USDA Update

Dr. Craig Morris Deputy Administrator



United States Department of Agriculture Agricultural Marketing Service

Livestock, Poultry and Seed Program

LPS Stakeholder Meetings



ü Beef and Lamb Sector

ü Pork Sector



Beef and Lamb Stakeholder Mtg

- 12 Participants
- Priority Issues:
 - S Explore expansion of camera technology with grader oversight to improve efficiency, allow LPS to expand into broader audit-based verification activities
 - S Time to rebrand Market News to capture its critical role in day-to-day commerce?
 - S Broaden "the commodity mindset of price reports" to better account for innovations

Pork Stakeholder Mtg

- 8 Participants
- Priority Issues:
 - S PEDv
 - Seed for uninterrupted Market News reports
 - S Consumer demand for no antibiotics or responsible-use antibiotics
 - **§** Diversity on the National Pork Board
 - § U.S. Consensus on international animal welfare standards

LPS Stakeholder Meetings: Results

USDA United s Agricu	Lates Department of Agriculto Iltural Marketing Sen	UNICE USDA ORGANIC UNICE Opportunities Created Forms Held Contra	
Search AMS Co Advanced Search Search Tips Harkst News Search Browse by Subhact Markst Revs Commodity Areas Grading, Cethiloston and Verification	Tou are here: Home / Freedom of I About AMS Freedom of Information Reference of Information A federal spency records, or por for those records that are prot exemptions and three exclusion may withhold records from a r The nime exemptions cover (1) foreign relation information, (2)	The Privacy Act, passed by Congress in 197 certain controls over what personal informat the federal government and how it is used. I records about individuals maintained by age government. It applies only if the records ar records," which means they are retrieved by name, social security number, or some othe identifier. The Act also permits an individual most personal information maintained by Fe to request amendments to his/her records. Whom to contact with a request for AMS Priv Privacy Act records related to AMS should by	tion is collected by It applies only to incies in the federa e in a "system of y an individual's t t de va Tracking Number (114-005-03806-F
		following address:	014-AMS-03826-F

AMS FOIA REQUESTS RECEIVED - JUNE 1 to JUNE 26, 2014

to request amendments to his/her records.				
Whom to contact with a request for AMS Priva	Tracking Number	Received Date	Requester	Subject
	014-AM5-03806-F	6/2/2014	Dr. Rachel Goodhue, UC Davis	Peach, nectarine, pear growers list
Privacy Act records related to AMS should be	014-AMS-03817-F	6/3/2014	Jeff Bruemmer, Missouri Soybean Organization	Missouri soybean growers list
Carrie Helmold FOIA/PA Officer Rm 3521-S	:014-AMS-03826-F	6/3/2014	Lorren E.S. Walker, Schramm, Williams & Associates	Import inspection certificate information for tomatoes from Mexico for March, April and May 2014 in the following markets: Boston, New York, Detroit, Philadelphia, Los Angeles, San Francisco
Ag Stop 0202	014-AMS-03075-F	6/5/2014	John Fagundes	Kiwifruit growers list
1400 Independence Ave., SW Tel. (202) 720-2498	014-AMS-03860-F	6/5/2014	Manuel C. Hernandez (by Javier Spyker)	Marketing policy reports from the Cranberry Marketing Committee from 2004-2014
Fax. (202) 690-3767	014-AMS-03872-F	6/6/2014	Ryan Maughan, Rynn & Janowsky, LLP	Perishable Agricultural Commodities Act documents for Great Pacific Inc. and Revival Enterprise, Inc.
 Monthly Report of Requests Received The Privacy Act of 1974 	014-AMS-03893-F	6/9/2014	Mary Smith, Daviess County Community Foundation	Names and addresses of all producers who received government subsidy payments in 2013 in Daviess County, IN
 Open Government Act President Obama Memorandum Your Right to Federal Records 	014-AMS-03953-F	6/11/2014	Gregory J. Donahue	Perishable Agricultural Commodities Act documents for Snappy Apple Farms, Inc. v. Cherry Growers, Inc.
Last Modifier	014-AM5-03964-F	6/12/2014	Marta Barlow, Department of Pesticide Regulation	Communications between Caltec Agri Marketing Services and the Almond Board of California concerning the 2013 Almond Conference, held in Sacramento. CA on December 3. 4, and 5, 2013
atement Privacy Policy Non-Discrimination State	2014-AMS-03978-F	6/13/2014	Luanne M. Rogers, Meuers Law Firm	Perishable Agricultural Commodities Act documents on reparation proceedings filed by Taylor Produce against Nonpareil Corporation
	014-AMS-03980-F	6/13/2014	Clifford L Karchmer	Memphis Pecan Co., Memphis, TN from 1935-1970
	014-AMS-04007-F	6/16/2014	Jason Cole, Cornucopia Institute	Daniel and Harry Lehenbauer and Diamond D Organics

