Industry Link

Low grain prices

Plentiful grain supplies likely mean low crop prices for farmers but lower costs for livestock producers looking for feed options through winter.

Mark Welch, AgriLife Extension grains marketing economist, College Station, Texas, said the expected drier weather pattern through winter could cause problems for cattle producers' winter pastures and potential grazing. However, abundant supplies of grains and subsequent low prices could mean lower feed costs for all livestock.

Corn prices should remain low and steady, he said, due to heavy yields. Acreage was down this year, but new crop varieties and technology brought "unprecedented" yields.

Sorghum had a banner production year, but is expected to garner low prices, he said. Corn and sorghum acres were lower in 2017 compared to the year before, but above-average yields contributed to high supply numbers and lower price trends.

Those above-average yields for two major grains would be good for livestock producers who will find lower feed prices on various nutritional sources that could supplement traditional forages, Welch said.

Grain from other producing nations could depress prices further or be a catalyst for a rise in domestic prices, Welch said.

Cattlemen should also see good prices on oilseeds as feed, including cottonseed and soybean meal.

Low feed prices could mean further expansion of already record production numbers in the livestock industry, Welch said. U.S. poultry and pork producers set production records last year, and cattle markets are still good for ranchers.

Source: Texas AgriLife Extension.

Livestock hauling mandate

On Dec. 6, 2017, Senators Jerry Moran (R-Kan.) and Heidi Heitkamp (D-N.D.) led a bipartisan effort to delay the implementation of the ELD mandate for livestock and insect haulers. In a letter to Senate Majority Leader Mitch McConnell and Democratic Leader Chuck Schumer, the senators expressed support for language included in the House-passed Transportation, Housing and Urban Development (THUD) Appropriations Bill that effectively delays the ELD mandate for one year to allow the industry to work with the Federal Motor Carrier Safety Administration (FMCSA) to address the strict hours-of-service rules by which transporters must abide.

Source: United States Cattlemen's Association.

COOL summary judgment

Recently, co-plaintiffs Ranchers-

Cattlemen Action Legal Fund, United Stockgrowers of America (R-CALF USA) and the Cattle Producers of Washington (CPoW) filed a brief for summary judgment in their country-of-origin labeling (COOL) case in the federal district court located in Spokane, Wash. The groups seek to reinstate that portion of the repealed COOL law that required beef and pork imported from foreign countries to retain their origin labels all the way to the consumer.

The brief alleges USDA is knowingly violating U.S. law by not requiring meatpackers to carry forward the country-of-origin labels that are on the packages and containers when meat is imported. It alleges the USDA is allowing meatpackers to remove origin labels even after the agency itself, its attorneys and the Congressional Research Service have acknowledged that the USDA's regulations are in conflict with U.S. law.

The groups state USDA allows multinational meatpackers to reclassify foreign meat as a domestic product even if all the meatpackers do is unwrap and rewrap the imported product.

They further state USDA then allows the repackaged foreign product to be labeled as a "Product of the U.S.A."

Source: R-CALF USA.

Biotechnology regulations

The USDA Animal and Plant Health Inspection Service (APHIS) announced late last year it is withdrawing a proposed rule to revise the agency's biotechnology regulations and will reengage with stakeholders to determine the most effective, science-based approach to regulate products of modern biotechnology while protecting plant health.

"It's critical that our regulatory requirements foster public confidence and empower American agriculture while also providing industry with an efficient and transparent review process that doesn't restrict innovation," said Ag Secretary Sonny Perdue. "To ensure we effectively balance the two, we need to take a fresh look, explore policy alternatives, and continue the dialogue with all interested stakeholders, both domestic and international."

More information can be found at https://www.aphis.usda.gov/biotechnology/news.

Source: USDA.

Tax code reform

U.S. House of Representatives leadership released Nov. 2 its blueprint for sweeping tax reform, including significant cuts to individual and corporate tax rates and eventual repeal of the estate tax. The plan is estimated to cost \$1.51 trillion over the next decade.

"Farm Bureau applauds Congress for

its progress in reforming the tax code," noted American Farm Bureau Federation (AFBF) President Zippy Duvall. "This new tax plan moves us closer to a tax system that rewards the hard work and entrepreneurship of America's farm and ranch families.

