



Beef Business

► A look at current issues affecting the cattle industry

USDA issues proposed rule to amend labeling provisions under COOL

The USDA has issued a proposed rule to modify the labeling provisions for muscle-cut commodities covered under the country-of-origin-labeling (COOL) program.

“USDA expects that these changes will improve the overall operation of the program and also bring the current mandatory COOL requirements into compliance with U.S. international trade obligations,” said Agriculture Secretary Tom Vilsack.

The proposed rule would modify the labeling provisions for muscle-cut covered commodities to require the origin designations to include information about where each of the production steps (i.e., born, raised, slaughtered) occurred and would remove the allowance for commingling of muscle cuts.

In June 2012, the Appellate Body of the World Trade Organization (WTO) affirmed an earlier WTO panel decision finding that the United States’ COOL requirements for certain meat commodities discriminated against Canadian and Mexican livestock imports and thus were inconsistent with the WTO Agreement on Technical Barriers to Trade. The United States has until May 23, 2013, to come into compliance with the WTO ruling in COOL.

Notice of the proposed rule will be displayed in the March 11, 2013, *Federal Register* and can be viewed at www.federalregister.gov/public-inspection. Comments must be received by April 11, 2013. The Agricultural Marketing Society (AMS) will consider all timely comments that are submitted regarding the proposed rule. Comments should be submitted electronically at www.regulations.gov or to Julie Henderson, director; USDA, AMS, LPS, COOL Division; 1400 Independence Ave., SW, Room 2620-S; Washington, D.C. 20250; telephone number 202-720-4486; or fax 202-260-4486.

Under COOL, retailers must provide

their customers with information about the origin of various food products, including fruits, vegetables, fish and shellfish, and meats. Mandatory COOL requirements help consumers make informed purchasing decisions about the food they buy.

The USDA AMS is responsible for the implementation, administration and enforcement of the COOL regulations.

The final COOL regulations became effective March 16, 2009. Since then, AMS has devoted significant resources to education and outreach. During these last four years, AMS has closely reviewed industry compliance with COOL. In 2012, USDA and its state cooperators conducted more than 3,800 compliance reviews of retailers. These reviews established an estimated 98% compliance rate for

commodities under COOL. To learn more about COOL visit www.ams.usda.gov/COOL.

— *News release by USDA.*

NCBA responds to COOL amendment proposal

National Cattlemen’s Beef Association (NCBA) President and Cody, Wyo., cattleman Scott George issued the following statement regarding the USDA’s proposed amendment to the mandatory COOL rule:

“NCBA has maintained that there is no regulatory fix that can be put in place to bring the current COOL rule into compliance with our World Trade Organization (WTO) obligation and that will satisfy our top two trading partners — Mexico and Canada. With the amended rule, the USDA has proven that to be true. The proposed amendments will only further hinder our trading relationships with our partners, raise the cost of beef for consumers and result in retaliatory tariffs being placed on our export products.

“The requirement that all products sold at retail be labeled with information noting the birth, raising and slaughter will place additional recordkeeping burdens

on processors and retailers, contrary to the administration’s assertion. Moreover, this combined with the elimination of the ability to commingle muscle cuts will only further add to the costs of processing non-U.S. born, raised and slaughtered products. The end result will be hesitancy to process imported product and increased instances of less favorable treatment of foreign product, giving our trading partners a stronger case at the WTO.”

— *Statement by NCBA.*

R-CALF weighs in on COOL amendment proposal

“We support this proposed rule and encourage every consumer to send comments to USDA before the April 11, 2013, deadline to explain the value that COOL information is to them when they are purchasing meat for their families,” said R-CALF USA CEO Bill Bullard.

For muscle cuts of meat, Vilsack’s proposed rule would replace currently confusing labels that may state “Product of the U.S., Canada, and Mexico” with a label that states, for example, “Born and raised in Canada and slaughtered in the United States.”

For meat derived from animals born, raised and slaughtered in the United States, no longer could it be mislabeled as a product of multiple countries. Instead, it would be clearly labeled as “Born, raised, and slaughtered in the United States.”

