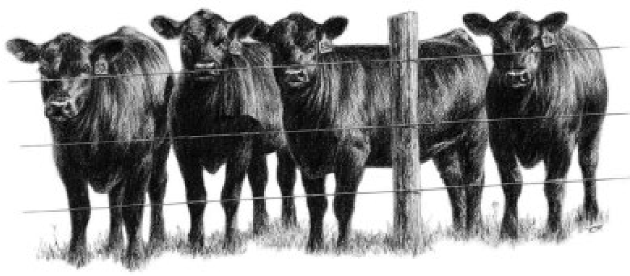
Tennessee Cattlemen's Association

Click here to Stock up an Save

Beef Heifer Development Field Day

8:00 am – 3:00 pm EST, Friday, October 8, 2021

Notchey Creek Farms
3143 Old Highway 68, Madisonville, TN 37354



Topics

Healthy Heifers
Internet Marketing
Sire Selection & Planned Matings
Watering Facilities
Handling Demonstration
Breeding for Performance
Stream Crossing & Fencing

Call the UT/TSU Monroe County Extension Office at (423)442-2433 to register for the event or email jrhea@utk.edu

UTEXTENSION
INSTITUTE OF AGRICULTURE
THE UNIVERSITY OF TENNESSEE

Mandatory Country of Origin Labeling – Frequently Asked Questions

Mandatory Country of Origin Labeling (MCOOL) is once again being debated by our Senators and Representatives in DC with a bill likely being introduced in the next couple of weeks. MCOOL remains one of the more divisive issues in our industry. I encourage you to read the information below for a better understanding of why our National Cattlemen's Beef Association remains opposed to Mandatory Country of Origin labelling and instead supports voluntary labelling rules.

The National Cattlemen's Beef Association (NCBA) Supports Voluntary Labeling, Not Mandatory Country-of-Origin Labeling (MCOOL)

• We raise the highest quality cattle and beef in the world and our producers have worked hard for many years to build a brand that consumers love and trust. There is concern among America's cattle producers that generic labels currently found on beef products do not accurately market the origin of the beef sold in the marketplace.

• NCBA believes the best way to have true product differentiation is through the use of marketing claims that are verified by USDA. We support voluntary, certified origin labels that allow American cattle producers to build demand and capture additional premiums by marketing our beef products based on the state, region, or method of production.
• NCBA is actively engaged in finding a practical solution to the potentially misleading "Product of the USA" label. After an extensive grassroots process, we believe the best solution is one that allows for voluntary, source-verified labels that foster product differentiation while being trade compliant.
• In June, NCBA submitted a petition to USDA-FSIS to eliminate the "Product of the USA" label and replace it with a more accurate description such as "Processed in the USA". We also encouraged USDA to work with the industry to develop voluntary, source-verified marketing opportunities for producers and retailers. NCBA supports USDA's efforts to conduct a top-to-bottom review of the Product of the USA label, and its commitment to finding a voluntary, trade compliant solution.
• Instead of supporting voluntary, trade compliant solutions, a small number of elected officials have issued statements calling for the restoration of a government-mandated marketing program referred to as Mandatory Country-of-Origin Labeling (MCOOL). If enacted, this policy could trigger an unnecessary trade war.

What is Mandatory Country-of-Origin Labeling (MCOOL)?

• MCOOL was U.S. law from 2009 to 2015. It was repealed by Congress in 2015 because it violated our commitments in the World Trade Organization and nearly triggered $1 billion in WTO-sanctioned tariffs from Canada and Mexico.
• Under the former MCOOL laws, country-of-origin labeling did not apply to most imported beef because it was used in food service, not retail.
• MCOOL was portrayed as a tool for product differentiation, but studies show MCOOL did very little to differentiate 100% U.S.-sourced beef in the retail sector, nor did it provide a net benefit to customers or producers.
• When MCOOL was law, the compliance costs were an excessive additional cost on every segment of the supply chain that unfortunately led to the closure of feed lots and packing plants across the country.
• MCOOL is not supported by the vast majority of America's cattle producers, but a small minority of producers believe that our government should resurrect and expand the failed government-mandated marketing program, even though Canada and Mexico still retain the right to retaliate with $1 billion in tariffs if MCOOL is restored.

What is the American Beef Labeling Act of 2021?

• The proposed American Beef Labeling Act of 2021 restores the text of MCOOL that was repealed in 2015 and expands the list of covered items to include ground beef.
• The bill includes an implementation provision that requires the Office of the U.S. Trade Representative (USTR) and the U.S. Department of Agriculture (USDA) to find a way to make the implementation of MCOOL compliant with the WTO. This is a very difficult task considering they only have six months to

find a trade compliant solution. Keep in mind that USTR and USDA were unable to find a trade compliant solution for MCOOL in six years, thus leading to WTO-sanctioned retaliatory tariffs and the subsequent repeal of MCOOL.

• Most concerning of all, MCOOL will take effect within one year of enactment regardless of whether USTR and USDA find a trade compliant solution. That is a $1 billion gamble that may end in retaliatory tariffs.

