

BEEF BUSINESS



Compiled by Shauna Rose Hermel, editor

In this month's "Beef Business," we present industry highlights ranging from regulations affecting livestock transport to more local control of school nutrition programs.

Another ELD waiver

The U.S. Department of Transportation (DOT) March 13 granted drivers who haul livestock an additional 90-day waiver from a regulation that could have negative effects on animal well-being, a move applauded by the National Cattlemen's Beef Association (NCBA) and the National Pork Producers Council (NPPC).

A DOT rule issued in 2015 required truckers of commercial vehicles involved in interstate commerce to replace their paper driving logs with electronic logging devices by Dec. 18, 2017 (see "Rules of the Road," pages 52). In September 2017, DOT provided an initial 90-day waiver — until March 18 — from mandate for livestock haulers.

A final decision for permanent exemption is still pending.

"The ELD mandate imposes restrictions upon the agriculture industry that lack flexibility necessary for the unique realities of hauling agriculture commodities," stated Ag Secretary Sonny Perdue. "If the agriculture industry had been forced to comply by the March 18 deadline, live agricultural commodities, including plants and animals, would have been at risk of perishing before they reached their destination. The 90-day extension is critical to give DOT additional time

to issue guidance on hours of service and other ELD exemptions that are troubling for agriculture haulers."

ELDs, which can cost \$200-\$1,000 plus a \$30-\$50 monthly fee, record driving time, engine hours, vehicle movement and speed, miles driven and location. They electronically report that data to federal and state inspectors and supposedly help the DOT enforce its hours of service (HOS) regulation. That rule limits commercial truckers to 11 hours of driving time and 14 consecutive hours of on-duty time in any 24-hour period. Once drivers reach that limit, they must pull over and wait 10 hours before driving again.

DOT did exempt from the HOS regulations and from any distance-logging requirements truckers hauling livestock within a 150-air-mile-radius of the location at which animals were loaded, but the exemption is not uniformly recognized and its implementation varies by state.

Sources: NCBA, NPPC and USDA

Rural electric

U.S. Ag Secretary Sonny Perdue announced March 13 that USDA is investing \$276 million in rural electric infrastructure to improve system efficiency and reliability.

The investment will build nearly 1,000 miles of line and improve 733

miles of line to meet current and future needs of rural businesses and residents. It will also support \$65 million in smart grid technologies to help rural electric utilities reduce outages and integrate new systems.

Smart grid includes technological enhancements such as metering, substation automation, computer applications, two-way communications and geospatial information systems.

Source: USDA

OLPP rule withdrawn

USDA announced March 12 its decision to withdraw the Organic Livestock and Poultry Practices (OLPP) final rule published Jan. 19, 2017. The rule would have increased federal regulation of livestock and poultry for certified organic producers and handlers.

The withdrawal becomes effective May 13, 2018.

Source: USDA

Tariff concerns

President Donald Trump imposed tariffs on imported steel and aluminum March 8 as a way to protect national security. The administration raised concerns about U.S. reliance on imported steel for defense systems. NPPC has expressed concerns that the restrictions will lead to lost American jobs and could

lead to retaliatory tariffs on U.S. products, including on agriculture exports, from U.S. trading partners.

A study released the same week by Trade Partnership Worldwide, a private analytical firm, found that the proposed tariffs would cost the U.S. economy more than 179,000 jobs, with two-thirds of them being production and low-skill positions.

Source: NPPC

Excess funds

The Farm Credit System Insurance Corp. (FCSIC) board of directors approved a payment of \$175.8 million in excess insurance funds to Farm Credit System institutions. This amount includes \$13.1 million to retire all remaining stock in the Farm Credit System Financial Assistance Corp. (FAC).

By law, the Farm Credit Insurance Fund, which FCSIC administers, must maintain a “secure base amount” equal to 2% of the adjusted outstanding insured obligations of the Farm Credit System. Currently, the secure base amount is approximately \$4.7 billion.

At the end of each year, FCSIC is required to transfer any amount over the secure base amount (after deducting its operating expenses) to allocated insurance reserves accounts — one for each bank that pays premiums into the Farm Credit Insurance fund and an account for FAC shareholders. The FCSIC board has the authority to hold the excess funds if conditions warrant doing so.

Source: FCSIC

Group calls for tariffs

On March 5, the board of the Ranchers-Cattlemen Action Legal Fund, United Stockgrowers of America (R-CALF USA) voted unanimously to call upon President Trump to impose new tariffs on cattle, beef, sheep and lamb imported from countries that maintain

substantial trade surpluses with the United States.

According to Bryan Hanson, board president, this action is necessary to preserve national food security interests that are threatened by a growing tide of underpriced and often undifferentiated imports.

Source: R-CALF USA

Control of school lunches

USDA Deputy Secretary Steve Censky March 5 announced two new efforts to provide states and school districts with additional flexibility and support to operate more efficient school meal programs. Censky made the announcement during a speech at the School Nutrition Association Legislative Action Conference in Washington, D.C.

1. *The Child Nutrition Hiring Flexibility Rule*

In 2015, USDA established education and training requirements for nutrition professionals as part of the *Healthy, Hunger-Free Kids Act of 2010*. While this strengthened many school meal programs, some small school districts faced challenges finding qualified applicants to direct their local foodservice operation. This proposal would provide much-needed relief for school districts with fewer than 2,500 students, allowing them more flexibility in the hiring of new school nutrition program directors.

USDA is providing a 60-day public comment period and will then develop a final rule that responds to the needs of partners and stakeholders.

2. *Child Nutrition Food Crediting Request for Information*

To support states’ efforts to improve program integrity, USDA also rolled out a suite of customizable resources to help local school districts improve the accuracy of their school meal application processes. These resources include

support for online applications, evidenced-based materials, and best practices to simplify the process for families and ensure that eligible children receive free and reduced-priced meals.

As part of this package, USDA is offering guidance to help schools utilize its award-winning, open-source online school meal application model. The customer-friendly design of the model is intended to increase the integrity of the application process by reducing common mistakes families make when applying for free or reduced-priced school meals.

This announcement is the latest in a series of recent USDA actions to expand flexibility and ease challenges for partners and stakeholders who help feed our nation’s children.

About 100,000 schools and institutions feed 30 million children through the National School Lunch Program and nearly 15 million children through the School Breakfast Program. Many of these children receive their meals at no cost or for a reduced price according to income-based eligibility.

Source: USDA

BIF symposium June 20-23

The Beef Improvement Federation (BIF) will celebrate 50 years at its annual research symposium and convention June 20-23 in Loveland, Colo. The Embassy Suites Convention Center Hotel of Loveland will serve as the symposium headquarters.

This year’s general sessions will focus on “Positioning for the Future of Beef Production” and “Decision Time: Who Will Own Our Industry?”

For more information contact Jane Parish, BIF executive director, at 662-566-8000 or j.parish@msstate.edu.

Source: beefimprovement.org

