



Beef Business

► A look at current issues affecting the cattle industry. Compiled by *Kasey Brown*, associate editor

Mixed opinions on concluded Trans-Pacific Partnership negotiations

The Trans-Pacific Partnership (TPP), initiated in late 2008, is a regional trade deal that includes the United States, Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam, which account for nearly 40% of global gross domestic product (GDP), though the Coalition for a Prosperous America (CPA) contends that the United States makes up 60% of the TPP countries' GDP. Negotiations in Atlanta, Ga., between the 12 nations concluded in early October.

Support

Agriculture Secretary Tom Vilsack says, "An agreement on the Trans-Pacific Partnership negotiations provides a more level playing field in trade for American farmers. The agreement would eliminate or significantly reduce tariffs on our products and deter non-science-based sanitary and phytosanitary barriers that have put American agriculture at a disadvantage in TPP countries in the past. Despite these past barriers, countries in the Trans-Pacific Partnership currently account for up to 42% of all U.S. agricultural exports, totaling \$633 billion. Thanks to this agreement and its removal of unfair trade barriers, American agricultural exports to the region will expand even further, particularly exports of meat, poultry, dairy, fruits, vegetables, grains, oilseeds, cotton and processed products."

Vilsack adds that the TPP should result in stronger demand and export opportunities for American products, and thus stronger commodity prices and farm income. Today, agricultural trade supports more than 1 million jobs here at home and contributes a trade surplus year after year to our nation's economy.

Vilsack concludes, "Failing to grasp this opportunity would be a mistake. Worse than just losing out on potential gains, our producers would fall behind other countries that are negotiating their own preferential arrangements in TPP countries. We are committed to working with Congress within the framework of the recently passed Trade Promotion Authority to obtain a strong bipartisan understanding of and support for this historic trade deal that benefits farmers, ranchers, and all those who live, work and

raise families in rural communities."

Beef exports currently add more than \$350 to each head of cattle sold in the United States. With the completion of this work, National Cattlemen's Beef Association (NCBA) President Phillip Ellis says the organization looks forward to increased demand and growth for beef exports across the Pacific Rim. Through the partnership process with these 11 other nations, beef producers were able to secure the best deal possible to address tariff and non-tariff trade barriers to beef exports, surpassing individual country arrangements.

U.S. Cattlemen's Association (USCA) President Danni Beer says, "[This] announcement that negotiations have successfully reached a deal signal welcome news to a domestic industry in need of expanding international market access and reduction of tariffs in the countries included. The opportunities for U.S. beef exports is significant under this deal and we look forward to reviewing the specific parameters of the deal when it is released to the public."

Beer explains, "The potential benefits to the industry are significant; however, certain trade provisions must first be carefully scrutinized. Increases in New Zealand dairy exports have the potential to create a significant impact on the U.S. market, while Japan, the third-largest economy in the world and a major import market for U.S. beef, still has a tariff rate of around 38% on U.S. beef products. TPP offers an opportunity to level the playing field for U.S. producers by lowering and phasing out tariffs, making U.S. beef more competitive in the global market."

Opposition

National Farmers Union (NFU) President Roger Johnson warns, "Just as we feared, the Trans-Pacific Partnership is moving forward without any meaningful language addressing one of the chief tools used by our trade competitors to ensure the playing field is never fair: currency manipulation.

"Because of this, NFU will continue to

vigorously oppose this agreement and urge Congress to reject this deal as well. Gains that may have been made in the agreement to ensure fairness and equity in trade for America's family farmers and ranchers are likely to be lost due to currency

manipulation," Johnson asserts. "Any deal that lacks tough language against currency manipulation is not worth the paper it's written on."

Ranchers-Cattlemen Action Legal Fund, United Stockgrowers of America (R-CALF USA) CEO Bill Bullard says, "There is nothing novel about this TPP agreement. It does not embrace the principles that livestock producers, manufacturers and workers have suggested. Instead, it follows the same blueprint as the free-trade agreements we

already have with 20 countries and those agreements resulted in a \$2.3 billion deficit in the trade of cattle, beef, beef variety meats and processed beef last year alone. This TPP is a NAFTA and CAFTA look-alike and will most likely worsen the \$28 billion deficit we accumulated over the past 25 years with those and the other free trade-agreement countries.

"Our cattle industry witnessed the damage ill-conceived free-trade agreements have wrought upon the U.S. sheep industry, shrinking it by more than half and relegating it to a residual supplier of lamb and mutton in our own domestic market," he continued. "Adding New Zealand, already the second largest importer of lamb and mutton, to the list of countries with duty-free access to the U.S. market will ensure that our beleaguered sheep industry will continue to be offshored for years to come, if not forever. The sheep industry is the cattle industry's canary in the coal mine."