"[This Nov. 2] proposal includes expanded, immediate expensing while continuing the business interest deduction important to so many farmers and ranchers," Duvall continued. "It also provides immediate relief from the estate tax with a repeal to follow in subsequent years."

National Farmers Union (NFU)
President Roger Johnson took a different
tone.

"While NFU supports efforts to simplify the tax code, we adamantly oppose the overarching elements of this plan because they shift the nation's tax burden from the top earners in our country to the backs of American family farmers, ranchers and the middle class," he said.

The plan offers significant tax cuts for corporations and the wealthy, he said. "It repeals the estate tax, a significant revenue generator that affects only the wealthiest in our nation, and it does not provide adequate offsets for these cuts, translating to a \$1.51 trillion increase to our federal deficit," Johnson explained.

Source: NFU and AFBF.

AFBF backs HIT delay

A recently introduced Senate bill to delay the Affordable Care Act's health insurance tax (HIT) would help lower insurance costs for farmers, ranchers and other small business owners, according to the AFBF. The Small Business and Family Health Tax Relief Act of 2017 (S. 1978) would provide an additional two years of relief from the HIT, which is on hold only through the end of this year.

A report released in August estimates the HIT will force families purchasing coverage in the small group market to pay an additional \$500 on average in premium costs next year.

"The bill addresses one of the major concerns that farmers and ranchers have related to health insurance — cost. The health insurance tax has increased health insurance costs for farmers, ranchers and other small businesses by imposing a levy on the net premiums of health insurance companies, which is passed on to consumers," AFBF President Zippy Duvall wrote in a letter to the bill's original sponsors, Sens. Heidi Heitkamp (D-N.D.), Jeanne Shaheen (D-N.H.) and Joe Donnelly (D-Ind.).

Another Farm Bureau-supported Senate bill, the *Healthcare Tax Relief Act* (S. 1859), would delay the HIT for one year. RBCS coverage online

This year's Range Beef Cow Symposium (RBCS) was hosted Nov. 28-30 in Cheyenne, Wyo. The biennial event is sponsored by the Cooperative Extension Service and animal science departments of the University of Wyoming, South Dakota State University, Colorado State University and the University of Nebraska.

The Angus Journal and American Angus Association representatives were on site to provide coverage of this year's event, and summaries, audio, PowerPoint presentations and proceedings are available at rangebeefcow.com.

Source: Shelby Mettlen, Angus Media

Grading maturity determination changes

After input from industry stakeholders, consideration of more recent research, and months of procedural process, USDA announced a change to modernize the grading standards by allowing carcass maturity as determined by dentition to be used when assigning quality grade.

Studies have shown that beef from carcasses determined by dentition to be less than 30 months of age but exhibiting advanced skeletal maturity (B and C) was equally as palatable as beef that did not exhibit advanced skeletal maturity.

The new standard will allow carcasses determined to be less than 30 months, based on dentition, to be classified as A maturity as long as skeletal maturity has not advanced to the oldest categories of D or E. The latter two age groups will not be eligible for Prime through Standard grades. Carcasses found to be more than 30 months of age will still have quality grades assigned using current standards. The revised standard goes into effect Dec. 18, with more details available at https://www.ams.usda.gov/ content/usda-announces-changes-usbeef-grade-standards.

Source: Paul Dykstra, Certified Angus Beef LLC.

Adjusting to packinghouse camera adjustments

Many industry participants are aware USDA announced in late October that adjustments to camera carcass grading were necessary. The latest generation of camera, called Gigabit Ethernet, or "Gig E," had been introduced last winter and deployed by several packing plants early last summer. As a track record developed for the new camera over the summer through October, it became evident to

Source: AFBF. (Continued on page 114)

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some observers that the new cameras were assigning quality grades more generously than the previous models.

A "sameness test" was conducted to determine if this were true. USDA concluded that an adjustment was necessary to bring the new Gig E camera technology back into alignment. It is

important to know that not all packing firms had switched to the Gig E camera and the consequential impact of the adjustment does not apply to all packing plants.

Once the adjustments were announced, some packers elected to discontinue camera use for marbling

determinations, at least for now, relying once again solely on the human USDA grader for that judgment call. Since the initial calibration changes to the Gig E camera were made Oct. 26, an additional set of changes was implemented in early November in an ongoing process.

