

Industry Link

Ag groups react to State of the Union Address

The American Farm Bureau Federation (AFBF) found points of agreement in President Barack Obama's State of

the Union address, welcoming the president's pressure on Congress to pass immigration reform, Trade Promotion Authority (TPA) and a waterways transportation bill.

"Tax reform is a priority for farmers and ranchers and we welcome the president's comments on this important issue," said AFBF President Bob Stallman in an official statement.

"We believe that any tax reform proposal considered by Congress must be comprehensive. It is critical that it include individual, as well as corporate, tax reform.

"More than 96% of farms and 75% of farm sales are taxed under IRS provisions [that] affect individual taxpayers," he continued. "Any tax reform proposal that fails to include the individual tax code will not help but would likely hurt our nation's farmers and ranchers. These farmers could lose their business deductions, yet they would not benefit from lower corporate rates if only corporate taxes are revised."

National Grange President Edward Luttrell reacted to President Obama's fifth State of the Union address, saying "this president has overstepped the authority provided to the office by the Constitution, and tonight he presented a platform that runs in many ways in direct opposition to fundamental principles of our democratic republic."

The Grange, America's oldest standing agriculture advocacy organization, has since its founding in 1867 been a nonpartisan voice for rural Americans and farmers.

"The Grange's structure is similar to that established by America's forefathers. Delegates represent the members of their state and from the concerns of those members and their own conscience, determine our policy, our laws. The president does not make them, but instead carries out the will of the people," Luttrell said, taking issue with President Obama's pledge to bypass Congress and take executive action to accomplish his goals.

Source: AFBF, The Grange

U.S. cattle on feed down 5%

Cattle and calves on feed for slaughter in the United States in feedlots with capacity of 1,000 or more head totaled 10.6 million head Jan. 1, according to the *Cattle on Feed* report released Jan. 24 by USDA's National Agricultural Statistics Service (NASS). The inventory was 5% below Jan. 1, 2013.

The inventory included 6.78 million steers and steer calves, down 4% from the previous year. This group accounted for 64% of the total inventory. Heifers and heifer calves accounted for 3.73 million head, down 8% from 2013.

Placements in feedlots during December totaled 1.68 million, 1% above 2012. Net placements were 1.60 million head. During December, placements of cattle and calves weighing less than 600 pounds (lb.) were 485,000, weighing 600-699 lb. were 420,000, weighing 700-799 lb. were 391,000, and weighing 800 lb. and greater were 385,000.

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Marketings of fed cattle during December totaled 1.74 million, 1% below 2012. Other disappearance totaled 77,000 during December, 4% above 2012.

Source: USDA-NASS.

Table 1: No. of cattle on feed, placements, marketings and other disappearance, U.S. feedlots with capacity of 1,000 head or more

	No. (1,000 hd.)		% of previous year
	2013	2014	
On feed Dec. 1	11,348	10,725	95
Placed on feed during December	1,664	1,681	101
Fed cattle marketed during December	1,745	1,736	99
Other disappearance during December	74	77	104
On feed Jan. 1	11,193	10,593	95

AFBF asks court to restore state authority in Chesapeake Bay lawsuit

The AFBF in late January asked the U.S. Court of Appeals for the Third Circuit to reverse a Sept. 2013 federal court ruling that upheld the Environmental Protection Agency's (EPA's) total maximum daily load (TMDL) for the Chesapeake Bay watershed. The court will decide whether EPA exceeded its Clean Water Act authority by mandating how nitrogen, phosphorus and sediment runoff should be allocated among farms, construction and development activities, as well as homeowners and towns throughout the 64,000-square-mile Chesapeake Bay watershed.

"This case involves whether EPA can assume authority over land use and water-quality policy decisions that Congress specifically reserved for state and local levels of government," said Stallman, AFBF president. "Last year the district court ruled that EPA can dictate how and when states and localities must restrict land uses, even to the point of banning development or demanding that specific areas be taken out of agricultural use.

"These are uniquely local decisions that should be made by local governments," continued Stallman. "That is why this power is specifically withheld from EPA in the Clean Water Act."

AFBF argues that the Clean Water Act divides authority between EPA and the states, leaving the states in the driver's seat to determine how business owners and residents will share the costs and responsibility to achieve clean water goals.

"Farmers, builders, homeowners and towns have made significant changes to protect water quality in the Bay and the results are just starting to come in," said Stallman. "Farmers will continue to do their part to improve water quality regardless of whether we win or lose this appeal."

