

USDA Update

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LPS Stakeholder Meetings



✓ Beef and Lamb Sector

✓ Pork Sector



Stakeholder Meetings

- **Priority Issues:**
 - Explore expansion of camera technology; allow LPS to expand into broader audit-based verification activities
 - Ensure market news captures value throughout the chain
 - Be flexible with audit programs, but consider impact on entire industry
 - Continue to communicate LPS priorities with stakeholders

Food Safety and Commodity Procurement



FY 2013 Purchases

Commodity	Total Cost	Total Pounds
Beef	\$336,073,991	157,372,000
Fish	\$29,447,679	9,799,432
Pork	\$28,015,842	20,244,040
Lamb	\$4,960,064	1,080,000
Chicken	\$322,233,225	333,658,900
Turkey	\$134,087,890	92,691,126
TOTAL	\$854,818,692	614,845,498

FY 2014 Purchases

(As of June 20, 2014)

Commodity	Total Cost	Total Pounds
Beef	\$144,335,683	64,326,000
Fish	\$32,219,724	16,157,104
Pork/Lamb	\$26,261,224	15,134,580
Chicken	\$128,877,120	119,501,400
Turkey	\$74,303,445	47,155,168
Egg	\$9,661,727	9,249,900
TOTAL	\$415,658,923	271,524,152

Further Processing Certification Program (FPCP)

- Harmonized procedures for certifying meat and poultry commodities processed under the further processing certification program
- Reduces costs for processors
- Ensures USDA donated products are properly handled, processed according to specification, and traceable from school district to raw product supplier.

Country of Origin Labeling (COOL)