As we compare the three largest-

volume packing states for fed cattle, we see that Kansas packers took the brunt of the impact in Week 1, as compared to Nebraska with some impact and Texas showing nothing negative just yet. That being said, the changes are still fresh that were made the first full week of November and more weekly reported quality grade data will reveal the true impacts of this situation on grade percentages and CAB acceptance rates. We expect minor supply impacts to the Certified Angus Beef® (CAB®) brand at this time.

Source: Paul Dykstra, Certified Angus Beef LLC.

AFBF president appointed to White House trade advisory committee

AFBF President Zippy Duvall has been appointed to the White House's Advisory Committee for Trade Policy and Negotiations (ACTPN).

Members of the ACTPN advise the president on the potential effects of proposed and current trade agreements. The ACTPN, which is administered by the U.S. Trade Representative, is the main trade advisory committee that provides policy information and advice to the president.

"I am deeply honored to be called to serve as a member of the White House's Advisory Committee for Trade Policy and Negotiations," Duvall said. "I look forward to taking a seat at the table on behalf of America's farmers and ranchers as we look to further our agricultural trade opportunities. We must keep building on our current gains in markets abroad, foster lasting relationships with our international partners and, of course, effectively enforce current trade agreements to ensure agriculture continues to boost our economy and create jobs for all Americans.'

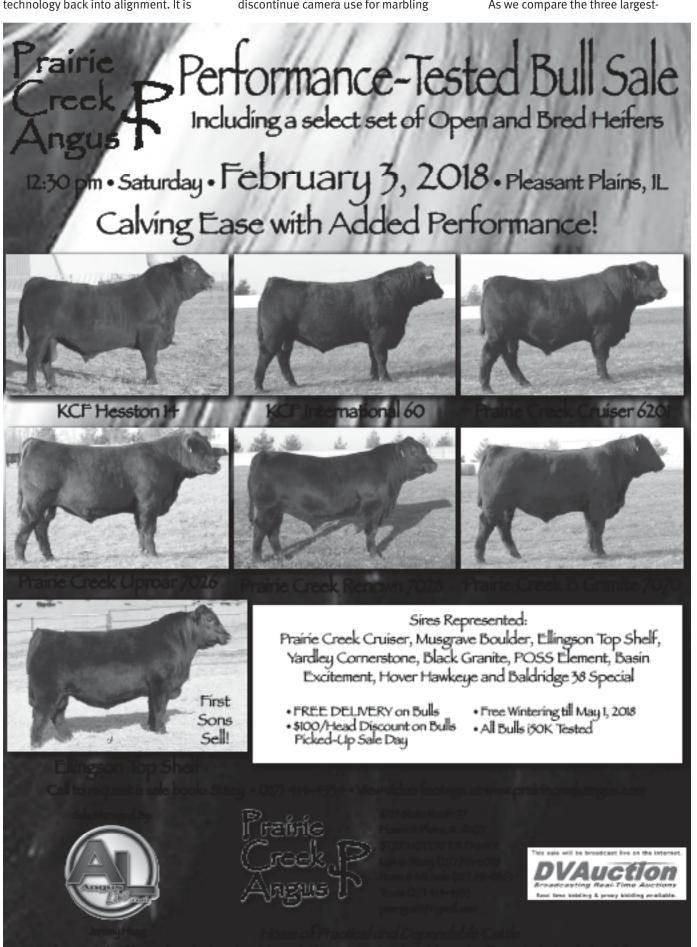
Duvall has been appointed by the president for a four-year term. Established by the 1974 Trade Act, the ACTPN brings together up to 45 individuals from the private sector who represent key economic sectors affected by trade. The committee evaluates trade policy issues by considering their effect on the overall national interest.

Source: AFBF.

USDA highlights \$40 million in infrastructure investments in rural communities

Agriculture Secretary Sonny Perdue highlighted USDA investments in fiscal year (FY) 2017 that will help construct or improve infrastructure and boost economic growth in rural communities.

"USDA is focused on improving rural America's infrastructure," Perdue said. "Investments such as the ones I'm highlighting [Dec. 14] will improve the quality of life, create jobs, grow our economy and foster prosperity in rural areas."



