

Agricultural Marketing Service

Creating Opportunities for American Farmers and Businesses

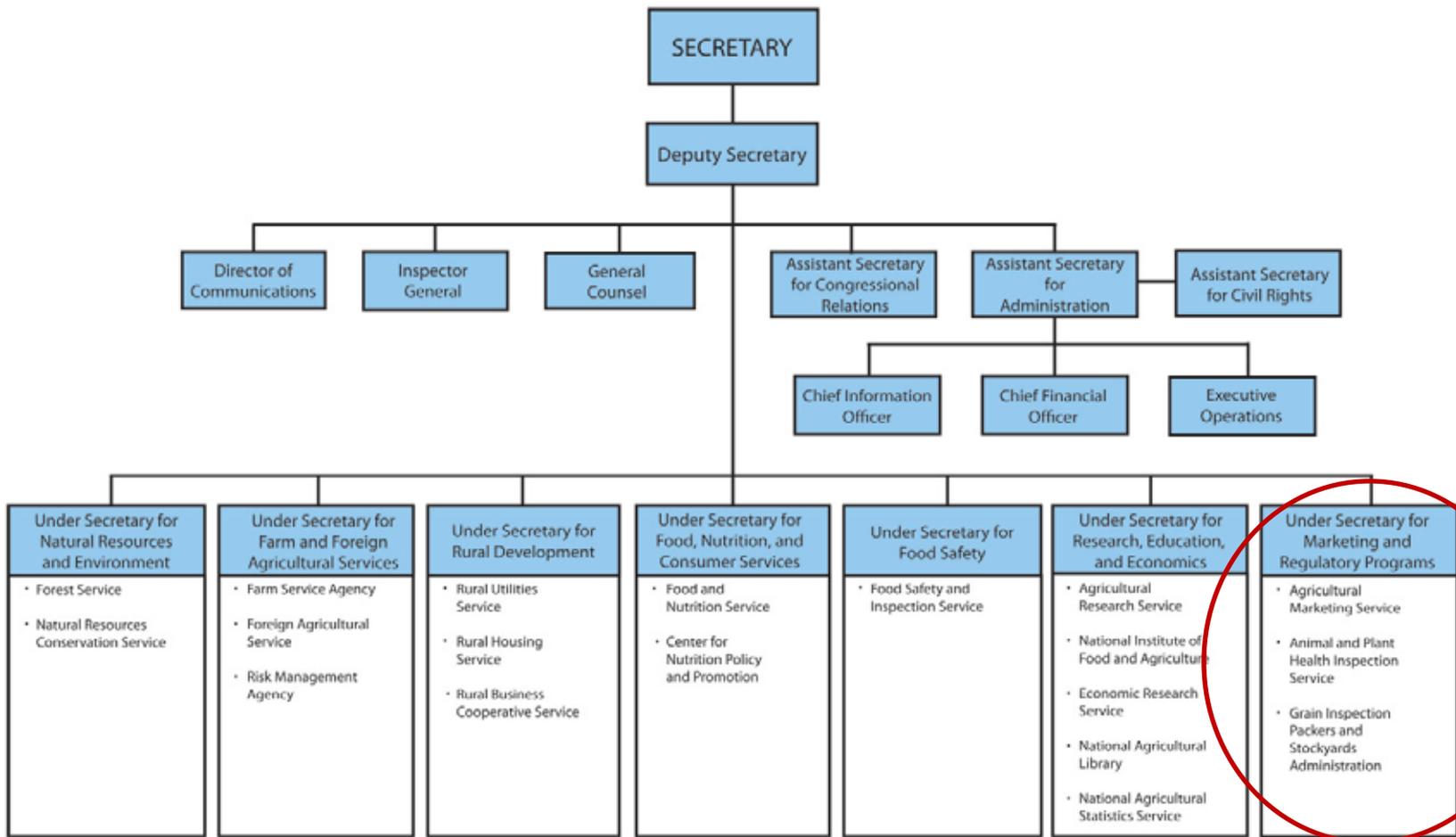


Livestock, Poultry and Seed Program Overview

Craig Morris
Deputy Administrator



USDA Structure



Livestock, Poultry, and Seed Program

- One of the commodity programs in AMS
 - Approximately 1,000 Federal staff members and an additional 1,000 State employees who work for the Program under cooperative agreements with all 50 States
- Wide array of markets covered
 - Cattle/Beef, Hogs/Pork, Sheep/Lamb/Goats, Poultry, Shell Eggs, Aquaculture/Wild Caught Seafood, Grains/Oilseeds/Hay, Bioenergy, Organic, International



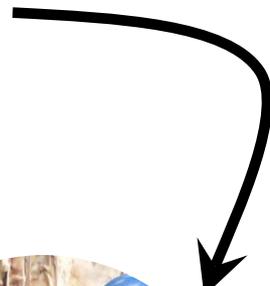
Services segment value differences throughout the supply chain



Auditing quality management systems for unique marketing claims



Reporting on the markets



Adding value through grading and certification



Helping convey quality attributes to the consumer



LPS Divisions

- Seed Regulation and Testing
- Quality Assessment
 - Grading and Verification
 - Standardization
- Food Safety and Commodity Specification
- Market News
- Marketing Programs (R&P)
- Country of Origin Labeling
- Agricultural Analytics



Seed Regulatory and Testing Division

- Enforces the Federal Seed Act, a truth in labeling law regulating interstate shipment of agricultural seeds
- Facilitates domestic and international seed trade
- Administers the OECD Seed Schemes program and field and laboratory accreditation programs to assure accuracy of testing results coming from private and State labs



Quality Assessment Division

- Develops and maintains Federal standards for egg, meat, and poultry quality
- Participates in international standard setting organizations
