



# Beef Business

► A look at current issues affecting the cattle industry. Compiled by *Linda Robbins*, assistant editor

## Farm Bureau urges Senate to ditch proposed water rule

The American Farm Bureau Federation (AFBF) is urging the Senate to tell the Environmental Protection Agency (EPA) to withdraw its proposed Waters of the U.S. (WOTUS) Rule and restore the integrity of the rulemaking process.

In a letter sent to all members of the Senate, AFBF cited a recent letter sent by the Small Business Administration's (SBA) Office of Advocacy to the EPA. After a thorough evaluation, the SBA office's letter called on the EPA and the Army Corps of Engineers (Corps) to withdraw the WOTUS rule.

"The SBA Office of Advocacy found that EPA and the Corps used conflicting and even incorrect data in order to claim minimal impacts on small business and that they cherry-picked the data used in their economic analysis," AFBF wrote.

Farm Bureau has vigorously articulated its view that the EPA analysis of its proposed rule is flawed and the manner in which it has conducted this rulemaking is broken.

"The SBA Office of Advocacy has now validated our concerns," Farm Bureau wrote. "Now is the time for all senators to join the bipartisan effort to have this rule withdrawn."

A copy of the letter can be found at [www.fb.org/tmp/uploads/cwa-wotus-senate14-1006.pdf](http://www.fb.org/tmp/uploads/cwa-wotus-senate14-1006.pdf).

Source: *American Farm Bureau Federation*.

## Nation's ag co-ops set record for annual sales and income

Agriculture Secretary Tom Vilsack announced Sept. 30 that the nation's farmer, rancher and fishery cooperatives set a new sales record in 2013, with total business volume of more than \$246 billion. That surpasses the previous record by \$8 billion, set in 2012, a 4% gain. U.S. co-ops also enjoyed robust job growth over the previous year.

This third consecutive year of record sales by ag cooperatives reflects increased sales in the overall farm economy in 2013. U.S. crop production and livestock sales both increased 6% in 2013, while production input (farm supply) sales increased 2%.

"These sales and net income records for ag cooperatives, combined with strong gains in employees for 2013, underscore the strength and productivity of the nation's farmer- and

rancher-owned cooperatives. These co-ops play a vital and growing role in the nation's economy," Vilsack said.

Vilsack made the announcement to mark the start of National Cooperative Month in October. He also signed a Cooperative Month proclamation that salutes the nation's entire cooperative business sector, which includes about 30,000 co-ops. In addition to agriculture, the nation's co-ops play a major role in electricity and telecommunications services, credit and financial services, housing, and in many other sectors of the economy.

Ag co-ops also enjoyed record net income (before taxes) of \$6.2 billion, besting the previous high of \$6.1 billion, set in 2012. Co-op income is either reinvested in the co-op for needed improvements or returned to the member-owners. It then circulates in local communities.

The number of full-time employees working for ag co-ops climbed by almost 7,000 in 2013, to 136,000, up 5% from 2012. Counting seasonal employees, ag co-ops employ 191,000 people.

In addition to marketing and processing their members' crops and livestock, co-ops are also major players in the farm-supply market. Co-op sales of petroleum, feed, seed and crop protectants were all up in 2013. Fertilizer sales declined, the only major farm supply to see sales drop in 2013.

With grain and oilseed prices generally lower in 2014, it appears unlikely that co-ops will set a fourth consecutive sales record when the results are tallied next year. However, livestock, poultry and dairy producers and their co-ops will benefit from lower feed costs, which should offset at least some of the decline in revenue from grain and oilseed sales.

While 33 ag cooperatives recorded more than \$1 billion in sales in 2013, 33% (726 co-ops) had less than \$5 million in sales.

Source: *USDA Office of Communications*.

## New scientific review concludes no adverse effects of genetically engineered feeds in livestock diets

An article published in the peer-reviewed *Journal of Animal Science* concludes feeding livestock diets that contain genetically engineered (GE) crops has no impact on the health or productivity of those animals. In a thorough review of scientific literature

**Since their introduction in 1996, GE feed crops have become an increasing component of livestock diets. Today, more than 95% of U.S. food-producing animals consume feed containing GE crops.**

and field data sets, the article documents evidence that the performance and health of food-producing animals fed GE crops are comparable with those of animals fed non-GE crops. Since their introduction in 1996, GE feed crops have become an increasing component of livestock diets. Today, more than 95% of U.S. food-producing animals consume feed containing GE crops.

