

# AROUND THE INDUSTRY

## Synopsis of Industry Issues Affecting Cattlemen

compiled by Shauna Rose Hermel, editor; and Kasey Brown, associate editor

### USDA assists farmers affected by unjustified retaliation

U.S. Secretary of Agriculture Sonny Perdue announced late July that USDA will take several actions to assist farmers in response to trade damage from unjustified retaliation.

President Trump directed Perdue to craft a short-term relief strategy to protect agricultural producers while the administration works on free, fair and reciprocal trade deals to — in the long run — open more markets to help American farmers compete globally.

Specifically, USDA will authorize up to \$12 billion in programs, which is in line with the estimated \$11-billion impact of the unjustified retaliatory tariffs on U.S. agricultural goods. These programs will assist producers in meeting the costs of disrupted markets.

“This is a short-term solution to allow President Trump time to work on long-term trade deals to benefit agriculture and the entire U.S. economy,” Secretary Perdue said. “The president promised to have the back of every American farmer and rancher, and he knows the importance of keeping our rural economy strong. Unfortunately, America’s hard-working agricultural producers have been treated unfairly by China’s illegal trading practices and have taken a disproportionate hit when it comes [to] illegal retaliatory tariffs.”

Of the total unjustified retaliatory tariffs imposed on the United States, a disproportionate amount was targeted directly at American farmers. Trade damage from such retaliation has affected a host of U.S. commodities, including field crops like soybeans and sorghum; livestock products like milk and pork; and many fruits, nuts and other specialty crops. High tariffs disrupt normal

marketing patterns, affecting prices and raising costs by forcing commodities to find new markets. Additionally, there is evidence that American goods shipped overseas are being slowed from reaching the market by unusually strict or cumbersome entry procedures, which can affect the quality and marketability of perishable crops. This can boost marketing costs, discount our prices and adversely affect our producers.

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— Sonny Perdue

USDA will use the following programs to assist farmers:

- ▶ *The Market Facilitation Program*, authorized under The Commodity Credit Corporation (CCC) Charter Act and administered by Farm Service Agency (FSA), will provide payments incrementally to producers of soybeans, sorghum, corn, wheat, cotton, dairy and hogs. This support will help farmers manage disrupted markets, deal with surplus commodities, and expand and develop new markets at home and abroad.
- ▶ USDA will use CCC Charter Act and other authorities to implement a *Food Purchase and Distribution Program* through the Agricultural Marketing Service to purchase unexpected surplus of affected commodities such as fruits, nuts, rice, legumes, beef, pork and milk for distribution to food banks and other nutrition programs.
- ▶ CCC will use its Charter

Act authority for a *Trade Promotion Program* administered by the Foreign Agriculture Service (FAS) in conjunction with the private sector to assist in developing new export markets for our farm products.

“Removing China’s highly restrictive barriers on U.S. beef exports could unlock the full potential of that market and result in \$4 billion in annual sales,” said

Kent Bacus, director of international trade for the National Cattlemen’s Beef Association (NCBA). “Here at home, beef producers need relief from onerous federal regulations that undermine their businesses. Let’s start by fixing the restrictive hours-of-service rules for livestock haulers, modernizing the *Endangered Species Act*, and ending the 2015 Waters of the United States rule once and for all.”

American Farm Bureau Federation President Zippy Duvall said the assistance package will provide a welcome measure of temporary relief to farmers and ranchers experiencing financial effects of the trade war.

“We are grateful for the administration’s recognition that farmers and ranchers needed positive news now, and this will buy us some time,” Duvall said. “This announcement is substantial, but we cannot overstate the dire consequences that farmers and ranchers are facing in relation to lost export markets. Our emphasis continues to be on trade and

restoring markets, and we will continue to push for a swift and sure end to the trade war and the tariffs impacting American agriculture.”

### Association seeks producer input on indexes

The American Angus Association is requesting input from commercial cattlemen via an online survey as it evaluates its suite of dollar value indexes (\$Values) used in genetic selection. First implemented starting in 2004, the indexes include beef value (\$B), weaned calf value (\$W), feedlot value (\$F), grid value (\$G) and cow energy value (\$EN).

Although economic factors have been updated annually, the base models behind the \$Values are now 14 years old and remain relatively unchanged since their inception. New expected progeny differences (EPDs) now in place, such as heifer pregnancy and docility, could be included in an updated model. Instead of adjusting current models, Angus Genetics Inc. (AGI) will rebuild the Angus \$Values from the ground up to better reflect the current and future goals of the beef industry.

AGI is teaming up with AbacusBio Ltd. for this important project. The New Zealand-based agricultural science consulting company is a world leader in developing economic selection indexes.

Such a project typically only comes around once a decade or so. Now is your chance to have input in how the indexes are rebuilt by completing the survey available at [www.angus.org/survey](http://www.angus.org/survey). Respondents to the survey will be entered in a drawing for a \$250 Cabela’s gift card. |