met with during his visits to more than 60 member feedyards over the previous twelve months.

"Here we are in one of the toughest times ever for our business, and yet no one was ready to quit the fight," Cluck said. "The strength and the will to survive and continue in the beef business are what differentiate us from any other industry, especially from non-agricultural industries."

In saluting cattle feeders' resolve in the face of adversity, Cluck reminded them that the industry has survived many other tough times such as the beef boycott of 1973, "The Wreck" of 1974, the dairy herd buyout in 1986 and the BSE episode of 2003. Cluck believes the industry's ability to fight its way through those earlier ordeals proves that the cattle feeders can always come back, and will do so again, even in the face of a severe recession.

"Overcoming a global economic collapse is a real battle, but we will get through it. Nothing will stop us from bouncing back. Not radical animal rights activists. Not yellow journalism. Not junk science about imaginary threats to the environment. And for darn sure – not socialism," he said. "We will stay on our feet and fight our way back because we are a tough bunch inspired by the generations who came before us."

Cluck is concerned that cattle feeders' recovery from recent heavy financial losses could be hampered by bad ideas coming out of Washington D.C., such as ethanol subsidies, legislation to restrict the use of animal health products, the potential government takeover of health care, the threat of higher taxes and flawed environmental policies. With so many challenges to confront, Cluck said beef producers must maintain a united front. "We must stick together when our industry is threatened. If someone or something is attacking the beef business, that's a threat to all of us – corporates, independents, our vendors, and, yes, even the packers. Let's stay united. We're all in this together."

Climate Change Bill Clears Committee: On Thursday, the U.S. Senate Environment and Public Works Committee reported without amendment the Clean Energy Jobs and American Power Act (S.1733) by a vote of 10-1. Republican members of the committee boycotted the vote to protest the way Chairman Barbara Boxer (D-Calif.) was handling consideration of the 950-page climate change bill, which she released last Friday. Ranking Member Jim Inhofe (R-Okla.) and others had repeatedly asked Chairman Boxer to hold off on the markup until EPA could deliver a full cost analysis of the bill.

Senator Max Baucus (D-Mont.) was the lone Democrat to vote against the bill. NCBA sent a letter to Senator Baucus in appreciation for his vote, as well as his intention to offer amendments to the bill during markup that would have helped protect agriculture from regulation. Unfortunately, he was unable to offer them because Chairman Boxer did not allow any amendments to be considered.

"Cattle producers will continue to work every day to protect and improve the environment so that we and future generations will be able to continue to live off the land and feed our nation and the rest of the world," stated NCBA President Gary Voogt in a letter to Senator Baucus. "We thank you for your recognition of our beneficial impact, and we look forward to working with you and the rest of the Senate to protect agriculture and show that we are part of the solution and not part of the problem."

Also this week, Senator Debbie Stabenow (D-Mich.) released a package of agricultural offsets and allowances that may be considered when the Senate Agriculture Committee takes its turn with the climate change bill. TCFA and NCBA are supportive and appreciative of Senator Stabenow's efforts but continue to have significant concerns with the overall bill. TCFA and NCBA are extremely concerned about the stifling economic impacts this legislation would have on agriculture. The bill, as reported by committee, would raise costs of fuel, electricity, feed, fertilizer, equipment, and other inputs necessary to maintain a cattle operation – severely impeding our ability to produce high-quality, affordable food for our growing population.

The Livestock Industry Got A Win On The Issue Of Emissions Reporting recently, NCBA CEO Forrest Roberts said at the TCFA Annual Convention. As Roberts explained, NCBA, TCFA and their allies on Capitol Hill helped persuade Congress to include two important amendments when it passed the Fiscal Year 2010 Department of Interior/EPA Appropriations Bill. One amendment deletes EPA funding for the implementation of any rule requiring mandatory reporting of GHG emissions from manure management systems. The other amendment prevents EPA from implementing regulation of GHG emissions under Title V of the Clean Air Act; in other words: no to "the cow tax." The amendments will remain in effect for one year.

Meanwhile, NCBA wants to make sure that the Administration is dealing with legitimate information as it contemplates future environmental regulation, Roberts said. He offered as an example the fact that EPA estimates show greenhouse gas (GHG) emissions from all livestock operations in the country account for less than 1% of all GHG emissions. Beef production's share of the emissions total is even smaller – around .12%, according to Roberts. That means EPA's data presents "a far different picture" than "what you see when you read the report from the UN – 'Livestock's Long Shadow' – which reported that the estimate should be closer to 18%." The contrast in those numbers, said Roberts, "starts to set the stage" for the efforts by organizations like NCBA and TCFA to work with the Administration.