- Provides voluntary, user-fee services for grading, certification, and verification used by industry to market its products



QAD Service & Benefits

- Official U.S. grade standards

- Grade A, Grade AA, Prime, Choice



- Marketing Standards

- Process Verified



- Institutional Meat Purchase Specifications (IMPS)

- International Standards (ASTM, ISO, UNECE)

Food Safety and Commodity Specification Division

- Develops and maintains specifications for the meat, poultry, egg, and fish products purchased by USDA
- Products utilized by the various Federal food and nutrition assistance programs



Commodity Purchases

Beef

2014: Purchased 113,336,000 pounds at a cost of \$300,063,969 (\$2.65/pound)

2015: Purchased 142,094,000 pounds at a cost of \$407,053,013 (\$2.86/pound)

2016 (YTD): Purchased 56,096,000 pounds at a cost of \$114,607,119 (\$2.04/pound)



Commodity Purchases

Pork

2014: Purchased 28,840,540 pounds at a cost of \$54,811,635 (\$1.90/pound)

2015: Purchased 37,205,880 pounds at a cost of \$60,279,427 (\$1.62/pound)

2016 (YTD): Purchased 11,187,770 at a cost of \$14,348,143 (\$1.28/pound)



Livestock, Poultry & Grain Market News

- The “base” that all other agriculture statistics are built upon
- A neutral, third party that is widely recognized and trusted
- A critical link between individual entities and “the market”



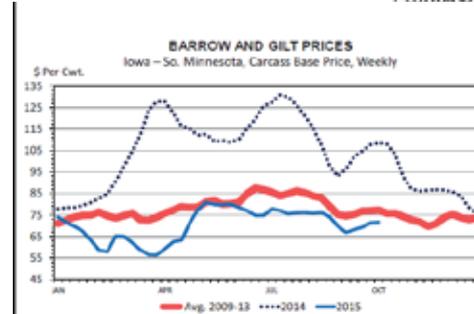
Livestock Mandatory Reporting (LMR)

Initially authorized in 1999 for the purposes of:

- Disseminating readily understood information regarding the marketing of cattle, swine, lambs, and livestock products;
- Improving the price and supply reporting services of USDA; and
- Encouraging competition in the marketplace for livestock and livestock products.