In November 2012, R-CALF USA and the Made in the USA Foundation filed an amended lawsuit in the federal district court in Denver, Colo., alleging, among other things, that the provisions in the COOL rule that currently allow meat derived exclusively from animals born, raised and slaughtered in the U.S. to be mislabeled with a multiple-country label is unlawful.

“If the Secretary finalizes this proposed COOL rule, many of our concerns expressed in our lawsuit will be addressed,” said Bullard.

— *Adapted from a news release by R-CALF.*

NFU pleased by rule to keep COOL

National Farmers Union (NFU) hailed the proposed changes to COOL rules released by the Office of Management and Budget (OMB).

“The proposed rule changes released by

CONTINUED ON PAGE 182

OMB are an excellent response to decisions by the World Trade Organization that called for changes to our COOL implementation,” said NFU President Roger Johnson. “By requiring further clarity in labels and stronger recordkeeping, the set of rules released today are a win-win for farmers, ranchers and consumers.”

Under the proposed rule, origin designations for animals slaughtered in the United States would be required to specify the production steps of birth, raising and slaughter of the animal. In addition, this proposed rule would eliminate the allowance for any commingling of muscle-cut covered commodities of different origins. These changes will provide consumers with more specific information about muscle-cut covered commodities.

“The proposed rule is consistent with the legal analysis commissioned by NFU and other producer and consumer allies,” said Johnson.

In February, NFU and other groups released a legal analysis that details the available options for successful U.S. compliance of the WTO’s ruling on COOL. The analysis concluded that an effective way of complying with the WTO decision is to provide more information and more accurate details to consumers. It would not require producers or processors to collect additional information; nor will it increase food cost to our consumers as OMB has determined the changes are not economically significant.

COOL was passed as a part of the Farm Security and Rural Investment Act of 2002 and amended in the 2008 Farm Bill, going into effect in 2008, with regulations being put forward in 2009.

— Adapted from a news release by NFU.

American Angus Association relocates 2014 Annual Meeting

The American Angus Association announced that its 2014 Annual Convention of Delegates (often referred to as the Annual Meeting) will be a stand-alone event in Kansas City, Mo. The number of cattlemen who rely on Angus genetics continues to grow, year after year. With that, so does interest in Association programs and services.

“We believe hosting the 2014 Annual Meeting in Kansas City will give us a chance to reach out to new areas of our membership and provide them with the education they need to be profitable in the cattle business,” says Bryce Schumann, Association CEO (see “Movin’ Forward” on page 16).

The Association Board of Directors voted during its February 2013 meeting to begin planning for the event in Kansas City. Tentative dates are set for Nov. 5-7, 2014, at the KCI Exposition Center, just 30 minutes from the Association headquarters in Saint Joseph, Mo.

“Our main focus is to offer educational, business and social opportunities to our members and other users of Angus genetics,” Schumann says. “We are developing an event that will truly stand out in the industry and serve all attendees well.”

Preliminary event planning includes

educational seminars and workshops, keynote speakers, and sessions to conduct Association business. Also being discussed is an extensive trade show featuring allied industry partners.

The Angus breed has conducted its Annual Convention of Delegates in Louisville, Ky., since 1975. While the event has benefitted by being held in conjunction with the North American International Livestock Exposition (NAILE), the Association deems a change is appropriate for 2014. The Association will continue many current traditions, such as the awards banquet and receptions.

“By conducting the Annual Meeting in a more central location, we hope more Angus breeders will be able to make the trip and celebrate the business breed with us,” says Shelia Stannard, Association director of activities and events.

Angus events remain unchanged for 2013 and are scheduled for Nov. 16-19, along with NAILE livestock competitions. More information regarding the 2014 Angus Annual Meeting will be posted on the Association website (www.angus.org) as it is available.

— Adapted from a news release by the American Angus Association.