Other Important Points to Consider

• MCOOL is not a food safety mechanism, it is a marketing program. Studies show that MCOOL did not improve food safety or build consumer confidence.

• If restored, MCOOL will have significant compliance costs that will likely be passed from packer to producer and from retailer to consumer. Compliance with MCOOL will likely require segregation of cattle based on origin – one of the factors in the WTO case.

• MCOOL places a government-mandated marketing program in direct competition with voluntary, producer-driven labeling programs. MCOOL does not encourage product differentiation for producers who market based on regional or state origin.

• If restored, MCOOL will most likely trigger a WTO case from Canada, Mexico, and every other country who will claim damages resulting from this law. The previous WTO case cost the U.S. taxpayer millions of dollars to defend a law that was ultimately repealed by Congress. Why go down the same road a second time when there are trade compliant, voluntary options available?

Conclusion

• Unfortunately, MCOOL will be a vast expansion of regulatory compliance costs for producers and consumers that shows no deliverable advancement of food safety or product differentiation for American cattle producers.

• Instead of repackaging a failed government program that will ultimately result in another WTO case, please join NCBA in working to capitalize on consumer demand for voluntary and verified marketing labels.

NOW AVAILABLE: Applications for the TCA Youth Beef Heifer Initiative Scholarship, TCA Outstanding Youth Award, and 2022 TCA Youth Ambassadors will be accepted from now until December 1, 2021.

Youth Beef Heifer Initiative Scholarship: https://www.tncattle.org/scholarships
TCA Outstanding Youth Award: https://www.tncattle.org/outstanding-youth-award
TCA Youth Ambassadors: https://www.tncattle.org/tcya-ambassadors

www.tncattle.org/youth

Industry News

Grocery prices headed higher: Kroger

Fox Business

Grocery prices are headed higher later this year, according the U.S.'s largest supermarket by sales. Cincinnati-based Kroger Co., which had $132 billion in sales last year, says inflation is running hotter than management previously anticipated and that expectations are now for prices to rise 2% to 3% over the second half of this year. Half of the basket's price increase is due to soaring prices for beef, pork and poultry. Beef prices have risen 14% this year while pork prices have jumped 12.1%, and poultry prices are higher by 6.6%.

Mark Cuban invests in plant-based protein company, but it's not for humans

MSN

Pet ownership and spending has boomed amid the pandemic, with 70% of American households now owning at least one pet. Much like the boom in plant-based proteins for humans from companies like Beyond Meat and Impossible Foods, pet food producers are making a shift toward alternative meat. Wild Earth, which produces plant-based pet food, raised a $23 million funding round from investors including Mark Cuban as it looks to move into cell-based meats.

NCBA Confident in U.S. Cattle Record, Urges Open Dialogue on Methane Target

WASHINGTON (September 17, 2021) — The National Cattlemen's Beef Association (NCBA) urged the Biden administration to maintain an open dialogue with experts in agriculture as the President today announced the Global Methane Pledge as part of an international effort to curb global methane emissions by 30 percent by 2030.

To achieve this goal, the administration will need the voluntary participation, scientific research and practical knowledge of U.S. cattle producers. The industry stands ready to continue leading the American agricultural community — and the rest of the world — on responsible resource management.

Last month, NCBA announced that the U.S. cattle industry will be working to demonstrate climate neutrality by 2040.

"We are proud of the U.S. cattle industry's track record of continual innovation to improve environmental outcomes, and we are committed to writing the next chapter in that history of stewardship with the voluntary, industry-led goal of demonstrating climate neutrality by 2040," said NCBA Vice President of Government Affairs Ethan Lane. "We've engaged with the Biden administration since day one to ensure the U.S. cattle industry is recognized for our strong record of environmental stewardship and that our voice, and our priorities, are heard loud and clear. The administration cannot accomplish lasting conservation without the buy-in of cattle producers."

Cattle emit methane when they digest their food. This happens due to the cow's specialized ruminant digestive system, which allows cattle to consume grasses which grow on marginal land that would be otherwise unusable for growing food. The gas breaks down in the atmosphere in 9-12 years, is sequestered in soil and grasses, and then consumed by ruminant animals as part of a natural grazing cycle.

In recent years, GWP_{100} — the default method for calculating greenhouse gas emissions — has come under criticism in the global scientific community for failing to accurately account for the impact of short-lived emissions like methane. GWP* is gaining support among scientists as a more appropriate measure of methane's actual effect on the climate. NCBA has long advocated for the use of the most up-to-date science and data as the foundation of federal climate policy. As the GWP* methodology is adopted around the globe, NCBA supports the United States' adaptation of its policy to reflect the best available science.

The administration has not announced any policies or directives to restrict beef consumption in the United States.

