Industry Link

Compiled by
KASEY BROWN, *associate editor*

Ag, Navy Secretaries promote U.S. military energy independence with 'Farm-to-Fleet'

Agriculture Secretary Tom Vilsack and Secretary of the Navy Ray Mabus announced Dec. 11 the USDA and Navy's joint "Farm-to-Fleet" venture will now make biofuel blends part of regular, operational fuel purchase and use by the military. The announcement incorporates the acquisition of biofuel blends into regular Department of Defense (DOD) domestic solicitations for jet engine and marine diesel fuels. The Navy will seek to purchase JP-5 and F-76 advanced drop-in biofuels blended from 10% to 50% with conventional fuels. Funds from USDA's Commodity Credit Corporation (CCC) will assist the effort.

"The Navy's intensifying efforts to use advanced, homegrown fuels to power our military benefits both America's national security and our rural communities," said Vilsack. "Not only will production of these fuels create jobs in rural America, they're cost-effective for our military, which is the biggest consumer of petroleum in the nation. America's Navy shouldn't have to depend on oil supplies from foreign nations to ensure our national defense, and rural America stands ready to provide clean, homegrown energy that increases our military's energy independence and puts Americans to work."

Farm-to-Fleet builds on the USDA/U.S. Navy partnership inaugurated in 2010, when President Barack Obama challenged his secretaries of Agriculture, Energy and Navy to investigate how they could work together to speed the development of domestic, competitively priced "drop-in" diesel and jet-fuel substitutes.

"A secure, domestically produced energy source is very important to our national security," said Navy Secretary Mabus. "Energy is how our naval forces are able to provide presence around the world. Energy is what gets them there and keeps them there. The Farm-to-Fleet initiative we are announcing today is important to advancing a commercial market for advanced biofuel, which will give us an alternative fuel source and help lessen our dependence on foreign oil."

The Dec. 11 announcement marks the first time alternative fuels such as advanced drop-in biofuels will be available for purchase through regular procurement practices. It lowers barriers for alternative domestic fuel suppliers to do business with DOD. Preliminary indications from the Defense Production Act Title III Advanced Drop-in Biofuels Production Project are that drop-in biofuels will be available for less than $4 per gallon by 2016, making them competitive with traditional sources of fuel.

The program gets under way with a bulk fuels solicitation in 2014, with deliveries expected in mid-2015. USDA and Navy also are collaborating on an Industry Day, Jan. 30, 2014, where stakeholders can learn more about Farm-to-Fleet.

Source: USDA.

Agricultural safety featured on new YouTube channel

Agricultural safety videos are one click away on the new YouTube channel, U.S. Agricultural Safety and Health Centers, *www.youtube.com/USagCenters*. The channel is a joint project of the 10 Agricultural Centers funded by the National Institute for Occupational Safety and Health (NIOSH).

Extension agents and educators; agricultural science teachers; producers, owners and operators; first responders; and agricultural families would all find value in the videos, says project leader Amanda Wickman, Southwest Center for Agricultural Health, Injury Prevention and Education–Texas. Videos can be used during job orientation, safety and health education, 4-H meetings, and high school or college classes. One benefit of YouTube is that videos can be accessed from a mobile device to conduct tailgate trainings in the field.

"The channel is an inexpensive way to reach millions of people with safety and health information," said project administrator Allison DeVries, High Plains Intermountain Center for Agricultural Health and Safety–Colorado.

DeVries said that the Centers also hope to get valuable feedback on their videos through the YouTube comments. "Anyone can quickly establish an account and post a comment," DeVries said.

"NIOSH established the Centers to protect the safety and health of more than 5.5 million full- and part-time contract and seasonal workers in agriculture, forestry and fishing, as well as farm family members," said Wickman. "Many Centers have created videos for this purpose, and we're trying to enhance dissemination to people who can benefit most from them."

The channel launched on Nov. 1. Each video has been produced and reviewed by content experts. Viewers are encouraged to check the site regularly for new additions. It is expected that nearly 60 videos will be on the site by the end of the year, said project technical administrator Aaron Yoder, Central States

Center for Agricultural Health and Safety–Nebraska.

Topics include respiratory protection, livestock safety, tractor and machinery safety, child development, emergency response, grain safety, pesticide safety, heat illness prevention, ladder safety and hearing protection. For more information visit the website at *www.youtube.com/USagCenters,* or contact Project Administrator Allison DeVries at USagCenters@gmail.com.