FDA Announces public meetings to discuss impact of antimicrobial resistance strategy with food-animal producers and veterinarians

The U.S. Food and Drug Administration (FDA) announced a series of five meetings to provide the public with opportunities to discuss and provide critical feedback on the challenges faced by livestock producers and

NASS releases inventory report for U.S. Canadian cattle and sheep

All cattle and calves in the United States and Canada combined totaled 101.6 million head on Jan. 1, 2013, down 1% from the 103.0 million on Jan. 1, 2012. All cows and heifers that have calved, at 43.4 million head, were down 2% from a year ago.

All cattle and calves in the United States as of Jan. 1, 2013, totaled 89.3 million head, 2% below the 90.8 million on Jan. 1, 2012. All cows and heifers that have calved, at 38.5 million head, were down 2% from a year ago.

All cattle and calves in Canada as of Jan. 1, 2013, totaled 12.3 million head, up 0.5% from the 12.2 million on Jan. 1, 2012. All

cows and heifers that have calved, at 4.92 million, were down 1% from a year ago.

All sheep and lambs in the United States and Canada combined totaled 6.23 million head on Jan. 1, 2013, down slightly from the 6.25 million on Jan. 1, 2012. Breeding sheep, at 4.65 million head, were down slightly from a year ago and market sheep and lambs, at 1.58 million head, down from last year’s 1.59 million head.

— Adapted from a news release by USDA National Agricultural Statistics Service Agriculture Statistics Board.

Table 1: Cattle and calf inventory by class and calf crop, United States and Canada, Jan. 1, 2008-2011 (1,000 head)

Class	2008	2009	2010	2011	2012	2013	2013 as % of 2012
Cattle and calves	109,789.5	107,551.0	106,551.2	104,837.4	102,983.5	101,574.6	99
Cows and heifers that have calved	47,582.4	46,531.2	45,648.6	45,010.3	44,344.3	43,432.0	98
Beef cows	37,340.7	36,232.8	35,596.9	34,895.1	34,154.7	33,251.5	97
Milk cows	10,241.7	10,298.4	10,051.7	10,115.2	10,189.6	10,180.5	100
All other cattle	62,207.1	61,019.8	60,902.6	59,827.1	58,639.2	58,142.6	99
Calf crop ¹	41,430.3	40,827.0	40,452.6	39,919.1	38,767.7		(X)

¹January to December calf crop.

Source: National Agricultural Statistics Service and Livestock and Animal Products Section, Statistics Canada.

veterinarians as FDA phases in veterinary oversight of the therapeutic use of certain medically important antimicrobials.

FDA is seeking input as it moves forward to further develop and implement its strategy to promote the judicious use in food-producing animals of antibiotics that are important in treating humans. The meetings are intended to provide a forum to discuss potential challenges faced by animal producers in areas that may lack access to adequate veterinary services and to explore possible options for minimizing adverse impacts. The meetings are jointly sponsored by FDA and the USDA Animal and Plant Health Inspection Service (APHIS).

FDA has worked with many stakeholder groups and the USDA to develop a strategy that it believes will be successful in reducing antimicrobial resistance while minimizing adverse impacts on animal health and disruption to the animal agricultural industry. The agency took the following steps toward implementing this strategy:

- ▶ Issuing a guidance for industry, entitled “Judicious Use of Medically Important Antimicrobials in Food Producing Animals,” which establishes the framework for phasing out production uses (i.e., growth promotion and feed efficiency) of antimicrobials important in treating humans, and phasing in veterinary oversight of the remaining therapeutic uses of such drugs.
- ▶ Issuing a draft guidance that will assist drug companies seeking to voluntarily revise product labels to remove production uses and to voluntarily change the marketing status of these medically important antimicrobials to include veterinary oversight or supervision.
- ▶ Providing draft text for a proposed regulation intended to improve the efficiency of existing Veterinary Feed Directive (VFD) requirements. VFD drugs are new animal drugs intended for use in or on animal feed, which are limited to use under the professional supervision of a licensed veterinarian.

