

# Agricultural Marketing Service

Creating Opportunities for American Farmers and Businesses

## AMS Issues Update

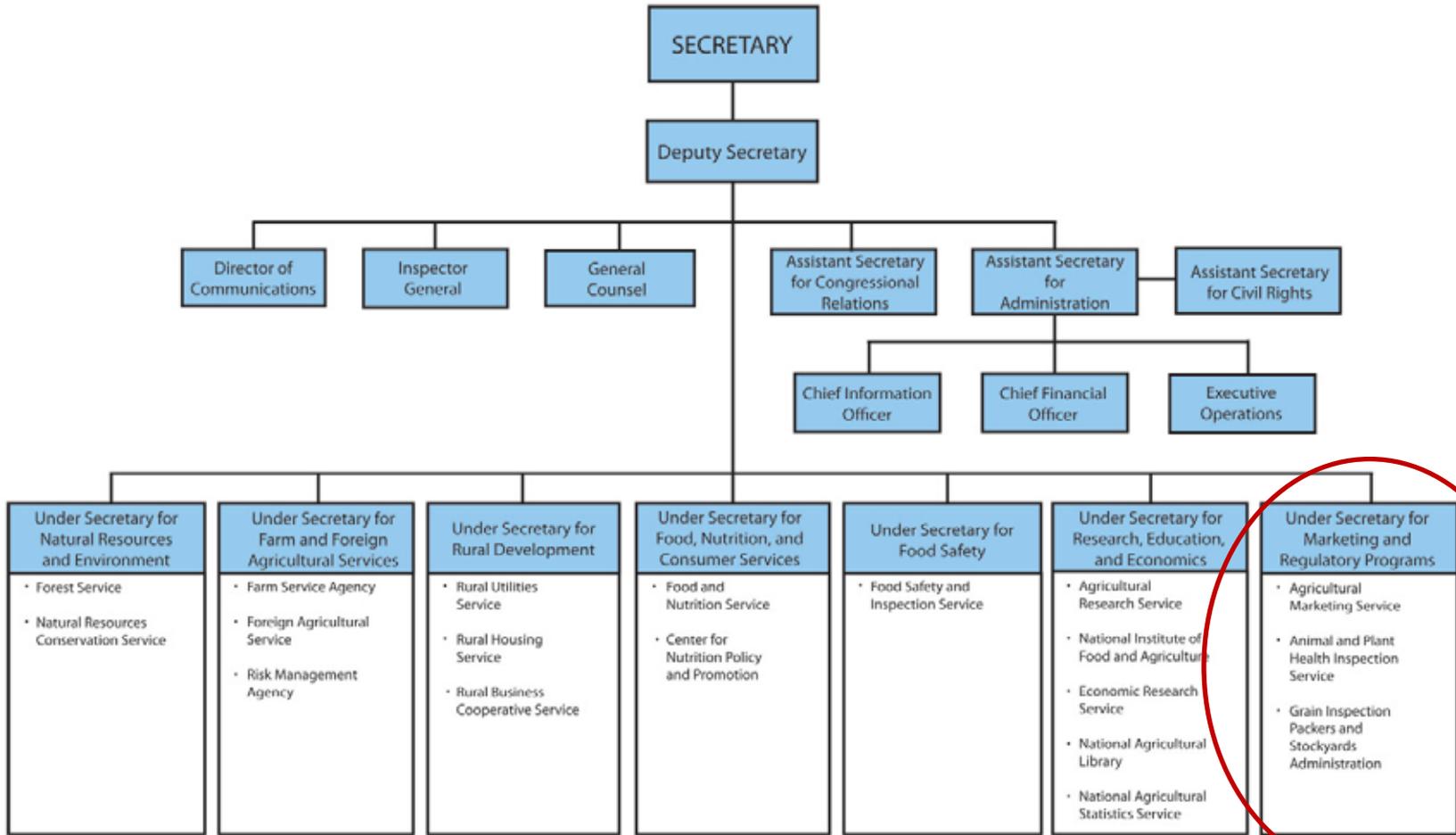


Craig Morris  
Deputy Administrator  
Livestock, Poultry, and Seed Program

# Topics

- USDA Structure
- Stakeholder Meeting
- Livestock Mandatory Reporting
- Pork Industry Quality Initiative
- Export Verification
- Commodity Purchase Program
- Strengthening of Process Verified Program
- COOL
- Economic Landscape
- Research and Promotion

