

Cow Country Reporter



September 2021 Volume 13 Issue 9

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The "toe" of the boot of Louisiana got stepped on hard by hurricane IDA. Our prayers go out to them and to all those affected in the state.

The "fat" cattle market showed signs of improvement in mid-August, however, as we got closer to Labor Day (the last big beef event until Christmas) the packers again decided to increase their profits and reduce their prices for live cattle coming out of the feedlots. We really do need more competition in the live cattle market. Prices for our Louisiana calves are \$10.00-\$12.00 cwt. higher than the same time last year which may help to offset some of our higher input costs to the cow/calf producer. Our Louisiana cow/calf producers are busy hauling calves to market, finishing up hay

harvest and looking to plant ryegrass for winter grazing. Remember to keep posted on the cattle market by calling our toll-free number to listen to the market report updated every Saturday and also check in with your marketing rep. when making decisions to sell your calves and cull cows. Try to get these cattle sold before October when the rest of the country brings their cattle to town.

Enjoy the beginning of Fall and let's set up some meetings to discuss how to deal with the challenges for the rest of the year and how to take advantage of the opportunities available. Don't forget to go to our website and register for "Secrets to Increasing Profit" with John Locke, September 17th in Crowley and September 18th in Alexandria.

Dave Foster, CEO

MEXICAN CATTLE IMPORTS DECREASE IN 2021

By: Derrell S. Peel, Oklahoma State University Extension Livestock Marketing Specialist

The latest monthly trade data shows that July imports of Mexican cattle were down 37.5 percent year over year. Mexican cattle imports for the first seven months of the year were down 18.7 percent compared to 2020. Preliminary weekly data from USDA-AMS through the end of August shows that year-to-date cattle imports are down 21.0 percent year over year.

Mexican cattle imports are on pace for an annual total of 1.15 – 1.20 million head this year. Over the last 30 years, annual imports have averaged 1.1 million head although the average in the last decade has been a bit higher at 1.23 million head. In 2020, Mexican cattle imports totaled 1.44 million head, the highest total since 2012. Total imports last year were up 9.2 percent from 2019.

Mexican cattle enter the U.S. through one of eleven ports along the border including six in Texas (Columbia Bridge, Eagle Pass, Del Rio, Hidalgo, Laredo and Presidio); two in New Mexico (Santa Teresa and Columbus); and three in Arizona (San Luis, Nogales, and Douglas). In 2020, the Arizona ports accounted for 26.6 percent of total cattle imports (all at Nogales and Douglas; no cattle have crossed at San Luis for several years); New Mexico accounted for 49.4 percent of total cattle imports and the Texas ports accounted for 24.1 percent of the total. Santa Teresa, New Mexico is by far the largest port for cattle, accounting for 42.1 percent of total cattle imports in 2020 and just over 50 percent thus far in 2021. The two New Mexico ports along with Presidio, Texas all border the state of Chihuahua, meaning that the majority of U.S. imports of Mexican cattle originate in or pass through the Mexican state of Chihuahua (e.g. 55.1 percent in 2020).

Several factors likely contributed to the increase in Mexican cattle imports in 2020 and the decrease this year. The already struggling Mexican economy was hit hard by the pandemic, further weakening beef demand last year. Related to that, the Mexican Peso weakened sharply in

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MEXICAN CATTLE IMPORTS DECREASE IN 2021

2020, going from 18.8 pesos/dollar in January to 24.2 pesos/dollar by April, a loss of nearly 29 percent of value. A weaker Mexican currency provides additional incentive for cattle producers to preserve value by exporting more cattle. The Peso recovered value by the end of the year and is nearly back to pre-pandemic levels.

Drought was also a significant issue in Mexico in 2020 and may have added to the export total last year. Drought continued to build through the winter dry season and conditions looked very bad in June of this year. However, the summer wet season has brought good rains and pasture conditions are markedly improved currently. It is possible that good forage conditions is delaying some cattle marketings until later in the fall. However, November and December typically account for about 24 percent of annual cattle imports and it appears that normal seasonal patterns are likely.

The Mexican cattle feedlot industry continues to grow but remains heavily dependent on imported feed grain and will continue to struggle with higher feed costs. However, cattle and beef prices are higher in Mexico in 2021 with expectations for additional improvement in market conditions into 2022 along with other North American markets in the U.S. and Canada.

R-CALF United Stockgrowers of America
"Fighting for the Independent U.S. Cattle Producer"

For Immediate Release
September 8, 2021

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View and share this news release on Facebook here or view the web version here.