AFBF's goal with this litigation is to maintain an important balance of power under the Clean Water Act that leaves states in charge of the land and water resources within their borders.

Source: AFBF.

Top eight junior livestock champions sell for all-time record of \$322,000

The 2014 National Western Stock Show auction of junior livestock champions brought in record numbers, with total sales for the top eight animals exceeding last year's total by

\$43,500. The highest bids went to the grand champion steer, which sold for an all-time record of \$132,500, and the reserve grand champion steer, which sold for \$71,000.

The money invested supports the boys and girls who raised the animals as they plan for their agricultural future and college educations. A portion of the proceeds supports the National Western Scholarship Trust, which funds scholarships in agriculture and rural medicine at colleges throughout Colorado and Wyoming. Last year, 74 students received funds to aid their education.

The eight champions sold as follows:

- The grand champion steer sold for \$132,500 to Ames Construction Co. The steer was shown by 13-year-old Baylor Bonham of Newcastle, Okla.

- Transwest Trucks Inc. bought the reserve grand champion steer, shown by Lauren May of Mineral Point, Wis., for \$71,000.

- The grand champion hog, shown by Nalaney Guyer, from Robinson, Ill., sold for \$30,000 to Anadarko Petroleum Corp.

- The reserve champion hog was sold for \$18,000 to U.S. Bank and Hassan Salem and shown by Cole Wilcox of Bedford, Ind.

- The grand champion lamb sold for \$30,000 to the Denver Metro Chamber of Commerce and was shown by Destinee Johnson of Fredrick, Okla.

- The reserve champion lamb, shown by Beau Davis of Guthrie, Okla., sold to Colorado Business Bank for \$13,500.

- The grand champion goat, shown by Aspen Martin, Mason, Texas, was bought by EKS&H LLLP for \$15,000.

- The reserve grand champion goat, shown by Grant Read of Santo, Texas, sold to the STEPS Foundation for \$12,000.

Source: NWSS.

Rancher Relief Fund helping ranchers

Four short months after Winter Storm Atlas struck western South Dakota, the Rancher Relief Fund (RRF) is poised to disburse an additional \$3.3 million to hundreds of livestock producers in the impacted area.

Cory Eich, president of the South Dakota Cattlemen's Association, noted, "We can't thank the Rancher Relief Fund donors enough. The outpouring of support from around the country has been gratifying, and we're pleased to be able to distribute over \$4 million back to the livestock producers of western South Dakota and neighboring states who lost animals in the early blizzard."

The Rancher Relief Fund distributed nearly \$775,000 to affected livestock producers prior to the application deadline of Dec. 31, 2013. With more than 600 applications received, the SD Volunteer Organizations Active in Disasters (SDVOAD) will be working as quickly as possible to disburse an

additional \$3.3 million to the qualified applicants in the coming weeks.

Disbursements are based on criteria established by representatives of the founding livestock organizations. In order to qualify for assistance from the Rancher Relief Fund, applicants must demonstrate they are livestock producers, and they must have lost a minimum of 10% of their livestock herd.

"With approximately 600 applicants reporting losses of roughly 43,000 head of cattle, sheep and horses, we recognize the financial assistance from the Rancher Relief Fund will not come close to fully reimbursing the ranchers that suffered devastating losses. However, we know every little bit helps in the wake of the historic storm," said Bob Fortune, South Dakota

Stockgrowers Association president.

Tax-deductible donations are still being accepted for the Rancher Relief Fund and can be made online by going to the Black Hills Area Community Foundation's website at www.giveblackhills.org. Additional funding rounds may be provided to RRF applicants, depending on continued

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contributions. For more information, visit www.ranchersrelief.org.

Source: South Dakota Stockgrowers Association.

Clean management review for Beef Board

A management review of the

Cattlemen's Beef Board (CBB) by the Livestock, Poultry and Seed Program of USDA's Agricultural Marketing Service (AMS) verified that the Beef Board is operating within the provisions of the Beef Promotion and Research Act and



Order and in line with all applicable federal laws, regulations and policies.

"In our management review of CBB, we noted no reportable findings," declares the report from the AMS Compliance and Analysis Program staff, released the week of Dec. 30. "Our review showed that CBB adhered to the AMS Guidelines for

Oversight of Research and Promotion Programs, as well as its own policies."

The review was completed per USDA requirements that AMS conduct management reviews of all commodity boards every three years. For this review, USDA compliance and analysis staff members were in CBB offices from July 15-19, 2013, during which time they met with senior management and examined support documents for various CBB activities.