In FY 2017, USDA used funding from the Community Facilities Direct Loan Program to invest more than \$40 million in 31 projects to repair, enhance or build infrastructure. These investments were for projects such as surface transportation, aviation, ports, water and storm water resources, energy production and generation, and electricity transmission. They will benefit nearly 265,000 residents.

The investments are supporting projects in Alabama, California, Florida, Georgia, Hawaii, Iowa, Illinois, Kansas, Kentucky, Maine, North Carolina, New Jersey, Ohio, Oklahoma, Pennsylvania, Puerto Rico, South Dakota, Tennessee, Texas, Virginia, Vermont and Wyoming.

More information can be found at https://content.govdelivery.com/accounts/USDAOC/bulletins/1cc49f2.
Source: USDA.

USDA to rescind organic livestock and poultry rules

The USDA Dec. 15 announced its intent to withdraw the Organic Livestock and Poultry Practices (OLPP) final rule. The rule was finalized in January 2017, but placed on hold when the new administration took office.

National Farmers Union (NFU) supports the OLPP rule's intent, as it would improve the consistency and integrity of organic livestock practices and labeling. NFU Senior Vice President of Public Policy and Communications Rob Larew issued the following statement in response to the announcement:

"This is a very disappointing decision by USDA, both for American family farmers and for consumers. Currently, we have too much inconsistency in how organic certifiers apply animal welfare standards to farming and ranching operations. This, in turn, endangers the organic label's integrity and leads to consumer confusion. The OLPP rule would have helped mitigate these concerns by standardizing organic livestock and poultry practices for the voluntary National Organic Program.

"We urge USDA to find a solution that provides certainty to family organic producers and integrity to the organic label. Family farmers, ranchers and consumers all benefit from thorough, accurate and consistent food labeling."

Source: NFU.

NPPC applauds withdraw of organic rule

USDA's Dec. 15 announcement that it would withdraw a proposed organic rule for livestock and poultry was hailed by the National Pork Producers Council (NPPC).

The Obama-era regulation — the Organic Livestock and Poultry Practices rule — would have incorporated into the National Organic Program welfare standards that were not based on science and that were outside the scope of the *Organic Food Production*

Act of 1990. The act limited consideration of livestock as organic to feeding and medication practices.

"We'd like to thank Secretary Perdue and the Trump administration for listening to our concerns with the rule and recognizing the serious challenges it would have presented our producers," said NPPC President Ken Maschhoff, a pork producer from Carlyle, Ill.

NPPC raised a number of problems with the regulation, including animal and public health concerns and the fact that animal production practices have nothing to do with the basic concept of "organic." NPPC also cited the complexity

the standards would have added to the organic certification process, creating significant barriers to existing and new organic producers.

Source: NPPC.

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Agreement on plans to merge Koepon & CRI

The boards of directors of Koepon Holding BV and Cooperative Resources International (CRI) have reached agreement on a plan to merge their organizations. The agreement is nonbinding, and subject to due diligence and other customary

conditions, including receipt of requisite governmental and other consents and approvals. Once completed, final agreement will be conditional upon approval by both boards of directors, as well as the delegates of CRI. If successful, the organizations plan to formalize the merger by mid-2018.

Alta Genetics and Genex, are global providers of bovine genetics and related services. Similarly, Koepon and CRI subsidiaries, Valley Ag Software and AgSource, provide herd management and information services to dairy producers. Koepon and CRI also have other businesses centered around services and products for agricultural producers.

Koepon is privately owned, and CRI is cooperatively owned by its farmer-members. CRI cooperative operations will be maintained as part of the merged entity. The new organization will be incorporated and headquartered in Wisconsin.

Source: Koepon & CRI.

USDA considers AWA updates

APHIS Nov. 2 closed its extended comment period for potential updates to the *Animal Welfare Act* (AWA) licensing requirements.

USDA initially asked for the public's help in determining potential updates in an announcement Aug. 23, 2017, and in late October. More than 35,000 comments had been submitted.

Each year, USDA issues new licenses and renews existing licenses for people who breed, sell or exhibit animals for commercial purposes. The department is responsible for ensuring that these licensees comply with the AWA's humane standards of care, which enables the American public to confidently purchase pets and view animals on public display.