Source: U.S. Ag Centers.

Senate committee passes grazing improvement act

The Public Lands Council (PLC) and the National Cattlemen's Beef Association (NCBA) hailed the Senate Committee on Energy and Natural Resources for passage of S. 258, the Grazing Improvement Act of 2013. The legislation, sponsored by Senator John Barrasso (R-Wyo.) comes as a means to codify existing appropriations language — adding stability and efficiency to the federal grazing permit renewal process. The bill passed by the committee will extend the term for grazing permits from a minimum of 10 up to 20 years, providing for added permit security.

The U.S. Forest Service (USFS) and the Bureau of Land Management (BLM) have consistently — for more than a decade — carried a backlog of grazing permit renewals due to overwhelming and unnecessary National Environmental Protection Agency (NEPA) assessments. This bill provides sole discretion to the Secretaries of Interior and Agriculture to complete the environmental analysis under NEPA while allowing for an analysis to take place at the programmatic level.

"The act is vital for ensuring the fate of our producer's permits. Livelihoods are depending on the efficiency of the system, which undoubtedly needs restructuring," said Scott George, NCBA president and Wyoming rancher. "Not only will the bill codify the language of the decades-old appropriations rider, it will also allow categorical exclusions from NEPA for permits continuing current practices and for crossing and trailing of livestock. Additionally, it will allow for NEPA on a broad scale, reducing paper pushing within the federal agencies."

The bill that passed was an amendment in the nature of a substitute, which included troubling language, creating a pilot program that would allow for limited "voluntary" buyouts. These "voluntary" buyouts are not actually market-based, due to outside influence. Where voluntary relinquishment of a rancher's grazing permit occurs, grazing would be permanently ended. New Mexico and Oregon would be affected — allowing for up to 25 permits in each state per year to be "voluntarily" relinquished.

"PLC strongly opposes buyouts — voluntary or otherwise," said Brice Lee, PLC president and Colorado rancher. "Ultimately, buyouts create an issue for the industry due to the wealthy special-interest groups who work to remove livestock from public lands. The language in the amendment addresses 'voluntary' buyouts; however, radical, anti-grazing agendas are likely at play. Litigation and persistent harassment serve as a way to eliminate grazing on public lands — and could force many ranchers into these 'voluntary' relinquishments unwillingly. There can be no 'market-based solution' in which any given special-interest group is able to ratchet up ranchers' cost of operation and artificially create a 'voluntary' sale or relinquishment."

Nevertheless, both Lee and George agree the bill is a strong indication that Senators from both parties recognize the current system is broken and must be fixed to provide stability for grazing-permit renewals, despite the buyout language.

Source: Public Lands Council.

Applications for Conservation Stewardship Program due Jan. 17

The USDA Natural Resources Conservation Service (NRCS) is opening the Conservation Stewardship Program (CSP) for new enrollments for federal fiscal year 2014. Through Jan. 17, 2014, producers interested in participating in the program can submit applications to NRCS.

NRCS

"Through the Conservation Stewardship Program, farmers, ranchers and forest landowners are going the extra mile to conserve our nation's resources," NRCS Chief Jason Weller said. "Through their conservation actions, they are ensuring that their operations are more productive and sustainable over the long run."

The CSP is an important Farm Bill conservation program that helps established conservation stewards with taking their level of natural resource management to the next level to improve both their agricultural production and provide valuable conservation benefits such as cleaner and more abundant water, as well as healthier soils and better wildlife habitat.

CSP is now in its fifth year and, so far, NRCS has partnered with producers to enroll more than 59 million acres across the nation.

The program emphasizes conservation performance — producers earn higher payments for higher performance. In CSP, producers install conservation enhancements to make positive changes in soil quality, soil erosion, water quality, water quantity, air quality, plant resources, animal resources and energy.

Eligible landowners and operators in all states and territories can enroll in CSP through Jan. 17 to be eligible during the 2014 federal fiscal year. While local NRCS offices accept CSP applications year-round, NRCS evaluates applications during announced ranking periods.

To be eligible for this year's enrollment, producers must have their applications submitted to NRCS by the closing date.

A CSP self-screening checklist is available to help producers determine if the program is suitable for their operation. Learn more by visiting *www.nrcs.usda.gov/wps/portal/nrcs/main/national/programs/financial/csp/*.