federal

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 (Week ending September 05, 2014)

Commodity	Total Cost	Total Pounds	
Beef	\$261,128,245	102,878,000	
Fish	\$36,087,186	18,556,176	
Pork/Lamb	\$49,914,176	26,235,920	
Chicken	\$211,536,772	189,414,800	
Turkey	\$95,011,892	60,300,196	
Egg	\$18,031,117	16,589,760	
TOTAL	\$671,709,388	413,974,852	

Revised Purchase Specifications (Microbiology)

- Discontinued pathogen testing for raw boneless beef destined for a validated cooking step at an FSISinspected processing facility
- Testing of raw boneless beef intended for delivery to schools for the non-O157 Shiga toxin-producing *E. coli* strains declared adulterants by FSIS
- AMS posts all microbiological testing data to its website along with summary analyses: <u>http://www.ams.usda.gov/FSCS</u>

Revised Purchase Specifications (Animal Handling and Welfare)

- A missed stun or animal regaining sensibility during an AMS AHW audit results in audit failure
- Regulatory enforcement action taken by FSIS for missed stuns or animals regaining sensibility triggers an AMS AHW audit
- AMS posts audit observations for missed stuns and animals regaining sensibility to its Website along with summary analyses: <u>http://www.ams.usda.gov/FSCS</u>

Country of Origin Labeling (COOL)



ALL CUTS OF BEEF & PORK.. BORN, RAISED, HARVESTED IN USA.. unless otherwise labeled



COOL Program Enforcement

- Since implementing final rule in 2009:
 - over 25,408 retail stores reviewed for compliance
 - approximately 684 covered commodities audited through chain of commerce consisting of 1,529 suppliers.

COOL Program Enforcement

 Cooperative agreements with 49 states. Federal employees conducted retail reviews in Kansas in 2014.

 FY 2014 allocation to state agencies valued over \$2,100,000. (3,335 retail reviews assigned.)

 Substantial training efforts for approximately 350 State Officials.

- Webinars
- Workshops in CA., VA., and SC.

COOL Program Compliance

- 96% Average retail compliance rate from the implementation in 2009 through 2012.
- 93% Retail compliance rate in 2013
 - Higher number of small and independently owned stores reviewed in 2013.
 - Retailers were not cited for non-compliances on meat muscle covered commodities. They were cited for non-compliances on ground meats.
- 97% Average supplier compliance rate from the implementation in 2009 to present.

2014 COOL Program Compliance (to date)





2014 COOL Program Compliance (to date)



2014 COOL Program Compliance (to date)

2014 COOL Initial Reviews: Commodity as a Percent of all Covered Commodities Reviewed



COOL Program Activities

- New Final Rule May, 2013
 - Animal production steps required at point of sale.
 - Removes allowance for commingling.
- 2014 Farm Bill directed USDA to amend regulations to add venison as a covered commodity.

Instrument Grading



Beef Instrument Grading

Approved for use in 18 plants

68,000 daily carcass capacity
78% of carcasses graded

Officially used in 10 plants

36,000 daily carcass capacity
42% of carcasses graded

Notice Requesting Comments Beef Carcass Standard

- Notice published in Federal Register August 2014. Notice also distributed to industry stakeholders by email and publicized by press release.
- Seeks comments on, but not limited to, carcass yield grade standard and methodology for maturity assessment.
- Requests comments on American Meat Science Association's review of instrument grading.
- Comment period ends November 13, 2014.