Roberts told the cattle feeders that the EPA's own emissions data shows that the Administration's plans to require reporting of GHG emissions from manure management systems "will not provide any data that's useful in addressing what EPA's trying to do in terms of their long term goal of addressing greenhouse gas emissions. Rather, what it will do is put a significant financial and administrative burden on you as cattle producers and feedyard operators in this country."

Texas Elections: Turnout was low, but Texans approved all 11 of the proposed constitutional amendments on the ballot Tuesday. Most notable was the passage of Proposition 11, which strengthens private property rights and limits eminent domain abuses, and won approval with a resounding 81%. Voters also overwhelmingly approved constitutional amendments mandating statewide uniform standards and procedures for property tax appraisals, permitting the consolidation of adjoining appraisal districts, requiring that the value of residence homesteads for property tax purposes be based solely on the property's use as a residence and establishing a state fund to enable emerging public research universities to achieve national prominence as major research universities. Final vote totals can be found at http://enr.sos.state.tx.us/enr/results/nov09_147.htm.

Protecting Their State's Animal Agriculture From Activists Like HSUS was the purpose of a ballot measure overwhelmingly approved by Ohio voters Tuesday. The constitutional amendment creates the Ohio Livestock Care Standards Board, which keeps the state's agriculture under the control of Ohio experts.

HSUS President Wayne Pacelle indicated his group is still considering pushing its own ballot initiative next year. But, according to a *Drovers* report, HSUS could face a tough obstacle in getting any new initiative to stick. That's because a future ballot proposal that conflicts with the constitutional amendment could be challenged legally, according to Peggy Kirk Hall, director of agricultural law for the Ohio State University extension agricultural and resource law program.

Early Stories About This Year's Corn Crop Are Like Fishing: The first liar doesn't stand a chance. Harvest progress as of Nov. 1, showed some improvement and was in line with analysts' expectations for the week at 25% completed. Weather conditions across much of the Corn Belt have been better this week, and improved harvest progress is expected in next Monday's report. One aspect of the market that has seemed to stabilize is the expectation of a total crop size around the 13 billion bu. level. Reports are that corn is standing remarkably well with very few reports of lodging problems. Fears of late maturity limiting yield potential seem to have subsided, but those worries are being replaced by concerns about reduced test weights. The other topic that is getting a lot of market chatter is the expense of drying corn, with stories of costs of 50¢ to \$1 per bu. Effects of the late harvest are starting to show up with spikes in basis levels to end users due to short availability in some isolated locations; this will likely get worse if harvest remains slow. There are reports of diplodia (ear rot and mold) in some locations as well as broken kernels and heat damage with some dried corn. Anticipate more issues with poor quality corn this year and expect to see premiums on high quality corn and deepening discounts on off grade corn as elevators are forced into aggressive blending programs.

Cattlemen Urge EPA Not To Regulate Agriculture Out Of Business: NCBA is criticizing flawed and inconclusive science in an EPA review of the National Ambient Air Quality Standards (NAAQS) for Particulate Matter (i.e. dust). The study was done as part of a required review of the coarse particulate matter standards. TCFA will work closely with NCBA to oppose EPA's effort to lower the dust standard to an unattainable level.

"Coarse particulate matter is nothing more than the dust kicked up by cars or trucks traveling on dirt roads, a tractor tilling a field or cattle moving around on dirt," explained Tamara Thies, NCBA's Chief Environmental Counsel. "Studies do not show that rural dust is a health concern."

In 2006, EPA set coarse particulate matter standard of 150 micrograms per cubic meter of air. When EPA began reviewing the NAAQS in 2008, they determined that the evidence of health effects from this level of coarse particulate matter was inconclusive.

In July 2009, however, EPA reinterpreted that inconclusive evidence and made use of a flawed study to suggest that there are adverse health effects from dust at levels that are ten times lower than the current standard.

"EPA is suggesting a level of 12 to 15 micrograms of dust per cubic meter of air," said Thies. "That is below naturally occurring levels of dust throughout many Western states – including pristine National parks."

If EPA were to set the air standards at this level, much of the country would be over the limit. "Cattle producers are concerned about this because it would limit our ability to raise livestock, who kick up dust as they walk around," Thies says. "But this issue goes well beyond agriculture. States would be required to impose extreme control requirements and limitations on many businesses to ensure that the standard is met."