Cattle Group Applauds Sens. Thune, Tester, Rounds, and Booker Who Will Introduce Mandatory COOL Bill for Beef

Billings, Mont. – Today, Senators John Thune (R-S.D.), Jon Tester (D-Mont.), Mike Rounds, (R-S.D.), and Cory Booker (D-N.J.) jointly announced they are introducing a bill in the U.S. Senate to reestablish mandatory country-of-origin labeling (MCOOL) for beef. The legislation will reinsert "beef" and "ground beef" into the current MCOOL law that requires country-of-origin labels on many food commodities, including meat from chickens, sheep, goats, and deer.

The legislation, however, delays implementation of MCOOL for beef for up to 12 months after enactment to provide the United States Trade Representative (USTR) and the U.S. Secretary of Agriculture (Secretary) 6 months to develop the means of reinstating MCOOL for beef in a manner that complies with applicable rules of the World Trade Organization (WTO). The initial 6-month period is then followed by a second 6-month period during which the USTR and Secretary may implement MCOOL in accordance with the means they had developed.

If MCOOL for beef has not already been implemented by the USTR and the Secretary one-year after enactment of the legislation, the legislation shall take effect on that one-year anniversary.

R-CALF USA CEO Bill Bullard said Senators Thune, Tester, Rounds, and Booker's introduction of the bipartisan MCOOL bill for beef demonstrates their responsiveness to U.S. cattle producers and consumers alike who have urged Congress to reinstate labels on beef that inform consumers as to where the animal from which the beef was derived was born, raised, and harvested.

"This Thune/Tester/Rounds/Booker MCOOL bill is critically needed to restore competition to the nation's broken cattle and beef markets marked by inflated beef prices paid by consumers and depressed cattle prices paid to U.S. cattle producers.

"Only with MCOOL for beef can cattle producers compete in their own domestic market where packers and importers – and not cattle producers and consumers – currently decide how much foreign beef they will import into the U.S. market to displace domestic beef production and reduce demand for cattle exclusively born and raised in the United States.

"We are profoundly appreciative of Senators Thune, Tester, Rounds, and Booker for taking the lead in representing the interests of their respective cattle producing and beef consuming constituents by introducing this critically important MCOOL bill," Bullard said.

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R-CALF USA (Ranchers-Cattlemen Action Legal Fund United Stockgrowers of America) is the largest producer-only lobbying and trade association representing U.S. cattle producers. It is a national, nonprofit organization dedicated to ensuring the continued profitability and viability of the U.S. cattle industry. Visit www.r-calfusa.com or, call 406-252-2516 for more information.

Don't let this be your...

LAST ISSUE



*Don't forget to pay your CPL dues!
Your support ensures our continued
service to the Louisiana cattle industry.*

USDA UPDATES GUIDANCE ON PACKERS & STOCKYARDS ACT

Industry remains concerned on interpretation of how producers must demonstrate harm to competition.

By: Jacqui Fatka

USDA issued new guidance regarding how it will enforce the Packers and Stockyards Act in light of the final rule issued on Dec. 10, 2020, in a continuing effort to modernize and enforce the 100-year old authority to the full extent of the law. The enforcement policy, in the form of “frequently asked questions,” offers insight into the direction the agency looks to change in how it holds market participants accountable in the livestock sector, but also received mixed reviews from industry participants.

USDA’s Agricultural Marketing Service notes the updated enforcement policy is one piece of USDA’s robust agenda to deliver on President Biden’s Executive Order on Promoting Competition in the American Economy. The Executive Order launched a whole-of-government approach to strengthen competition, and directed USDA to, among other things, “address the unfair treatment of farmers and improve conditions of competition in the markets for their products” under the Packers and Stockyards Act.

“Since 1921, the Packers and Stockyards Act has protected fair trade practices, financial integrity and competitive markets for livestock, meat and poultry,” says Secretary of Agriculture Tom Vilsack. “Over the last 100 years, USDA has defended producers by adapting to changes in the livestock industry—from terminal stockyards, to livestock auction markets, to internet and video auctions. Our legacy for the next century must also include similar bold, decisive and adaptive actions on behalf of farmers and the American people.”

The new enforcement policy follows USDA’s July announcement that it will be issuing three proposed rules to support enforcement of the Packers and Stockyards Act. The proposed rules will strengthen USDA’s enforcement of unfair and deceptive practices and undue preferences, address the poultry grower tournament system and make it easier for USDA to bring enforcement actions under the Act. The FAQs will help strengthen Packers & Stockyards Act enforcement while USDA completes those new rulemakings.

National Farmers Union President Rob Larew welcomed the newly released guidance. “The guidance provides helpful clarifications on the scope of the 2020 Undue Preference final rule and is essential, especially when considering the rule’s shortcomings. It is also encouraging to see USDA reiterate its intention to issue three new proposed rules that could help further strengthen the Packers and Stockyards Act,” Larew says.