Average Daily Slaughter		
	Cattle	Hogs
	----- Number of head -----	
This week (4 days)	109,750	426,750
Last week (4 days)	108,750	427,000
Year ago (3 days)	119,000	410,667
This week as percentage of		
Week ago (%)	101%	100%
Year ago (%)	92%	104%

	CRR	LIVE CAT.	LEAN HOGS
	0.86	0.03	0.16
WTI Crude	0.61	0.21	0.26
NAT. GAS	0.79	-0.67	-0.44
CORN	0.70	-0.87	-0.61
SOYBEANS	0.77	-0.80	-0.57
GOLD	-0.12	0.55	0.80
COPPER	-0.51	0.52	0.60
ALUMINIUM	-0.65	0.85	0.57
LIVE CATTLE	-0.39		0.71
SUGAR #11	0.46	-0.21	0.14
COTTON #2	0.78	-0.81	0.59
	0.24	-0.40	-0.59
	0.87	-0.10	0.17
	-0.29	0.78	0.54
	0.82	-0.02	0.12
	0.48	-0.85	-0.69
	-0.19	-0.23	-0.08
	0.37	-0.73	-0.74
	-0.26	0.83	0.91
	-0.17	0.71	



Livestock Mandatory Reporting (LMR)

- Reauthorized for another 5 years by Congress; signed into law on September 30, 2015
- Included a few changes to swine and lamb reporting, which are being addressed through rulemaking
- Following a 2013 study by LMIC, the sheep industry had requested a few additional lamb reporting amendments the next time the regulation was open for revisions



LMR Rulemaking Paths

- Direct Final Rule – Lamb changes
- Proposed Rule – Swine and lamb changes



Reauthorization Study of LMR

- To be conducted by AMS in conjunction with the Office of the Chief Economist
- In consultation with cattle, swine, and lamb producers, packers, and other market participants
- Analyze current marketing practices in the cattle, swine, and lamb markets to identify legislative or regulatory recommendations made by cattle, swine, and lamb producers, packers, and other market participants
- Report of findings is due to the House & Senate Ag Committees not later than March 1, 2018



Voluntary Local Reporting

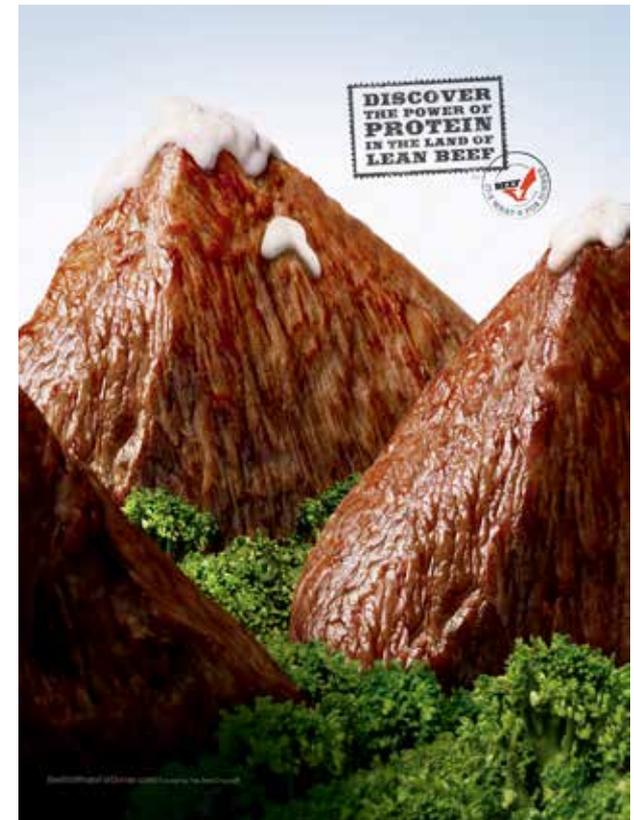
New Market News Local Reports:

- Pasture Raised Pork
- Grassfed Beef
- Grassfed Lamb and Goat
- Check out our Market News “Local & Regional” web pages at www.ams.usda.gov/market-news/local-regional-food

NW_LO102		
Des Moines, IA	Mon, Mar 28, 2016	USDA Market News
NATIONAL MONTHLY PASTURE RAISED PORK REPORT For the Month of March		
PASTURED PORK - Wholesale		(\$/lb)
Chops		
Center		8.75 - 13.25
Rib		9.25 - 12.00
Sirloin		7.17 - 8.65
Roasts		
Tenderloin		12.99 - 18.95
Loin		6.00 - 17.95
Butt		6.25 - 9.75
Shoulder		4.89 - 8.75
Ground		
Pork		4.86 - 9.50
Breakfast Sausage		7.55 - 10.80
Italian Sausage		10.80 - 12.99
Bratwurst		7.99 - 10.99
Ribs		
Back		7.84 - 14.25
Spare		5.89 - 13.88

Research & Promotion

- Oversees the industry-funded beef, egg, lamb, pork, sorghum, and soybean research and promotion programs
- Serve to enhance demand and develop new uses for those commodities
- Administers three grant programs
 - The Wool Trust
 - The National Sheep Industry Improvement Center
 - Sheep Production and Marketing Grant Program



Research & Promotion



incredible!



Country of Origin Labeling

- Ensures covered commodities sold at retail are labeled by their country of origin, and for fish and shellfish, by their method of production
- The COOL program enforces mandatory labeling requirements at retail on lamb, goat meat, and chicken; fish and shellfish; fruits and vegetables; peanuts, pecans, macadamia nuts; and ginseng