The Coalition for a Prosperous America (CPA) opposes the TPP agreement because it says it will harm American job creation, agricultural and goods production, and our economic prosperity.

"U.S. trade negotiators had no strategy to increase American net trade when conducting these negotiations," said Michael

"The potential benefits to the industry are significant; however, certain trade provisions must first be carefully scrutinized."

— *Danni Beer*

Stumo, CEO of CPA. "Instead, they pursued a deal for the sake of getting a deal, regardless of the result. The result is another negotiating loss instead of a win."

R-CALF USA and CPA add they do not support TPP because of current poorly performing trade deals with most TPP countries already; no economic benefit expected from other TPP countries, including Japan; ignores balanced trade and domestic growth; Korea agreement failure repeated; currency manipulation failure; central planning of outsourcing; windfall for China; globalizes the legislative process; globalizes courts; and tax bait and switch.

Moving forward

House Agriculture Committee Chairman K. Michael Conaway (R-TX) says this of moving forward, "We have long discussed the potential benefits of TPP for all of American agriculture. That being said, I have repeatedly expressed concerns to our negotiators about the lack of progress in several key areas that, if not adequately addressed, would make passage of this agreement incredibly difficult in the House.

"Last week, I sent a letter along with 16 of my colleagues to USTR Ambassador Froman to express concern about lack of market access for rice and dairy and concern about a new carve-out proposal for tobacco, establishing a dangerous new precedent that could negatively impact agriculture going forward. The letter also expressed concern about market access for sugar, encouraging U.S. negotiators not to go beyond the parameters of what the U.S. had already offered after consultation with the U.S. industry," he adds.

"While I am encouraged to hear that U.S. livestock products such as beef and pork will see significant gains in market access, it will take a coalition of many to move TPP over the coming months. At this time, I am skeptical that these concerns were sufficiently addressed but will remain open-minded, and I look forward to studying the agreement," Conaway concluded.

Source: CPA, NCBA, NFU, R-CALF USA, USCA, USDA and House Agriculture Committee press releases. More information on each organization's opinions and reasons behind them are available on their respective websites.

Sixth Judicial Circuit stays WOTUS implementation

Citing a substantial possibility of success on the merits of their claims and casting suspicion on the rulemaking process, the Sixth Judicial Circuit Court of Appeals ordered that the EPA and Army Corps'

Waters of the United States rule be stayed nationwide until the court can determine jurisdiction over the many pending lawsuits.

Philip Ellis, National Cattlemen's Beef Association president said this action will prevent implementation of the WOTUS rule. "This is great news for cattlemen and women and all land users who have been at a loss as to how to interpret this rule. A stay by the Court has the same effect as an injunction, and this action prevents the EPA and Army Corps from implementing this disastrous rule across the country. In granting the stay, the majority of the court sided with the states that the rule likely fails on both substantive and procedural grounds."

A three-judge panel for the U.S. Court of Appeals for the Sixth Judicial Circuit voted 2-1 to stay implementation over concern that burden to state and federal government, as well as private parties and the public in general, from the implementation of the WOTUS rule outweighed any harm to the agencies in keeping the status quo.

Source: NCBA.

Food toxin detector incorporates camera

A new system that incorporates a digital camera to detect pathogens that cause foodborne illness has been developed by USDA scientists.

The high cost of equipment used to identify pathogens restricts widespread testing of foods for toxins that cause food poisoning, which sickens millions of Americans each year. The new system, devised by chemist Reuven Rasooly and his colleagues at the Agricultural Research Service's (ARS's) Western Regional Research Center (WRRRC) in Albany, Calif., measures Shiga toxin activity as effectively as equipment that costs 100 times more.

Shiga toxin, a product of *E. coli* O157:H7, is a major concern for the food industry. It is estimated that *E. coli* O157:H7 causes 73,000 cases of food poisoning and more than 60 deaths in the United States each year. It is critical to determine toxin activity, because the active form poses a threat to humans, and the inactive form is nontoxic. However, current immunological tests cannot distinguish between the active and inactive form of Shiga toxin.

The new inexpensive system can distinguish between active and inactive toxins, according to Rasooly. It involves a \$300 camera and a light-emitting source to biologically determine active toxin. A fluorometer, which is generally used to detect toxins, costs about \$35,000.

Research on this project involved constructing a fluorescence detection system using a camera and light source to measure

toxicity in a Shiga toxin food sample. Fluorescence measurements were obtained by taking a picture with a camera and analyzing the image with a free, available computer software.

