

Industry Link

Japan further opens market to U.S. beef

U.S. Trade Representative Ron Kirk and U.S. Ag Secretary Tom Vilsack announced Jan. 28 that the United States and Japan

have agreed on new terms and conditions that pave the way for expanded exports of U.S. beef and beef products to Japan. Under these new terms, effective Feb. 1, 2013, Japan will permit the import of beef

from cattle younger than 30 months of age, compared to the previous limit of 20 months, among other steps. It is estimated these changes will result in hundreds of millions of dollars in exports

of U.S. beef to Japan in the coming years. This agreement also goes a long way toward normalizing trade with Japan by addressing long-standing restrictions that Japan introduced in response to bovine spongiform encephalopathy (BSE).

“This is great news for American ranchers and beef companies, who can now — as a result of this agreement — increase their exports of U.S. beef to their largest market for beef in Asia,” said Ambassador Kirk. “This represents a significant and historic step in expanding U.S. beef trade with Japan and growing American exports and jobs here at home. We welcome Japan’s action.”

The two governments also agreed to regular and ad hoc consultations to review progress under the agreement and address any issues that may arise. In an accompanying letter exchange, Japan confirms its ongoing BSE risk assessment by its Food Safety Commission (FSC), which includes a consideration of raising the age limit above 30 months for beef and beef-product imports from the United States, taking into account international standards.

“This is an extremely positive development that successfully addresses one of the longest standing issues between our two governments,” said Philip Seng, president and CEO of the U.S. Meat Export Federation (USMEF). “The U.S. beef industry — from farmers and ranchers to exporters — will benefit from increased exports to this premium market. At the same time, the trade and consumers in Japan will see a wider variety of beef products and improved availability of U.S. beef in the retail and foodservice channels.”

The U.S. beef industry is working closely with USDA to ensure the smooth implementation of the new agreement. Among the provisions of the agreement are that beef products produced before Feb. 1 must be accompanied by appropriate documentation and produced under the current export-verification (EV) program. These products may not be commingled with products produced Feb. 1 or after,

Table 1: Number of cattle on feed, placements, marketings and other disappearance in ≥1,000-capacity

Item
On feed Dec. 1
Placed on feed during December
Fed cattle marketed during December
Other disappearance during December
On feed Jan. 1

Source: National Agricultural Statistics Service (NASS), Agricultural Statistics Board, USDA, Jan. 25, 2013.

which must be produced under the new EV program and accompanied by the new export documentation.

Japan is currently the No. 2 market for U.S. beef exports in terms of value and No. 3 in volume [317.2 million pounds (lb.)] valued at \$969.8 million through the first 11 months of 2012 — expected to top \$1 billion in value for the year for the first time since 2003.

In December 2003, Japan banned U.S. beef and beef products following the detection of a BSE-positive animal in the United States. In July 2006, Japan partially reopened its market to allow imports of some U.S. beef from animals aged 20 months or younger produced under a special program for Japan.

In December 2011, at the request of Japan's Ministry of Health, Labor and Welfare (MHLW), Japan's independent Food Safety Commission (FSC) initiated a risk assessment to examine raising the maximum age of the cattle from which U.S. and certain other foreign beef and beef products could be exported to Japan, as well as revising the definition of specified risk materials (SRMs), the cattle tissues that can carry the BSE agent. Based on an FSC risk assessment released last October, Japan entered into consultations with the United States to revise the import requirements, including raising the age limit for U.S. cattle and adopting a revised definition of SRMs for U.S. beef and beef product imports that is closely aligned with international standards of the World Organization for Animal Health (OIE).

USMEF forecasts that U.S. beef exports to Japan in 2013, as a result of expanded access to the market, will increase roughly 45% in volume and value, reaching 225,000 metric tons (496 million lb.) and \$1.5 billion.

— Adapted from USDA and USMEF releases.

U.S. cattle on feed down 6%

Cattle and calves on feed for slaughter in the United States in feedlots with a capacity of 1,000 or more head totaled 11.2 million head on Jan. 1, 2013. The inventory was 6% below Jan. 1, 2012. The inventory included 7.05 million steers and steer calves, down 3% from the previous year. This group accounted for 63% of

the total inventory. Heifers and heifer calves accounted for 4.07 million head, down 9% from 2012.

Placements in feedlots during December totaled 1.66 million, 1% below 2011. Net placements were 1.59 million head. During December, placements of cattle and calves weighing less than 600 pounds (lb.) were 495,000; 600-699 lb. were 415,000; 700-799 lb. were

379,000; and 800 lb. and greater were 375,000.

Marketings of fed cattle during December totaled 1.75 million, 2% below 2011.

Other disappearance totaled 74,000 during December, 19% below 2011.

— Adapted from a National Agricultural Statistics Service release.