Market Watch
University of Tennessee Extension
Trends For the Week Compared to a Week Ago

Slaughter Cows

$2 to $4 lower

Slaughter Bulls
steady to $2 lower
Feeder Steers
$2 to $6 lower
Feeder Heifers
$2 to $7 lower
Feeder Cattle Index: 154.02
Fed Cattle
The 5-area live price on Thurs-day of $123.90 was down $0.83. The dressed price of $198.67 was down $2.14.
Corn
December closed at $5.27 a bushel, up 10 cents since last Friday.
Soybeans
November closed at $12.84 a bushel, down 2 cents since last Friday.
Wheat
December closed at $7.08 a bushel, up 20 cents since last Friday.
Cotton
December closed at 92.33 cents per lb, down 1.17 cents since last Friday.

Livestock Comments
Dr. Andrew Griffith
FED CATTLE: Fed cattle traded steady to $1 lower compared to last week on a live basis. Prices on a live basis primarily ranged from $123 to $125 while dressed prices were mainly from $196 to $200.
The 5-area weighted average prices thru Thursday were $123.90 live, down $0.83 compared to last week and $198.67 dressed, down $2.14 from a week ago. A year ago, prices were $103.54 live and $162.93 dressed.
Finished cattle prices are softer this week, which follows the seasonal trend for this time of year. There is considerable press concerning issues or problems with the packing industry and how they are taking advantage of the rest of the cattle industry. This may or may not be the case, but a major issue facing the packing industry is labor. The government could be contributing to the labor issues that we see in the cattle industry and across the country as they continue to provide strong unemployment wages. This may effectively increase the minimum wage as businesses are forced to increase their starting pay to entice workers. This will likely result in further inflation impacting meat markets.
BEEF CUTOUT: At midday Friday, the Choice cutout was $316.08 down $1.92 from Thursday and down $13.37 from a week ago. The Select cutout was $282.54 up $2.27 from Thursday and down $12.99 from last week. The Choice Select spread was $33.54 compared to $33.92 a week ago.
Seasonal weakness has entered the beef market the past few weeks and this seasonal weakness is expected to persists for several more weeks. The choice cutout value has declined nearly $30 per hundredweight the past three weeks. Every primal is expected to decrease in value, but certain primal values are leading the decline. The loin value has declined $58

per hundredweight the past three weeks, and it is certainly leading the charge to lower prices. Following closely in the loin's footsteps is the round primal which has lost $41 over the same time period. The chuck and short plate have lost $20 and $22 per hundredweight, respectively. Brisket and flank values have only declined $7 and $4, respectively. Despite six of the primal cuts losing value, the rib primal value is slightly higher today than it was three weeks ago. Rib prices will likely soften in the near term, which will really bring cutout prices lower. However, the rib is providing support to today's comprehensive cutout price and will do the same heading into the fourth quarter holiday season.

OUTLOOK: Based on Tennessee weekly auction market data, steer prices were $2 to $6 lower compared to last week while heifer prices were $2 to $7 lower com-pared to a week ago. Slaughter cow prices were $2 to $4 lower while bull prices were steady to $2 lower compared to the previous week. It is amazing how quickly optimism in a market can turn to pessimism. The optimism in the feeder cattle market did not become pessimistic, but it sure feels that way after the large price decline the past couple of weeks. For instance, the September feeder cattle contract spent most of three months moving from $150 to its peak close of $167. The same contract has spent the last four weeks moving lower and is now in the $155 to $156 range. The same can be said for other feeder cattle futures contracts. The opposing questions are what caused the market to escalate to such strong prices versus what caused the prices to moderate to their early summer levels. The answer that seems to make the most sense at this time is the expectation of cattle availability. There is no doubt cow culling has taken place in drought-stricken areas, which has lowered the expectation of available cattle to place on feed in the coming months. Placement of cattle in feedlots since May have been below year ago levels. Placements from May through July are down nearly 7.4 percent compared to the previous year while placements the first seven months of 2021 are actually up 3.6 percent. Next week's cattle on feed report will reveal a little more information, and the expectation is that it will support feeder cattle prices going into the last quarter of the year. The longer-term perspective has a smaller calf crop on the horizon moving in 2022. This means cattle feeders will be competing for animals. The deciding factor on the final price will likely be associated with feed grain prices and beef packer labor constraints.

ASK ANDREW, TN THINK TANK: I have received several questions lately about fertilizer prices and the expectations for hay and feed prices this winter and moving into spring. The issue many producers are facing right now is if they should invest in nitrogen in an attempt to stockpile cool season forage or if they should just rely on purchased hay and feed to meet the needs of their herds. Nitrogen fertilizer is running near $0.60 per pound of nitrogen, which is about $0.20 per pound more than this same time last year. On top of the cost for nitrogen, there remains the risk that timely precipitation does not arrive and then the fertilizer does not produce the expected quantity of forage. In Tennessee and across the Southeast, hay is fairly abundant, which means it may be more cost effective to purchase hay instead of investing in fertilizer this year. From a supplemental feed perspective, feed grain prices re-main strong. This means it is unlikely commodity feed prices will decline in the near term. This will be a wait and see type of decision.

Please send questions and comments to agriff14@utk.edu or send a letter to Andrew P. Griffith, University of Tennessee, P.O. Box 160, 1000 Main Entrance Dr., Spring Hill, TN 37174.