Meanwhile, Ethan Lane, National Cattlemen’s Beef Association vice president of government affairs, appreciated the clarification of the 2020 rule, however, remains concerned about potential unforeseen consequences.

“We remain concerned by the unforeseen consequences of eliminating the requirement to demonstrate harm to competition to establish a violation of the Act,” Lane says. “We are committed to finding solutions that are agreeable to both the cattle industry and federal regulators and look forward to working with the agency to achieve that goal.”

Sarah Little, vice president of communications at the North American Meat Institute, also voiced concerns about the precedent in courts to establish injury or harm to market participants to bring PSA challenges. Little notes USDA’s FAQs are not regulations and highlight two flaws in the regulations published in December 2020.

“First, the FAQs remain at odds with the decisions of eight different federal appellate courts. No FAQs can change the well-established precedent in those courts that a plaintiff must show injury, or the likelihood of injury, to competition to win a Packers and Stockyards lawsuit. Second, the FAQs highlight the vagueness inherent in the rule by asserting one could be found liable for violating the law based on criteria the agency cannot or will not articulate,” Little notes.

“The members of the Meat Institute – and their livestock suppliers – benefit from, and depend on, a fair, transparent and competitive market. The North American Meat Institute is prepared to work with the Administration on proposed rules,” Little says.

National Pork Producers Council assistant vice president of communications Jim Monroe says, “NPPC supports a competitive and profitable environment for American hog farmers. We are reviewing the guidance document to help producers understand its implications. NPPC awaits the upcoming rulemakings on unjust practices and the need to prove competitive injury in Packers & Stockyards Act suits. We look forward to working with USDA on a set of rules that ensures a highly competitive, innovative U.S. pork industry.”

USDA’s FAQs showcase examples designed to signal USDA’s intent to utilize the Packers and Stockyards Act across a range of different circumstances. Circumstances highlighted include:

- When a farmer faces discrimination on the basis of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation, or marital or family status;
- When a farmer faces retaliation for participating in an association, speaking to the media, Congress, or governmental agencies;
- When a poultry company threatens to terminate a grower’s contract unless she upgrades her broiler houses;
- When a grower faces potential deception in the provision of inputs for poultry growing;
- Around whether a poultry grower has sufficient information to determine accuracy of pay, highlighting that payment and settlement records must be provided to the grower upon request;
- Around location of disputes, to protect growers from being forced to travel to distant courts.
- Around deception and manipulation between cash negotiated markets and formula contracts in cattle;
- Around refusal to engage in cash negotiated transactions, if the packer is treating the producer differently from others, including where producers can meet terms of delivery cooperatively;
- Clarifying that Packers and Stockyards Act does not force all cattle to be priced the same way, using organic as an example to show differences in quality;
- Around retaliation in the context of air and water pollution relating to hogs

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USDA UPDATES GUIDANCE ON PACKERS & STOCKYARDS ACT

- How to report a complaint; and
- How to offer further comments on Packers and Stockyards Act enforcement.

“The Packers and Stockyards Act has long stood as a beacon of hope for farmers and ranchers seeking relief from unfair and anti-competitive practices, and the Biden-Harris Administration is committed to strengthening its enforcement for the future,” says Vilsack. “Our upcoming rulemakings under the President’s EO, together with these FAQs, demonstrate our intent to enforce the Packers and Stockyards Act to the greatest extent possible with every tool we have. Just as the Packers and Stockyards Act met the challenges faced a century ago, more authority would help reaffirm and modernize the commitment to farmers, ranchers and consumers.”

Let us pray for our friends and neighbors affected by Hurricane Ida

BRAZILIAN CASES OF BSE HALT BEEF EXPORTS TO CHINA

By: Greg Henderson

Brazil has suspended beef exports to China after confirming two cases of “atypical” bovine spongiform encephalopathy (BSE) in two separate domestic meat plants, the agriculture ministry said on Saturday.

Brazil is the world’s largest beef exporter and China is its top customer, buying more than half the country’s exports. The suspension, which is part of an animal health pact agreed between China and Brazil and is designed to allow Beijing time to take stock of the problem, begins immediately, the ministry said in a statement. China will decide when to begin importing again, it added.

The cases were identified in meat plants in the states of Mato Grosso and Minas Gerais, the ministry said. It said they were the fourth and fifth cases of “atypical” BSE that have been detected in Brazil in 23 years.

“Atypical” BSE develops spontaneously and is not related to eating contaminated foods. Brazil has never had a case of “classic” BSE, according to the agriculture ministry.

The two cases were confirmed on Friday after samples were sent to the World Organization for Animal Health (OIE) lab in Alberta, Canada. The OIE had subsequently been informed of the two cases, in compliance with international norms. The ministry said there was no risk to animal or human health.

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