National Ag Day Celebrates 'Generations Nourishing Generations'

The Agriculture Council of America (ACA) will host National Agriculture Day March 19, 2013. This will mark the 40th anniversary of National Ag Day, which is celebrated in classrooms and communities across the country. This

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feedlots, United States, Jan. 1, 2012 and 2013

Number (1,000 hd.)		% of
2012	2013	previous year
12,055	11,348	94
1,673	1,664	99
1,776	1,745	98
91	74	81
11,861	11,193	94

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year's theme is "Generations Nourishing Generations."

On March 19, ACA will host events in the nation's capital, including the Mix-and-Mingle Luncheon and the National Celebration of Agriculture Dinner. Additionally, the ACA will bring approximately 100 college students to Washington to deliver the message of Ag Day to the Hill.

These events mark a nationwide effort to tell the true story of American agriculture and remind citizens that agriculture is a part of all of us. A number of producers, agricultural associations, corporations, students and government organizations involved in agriculture are expected to participate.

The National Ag Day program encourages every American to:

- Understand how food and fiber products are produced.
- Appreciate the role agriculture plays in providing safe, abundant and affordable products.
- Value the essential role of agriculture in maintaining a strong economy.
- Acknowledge and consider career opportunities in the ag, food and fiber industry.

In addition to the events in Washington, D.C., the ACA will once again feature the Ag Day Essay Contest. New for 2013 will be the Ag Day Poster Contest. More information can be found at www.agday.org.

ACA is a nonprofit organization composed of leaders in the ag, food and fiber community, dedicating its efforts to increasing public awareness of agriculture's role in modern society.

— *Adapted from ACA release.*

Clear Sailing for DDGS

The classification of U.S. distillers' dried grains with solubles (DDGS) as a non-hazardous cargo became final and mandatory under the code of the International Maritime Organization (IMO) on Jan. 1, 2013. This was the culmination of a process initiated by the U.S. Grains Council (USGC) in 2010 in coordination with DDGS producers and shippers and the U.S. Coast Guard, which is the official U.S. representative to the IMO.

The recommendation of the relevant IMO subcommittee and acceptance of that recommendation by the responsible committee of the IMO were obtained in 2010 and 2011, but turning a proposal into a mandatory classification is a multi-year process, said Erick Erickson, USGC director of global strategies.

"Previously, DDGS had not been classified by the IMO. But as DDGS trade grew, several insurance organizations communicated their opinion that DDGS was a hazardous cargo, raising the prospect that DDGS cargoes would be required to be shipped on vessels equipped with special fire-suppression equipment — thus raising the cost of DDGS shipments," said Erickson.

In November 2010, after the IMO subcommittee accepted the U.S. proposal to classify DDGS as non-hazardous, the U.S. Coast Guard issued a letter to the Council affirming that the Coast Guard would consider DDGS as non-hazardous. Since that date DDGS has been loaded as a non-hazardous cargo on the authority of

that letter. Beginning Jan. 1, the letter is no longer needed as the classification of DDGS as non-hazardous is now final, official and mandatory in the IMO code.

"That classification ensured lower freight costs to me, in turn increasing returns to ethanol plants," said Steve Markham of Council member CHS Inc.

Following on the success with DDGS classification, the industry asked the Council to take on the issue of corn gluten feed (CGF) and corn gluten meal (CGM). Both of these products were classified as hazardous cargoes in the general category of seedcake. Traders and

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shippers believed that classification was incorrect.

Following a similar pattern as with DDGS, the Council organized the testing of samples and collection of information that enabled the U.S. Coast Guard to prepare a U.S. proposal that CGF and CGM be re-classified as non-hazardous.

The IMO subcommittee accepted the proposal in 2012 and the new classification for CGM and CGF will be published in the IMO code in 2014, becoming mandatory in 2015.

— *Adapted from a USGC release.*

Pfizer Animal Health continues sweepstakes

To help commercial producers who use black-Angus genetics better understand the value of genomic technology, Pfizer Animal Health is offering five chances to win \$1,000 to invest in the future of their herd. By

entering the HD 50K and GeneMax™ Sweepstakes before March 31, 2013, five producers will receive \$1,000 each to apply toward the purchase of an animal with genomic-enhanced expected progeny differences (GE-EPDs) powered by High-Density 50K (HD 50K), or testing their own herds with GeneMax.

Any black-Angus animal with GE-EPDs powered by HD 50K is eligible to be purchased with this grand prize. Or, if producers choose to apply the grand prize toward GeneMax testing, those tests can be used on any high-percentage Angus animals. Winners are being drawn and announced monthly, with the first drawing on Nov. 30, 2012.

Heath Zuellner was the first grand-prize winner. A recent graduate from the Nebraska College of Technical Agriculture in Curtis, Neb., he is the new owner of Zuellner Farms in Campbell, Neb.