Source: NRCS.

Trade economist says China could lose its competitive edge due to rising worker wages

With the Chinese Communist Party's recent publication of its blueprint for reform, economists worldwide are focusing on a key question: Will the economy of the most populous country on Earth, which has seen a rise in workers' wages by nearly 14% per year during the last decade, soon lose its competitive edge in the global economy?

Ian Sheldon, the Andersons Professor of International Trade at Ohio State University's College of Food, Agricultural, and Environmental Sciences, addressed this question in a briefing Nov. 25 to Ohio policymakers.

"Despite the global recession, the value of China's total trade accounted for 48% of the country's GDP in 2011," Sheldon said. "This expanded participation in international trade, a significant factor in China's economic growth, has been driven by its transition to a market-oriented economy involving rural-urban migration of more than 150 million workers; industry gaining access to foreign technologies, capital and intermediate inputs; entry of multinational firms; and accession to the World Trade Organization."

Sheldon said as China's share of the international trade arena has grown, so too have the livelihoods of its people.

"By the end of the 2000s, average real wages had risen by 13.8% per annum, outstripping China's average real GDP growth rate of 12.7% per annum," he said. "If this continues, average real wages will rise to $20,000 by 2020, with the potential of reducing China's competitive advantage."

Rising wages in China have been driven by labor market reforms linking wages to productivity levels; the one-child policy for urban citizens, which has caused labor-force growth to slow; and an imbalanced labor migration system resulting from the country's historic laws linking a person's residency status and their eligibility for state benefits to their place of birth, Sheldon said.

Additionally, factors such as rising education levels and private and national investment in research and development have contributed to a rise in labor productivity supporting rising wages in the country, he said.

However, if China is to remain a key player in the global economy, economic reforms are needed to rebalance the Chinese market, Sheldon said.

"If China wants to transition smoothly to a more skill-intensive, middle-wage economy, labor and rural land market reforms are essential," he said.

Sheldon highlighted possible options to attempt this rebalance, including removing restrictions on rural-to-urban migration, the establishment of land ownership rights for rural farmers, and a move to focus on rural citizens as consumers since their savings accumulation tends to be at higher levels than their urban counterparts.

Source: Ohio State University.

Official complaint filed against Humane Society of the U.S. for violating IRS rules

The nonprofit Center for Consumer Freedom (CCF) announced Dec. 4 it has filed a formal complaint with the Internal Revenue Service (IRS) calling for an investigation into years of incorrect tax returns filed by the Humane Society of the United States (HSUS). The complaint comes on the heels of a new report by the independent charity watchdog CharityWatch, which finds that HSUS improperly inflated its revenue for at least three years in violation of IRS instructions.

According to CharityWatch, HSUS has counted donated public service announcement (PSA) airtime as revenue despite the fact that "reporting donated PSAs in the financial statements of charity tax filings violates IRS reporting rules." This revenue-inflation scheme allows HSUS to appear more financially efficient to the public and to be spending more on its programs than it really is, said the CCF release, noting HSUS reported $17.7 million in donated PSAs in 2011 and $15.7 million in 2010.

In addition to 2010 and 2011, HSUS counted donated PSAs as revenue in its 2008 and 2009 tax returns.

IRS regulations provide that organizations can be fined $100 per day, up to $50,000, for filing a tax return with "incorrect information."

HSUS did not continue this alleged impropriety in 2012 — but only after the issue had been made public. "By discontinuing this practice in 2012, HSUS implicitly acknowledges that there is at least some legitimacy to our claim, to say the least," said Will Coggin, senior research analyst for the CCF in Washington, D.C. "Not only that, but HSUS also decreased its 2011 revenue by $17.7 million to reflect this change in accounting practices."

Several members of Congress have raised similar concerns, including Rep. Blaine Luetkemeyer (R-Missouri), who has previously written to then IRS Director of Exempt Organizations Lois Lerner, whose objectivity is under scrutiny, about HSUS. The Treasury Inspector General is reviewing his concerns.

Source: Center for Consumer Freedom.

Increased global grain production means lower grain prices for U.S. growers

Thanks to increased global grain production and lower domestic demand for grain for ethanol, crop producers will find 2014 to be tougher than the past few years and should prepare now for lower prices, an expert from Ohio State University's College of Food, Agricultural, and Environmental Sciences said.