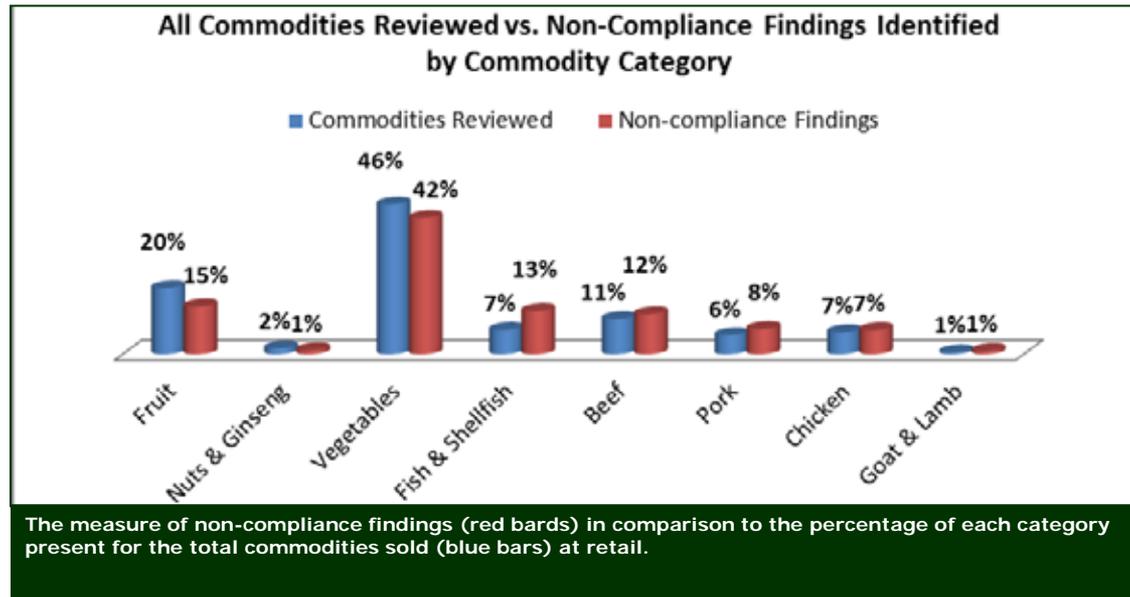


COOL Repeal

- The Consolidated Appropriations Act of 2016
 - Repealed COOL requirements for beef and pork
 - USDA stopped enforcing the COOL requirements for beef and pork effective December 18, 2015
- On March 2, 2016, AMS published a final rule
 - Removed beef and pork from the regulation



COOL Retail Enforcement - 2015



- Beef and pork only represented 17% of all COOL covered commodities reviewed at retail during 2015
- Majority of the beef and pork non-compliances were no animal production steps at the point of sale

Agricultural Analytics Division

Provides a wide range of economic, scientific, statistical, mathematical, and market analytic expertise in support of both Federal Government and industry.



Economic Landscape

- Published monthly by LPS Agricultural Analytics Division
- Distributed to interested parties upon request
- Contact: Michael Sheats (michael.sheats@ams.usda.gov).



EGGS

Production

August table egg production totaled 545 million dozen, down 11 percent from August 2014 due to the effects of High Pathogenic Avian Influenza (HPAI). On September 1, the number of birds in the table egg flock was 273 million, down 11 percent compared to a year earlier. Egg-type hatching egg production was 82 million eggs, up 4 percent from a year ago. There were 1.1 billion broiler-type hatching eggs produced in August, up 4 percent from last year. The broiler-type laying flock on September 1 was 54.6 million hens, up 3 percent from 2014. Shell eggs broken totaled 168 million dozen during August 2014, down 15 percent from August a year ago, and 1 percent below the 169 million broken in July.

Price

Table egg prices continued the fall they started in August in fits and starts. From the all-time high of 274 cents/dozen reached in early August, the price of one dozen Grade A large eggs in the New York wholesale market fell to 239 cents/dozen the first week of September, then fell again to 212 cents/dozen for most of the second half of the month, before resuming their drop. The price had fallen to 204 cents/dozen on September 30 and by the first week of October had fallen to 180 cents/dozen. Breaking stock prices were largely unchanged in September, beginning the month at 169 cents/dozen before falling to 165 cents/dozen and holding through month's end.

International Trade

Total U.S. shell egg exports in August were 11.1 million dozen with a value of \$17.3 million. This was 30 percent above July totals in volume and 9 percent in value, but down 15 percent in volume and up 5 percent in value compared to August 2014. For the first 8 months of the year, shell egg exports were down 6 percent in volume but up 9 percent compared to 2014. August egg product exports were valued at \$7.7 million, up 4 percent from July but down 44 percent from August 2014. Through August, 2015 exports were down 20 percent compared to the same period in 2014. The top 5 export destinations for U.S. shell eggs and egg products were Canada, Mexico, Brazil, Japan, and Hong Kong.

Source: USDA AMS Agricultural Analytics Division

Any opinions expressed represent those of the author for the intended purpose of the newsletter and do not represent the official position of the Department.

Page 1

October 2015

Stakeholder Meeting

- Annual Event
- Most recent February 10, 2016
- Overview of all Program priorities, operating plan
- Opportunity for dialog on various issues
- 2016 specific focus - Livestock Mandatory Reporting changes

Invitees

- American Sheep Industry Association
- American Farm Bureau Federation
- American Association of Meat Processors
- CME Group
- Consolidated Beef Producers
- Livestock Marketing Association
- Meat Import Council of America
- North American Meat Institute
- National Cattlemen's Beef Association
- National Farmers Union
- National Pork Board
- National Pork Producers Council
- Texas Cattle Feeders Association
- U.S. Cattlemen's Association

Questions?