“I’m excited to see what kind of results we’ll have with the first purchase of an HD 50K-tested bull on my operation,” Zuellner says. “I think having genetic tools such as this will have [a] big influence on my future bull purchasing decisions and which heifers to keep and sell.”

There is no purchase necessary to enter the promotion. The official rules, complete list of prizes and entry instructions are available at www.genomeXchange.com/sweepstakes. Promotion ends on March 31, 2013.

To learn more about GE-EPDs powered by HD 50K, visit www.pfizeranimalgenetics.com. For more information about GeneMax, visit www.cabpartners.com/genemax. To better understand how both technologies can help you make more-profitable decisions, contact your Pfizer Animal Health or American Angus Association representative.

— *Adapted from a Pfizer Animal Genetics release.*

FDA announces reorganization for the Foods and Veterinary Medicine Program

The U.S. Food and Drug Administration (FDA) announced Jan. 28 in the *Federal Register* a reorganization for the Foods and Veterinary Medicine (FVM) program that was implemented Oct. 1, 2012. Under the reorganization, the Office of Foods is now the Office of Foods and Veterinary Medicine, led by Michael Taylor, the deputy commissioner for foods and veterinary medicine.

The Office of Foods was created in 2009 to elevate leadership on food and feed safety and to reflect the vision that success on food and feed safety requires an integrated approach that leverages resources. According to an FDA news release, this reorganization will further the integration that has already been achieved and better position the program to implement the FVM Strategic Plan for 2012-2016 and the Food Safety Modernization Act,

which emphasizes a systematic approach to risk-based priority setting and resource allocation.

Under the reorganization, the Center for Food Safety and Applied Nutrition (CFSAN), led by Michael Landa, and the Center for Veterinary Medicine (CVM), led by Bernadette Dunham, continue to report to Deputy Commissioner Taylor and remain the major operating units with responsibility for leading operations and regulatory policy development in their respective areas.

FDA says the changes will strengthen the overall program and better enable organization to meet its public health and consumer protection responsibilities related to food and veterinary medicine.

— Adapted from an FDA release.

For Daily Dose of News

The *Angus Journal* editorial team provides a daily email chronicling news affecting cattlemen, consumers and the beef industry at large. Check out the archive of past editions in the Angus eList archive found under the “Angus Resources” tab at www.api-virtuallibrary.com. If you like what you see, you can sign up to receive each email (contains advertising eblasts), a daily digest (the news email with links to the advertisements) or a weekly digest.

K-State to Host 100th Annual Cattlemen’s Day March 1

This year’s Kansas State University (K-State) Cattlemen’s Day March 1 will be special in several ways as event organizers celebrate the 100th annual event.

“We’re kicking off the Henry C. Gardiner Lectureship with inaugural speaker Steve Hunt of U.S. Premium Beef (USPB),” said Ken Odde, head of K-State’s Department of Animal Sciences and Industry. “Henry Gardiner is a visionary leader in beef cattle genetics. We are pleased to honor him by launching this lecture series in his name.”

Gardiner, widely considered a pioneer in beef genetics, is founder of Gardiner Angus Ranch in Ashland, Kan.

The 100th Annual K-State Cattlemen’s Day begins at 8 a.m. in K-State’s Weber Hall with a commercial trade show and educational exhibits. The program begins at 10 a.m. in Weber 123.

Hunt, who guided USPB as CEO from 1996 through January 2013, and now serves as an advisor to the company, will present, “Designing Meats and Meals.” Other topics and presenters will include:

- Keeping Your Farm in the Family for the Next Generation, Ron Hanson, University of Nebraska–Lincoln (UNL);
- Cattle Market and Industry Short-Run Outlook and Long-term Prospective, Ted Schroeder and Glynn Tonsor, K-State;
- Ammoniation: Stretching your Forage Supply, Dale Blasi and Justin Waggoner, K-State;

- To Clone a Dead Steer, As Long as It’s Not Too Dead, David Grieger, K-State;
- Beef Selection Systems to Meet Market Trends, Bob Weaver and Mike MacNeil, K-State;
- Heifer Development in a High Cost Environment, Sandy Johnson, K-State;
- Developing a Strategic Plan for Farm

- Family Succession, Ron Hanson, UNL;
- Producer Panel: Our Approach, moderated by Gregg Hadley, K-State;
- Is All Ground Beef Created Equally? John Unruh, K-State.

The day also features a ribbon cutting and dedication ceremony for the new Stanley Stout Center from 3-4 p.m. just ahead of the 36th Annual Legacy Sale. A

celebration social will be in the Stanley Stout Center immediately following the sale.

More information and online registration is available at www.asi.ksu.edu/cattlemensday.

— Release provided by K-State and Research Extension.