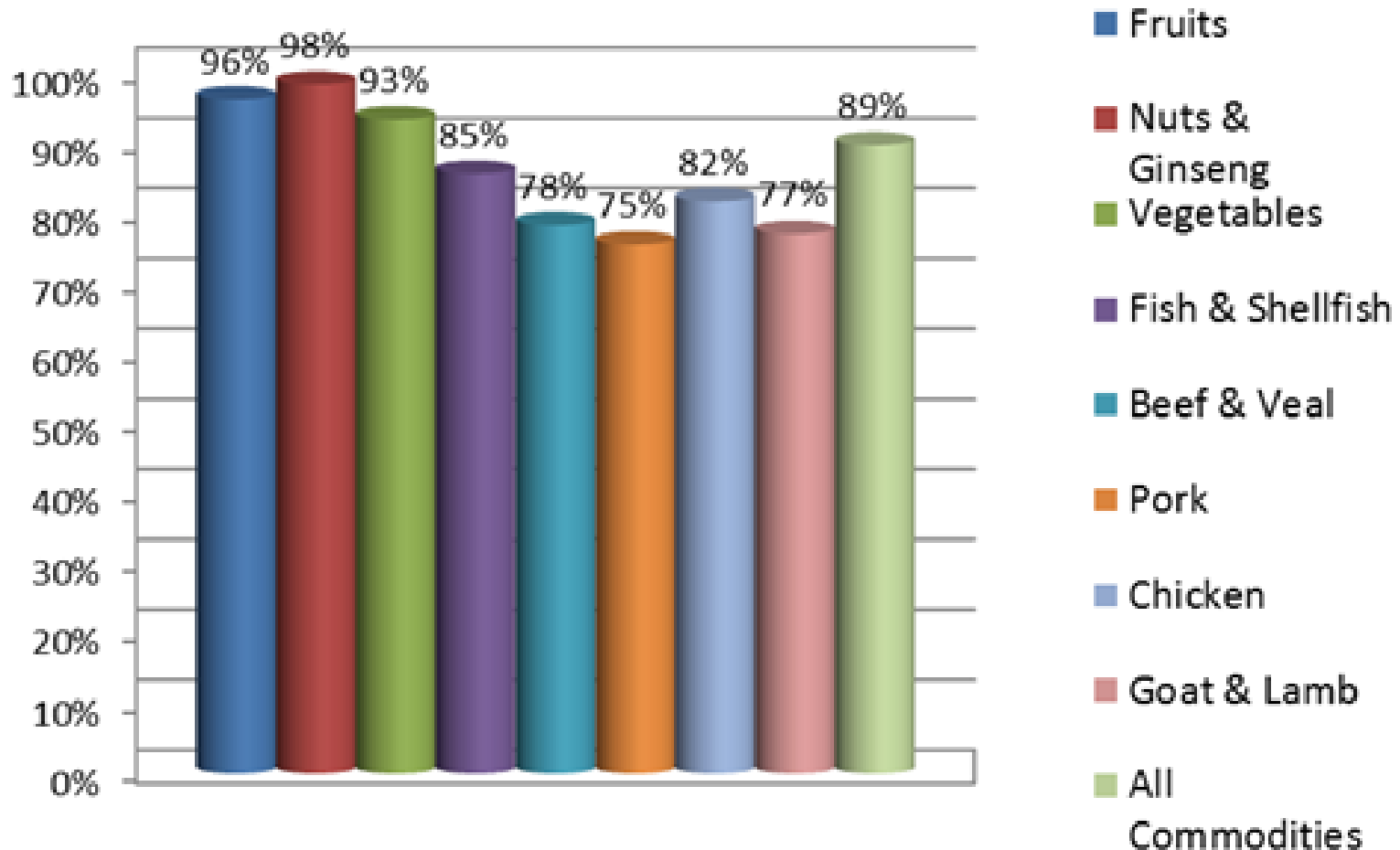
COOL Basics

- Since implementing the final rule in 2009, over 22,500 stores have been reviewed for COOL compliance, and over 684 covered commodities have been audited through the chain of commerce, consisting of 1,972 suppliers.
- **Cooperative agreements with all 50 states.**
 - FY 2014 allocation to state agencies valued over \$1,800,000. (2,770 retail reviews assigned.)

COOL Basics

- 93% compliance rate for covered commodities sold at retail in 2013.
- The final rule that modified the COOL labeling provisions for muscle cut meat commodities went into effect on May 23, 2013.
- State training and retailer education continues.
- 2014 Farm Bill directed USDA to amend regulations to add venison as a covered commodity.

2014 COOL Initial Retail Reviews: Compliance by Commodity Group



Instrument Grading



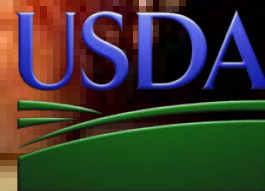
Photo courtesy of Meatingplace.com

Instrument Grading

- Beef Instrument Grading
- Approved for use in 17 plants; officially used in 9 plants
 - 34,000 daily carcass capacity
 - 40% of carcasses graded
- Lamb Instrument Grading
 - Pilot completed in November 2013
 - Gathering data to ensure instrument validation variation less than 1.7%



Beef Tenderness Marketing Program



ASTM Beef Tenderness Marketing Claim Standard

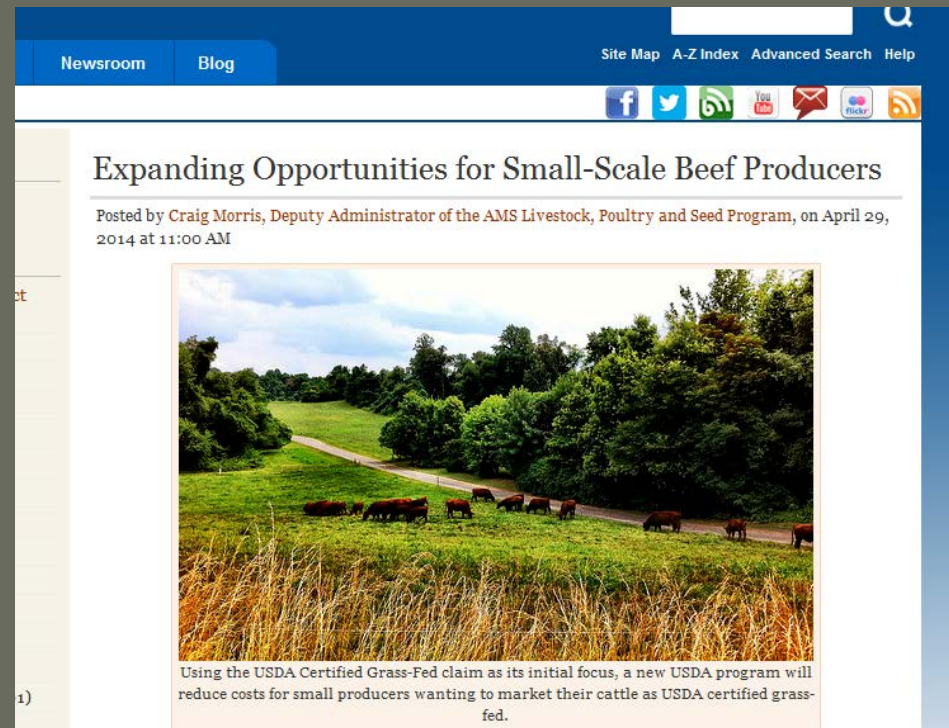
- Worked with academia and industry to develop an accurate system based on an objective scale
- System ensures that specific beef cuts consistently meet these established thresholds
- Approved beef processors can now market products as USDA-Certified Tender or Very Tender through product labeling, advertisements, and promotions.