"We are urging EPA to reject this faulty study and refrain from setting an air quality standard for dust lower than naturally occurring levels, and effectively halting economic growth and development," Thies continued.

New TCFA Officers And Board Members were elected at the 2009 TCFA Annual Convention.

Mike Engler of Amarillo is chairman of the board; Bo Kizziar of Spearman is chairman-elect; and Jim Peters of Quemado is vice chairman.



TCFA Officers Elected During The TCFA Annual Convention

in Amarillo are, left to right, Vice Chairman Jim Peters of Quemado, Chairman Mike Engler of Amarillo and Chairman-Elect Bo Kizziar of Spearman.

Cattle feeders elected to one-year terms on the board of directors are Scott Anderson of Guymon, David Baumann of Dawn, Mike Engler of Amarillo, Bill Roser of Watonga, Warren White of Hereford and Richard Winter of Amarillo.

Directors chosen for two-year terms are Raymond Brown of Hereford, Sammy Brown of Friona, Dave Delaney of Kingsville, Robby Kirkland of Vega, Bo Kizziar of Spearman and Dale Smith of Amarillo.

Elected to three-year terms as directors are Kevin Buse of Hereford, Chris Hitch of Guymon, Jim Peters of Quemado, Pat Schwab of Bovina, Mike Thoren of Greeley and Monty Wheeler of Pampa. Also serving on the TCFA board are the association's two immediate past chairmen: Monte Cluck of Boerne and Walter E. Lasley of Stratford.

Consumer Resistance And Political Pressure On Taiwan's Government apparently has thrown at least a temporary hitch into the new trade opportunity that came when Taiwan recently announced it would allow bone-in beef from the U.S. *Feedstuffs* reports regulations that leave unclear what new beef products will be allowed under the newly announced beef import protocol are what prompted USDA-FSIS on Nov. 4 to suspend U.S. beef exports from cattle slaughtered after Nov. 2.

An industry source told *Feedstuffs* that while the action to suspend the U.S. exports is a government-to-government matter, the industry anticipates there will be a satisfactory resolution. He speculated that FSIS took the action in the belief it was not appropriate to certify U.S. beef exports to Taiwan until "unanswered questions on the implementation" of Taiwan's new domestic regulations were addressed.

Restoring Export Markets Is Critical To Overcoming Sagging Beef Demand, Cattle-Fax Executive Vice President Randy Blach said at the TCFA Annual Convention.

"I don't want to sound like a broken record. I've said this for the last several years, but I still think this (exports) is an area where we're really missing the boat as an industry, Blach said, adding that beef producers need to work harder to get "the right people's attention and get some of these markets opened up. It would have a tremendous impact on what we're able to merchandise cattle for."

"We still aren't back to the same levels of beef exports that we were pre-BSE. We were exporting 2.5 billion lbs. in 2003. We're going to be lucky to be at 1.8 to 1.9 billion lbs. this year," Blach said. According to Blach, if U.S. beef was operating under the same trade protocols with Japan as it is with South Korea, "it would be worth another \$60 to \$70 per head across our fed cattle market." Getting into China also needs to be a priority.

Overall, the decline in beef demand is the biggest challenge facing the industry, according to Blach. "We've averaged \$83 to \$84 on fed cattle this year. If we had the same demand we had a year ago, our market would be averaging \$94 to \$95 per hundredweight."

On a brighter note, Blach said that because supply levels are well in check, a significant increase in fed cattle prices could come as the economy recovers, possibly toward the end of 2010.

...Feeders And Feedyards In The News...

Elton Holland, who founded and owned Stockton Feed & Milling and Rancher's Feedyard in Fort Stockton, has passed away. Holland was a long-time TCFA member. Services are scheduled tomorrow (Nov. 7) at Hollis Hills Memorial Park in Granbury.

Wheeler Land & Livestock, LLC is the new name for the feedyard previously called Heritage Feeders, LP-Wheeler. **Shane Guest** is the manager.

Quien Sabe Feeders is the new name for the feedyard previously known as Heritage Feeders, LP-Happy. **Ben Fort** is the general manager.

Perryton Feeders, LLC is the new name for the feedyard previously known as Perryton Feeders, Inc. Bailey Peyton is the general manager.

Walt Garrison is the new manager at **Wrangler Feedyard** in Happy.

David Watts is the new manager at **Wolf Creek Feedyard** in Perryton.

Jeff Matsler is the new manager at **Wes-Tex Cattle Feeders** in Muleshoe.

Buffalo Feeders, LLC has been named the 2009 Large Feedlot of the Year by *Certified Angus Beef*[®].

