



Beef Business

► A look at current issues affecting the cattle industry. Compiled by Kasey Brown, associate editor

USDA seeks input on new beef promotion order

The USDA Agricultural Marketing Service (AMS) is seeking input from the public to guide its development of a new industry-funded promotion, research and information order (also known as a “checkoff program”) for beef and beef products. The new order would be in addition to the existing beef checkoff program, providing American beef producers with more resources for the marketing of their products and research to help strengthen the country’s beef industry.

“Beef industry representatives agree that this important program needs more resources. USDA is stepping up at a critical juncture to help achieve the industry’s goal,” said Ag Secretary Tom Vilsack. “With this action we can boost research investments, increase beef exports and encourage folks here at home to support American beef producers.”

Beef industry leaders agree that the current fee of \$1 per-head-of-cattle per producer is too little. The \$1 assessment has remained the same since 1985 when Congress first created the Beef Checkoff Program, and the amount can only be changed through Congressional action. This assessment provides resources for marketing to promote beef sales, research and many other benefits for producers. An additional supplemental program like the one USDA is proposing would enhance available resources, which would help the beef industry address important issues including improving and enhancing nutritional and consumer information through initiatives such as consumer advertising, education, research and new-product development.

Additional resources could help increase demand for beef both domestically and internationally, thus benefitting cattle producers and the domestic beef industry. USDA is acting to help beef producers continue to enjoy these benefits — and strengthen them — in a way that works for all producers.

Interested individuals and organizations are invited to provide their views concerning provisions that would be included in the new order. A referendum on an order established under the 1996 Act would be conducted within three years after assessments begin to determine whether beef producers favor the program and if it should continue. A second referendum would be conducted within seven years of the start of the program.

Interested parties have until Dec. 10, 2014, to submit comments on any of the issues.

Source: USDA.

Cattlemen’s associations tell USDA: Don’t hijack the checkoff

On Oct. 14, 45 state cattlemen’s associations representing more than 170,000 cattle breeders, producers and feeders sent a letter to Ag Secretary Vilsack, urging him not to issue an order for a supplemental beef checkoff under the 1996 *General Commodity Promotion, Research and Information Act*. Bob McCan, National Cattlemen’s Beef Association (NCBA) president and Victoria, Texas, cattleman says the strong turnout of signatories to this letter demonstrate the concern across the country with Vilsack’s stated intention.

“Our state affiliates sent a clear message to the secretary that they do not want a supplemental checkoff under the 1996 Act,” said McCan. “NCBA stands firmly behind our grassroots producer organizations, and we will do everything we can to support their efforts. The checkoff belongs to cattlemen, not to the USDA or any administration.”

Grassroots producers have been the cornerstone of the Beef Checkoff Program since it was first enacted in 1985. There is no required element of the 1996 Act that increases grassroots influence in national checkoff efforts. Furthermore, the 1996 Act assures no protection to state beef councils and gives much greater power to the federal government.

“The Beef Checkoff is a non-political, non-partisan structure designed by cattle producers to increase and support beef demand,” said McCan. “The Beef Checkoff serves all beef producers, nationwide, and the recent efforts by Secretary Vilsack do not serve the interests of producers; they only serve to politicize and polarize the industry.”

More information can be found at www.beefusa.org and producers can sign a petition directing the administration to abandon their efforts to take over the checkoff at <https://petitions.whitehouse.gov/petition/dont-hijack-beef-checkoff/kDL7XqDm>.

Source: NCBA.

COOL Reform Coalition asks Congress for immediate action

The COOL Reform Coalition sent

the following message, signed by 109 stakeholders, to members of the United States Congress:

“The undersigned stakeholders are gravely concerned about the negative impact that the existing U.S. mandatory country-of-origin labeling (COOL) rule for muscle cuts of meat will have on the U.S. economy. On Oct. 20, 2014, a World Trade Organization (WTO) Compliance Panel released a report determining that the rule violates obligations the United States has undertaken as a member of the WTO with regard to our two largest export markets, Canada and Mexico. While there is an opportunity for the United States to appeal this decision, final adjudication should occur in early 2015. At that time, if the Compliance Panel’s original findings are found to be valid, both Canada and Mexico could subject an array of U.S. exports to retaliatory tariffs. A finding of non-compliance would surely result in serious economic harm to U.S. firms and farmers that export to our neighbors.

“Canada has already issued a preliminary retaliation list targeting a broad spectrum of commodities and manufactured products that will affect every state in the country. Mexico has not yet announced a preliminary retaliation list, but has implemented retaliatory tariffs in the past, which may be indicative of future tariff opportunities. It is expected that U.S. industries would suffer billions in lost sales if retaliation [were] allowed. We invite you to review the state-by-state retaliatory analysis available at www.COOLReform.com.

“Given the negative impact on the U.S. manufacturing and agriculture economies, we respectfully submit that it would be intolerable for the United States to maintain, even briefly, a rule that has been deemed non-compliant by the WTO. With little potential for quick Congressional action after a WTO final adjudication, we request that Congress immediately authorize and direct the Secretary of Agriculture to rescind elements of COOL that have been determined to be non-compliant with international trade obligations by a final WTO adjudication. Such action by Congress would not undermine COOL to the extent COOL is consistent with international trade

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obligations nor would it weaken the U.S. defense of COOL in WTO litigation. ...”

Source: *Cool Reform Coalition*.