Tenderness Activities

- AMS working with 4 companies who have requested approval to use the USDA Certified Tender claim
- Three companies have been approved and have begun selling product under the new label

Grass Fed Program for Small & Very Small Producers

- Grass Fed Program for SVS Producers
 - 10 approved
- Sheep
 - Currently in development



The screenshot shows a webpage with a blue header containing navigation links: 'Newsroom', 'Blog', 'Site Map', 'A-Z Index', 'Advanced Search', and 'Help'. Below the header is a row of social media icons for Facebook, Twitter, RSS, YouTube, Email, and Flickr. The main content area features the article title 'Expanding Opportunities for Small-Scale Beef Producers' in a large, bold font. Below the title is the byline: 'Posted by Craig Morris, Deputy Administrator of the AMS Livestock, Poultry and Seed Program, on April 29, 2014 at 11:00 AM'. A large photograph of a green pasture with a dirt road and a herd of cattle grazing is positioned below the text. At the bottom of the image, a caption reads: 'Using the USDA Certified Grass-Fed claim as its initial focus, a new USDA program will reduce costs for small producers wanting to market their cattle as USDA certified grass-fed.'

Grass Fed Program for Small & Very Small Producers

- Requires a farm/ranch plan
- \$108 application fee
- Approval granted for 2 years
- Programs approved are allowed to market as “USDA Certified Grass Fed Beef”

U.S./Canadian Regulatory Cooperation Council (RCC)

- AMS co-chairs RCC's initiative to harmonize U.S. and Canadian meat and poultry cut nomenclature
- Allows U.S. producers to ship their products with U.S. cut names without having to uniquely label or re-box the product in accordance with the prescriptive Canadian pork or beef terms
- Common trade language benefits both sides of the border and enhances trade opportunities for American producers

U.S./Canadian Regulatory Cooperation Council (RCC)

- AMS is working closely with industry representatives, CFIA and NAMA
 - Updating IMPS
 - Harmonizing U.S. and Canadian documents
 - Updating the meat and poultry products in the Meat Buyers Guide

U.S./Canadian Regulatory Cooperation Council (RCC)

- February 24: CFIA pilot project began
 - Full list of applicable meat cut names listed in the IMPS
 - Consumers not impacted—only applies to wholesale meat cuts
- RCC focus is on relationship with Canada, but also building a strategy to work with Mexico to adopt IMPS or recognize them as the usable standard.

Institutional Meat Purchase Specifications (IMPS)

- Comments were due on IMPS revisions July 7
- AMS and CFIA will coordinate publishing of revised IMPS
- AMS collaborating with NAMA to translate IMPS from into Spanish (Targeted completion December 2014)

UNECE Standards: Beef and Pork

- Developed draft standards for beef and pork retail cuts and gained concurrence and subsequent adoption by the Working Party on the standards
- Beef and retail pork cuts are posted on UNECE's website at http://www.unece.org/trade/agr/standard/meat/meat_e.html.

UNECE Standards: Further Processed Poultry

- Resolved several issues and barriers needed to move towards consensus on the draft standard for further processed poultry products
- AMS leading discussions through an online working group
 - Expects to gain consensus on the draft standard during the September 2014 Specialized Section meeting.

UNECE:

“Meet/Meat the Challenges”

- AMS is helping to organize the formal program for this conference to be held in Geneva in September 2014
- Part of the 23rd session of the Specialized Section on Standardization of Meat

Uniform Retail Meat Identity Standards (URMIS)

- Updates drafted resulting from discussions with AMS, FSIS labeling staff, and Industry Wide Cooperative Meat identification Standards Committee (ICMISC)
- URMIS revisions intended to establish more consumer-friendly nomenclature for the retail cuts

URMIS

- March 6, 2014: AMS, Beef and Pork checkoffs, Meattrack, Midan Marketing, and FSIS labeling:
 - Reviewed the URMIS standard document and request for input.
 - Reviewed the updated processed beef and pork descriptions and request for input.
 - Asked for final comments on the lamb and veal URMIS common name list.
 - Discussed review process for the new cut names.
 - Discussed and requested guidance on the label approval process.

