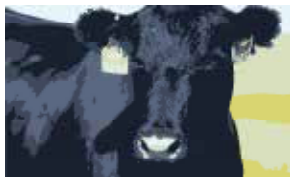


# BEEF BUSINESS



compiled by Shelby Mettlen, assistant editor

*Through this column our editors provide highlights of industry news that may impact your business directly or indirectly.*

## 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 USDA.*

## 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 re-engage 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 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.

*Source: AFBF.*

## 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 presentation and proceedings are available at [rangebeefcow.com](http://rangebeefcow.com).

*Source: Shelby Mettlen, Angus Media*



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