

not substantially affect interstate commerce. This case represents the sixth time the federal government has been challenged in terms of the ESA, but it is the first win, Wood added.

He said environmental groups try to list species to shut down natural gas production or watershed usage. Fish are being petitioned to be listed because that would give the federal government power over the entire watershed, Wood noted. This type of strategy will keep being used.

Another issue of the ESA is adverse habitat modification, said Scott Horgren, Western Resources Legal Center. The U.S. Fish and Wildlife Service (FWS) or the National Fisheries Service determines the critical habitat for ESA-listed animals. Critical habitat is a geographic area and vegetation/aquatic features that (1) is occupied at the time of listing and (2) is not occupied at the time of listing, but is an area essential for the conservation of the species.

Horgren said that two new rules are being introduced to critical habitat guidelines. The first is that “occupied” habitat includes where the entire range in which a species “occurs” and “even if not used on a regular basis.” Horgren likened that to saying the mailman occupied your house because he stops at your house daily.



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► The Utah Prairie Dog is generally considered a pest; however, it was being protected under the interstate commerce clause. Jonathan Wood explained that this listed animal is specific to the state and does not affect interstate commerce. Of the approximately 1,500 animals listed on the ESA, 70% are state-specific, like the Utah prairie dog.

Interest rates and their impact on agriculture

A good many of the 8,100 convention attendees took advantage of the National Cattlemen’s Beef Association (NCBA) Learning Lounge, sitting in on one or more of the informal educational sessions hosted in the NCBA Trade Show. In each of a series of 30-minute Learning Lounge sessions, an industry expert addressed a different timely topic.

Kentucky-based Michael Smith, a regional vice president for Farm Credit Mid-America, spoke on the subject of interest rates and their impact on agriculture. He talked about the economic outlook globally and in the United States. Smith said 3.4% growth in global productivity is expected in 2015, while U.S. gross domestic product (GDP) is projected to grow by 3.4%.

Smith suggested that economic growth may be sufficient to encourage the Federal Reserve to raise interest rates. Currently, interest rates are at historical lows, ranging from 1.75% to 1.77%.

“Take advantage of it while you can,” advised Smith.

If or when interest rates rise and borrowing costs increase, said Smith, supply-side pressure on grain prices and the exit of speculative money from commodity markets could decrease commodity prices by 30% to 40%. Lower grain prices should mean lower input costs for livestock enterprises. Declining commodity prices could put downward pressure on land rental and purchase prices.

Smith advised his audience to be proactive, recommending that every operation have a five-year plan, plus individual enterprise analysis and financial planning. He recommended balancing short-, intermediate- and long-term debt, and securing fixed interest rates for the latter. Smith recommends the use of risk-management tools that make sense for the particular operator and enterprise. He also advised producers to build cash reserves.

“Manage your cash to make sure you are adequately capitalized,” said Smith. “Prepare cash flows for higher interest rates. They are coming.”

— by Troy Smith

The second proposed rule would create a new definition of destruction or adverse modification of critical habitat. The former definition considered destruction only if the survival of the species as a whole was “appreciably diminished.” The new rule, Horgren explained, makes the destruction definition more vague. Adverse modification could include places that could be inhabited in the future.

The livestock industry’s comments to these proposed rules have included that critical habitat will expand by millions of acres under the definition of critical habitat. The destruction and adverse modification of critical habitat is defined too broadly. These changes will increase actions requiring Section 7 consultation, which means more meetings with federal agencies.

When asked what the livestock industry can do, Horgren suggested the possibility of lawsuits to push legislature to reconsider these changes. However, he was not optimistic about other options.

— by Kasey Brown

Future use of antibiotics

Antibiotics are a hot topic right now, and their use in the agricultural industry will be changing in December 2016, said Mike Apley, veterinarian and professor of production medicine and clinical pharmacology at Kansas State University.

There are two main Guidance for the Industry (GFI) documents — 209 and 213 — of concern, he said, explaining that GFI documents are the way the U.S. Food and Drug Administration (FDA) communicates with producers, veterinarians and pharmaceutical companies.

GFI 209 has two main principles, Apley explained. The first is that the use of medically important antimicrobial drugs in food-producing animals should be limited to those uses that are considered necessary for assuring animal health. The second is the use of medically important antimicrobial drugs in food-producing animals should be limited to those uses that include veterinary oversight or consultations.

He highlighted the quote, “However, the Agency believes that it is not limited to making risk determinations based solely on documented scientific information, but may use other suitable information as appropriate.”

Apley said glycopeptides, fluoroquinolones, cephalosporins and macrolides are listed as critically important drugs. Those that are not medically important include ionophores, flavophospholipol, bacitracin and pleuromutilins such as tiamulin. The ability to use rumensin will not be affected by GFI 209.

The second principle means that producers will not be able to buy medicated anything in the feed store after December 2016. Over-the-

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