The system is easy to adapt and also can be used to detect other foodborne toxins. When compared with a commercial fluorometer for detecting active Shiga toxin, both methods had the same toxin detection level.

Read more about this work in the September 2015 issue of *AgResearch*.

Source: Sandra Avant for USDA ARS.

State lawmakers ask Congress to oppose H.R. 1599, a bill to preempt state GMO-labeling laws

A bipartisan group of 95 state lawmakers (representing 21 states) who have either sponsored state genetically modified organisms (GMO)-labeling bills, or supported state GMO-labeling ballot initiatives or bans on GMO crops, have signed on to a joint letter asking Congress to oppose H.R. 1599, or any other federal law that would preempt states' rights to enact GMO-labeling laws.

In their letter, the lawmakers argue that states have a constitutional right to pass GMO-labeling laws, as affirmed by a District Court in April with regard to Vermont's labeling law. They also reject claims by supporters of H.R. 1599 that state GMO-labeling laws would create a "messy patchwork" of laws that would be burdensome for food manufacturers.

Maine Rep. Michelle Dunphy (D-Old Town) is lead author of the letter. Rep. Dunphy is also lead sponsor of Maine's LD 991, a bill before the Maine state legislature that would speed enactment of Maine's existing GMO-labeling law (LD 718) by repealing the clause requiring five contiguous states, including Maine, to pass GMO-labeling laws before GMO-labeling can be enacted in Maine.

"H.R. 1599 is being deceptively sold to Congress on the mistruth that it will address consumers' concerns by establishing a uniform federal standard for GMO labeling," Dunphy said. "In fact, H.R. 1599 would preempt state and federal mandatory labeling laws and instead establish a voluntary, government-run program for labeling non-GMO foods. States have historically held the right to pass food safety and food-labeling laws, and Congress should not undermine that right just to protect the biotech industry."

In their letter, lawmakers wrote: "HR 1599 would undermine the existing rights of states to pass food-labeling laws; it would undermine the efforts of the thousands of people working to create basic

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transparency in food labels in their states; it would undermine the rights of consumers to basic information; and it would undermine the concept of a free market based on truth and transparency in labeling.”

The letter will be addressed in a House briefing on Oct. 20, and during a Senate briefing scheduled for Oct. 22.

H.R. 1599 passed the House on July 23. While a Senate version has yet to be introduced, the Senate Committee on Agriculture, Nutrition and Forestry announced that the Committee will hold a hearing on the federal regulation of agriculture on Oct. 21.

Source: Meltwater Press.

Court nixes activists' attempt to get farm data

In a victory for U.S. farmers and ranchers in their ongoing fight to protect private personal and financial records, a U.S. District Court judge dismissed a lawsuit brought by animal-rights and environmental activists against the U.S. Environmental Protection Agency (EPA) over the agency's withdrawal of a proposed Clean Water Act (CWA) rule that would have required livestock and poultry operations to report information about their operations.

EPA's proposed Concentrated Animal Feeding Operation (CAFO) Reporting Rule sought to have CAFOs submit to the agency operational information so it could “more effectively carry out its CAFO permitting programs on a national level and ensure that CAFOs are implementing practices to protect water quality and human health.” EPA wanted facility facts such as contact information, location of a CAFO's production area, CWA permit status, the number and type of animals confined and the number of acres available for land application of manure. It withdrew the proposal in July 2012.

The proposed rule was prompted by a May 2010 “sweetheart” settlement agreement EPA entered with the Natural Resources Defense Council, Waterkeeper Alliance — then represented by Hannah Connor, currently an attorney for the Humane Society of the United States (HSUS), which joined the most recent suit against EPA — and the Sierra Club once it became clear the agency would lose a lawsuit brought by the National Pork Producers Council (NPPC) over EPA's 2008 CAFO rule. That regulation required, among other things, that large livestock operations that propose to or that might discharge into waterways obtain CWA permits. (A federal court said the clean water

law requires permits only for operations that actually discharge.)

In their lawsuit, the activist groups claimed EPA's withdrawal of the reporting rule was “arbitrary and capricious” because it lacked clear reasoning, ran counter to the evidence in the administrative record and constituted a “clear error in judgment.”

Judge Randolph Moss of the U.S. District Court for the District of Columbia Circuit in Washington, D.C., who dismissed the suit, disagreed with the activist groups, saying the agency's explanation for the withdrawal was “plain and coherent” and that it “adequately explained the basis for its decision.”

Source: National Pork Producers Council.