Kirkland Feedyard in Vega, and its owners **Perry and Robby Kirkland**, were featured in an article in the November/December issue of *Working Ranch Magazine*.

Former TCFA Chairman Paul Engler is on the cover of the October/November issue of *Calf News* and profiled in an article within for his induction to the Cattle Feeders Hall of Fame. Engler was also recently inducted in the Meat Industry Hall of Fame.

Past TCFA Chairman Paul Engler Has Been Inducted As A Meat Industry Hall Of Fame inaugural inductee. Also representing the TCFA area as an inductee is **Dr. Russell Cross**, a Texas A&M University professor and administrator. The 21 members in the initial class were chosen by the newly formed Hall's board of trustees from among more than 70 executives, researchers, innovators and association leaders across all sectors of the industry.

For more information on the Hall of Fame, including how to nominate someone to be a 2010 inductee, go to http://www.cattlenetwork.com/Meat-Industry-Hall-Of-Fame-Inducts-Its-First-Group-Of-Charter-Members/2009-10-29/charolais_Article.aspx?oid=930252&fid=CN-LATEST_NEWS_&emc=el&m=532949&l=3&v=1cec4a7f4c&Print=1.

A Total Of 26,412 Cows Were Tentatively Accepted In The Latest Dairy Herd Buyout by Cooperatives Working Together (CWT). The word on how many cows ultimately receive final acceptance should come later this month.

This is CWT's third buyout this year and the fourth in the past twelve months. The three previous rounds removed 226,000 cows altogether.

For more on the most recent buyout, click to http://cwt.coop/sites/default/files/news_releases/Herd-retirement-details-102709.pdf.

NCBA Member Testifies During Death Tax Hearing: Arthur Uhl, chairman of NCBA's Tax and Credit Committee, testified on Wednesday at a U.S. House of Representatives Small Business Committee hearing on the death tax. Uhl, a rancher, cattle producer and attorney from San Antonio, highlighted the need for swift reform of this burdensome tax – considered one of the leading causes of the breakup of multi-generation family farms and ranches.

For more on Uhl's testimony, go to <http://www.beefusa.org/NEWSNCBAMemberTestifiesDuringCongressionalEstateTaxHearing39805.aspx>.

USDA Has Designated 69 Counties In Texas As Primary Natural Disaster Areas because of losses caused by drought, above-normal temperatures and associated wildfires that that occurred during 2009. The newly designated counties are in addition to 70 that were previously named primary natural disaster areas earlier this year for the same reason.

To see the list of counties, go to http://www.fsa.usda.gov/FSA/printapp?fileName=ed_20091104_rel_1503.html&newsType=ednewsrel.

Future Research And Educational Partnerships Related To Fever Ticks were the focus of a recent meeting of Texas cattle industry representatives. The event was hosted by Texas AgriLife Extension Service.

"The purpose of this summit was to bring together all stakeholders (livestock and wildlife) in Texas to begin a concerted effort in battling movement of the fever tick," said Dr. Tom Hairgrove, livestock systems program coordinator with AgriLife Extension Service and Texas Veterinary Medical Diagnostic Laboratory. "I think at the end of the day, everyone got a sense of where we are at and the work that needs to be done."

"This is a major concern not just for Texas, but the U.S.," said Dr. Ron Gill, AgriLife Extension beef cattle program leader and associate department head for animal science at Texas A&M University. "There needs to be more producer education, research and commercialization of technology that will all aid in preventing spread of the fever tick."

To read more about the meeting, click to <http://agnews.tamu.edu/showstory.php?id=1509>.

The Beef Checkoff, Through NCBA Continues To Partner With The American Dietetic Association (ADA) to reach critical audiences, including registered dietitians and credentialed health professional influencers.

Beef once again supported a prominent booth at the 2009 conference. In addition, the Checkoff helped support the ADA Foundation gala dinner, which provided more than 1,000 leaders in the nutrition community with a nutrient-rich meal featuring lean beef at the center of the plate.

The conference was attended by 8,000 health influencers, many of whom visited the beef booth, providing an opportunity to distribute Beef Nutrition Resource CDs containing current fact sheets and more than 20 lean beef recipes with photos along with MyPyramid posters for adults, kids, preschoolers and moms. 6,500 booth visitors also enjoyed samples of a recipe pairing lean beef with fruits and vegetables – Grilled Top Sirloin Filets with Smoky Orange Sauce.

Please note: All links are still available at <http://www.tcfa.org> under This Week's Newsletter links.