# USDA Structure



# 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

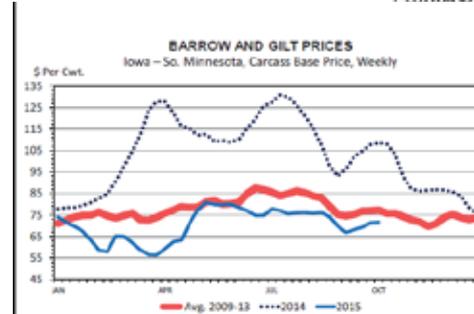
# Livestock Mandatory Reporting (LMR)

# 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
  - 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	0.93
	-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



# Proposed Rule

- Swine Reporting Changes
  - Added new purchase type for “negotiated formula purchase” which means a swine or pork market formula purchase under which—
    - (A) the formula is determined by negotiation on a lot-by-lot basis; and
    - (B) the swine are scheduled for delivery to the packer not later than 14 days after the date on which the formula is negotiated and swine are committed to the packer



# Proposed Rule

- Swine Reporting Changes
  - Reauthorizations Act directed AMS to include late afternoon barrow & gilt purchases in the morning and afternoon reports on the following reporting day
  - To do this, packers will need to submit purchase data for all hogs bought after 1:30 pm in their 10:00 am submission on the next reporting day
  - This does not change the prior day reporting requirements



# Proposed Rule

- Comments may be submitted at [www.regulations.gov](http://www.regulations.gov)
- 60-day comment period ending on April 29, 2016



# 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](http://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

# Pork Industry Quality Initiative

# Pork Industry Quality Initiative

- Participating in the NPB Pork Quality Task Force
- Address quality issues and decrease color score issues
- Potential development of pork quality grading system or standard
  - AMS has Pork Carcasses standard
  - AMS would seek submission of a petition for any changes



# Export Verification

# Export Verification

- Export Verification (EV) Program for the Russian Federation
  - Quality System Assessment (QSA) Program or Process Verified Program (PVP)
  - Market access is currently closed; two slaughter plants currently listed in FSIS Export Library
- Pork for the European Union (PFEU)
  - Documented production system audited by AMS
  - 5 facilities currently on the official listing
- Never-Fed Beta Agonists (China)
  - Verification that pork (& products) never received Beta-Agonists (Ractopamine)
  - QSA or PVP
  - Program is currently open
  - 18 companies approved, several are actively exporting to China



# Commodity Purchase Program

# 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)



# Strengthening of the Process Verified Program

# AMS Strengthens the USDA Process Verified Program

- Improved program management and procedures for clients
- Emphasized the 2 tenets of the PVP
  - Companies are committed to transparency (approved standards are posted on website)
  - Subject themselves to a rigorous audit by AMS auditor
- Program growth in areas related to poultry antibiotic use and claims related to non-genetically engineered ingredients



# AMS Strengthens the USDA Process Verified Program

- 68 direct clients, and a growing number of large-volume food buyers requiring their clients meet requirements through the PVP
- Review of marketing programs offered resulted in the removal of the NE3 Program and the grass fed standard
  - Companies still able to request that AMS verify processes related to these practices
  - No change in FSIS requirements for label claims for these practices



# Country of Origin Labeling (COOL)

# Country of Origin Labeling

- 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
- Beef and pork commodities attributed 17% of the COOL program's enforcement activities
- The COOL program continues to enforce mandatory labeling requirements at retail on lamb, goat meat, and chicken; fish and shellfish; fruits and vegetables; peanuts, pecans, macadamia nuts; and ginseng



# Economic Landscape

# Economic Landscape

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



# Research and Promotion

# Use of Checkoff Dollars in Cuba

- On March 21, USDA announced that it will allow the 22 industry-funded Research and Promotion Programs and 18 Marketing Order organizations to conduct authorized research and information exchange activities with Cuba
- Allows these groups to conduct research and information exchanges with Cuba related to health, science and nutritional research as well as consumer-oriented research.



# National Pork Board

- Appointments
  - On March 5, the National Pork Producers Delegate Body nominated eight producers to the National Pork Board for the Secretary's consideration.
  - The candidates are in the clearance phase and should be submitted to the Secretary within the next couple of weeks.
- "Pork. The other White Meat"  
Lawsuit



# Questions?