Judge rules in favor of science-based management of wild horses

A judge in Washington, D.C., rejected unsupported claims that the United States Forest Service (USFS) wild-horse management plan would threaten the long-term health and well-being of the wild-horse population in the Modoc National Forest.

In 2014, the wild-horse population in the Devils Garden wild-horse territory of the Modoc National Forest was estimated at 400% to 700% overpopulated. The Forest Service plan would reduce horses to the Appropriate Management Level (AML) in the area and correct boundaries of the horses' territory that currently incorrectly includes private property and other inappropriate USFS land. The reduced populations, livestock producers and USFS argue, would live up to the agency's requirement to provide a “thriving natural ecological balance,” as described in the *Wild Free-Roaming Horses and Burros Act of 1971*.

In the court's words, “Plaintiffs may disagree with the Forest Service's decision to adjust the AML range instead of modifying grazing permits and livestock management plans,” but the National Environmental Policy Act (NEPA) “is not a suitable vehicle for airing grievances about the substantive policies adopted by an agency, as NEPA was not intended to resolve fundamental policy disputes.”

Additionally, the court ruled that the wild-horse territory cannot be extended beyond the area occupied by the horses in 1971, when the Act was passed.

“Overpopulation of wild horses threatens not only the health of the range, but the livelihood of those that do properly manage the natural resources,” said Dustin Van Liew, Public Lands Council (PLC) executive director.

The Western Resources Legal Center (WRLC) represented the Public Lands Council and the National Cattlemen's Beef Association, as well as the California

Cattlemen's Association. A first-of-its-kind law center, WRLC educates students on real legal cases, giving them the opportunity to gain valuable experience in the courtroom, while advocating for entities dependent on natural resources.

Source: Public Lands Council.

USCA applauds statement by cabinet members on 2015 Dietary Guidelines

The USCA applauds remarks made by USDA Secretary Tom Vilsack and Health and Human Services (HHS) Secretary Sylvia Burwell regarding the *2015 Dietary Guidelines* in front of the House Agriculture Committee.

USCA Dietary and Nutrition Chair Linda Chezem commented, “USCA appreciates Chairman Conaway (R-TX) and Ranking Member Collin Peterson (D-MN) in holding today's hearing to review the development of the *2015 Dietary Guidelines*. USCA is pleased that both Secretary Vilsack and Secretary Burwell have acknowledged the vast overreach taken by the committee in drafting their proposed guidelines. The inclusion of sustainability and environmental concerns in the proposed 2015 guidelines was far outside the committee's expertise and stated goal. The comments made by both secretaries that these sections will not be included in the final guidelines is welcome news to all of those in agriculture.”

She adds, “USCA is also pleased with the blog post issued this week by Secretary Vilsack and Secretary Burwell in which they describe the next steps in the process of producing a final *2015 Dietary Guidelines* document.”

As stated within the post: “...though the guidelines have yet to be finalized, we know they will be similar in many key respects to those of past years. Fruits and vegetables, low-fat dairy, whole grains and lean meats and other proteins, and limited amounts of saturated fats, added sugars and sodium remain the building blocks of a healthy lifestyle.”

Chezem continued, “We look forward to reviewing the final *2015 Dietary Guidelines* and encourage both HHS and USDA to use best science moving forward, which accurately takes into account all nutritional qualities needed in a healthy, comprehensive diet.”

Source: USCA.

USDA announces \$17 million to support America's beginning farmers and ranchers

The USDA has announced more than \$17 million in grants for organizations that will develop training and provide other resources for beginning farmers and ranchers across the nation. The awards are made through the Beginning Farmer and Rancher

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Development Program, which is administered by USDA's National Institute of Food and Agriculture (NIFA).

"When new farmers and ranchers start their operations, the Beginning Farmer and Rancher Development Program can help them implement tested strategies and new ideas that in turn benefit all of us by reducing food insecurity, growing economic opportunities, and building communities," said Deputy Secretary Krysta Harden. "Today, we are partnering with organizations who recognize that an investment in our beginning farmers and ranchers is also an investment in our future."

The program provides support to those who have farmed or ranched for less than 10 years. NIFA awards grants to organizations throughout the United States that implement programs to train beginning farmers and ranchers, which may take place through workshops, educational teams, training or technical assistance.

The 2014 Farm Bill mandated that at least 5% of BFRDP funding must support veterans and socially disadvantaged farmers. This year, more than 15% of the funded projects have a substantial component that supports veterans and farming, while about 50% of the projects focus mainly on socially disadvantaged farmers and ranchers.

More information about USDA support for new farmers and ranchers is available on the New Farmers page on the USDA website, www.usda.gov.

Source: USDA.