FDA acknowledges that the proposed change in the marketing status of certain antimicrobial drugs to require the involvement of a licensed veterinarian will have practical implications for animal producers and practicing veterinarians. Once the status of the product changes from OTC to Rx or VFD, producers will no longer be able to purchase the animal drug or medicated feed product directly from suppliers, unless the producer has a valid prescription or order from a licensed veterinarian. The impact of this change on producers may vary

Cargill conducts voluntary recall of select mineral product used in ruminant feed

Cargill’s Animal Nutrition business announced a voluntary recall of certain brands of its ruminant mineral products because they were deficient in vitamins A, D and E. The affected products were manufactured at Cargill’s facilities in McPherson, Kan., and Montgomery City, Mo., between Dec. 7, 2012, and Feb. 27, 2013. The absence of added vitamins in these products was due to an oversight in Cargill’s manufacturing process that has been remedied.

No adverse health effects related to these products have been reported to date. This recall is limited to only those products and lot code ranges listed below. The affected product was sold in 50-pound (lb.) bags and the lot code can be found printed on the product tag that is attached to the bag. No other Cargill Animal Nutrition products are affected by this recall. Affected products are listed in Table 2.

Customers should return remaining products to their local distributor for a full refund. For more information, including complete product codes, sub-codes and photos of products involved, go to www.cargill.com/feed/news/mineral-recall/index.htm or call toll free 1-866-420-5425, 8 a.m. to 4:30 p.m. CT, M-F.

— News release by FDA.

Table 2: Cargill Animal Nutrition products affected by recall

Product code beginning with	Product Name	Lot Code Range
7144	Cattle Grazers All Purpose Mineral	522349 to 523058
55103	Right Now Emerald	523024 to 523058 613030 to 613058 2MK3024-2MK3058
55104	Right Now Onyx	522342 to 523058 612356 to 613058
92111	Nutrena® NutreBeef Stocker Summer Mineral	522342 to 523058
92113	Nutrena NutreBeef Stocker Wheat Mineral	522342 to 523058
92428	Nutrena NutreBeef Breeding Herd Mineral	522342 to 523058
80678	Nutrena NutreBeef Cattle - Winter Mineral	522349 to 523058

depending on the extent to which a given producer already has access to and utilizes veterinary services. This change also has potential impacts on practicing veterinarians depending on their practice (business) model.

The dates and locations for the 2013 meetings are:

- ▶ April 9 in Bowling Green, Ky.
- ▶ April 23 in Olympia, Wash.
- ▶ May 8 in Fort Collins, Colo.
- ▶ May 21 in Pierre, S.D.
- ▶ June 4 in College Station, Texas

FDA will also seek public input and additional feedback through other forums, such as webinars, as it works collaboratively with USDA, veterinary and producer organizations to address this important issue. Comments also may be made to the FDA Docket No. FDA-2012-N-1046 at any time.

Additional information on the meetings and agenda can be found at www.gpo.gov/fdsys/pkg/FR-2013-03-07/pdf/2013-05339.pdf and www.fda.gov/AnimalVeterinary/SafetyHealth/AntimicrobialResistance/JudiciousUseofAntimicrobials/default.htm.

— Adapted from a news release by FDA.

ABS Global Inc. builds new bull housing facilities in Canada

ABS Global Inc. has updated its Canadian

facilities to maximize product-supply stability for its global customers.

“We look forward to using the updated Canadian facilities to continue providing our customers unparalleled product,” said Daniel Hodgkin, production manager for ABS Canada. “The new facilities will allow an improved environment for bulls and employees while providing another avenue for global customers to access the ABS product line.”

Bulls were previously housed in leased rearing and quarantine facilities not originally meant for housing bulls. The new facilities will provide improved safety and flexibility while handling bulls.

In 2012, the ABS Canada facility produced more than 2.5 million units of semen from 214 bulls, offering ABS Global another option for semen collection. The new main barn can house between 120-140 bulls and is 35,000 square feet with a separate 1,360-sq.-ft. quarantine facility.

Headquartered in DeForest, Wis., ABS Global is a division of Genus plc.

— Adapted from a news release by ABS Global.