Studies that involve feeding GE crops to livestock are used to evaluate the safety of these crops. Recently, University of California–Davis (UC–Davis) researchers reinforced the consistency of these studies in an unprecedented review article that examines nearly 30 years of livestock-feeding studies, representing more than 100 billion animals. In the review, posted online Sept. 24 in the *Journal of Animal Science*, Alison Van Eenennaam, Cooperative Extension specialist in animal biotechnology in the Department of Animal Science at UC–Davis, and research assistant Amy Young examine feeding data from 1983 (13 years before GE crops were introduced) through 2011 (when GE feed use exceeded 90%). The review also examines the composition of products derived from animals fed diets containing GE feeds.

"No study has revealed any differences in the nutritional profile of animal products derived from GE-fed animals," state the authors.

The review, entitled "Prevalence and impacts of genetically engineered feedstuffs on livestock populations," appeared in the October 2014 *Journal of Animal Science*. Due to the high level of interest in the article, the American Society of Animal Science has elected to make the full article immediately

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available in open-access form at  
[www.asas.org](http://www.asas.org).

Source: *American Society of Animal Science*.

### **Applied nutrition modeling producing beef more profitably, helping reduce methane emissions in feedlots**

Nutritional modeling systems developed in the department of animal science at Texas A&M University have helped participating Texas feedlot operators keep feed costs in check and produce beef more profitably. Now, these models have the potential to be applied to help reduce greenhouse gas emissions, according to researchers.

Luis Tedeschi, Texas A&M AgriLife Research nutritionist and associate professor in the department of animal science, has extensively studied decision-support systems, specifically nutritional modeling. While a doctoral student at Cornell University, Tedeschi worked with Danny Fox in developing the Cornell Net Carbohydrate and Protein System model for evaluating herd nutrition and nutrient excretion.

At Texas A&M, Tedeschi built upon that work in developing the Cattle Value Discovery System, or CVDS, which helps feedyards sort animals into homogenous groups so that a higher percentage reach a desired level of grade on the day the pen is marketed.

“Usually when feedlots receive animals, they group them in pens by weight,” he said. “We changed the paradigm to grouping them according to CVDS-predicted days to reach the target USDA quality grade, usually USDA low-Choice.”

Also, nutritionists have typically formulated cattle rations that often contained excess nutrients to ensure that growth rate was maximized, which often increased nutrient excretion and contributed to adverse effects on water and air quality, Tedeschi said.

The Large Ruminant Nutrition System, LRNS, is a computer model that estimates beef and dairy cattle nutrient requirements and supply under specific conditions of animal type, climatic conditions, management and physiochemical composition of available feeds. This model uses the same computational engine of the Cornell Net Carbohydrate and Protein system, Tedeschi said.

The CVDS modeling system is used by Performance Cattle Co. and Micro Beef Technologies, among others. When used in combination with the LRNS, the CVDS creates a complete ration for each animal and predicts a day to reach the target

USDA grade. An RFID (radio frequency identification) ear tag system monitors which lots of animals receive a certain kind and amount of feed ration.

“It’s a very complete model for nutrition,” Tedeschi said. “In addition to improving performance and profitability while reducing environmental impact, these models help producers and consultants understand nutrient requirements and feed utilization in beef, sheep and goats.”

The modeling system can also be applied in predicting expected progeny differences (EPDs) for breeding herd replacements.

For more information on the models, visit <http://nutritionmodels.tamu.edu/models.html>.

Source: *Texas A&M AgriLife Communications*.

### **NFU submits comments to proposed rule on WOTUS**

National Farmers Union (NFU) President Roger Johnson submitted comments Sept. 22 to the EPA on its proposed rule addressing the “Waters of the United States Definitions Under the Clean Water Act (CWA).” The comments are intended to provide the agencies with advice for drafting a final rule that does not increase CWA jurisdiction and promotes consistent application of EPA policies, which aligns with the agencies’ stated intent.

“These comments should help the agencies avoid using language that could be taken out of context and used to stretch CWA jurisdiction in the future,” said Johnson. “The agencies’ stated intent is to replace inconsistent practices with clear, bright-line tests through this proposed rule.