Checkoff Programs



Checkoff Programs

- Beef Board
 - For FY 2014, approved 3 NAMA-submitted projects (Veal Promotions, Post Harvest Safety, and Veal Quality Assurance) for total of \$1,146,875

Market News



LMR Reauthorization

- Livestock Mandatory Reporting up for reauthorization Sept. 30, 2015
- Producer trade associations exploring potential regulatory changes to improve transparency and to keep the regulation relevant with current livestock and meat marketing practices

More Market News Initiatives

- Voluntary Monthly Grass Fed Beef Report
 - Captures wholesale market price information for grass fed beef cuts.
 - Includes prices paid for grass fed beef cattle.
- AMS exploring ways to expand the report as the contact base grows.
- Looking to add more information and graphs to further improve transparency.

More Market News Initiatives

- What more can AMS do to improve organic market reporting and what commodity areas need more transparency (e.g. organic meat and livestock)?
 - Partnered with NASS to conduct a survey of organic producers (Spring 2014)
 - Initial survey results showed much more outreach is needed in the organic community to raise awareness of market news

More Market News Initiatives

- Working to expand market reporting into other growing niche' areas for livestock and meat products.
 - Local markets
 - Food hubs
 - Farmers markets
 - Farm-to-school markets

A Few Closing Points...



The Economic Landscape

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

USDA The Economic Landscape
A monthly publication of the USDA AMS Livestock, Poultry and Seed, Agricultural Analytics Division
Volume 6-14
June 2014

EGGS

Production
April table egg production totaled 580 million dozen, up 3 percent from April 2013. There were 967 million broiler-type hatching eggs produced, down 2 percent from last year. The broiler-type laying flock on May 1 was 53.5 million hens, even with 2013. Egg-type hatching egg production was 75 million eggs, down 6 percent from a year ago. Shell eggs broken totaled 186 million dozen during April 2014, up 4 percent from April a year ago, and 2 percent above the 183 million broken in March. On May 1, the number of birds in the table egg flock was 295 million, up 3 percent compared to a year earlier.

Price
Egg prices had their normal late spring bounce in May. After their inevitable post-Easter crash, the price of one dozen large Grade A eggs rose 15 cents during May, closing the month at 138 cents/dozen. The price of breaking stock followed suit.

LAMB

Production
April lamb and mutton production rose to 15.2 million pounds, up 13 percent from both March 2014 and April 2013. Sheep slaughter totaled 221,000 head, 15 percent above last year. The average live weight was 137 pounds, down 3 pounds from April a year ago. Lamb and mutton in cold storage was 4 percent lower than the month before, but 25 higher than year earlier levels.

Price
Negotiated slaughter lamb prices (Domestic Prime & Choice, under 170 pounds) dropped more than \$10/cwt to \$145 at the end of May, and closed the month 10 percent below the historical average price for 2010-2012, but 21 percent above last year's price. The lamb cutout value fell \$9 in May to \$360, 29 percent higher than in 2013 and 1 percent higher than the 2010-2012 average. Leg of lamb prices dropped \$15 from the end of May to \$97, or 10 percent below the 2010-2012 average.

Happy Father's Day!
Let's Grill Something!

Father's Day is one of the biggest events of the year for backyard grilling. Throw on some of Dad's favorites!

Item	Week in 2013	% of 2013 ods	Price
BALS RIBEYE STEAK	#1	4.1%	\$8.13/lb. on sale
PORK RIB CHOP	#1	5.9%	\$3.32/lb. on sale
BONE-IN RIBEYE	#1	3.8%	\$6.94/lb. on sale
GROUND CHUCK	#3	3.1%	\$3.24/lb. on sale
BOTTOM ROUND STEAK	#1	4.0%	\$3.80/lb. on sale
CHICKEN DRUMSTICK	#4	3.5%	\$1.73/lb. on sale
SWEET CORN	#7	4.9%	\$-35/ear on sale

Thank You and Questions?



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