The full list of potential changes is available at

https://www.regulations.gov/ docket?D=APHIS-2017-0062. Source: USDA APHIS.

Cattlemen respond to reductions in national monuments

The NCBA and Public Lands
Council (PLC) applauded the White
House's plan to reduce the Bears
Ears and Grand Staircase—Escalante
National Monuments. The decision
— which follows an extensive review
of monument designations by the
Department of Interior — is a clear
win for rural communities who
have suffered the consequences of
egregious federal overreach.

"Previous administrations abused the power of the *Antiquities Act*, designating huge swaths of land as national monuments without any public input or review," said Dave Eliason, PLC president. "Rural communities in Utah and across the West have paid the price. Sweeping designations locked up millions of acres of land with the stroke of a pen, undermining local knowledge and decimating rural economies."

The president's decision means that traditional uses of the land, including livestock grazing, will be restored on public land in Utah.

"We are grateful that [this] action will allow ranchers to resume their role as responsible stewards of the land and drivers of rural economies," said Craig Uden, NCBA president. "Going forward, it is critical that we reform the *Antiquities Act* to ensure that those whose livelihoods and communities depend on the land have a voice in federal land management decisions."

Ranchers who hold grazing permits on public land do vital work



that benefits public land including the improvement of water sources, conservation of wildlife habitat, and maintenance of the open space that Americans enjoy. Limitless power to make massive designations under the *Antiquities Act* poses a serious threat to that noble mission and rich heritage.

Source: NCBA.

Annual chef predictions on 'What's Hot' for 2018 menu trends

The National Restaurant
Association released its annual
survey of 700 professional chefs —
members of the American Culinary
Federation — to predict food and
beverage trends at restaurants in
the coming year. The annual "What's
Hot" list gives a peak into which food,
beverages and culinary concepts
will be the new items on restaurant
menus that everyone is talking about
in 2018.

According to the survey, menu trends that will be heating up in 2018 include doughnuts with non-traditional filling, ethnic-inspired kids' dishes, farm/estate-branded items, and heritage-breed meats. Trends that are cooling down include artisan cheeses, heirloom fruits and vegetables, and house-made charcuterie.

Top 20 food trends

- New cuts of meat (e.g., shoulder tender, oyster steak, Vegas Strip Steak, Merlot cut)
- ▶ House-made condiments
- Street food-inspired dishes (e.g., tempura, kabobs, dumplings, pupusas)
- Ethnic-inspired breakfast items (e.g., chorizo scrambled eggs, coconut milk pancakes)
- Sustainable seafood
- Healthful kids' meals
- Vegetable carb substitutes (e.g., cauliflower rice, zucchini spaghetti)
- Uncommon herbs (e.g., chervil, lovage, lemon balm, papalo)
- Authentic ethnic cuisine
- Ethnic spices (e.g., harissa, curry, peri peri, ras el hanout, shichimi)
- Peruvian cuisine
- House-made/artisan pickles
- Heritage-breed meats
- Thai-rolled ice cream
- African flavors
- Ethnic-inspired kids' dishes (e.g., tacos, teriyaki, sushi)
- Donuts with non-traditional filling (e.g., liqueur, Earl Grey cream)
- Gourmet items in kids' meals
- Ethnic condiments (e.g., sriracha, sambal, chimichurri, gochujang, zhug)
- Ancient grains (e.g., kamut, spelt, amaranth, lupin)

Top 10 concept trends

 Hyper-local (e.g., restaurant gardens, onsite beer brewing, house-made items

- Chef-driven fast-casual concepts
- ▶ Natural ingredients/clean menus
- Food waste reduction
- Veggie-centric/vegetable-forward cuisine (e.g., fresh produce is star of the dish)
- ♠ Environmental sustainability
- Locally sourced meat and seafood

- ► Locally sourced produce
- Simplicity/back to basics
- ▶ Farm/estate-branded items

The National Restaurant Association surveyed 700 American Culinary Federation members in October — November 2017, asking them to rate 161 items as a "hot trend," "yesterday's news," or "perennial favorite" on menus in 2018.

Source: National Restaurant Ass'n.



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