“If NFU’s comments are given proper consideration, the final rule will allow the regulated community the certainty it needs to conduct its business free from fear of undue regulatory interference and without sacrificing the [EPA agency’s] ability to protect the United States’ water resources,” he said. “The importance of clean water today and for future generations is critical to the well-being of the nation.”

Johnson pointed out that if NFU’s comments are incorporated into the final rule, a number of important and much-needed clarifications will be achieved. Those include:

- ▶ A definition of “tributary” that clarifies without increasing CWA jurisdiction.
- ▶ A bright-line rule for “adjacent waters,” reducing the need for case-by-case determinations.
- ▶ Codification of agency practice in light of Supreme Court rulings, increasing the predictability of jurisdictional determinations by the agencies.
- ▶ An exclusion of ditches that do not

connect with wetlands, riparian areas, floodplains or other waters.

- ▶ An exclusion of ditches without perennial flow from CWA jurisdiction.
- ▶ Affirmation of exemptions for normal agricultural activities.

Johnson urged other groups submitting comments to be constructive in critiquing the rule, and to remember that EPA has been ordered by the courts to write a rule and that it was up to vested interests, like farmers and ranchers, to provide expertise and insight as to how this rule will operate in the real world. “If NFU’s comments are incorporated into the final rule, it will remove a lot of uncertainty and protect family farmers from litigation,” he said.

Source: *National Farmers Union*.

### **House passes Jobs bill**

On Sept. 18, the House passed The Jobs for America Act (H.R. 4) by a vote of 253 to 163. Bob McCan, National Cattlemen’s Beef Association (NCBA) president and Victoria, Texas, cattleman said this was a positive move for cattle producers and a solid step toward stabilizing the economy.

“The Jobs bill passed by the House contains a number of priorities for our producer members, including some key tax provisions,” said McCan. “The passage of this legislation brings our producers one step closer to having the certainty they need to make financial preparations and needed investments in this tax year.”

Included in the Act is the America’s Small Business Tax Relief Act and other provisions directed toward the Internal Revenue Service (IRS), which makes section 179 expensing and bonus depreciation permanent. The bill also contains the Regulations from the Executive in Need of Scrutiny Act, requiring Congress to take an up-or-down vote on all new major rules that would have an economic impact of more than \$100 million annually before they can be enforced. Additionally, critical for many public lands and western ranchers is the inclusion of the Restoring Healthy Forests for Healthy Communities Act addressing catastrophic wildfire and forest mismanagement.

“Many of the provisions contained in this bill are critical for the cattle industry; legislation that extends certainty in the tax code, reins in the regulatory train wreck our members face from administration agencies like the EPA, and aims to better manage our public lands and resources,” said McCan. “We appreciate the efforts of the House in bringing this bill to the floor and urge the Senate to take action.”

Source: *National Cattlemen’s Beef Association*.

## USDA awards more than \$52 million in grants to grow organic and local food economies

Ag Secretary Tom Vilsack announced Sept. 29 the award of more than \$52 million in support of the growing organic industry and local and regional food systems through five USDA grant programs. Vilsack made the announcement during an event with Virginia Governor Terry McAuliffe and First Lady Dorothy McAuliffe and local farmers at the Virginia State Fair.

“Local and regional food systems are one of the pillars of our efforts to revitalize rural economies,” said Vilsack. “Consumers are increasingly demanding more local and organic options. Investing in local and regional food systems supports the livelihoods of farmers and ranchers, especially smaller operations, while strengthening economies in communities across the country. Today’s (Sept. 29) announcements also improve access to fresh, healthy food for millions of Americans.”

Vilsack made the announcement while in Virginia, where M. James Faison, a farmer and business owner of Milton’s Local Harvest, was awarded a Local Food Promotion Program grant. Milton’s Local Harvest will develop aggregation and wholesale distribution channels for farmers producing local swine and cattle products in Virginia and the District of Columbia. The project will improve the commercial viability of small- to medium-scale farmers, allowing wholesalers to source locally and increasing consumer access to local, sustainable and healthy meat.

USDA’s Agricultural Marketing Service (AMS) awarded more than \$27 million in competitive grants to expand marketing through the new Local Food Marketing Promotion Program (LFPP) and the Farmers Market Promotion Program (FMPP). LFPP will invest millions annually in marketing and promotion activities for local food enterprises including food hubs, aggregation businesses, local food processors, farm to institution activities and other similar efforts. FMPP makes annual investments in marketing and promotion activities for farmers’ markets, Community Supported Agriculture groups (CSAs) and other direct producer-to-consumer outlets for local food.