"Prices reflect that we have moved from an era of scarcity to one of adequate inventories and prices have responded by moving lower," said Matt Roberts, an Ohio State University Extension economist. "We are already seeing lower prices come into the market, and unless U.S. or South American acreage declines, those prices are likely to continue to move lower."

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"The prices we had earlier in the year aren't guaranteed to return."

Roberts spoke Nov. 25 during the kickoff of the college's 2013-2014 Agricultural Policy and Outlook series. The event initiated a series of local meetings to be hosted statewide through the end of the year. Dates and times for the meetings can be found at *http://go.osu.edu/2014outlook*.

Thanks to several factors, including no growth in ethanol demand and expanded global crop acreage, markets are moving back toward matching supply and demand, Roberts said.

Add another year of corn yields of 160 or more bushels (bu.) per acre and soybean yields of 42 bu. per acre, and growers can expect to see even lower prices that are well below the cost of production on land that has been purchased or cash-rented in the past three to four years, he said.

"Prices will only return to profitable levels if supply declines due to acreage leaving primary row crops or demand returns," Roberts said. "This will likely create a significant financial strain in crop-growing areas."

In order to prepare for the impact of lower prices, farmers should build a working capital cushion of a year to 1.5 years of land charges above what they typically need to operate, he said.

Source: Ohio State University.

Red meat production down from last year

Commercial red meat production for the United States totaled 4.51 billion pounds (lb.) in October, down 2% from the 4.58 billion lb. produced in October 2012.

Beef production, at 2.32 billion lb., was 1% below the previous year. Cattle slaughter totaled 2.90 million head, down 2% from October 2012. The average live weight was up 9 lb. from the previous year, at 1,327 lb.

Veal production totaled 10.0 million lb., 4% below October a year ago. Calf slaughter totaled 69,500 head, down 5% from October 2012.

The average live weight was up 3 lb. from last year, at 245 lb.

Pork production totaled 2.17 billion lb., down 2% from the previous year. Hog slaughter totaled 10.42 million head, down 4% from October 2012. The average live weight was up 4 lb. from the previous year, at 278 lb.

Lamb and mutton production, at 13.1 million lb., was down 8% from October 2012. Sheep slaughter totaled 208,100 head, slightly above last year. The average live weight was 126 lb., down 11 lb. from October a year ago.

January to October 2013 commercial red-meat production was 40 billion lb., down 1% from 2012. Accumulated beef production was down slightly from last year, veal was down 6%, pork was down 1% from last year, and lamb and mutton production was down slightly. October 2012 contained 23 weekdays (including one holiday) and four Saturdays. October 2013 contained 23 weekdays (including one holiday) and four Saturdays.

Source: National Agricultural Statistics Service.

USDA announces support for mental-health facilities in rural areas

Agriculture Secretary Tom Vilsack announced Dec. 10 that the USDA has set a goal of investing up to $50 million to increase access to mental health care in rural areas over the next three years. The funding will be used for the construction, expansion or equipping of rural mental-health facilities and will be provided through the Community Facilities direct loan program. USDA's effort to provide better mental health care in rural areas is part of President Obama's ongoing commitment to address mental illness.

"We need to be sure that every American has access to quality mental health services, including Americans living in rural areas," said Vilsack. "As part of the Obama administration's effort to expand access to treatment for those suffering from mental-health problems, USDA investments in mental-health care facilities will reduce the difficulty many rural families face in accessing mental-health help. These funds can also help expand and improve upon the services already offered by mental-health facilities in rural communities, many of which increasingly are focused on helping military veterans."

This funding builds on key steps the administration has already taken to reduce the stigma associated with seeking help for mental illness, and to ensure that millions more individuals have health insurance that covers mental health and substance use disorder services at parity with medical and surgical benefits.

Ensuring rural Americans have access to quality health care is a top priority for USDA. This year, USDA invested more than $649 million in 130 rural health care facilities — serving nearly 3.2 million rural residents. These investments included critical access hospitals, rural health clinics, psychiatric hospitals, mental-health care facilities, group homes for people with disabilities, assisted living facilities, nursing homes, and vocation and medical rehabilitation facilities. USDA is also investing in innovative healthcare technologies such as telemedicine, to further expand access to health-care services throughout rural America.

Source: USDA.