"As secretary-treasurer of the Beef Board, I review finances of the Board on a monthly basis," said Jimmy Maxey, a cattle feeder in Fresno, Calif. "Having seen all of the policies and procedures at work in protecting our checkoff investments, I have confidence in the systems we have in place, so I can't say that I am surprised by the results. But, I think these comprehensive reviews are critical to the transparency of checkoff operations to all producers and importers who pay the beef checkoff assessment."

As part of the financial audit, AMS selected a sample of 60 total disbursements — totaling \$9.84 million — for fiscal years 2011, 2012 and 2013 for review, as well as supporting documentation, account coding, proper approvals, amounts of disbursements and appropriateness per the disbursements policy. In addition, the team also performed a walkthrough of a monthly cost allocation for the National Cattlemen's Beef Association (NCBA), which is the Beef Board's largest contractor.

Additional areas of review included risk assessment; accounting and financial management; cash receipts and receivables; disbursement and payables; insurance and fidelity bonds; contract compliance; promotional materials; recordkeeping and information collection; and travel and expense reimbursements, to name a few.

As part of its management review, the USDA team also examined a total of 12 contracts for fiscal years 2011, 2012 and 2013, and found them all "consistent with the Act, Order and AMS Guidelines that were in place when the contracts were signed." A review of 15 promotional materials covering a variety of topics and types were all found to be "properly communicated to and previously approved by AMS, [and] all of the materials were tied to an approved [Authorization Request]."

In addition to the management review, the compliance and analysis team from USDA gathered information while at the CBB offices to address the Office of the Inspector General's (OIG) recommendation for development of supplemental audit procedures for future CBB reviews. The information gathered will be used to develop those procedures.

"We are pleased to share the results of this management review with beef producers and importers nationwide,"

Maxey said, “so that they can feel confident that their hard-earned checkoff dollars are being invested with the utmost care and integrity.”

A copy of the report is available at AMS Management Review of CBB, www.beefboard.org/news/files/FY2014/AMS%20Management%20Review%20findings%200114.pdf.

Source: CBB.

FDA extends comment period on measure to further reduce trans fat in processed foods

The *Federal Register* notice extending the comment period on the U.S. Food and Drug Administration (FDA) preliminary determination that partially hydrogenated oils (PHOs), the primary dietary source of artificial trans fat in processed foods, are not “generally recognized as safe” (GRAS) for use in food was published Dec. 31. FDA issued a Constituent Update Dec. 17 notifying the public that it had made the decision to extend the comment period and that publication of a *Federal Register* notice was being expedited.

The comment period is being extended by 60 days to March 8, 2014. This extension is being provided in response to numerous stakeholder requests to provide additional time for comments. Submit comments electronically to the FDA docket on www.regulations.gov, use docket number FDA-2013-N-1317. To submit comments by mail, send to FDA at Division of Dockets Management (HFA-305) Food and Drug Administration 5630 Fishers Ln., Rm. 1061 Rockville, MD 20852. All submissions must include the agency name and docket number.

Source: FDA.

NASS to release preliminary results of 2012 Census of Agriculture Feb. 20

The NASS will release preliminary results of the 2012 Census of Agriculture Feb. 20. The release, which will provide an initial look at national and state findings, will take place at the Ag Outlook Forum. NASS will release the full census results at a later date and is working to set a revised schedule that ensures the highest-quality data. The release date was delayed by the work stoppage caused by the lapse in federal funding in October 2013.

Source: USDA-NASS.

FDA approves Salmonalex™ as new food-processing aid

The FDA and USDA have announced approval of Salmonalex™ as a GRAS food-processing aid to help combat salmonella. The new product consists of natural phages against salmonella and is produced by Microeos of The Netherlands. The company was to begin large-scale projects with U.S. poultry processors in January.

Each year, millions of people in

the United States become sick from foodborne infections. Large salmonella outbreaks in 2013 have caused public concern. In the recent Foster Farms outbreak, 13% of those sickened had *Salmonella septicemia*, a serious, life-threatening whole-body inflammation. Some salmonella strains are showing

resistance to multiple antibiotics, and that means more infections will be harder for physicians to treat.

Dirk de Meester, business development director for Microeos, said, “Salmonalex eliminates salmonella, rather than merely inhibiting its growth. It is easy to apply — it can be sprayed

topically or added to chill tank water. We anticipate that it will soon be listed by the Organic Material Review Institute (OMRI) for use in organic foods, just like Listex™, our phage product against listeria.”

Source: Microeos.