“These Farmers’ Market and Local Food Promotion Program grants provide farmers and ranchers around the country with tools to reach consumers, strengthen ties between urban and rural communities, and help meet the growing demand for locally and regionally produced food,” said AMS Administrator Anne Alonzo.

*Source: USDA Office of Communications.*



## Secretary Vilsack highlights innovative conservation efforts during Midwest farm visit

Ag Secretary Tom Vilsack announced Sept. 15 the award of \$15.7 million in Conservation Innovation Grants (CIGs) to 47 organizations that will help develop and demonstrate cutting-edge ideas to accelerate innovation in private lands conservation. Vilsack made the announcement while visiting a farm in Illinois.

“These grants promote creativity and problem-solving efforts that benefit farmers and ranchers and protect our natural resources,” Vilsack said. “They’re critical in sparking new ideas and techniques for conservation on America’s private lands and improving the environment.”

The grants announced are funded through the Environmental Quality Incentives Program (EQIP). Grantees must work with producers and forestland owners to develop and demonstrate the new technologies and approaches. At least 50% of the total cost of CIG projects must come from non-federal matching funds, including cash and in-kind contributions provided by the grant recipient.

Vilsack made the announcement while visiting a corn and soybean farm owned by David and Tamara Erickson and their sons, Nicholas and Bradley. The Ericksons have a five-year Conservation Stewardship Program contract with USDA’s Natural Resources Conservation Service (NRCS) and have also received technical assistance from NRCS. Vilsack saw soil conservation practices including no-till and grassed waterways to reduce runoff. He viewed soil cores, which demonstrate the benefits of efforts to improve soil health.

The National Corn Growers Association and the National Association of Conservation Districts, both involved with conservation activities in Illinois, are receiving grant awards to demonstrate the use of best management practices such as conservation tillage, cover crops and advanced nutrient management to address soil health concerns. Almost half of the grants support the agency’s priority of getting more conservation on the ground by improving the health of our nation’s soils. The National Corn Growers Association will receive almost \$1 million to promote soil management practices aimed at improving productivity, profitability and environmental outcomes in seven states. The National Association of Conservation Districts will receive \$750,000 to fund a project to

significantly increase the number of farmed acres nationwide (including Illinois) that are successfully managed for soil health.

*Source: USDA Office of Communications.*

## AFBF leads delegation to reduce trade barriers abroad

AFBF President Bob Stallman led a delegation of the organization’s leaders to Europe in September to discuss efforts to increase trade through comprehensive agreements that would reduce, if not eliminate, government-imposed barriers to agricultural trade.

“Regulatory barriers, particularly those not grounded in scientific standards, have limited the flow of agricultural trade between the U.S. and EU (European Union) markets for too long,” Stallman said.

The American Farm Bureau Trade Advisory Committee, chaired by Minnesota Farm Bureau President Kevin Paap, met with World Trade Organization (WTO) Director General Roberto Azevedo, as well as with the WTO director of agriculture and commodities and trade ambassadors from Brazil, Japan, Australia, India, China and Canada.

Following the meeting in Geneva, the group traveled to Brussels to meet with EU officials to discuss the Transatlantic Trade Investment Partnership (TTIP). The TTIP negotiations aim to expand the world’s largest commercial relationship with \$1 trillion of trade in goods and services annually and \$3.7 trillion in two-way direct investment between the United States and EU member nations. The United States exported \$12 billion in agricultural products to the EU in 2013 while the EU exported \$17.3 billion in agricultural products to the United States.

“U.S. farmers and ranchers are ready for commitments that result in real actions to open market access and limit trade disruptions,” Stallman said. Before the United States considers reductions in or limitations on domestic support for U.S. agriculture, negotiations must yield an important net gain for U.S. farmers and ranchers through commitments on market access and on trade-distorting policies by our trading partners.

Other members of the Farm Bureau trade delegation included Nevada Farm Bureau President Hank Combs, Texas Farm Bureau President Kenneth Dierschke, Montana Farm Bureau President Bob Hanson, Iowa Farm Bureau President Craig Hill, Wyoming Farm Bureau President Perry Livingston and Arkansas Farm Bureau President Randy Veach.

*Source: American Farm Bureau Federation.*