Lamb Instrument Grading Pilot

- Graded 34,555 carcasses, assessed them for presentation alignment, and analyzed for grade factors
- Instrument validation variation less than 1.7% (between instrument and standard/card)
- May 2014, expert graded 2,100 carcasses and instrument captured over 5,900 images to align instrument quality grade with conformation and quality grade score of grading expert.
- August 2014, the instrument prediction equation was revised and approved.
- Implementation (in-plant use) is targeted for December 2014-January 2015.



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.

Further Processing Certification Program (FPCP)

- Newly developed, uniform further processing certification program provides alternative to traditional certification.
- Adds value and integrity to further processed USDA donated red meat and poultry commodities.
- Ensures USDA donated product is properly handled, processed according to specification, and traceable from school district to raw product supplier.

Small and Very Small (SVS) Producers

Grass Fed Program for SVS Producers

Cattle

- 18 Approved Producers
- 4 Applications in the process
- Sheep
 - 1 approved producer
 - 1 application in process

Small and Very Small (SVS) Producers



Marketing Claim Certification Process

- Requires a farm/ranch plan
- Plan is reviewed by AMS
- Fee for program review is \$108
- Approval granted for 2 years
- Producers who are certified will receive a certificate that will allow them to market cattle and sheep as USDA Certified Grass-Fed
- Note: For labeling of meat products as USDA Certified Grass-Fed, a QSA program is required at processor level

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 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)

- July 7: All revisions to IMPS finalized to meet translation and publication deadlines
 - CFIA translation from English to French, September 2014
 - AMS and CFIA will coordinate publishing of revised IMPS
 - NAMA's printed version of MBG, December 2014
 - AMS collaborating with NAMA and language translation group to translate IMPS from English into Spanish, November-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 <u>http://www.unece.org/trade/agr/standard/meat/m</u> <u>eat_e.html</u>.

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

- July 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.

Research and Promotion



Beef Promotion

- For FY 2014, the Beef Promotion Operating Committee (BPOC) of the Beef Checkoff Program approved 3 NAMAsubmitted projects:
 - 1401-P Veal Promotions (promotion)
 - 1405-R Post Harvest Safety (research)
 - 1413-II Veal Quality Assurance (industry information)
- Total \$1,146,875

Beef Petition

- Montana Cattlemen's Association (MCA) wants to initiate a petition to call for Beef Checkoff referendum
- USDA developed Guidelines for the Beef petition: <u>http://www.ams.usda.gov/beefpage</u>
- If 10% of total number of cattle producers want referendum, Secretary conducts referendum within one year after USDA announces results

Beef Petition

- The 2012 Census of Agriculture estimates 913,246 U.S. farms with cattle and calves.
- At least 91,325 cattle producers required for Secretary to call referendum.
- MCA has indicated to USDA it will start petition in September.
- MCA would have one year to collect signatures.
- To date, MCA has not been in contact with USDA to establish a start date.

American Lamb Board (ALB)

- We encourage NAMA's continued participation in nominating members to the American Lamb Board.
- Board member diversity is of highest priority to the current Administration.
- We encourage your efforts to submit candidate slates showing an increase in diversity.

Market News



LMR Reauthorization

- Up for reauthorization Sept. 30, 2015.
- Producer trade associations (NCBA, NPPC, ASI) 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, which ended on March 15, 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
 - Farmers auctions
 - 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).



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April Lebra app production total of 560 million dearn, up 3 esteent from April 2013. There arene 347 wallow healthr typ tatulity each produced down I percent warn last your. The septer type taying flock on May 2 was 53.5 million Parts, pilon with 2011. Egg-farm hattiring egg production was 75 million rags, town is percent from a year ago. (Insid aggs, without toxinod 256 million docen during April 37:4, up 6 pintent from April a year ago, and 3 percent apove the SBI million backens of March. Do May 7, the surgeous of Kenle at the value. are flock was 255 million, and present combaned to a vice

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international Trade

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www.ams.usda.gov/AMSv1.0/AMSAgriculturalAnalytics

What's in the Economic Landscape?

- Covers various commodities
- Analysis of production (current, annual, monthly comparisons, etc.)
- Prices (current, annual, monthly comparisons, etc.)
- Export status (participating countries, volumes, values, etc.)
- Includes special reports and features when necessary/available (e.g., holiday favorites; weather impacts; Super Bowl snacks.)

Thank You and Questions?



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