NFU says Congress should ignore scare tactics of recent anti-COOL letter

National Farmers Union (NFU) President Roger Johnson urged Congress Oct. 31 to ignore a recent letter signed by groups who are using scare tactics to derail COOL, a law he calls popular with both consumers and family farmers alike.

“This letter was organized by groups who have opposed COOL from Day 1 and demonstrates that they understand they have lost the battle over this issue in the public arena,” said Johnson. “We urge Congress to ignore the overblown rhetoric of the letter and stay the course on COOL,” he said.

The letter comes on the heels of a recent WTO ruling that the implementation of the law remains unbalanced between consumer information and production costs and will need further changes.

“The WTO has already ruled that the COOL law is compliant and this ruling shows that USDA’s current rule is one more step in the right direction, but may not have gone far enough in providing sufficient information to consumers,” he said. Johnson noted that talk of retaliation is premature and the WTO process required to even consider such actions would likely be a year from concluding. “There is simply no rush to take rash action,” he said.

Importantly, “the list of letter-signers included many commodity groups, but it did not include the two largest general farm groups,” noted the *Hagstrom Report*.

“American consumers have been crystal clear that they want to know where their food comes from and farmers and ranchers are proud to provide it,” said Johnson. “USDA and USTR (U.S. Trade Representatives) should appeal the WTO decision,” he added.

Johnson urged Congress — which voted to support COOL on three separate occasions during the 2008 Farm Bill — to resist any attempts to make changes to the law during the upcoming lame-duck session after the midterm elections.

— Source: *NFU*.

Comment period extended on importation of beef from Argentina

In late October, the USDA Animal and Plant Health Inspection Service (APHIS) reopened and announced a 60-day extension to the comment period for the proposed rule that would allow the importation of fresh beef

from northern Argentina. The new deadline to submit comments is Dec. 29, 2014.

With more than 70 documents posted to the *Federal Register* docket regarding this proposed rule, the NCBA, along with the American Veterinary Medical Association (AVMA), the American Association of Bovine Practitioners (AABP) and the Academy of Veterinary Consultants firmly believe that additional time is required to review and evaluate this extensive number of supporting documents. More than 25% of the supporting documents required obtaining independent English translations prior to their review because, upon request, USDA APHIS was unable to provide translated documents for review.

Because USDA APHIS does not recognize countries or regions that continue to vaccinate against foot-and-mouth disease (FMD) as free of the disease, APHIS cannot recognize the northern Argentina region as free of FMD. Yet, APHIS can evaluate the risk presented by fresh/frozen beef products imported under specific conditions. The proposed rule to allow the importation of fresh beef from northern Argentina is based on this situation and the results of an APHIS risk assessment for FMD risk in the region.

A bipartisan group of Congress members recently signed a letter to the Government Accountability Office (GAO) requesting an audit of the APHIS site review process to verify animal health data from requesting export countries that is used in the APHIS risk-assessment process. Questions regarding transparency issues, established and consistent methodology, and the use of appropriate management controls currently exist for these APHIS site visits.

NCBA is in the process of carefully reviewing all available supporting documentation in order to file comprehensive comments concerning its opposition to the proposed rule.

Source: *NCBA*.

NFU urges passage of tax extenders package in lame-duck session

NFU President Roger Johnson said Nov. 5 that tax breaks important to family farmers and ranchers need to be extended before the end of the year, and that NFU is looking forward to working with members on both sides of the aisle to solve issues important to family farmers and ranchers.

“NFU will strongly pursue the extension of expiring tax provisions for small-business expensing and renewable energy during the upcoming lame-duck session of Congress,” said Johnson. “Family farmers and ranchers rely on these provisions that are critical to managing their business.”

Continued Johnson, “Many of the issues

that are most important to us — Renewable Fuel Standard and the full implementation of the 2014 Farm Bill — continue to enjoy strong bipartisan support in both chambers. We are looking forward to working with the new Congress to continue to advance those issues and make continued progress for family farmers, rural America and the nation as a whole.”

Source: *NFU*.

GRSB releases global principles and criteria for sustainable beef

The Global Roundtable for Sustainable Beef (GRSB) announced Nov. 3 that its membership has overwhelmingly approved global principles and criteria for defining sustainable beef and sustainable beef production practices. Members of the global beef community, including representatives from every segment of the supply chain, have worked on this collaborative effort for more than a year and a half to identify and define the core principles for sustainable beef production and delivery.

“Arriving at a common definition, which includes five core principles and detailed criteria for sustainable beef, has been a difficult task and one which took a lot of hours and a great deal of negotiation,” said Ruairaidh “Rory” Petre, GRSB executive director.

“Our members are to be commended for their commitment to finding common ground and identify a clear path forward as we work to improve the sustainability of the global beef chain.”

GRSB defines sustainable beef as a socially responsible, environmentally sound and economically viable product that prioritizes planet (relevant principles: natural resources, efficiency and innovation, people and the community); people (relevant principles: people and the community and food); animals (relevant principle: animal health and welfare, efficiency and innovation); and progress (relevant principles: natural resources, people and the community, animal health and welfare, food, efficiency and innovation).

“The passage of a global definition for sustainable beef is truly a momentous achievement, not only for GRSB members, but for the entire global beef value chain,” said Cameron Bruett, GRSB president. “This definition provides a common platform and consistent approach to discuss the economic, social and environmental issues we face irrespective of the region of the world one might be located.”

For more information, please see the *Principles and Criteria Backgrounder* on www.GRSBeef.org.

Source: *GRSB*.