USDA awards grants to support communities' local foods infrastructure

Agriculture Secretary Tom Vilsack helped to kick off the nation's harvest season by announcing nearly \$35 million in new funding through four grant programs to support local and regional food systems, including farmers' markets. Secretary Vilsack has named strengthening local food systems as one of the four pillars of USDA's efforts to revitalize rural economies and communities. Purchases of locally produced food have surged to nearly \$12 billion under Vilsack's leadership, while the number of farmers' markets has exploded to more than 8,500 from 5,274 in 2009.

These grants are administered by USDA's Agricultural Marketing Service (AMS) and Food and Nutrition Service (FNS). Under the current administration, AMS and FNS have partnered to boost affordable access to local, fresh and healthy foods, which creates a gateway to opportunity for small and mid-

size producers and benefits the health of all Americans, regardless of income level.

"Today, USDA is helping to create economic opportunities for producers, increase access to fresh, healthy food for consumers, and connect rural and urban communities across the country," said Secretary Vilsack. "Each of the grants announced today targets a unique part of the growing market for local foods. We are also expanding access for current SNAP participants to the wonderful array of fresh produce at America's farmers' markets, which is important to a healthy diet."

Both the Farmers' Market and the Local Food Promotion Programs were made possible by the 2014 Farm Bill. A description of the projects funded by each of these programs is available on the AMS website, www.ams.usda.gov/.

Source: USDA AMS.

Colorado State University's CoBank Center for Agricultural Education officially opens

Now open for business, the CoBank Center for Agricultural Education at Colorado State University (CSU) is designed to help fill a void in agricultural education teachers for K-12 students and community colleges across Colorado and the United States.

"It is essential that our students help educate the next generation about agriculture," said Ajay Menon, dean of the CSU College of Agricultural Sciences. "Our college will be at the forefront of innovations that will ensure that people are fed, clothed and healthy, and agricultural education is a key component of maintaining the longevity and viability of our industry."

Fundraising for the center was led by the Colorado FFA Foundation, which helped raise \$2.6 million of the \$3.3 million needed for the new facility with significant private support and a lead gift from CoBank. The center sits just north of campus at the college's Agricultural Research, Development and Education Center.

The CoBank Center for Agricultural Education encompasses more than 14,000 square feet, with customized laboratory, technology, teaching and office space. It includes a special exhibit space for the Farm Credit Colorado Agriculture Hall of Fame, a signature program of the Colorado FFA Foundation. Not only will the center function as an academic space for faculty, staff and students, but it will also serve as a community meeting space, bringing together individuals from the agricultural industry, rural communities and local schools. There will also be a display of jackets donated as part of the FFA Blue Jacket Society.

Source: CSU Public Relations News Service.

ISDA now accepting livestock grant applications

The Indiana State Department of Agriculture (ISDA) is now accepting applications for livestock promotion and market development grants to foster growth within the Hoosier livestock industry.

An ISDA Livestock Grant provides a 50% match for projects for livestock promotion funding or market development. Eligible projects include education programs, livestock shows/exhibitions, conventions and similar events, value-added feasibility studies, research projects, market development and business-development projects.

Applicants must be a nonprofit organization, commissions and associations with 501(c) status involved with the following livestock species: cattle, swine, sheep, equine, goats, poultry, camelids, ostriches, cervidae, bison, aquaculture and rabbits.

Grant applications are due Dec. 1, 2015, and awards will be announced in February 2016. More information on the grants is available at www.in.gov/isda/2474.htm.

Source: Prosperity Ag & Energy Resources.

Texas beef checkoff unveils new consumer website

The website <http://txbeef.org> has a fresh new look complete with eye-catching food photography, mouth-watering recipes and a section dedicated to Texas stories. The Texas Beef Checkoff has refreshed the consumer-facing website in efforts to reach audiences with renewed Texas-specific content and inspiring stories about Texans.

"The new website design and content was driven by consumer research and web user trends," Rachel Chou, senior manager of Consumer Communications at the Texas Beef Council (TBC) said. "We believe we can foster a great relationship with those who are purchasing beef and cooking it for their families by having a strong online presence, providing relevant content and evolving with the digital world."

The fully responsive site is user-friendly, easy to navigate, and establishes TBC as the go-to resource for everything beef. Visitors will find unique Texas-specific recipes and content that sets <http://txbeef.org> apart from existing recipe sites.

The Texas Stories section gives visitors an inside look into the lives of Texas ranchers, athletes and restaurateurs. Three documentary-style videos featuring Texas ranching families anchor the page followed by true tales of beef-loving folks from across the Lone Star State.

Source: Texas Beef Council.

