AMS LPS Update

Angie Snyder
Associate Deputy Administrator
Livestock, Poultry, and Seed Program
Topics

- USDA Structure
- Grading and Auditing
- Market News Reporting
- Commodity Purchases
- GMO Disclosure
- Research and Promotion
- COOL
- Agricultural Analytics
- ISO Technical Standards
Grading and Auditing
FY2016 (YTD*)- AMS graded 17.7 billion pounds of beef

- Prime – 695 million pounds = 5.7% all quality graded beef
  - FY2015- 5.1%
  - FY2014- 4.4%

- Choice – 9,271 million pounds = 72.1% all quality graded beef
  - FY2015- 72.0%
  - FY2014- 68.9%

- Select – 2,510 million pounds = 20.5% all quality graded beef
  - FY2015- 22.8%
  - FY2014- 26.5%

*Fiscal Year 2016 YTD August 2016
U.S. Standards for Grades of Carcass Beef (Beef Standards)

• Current method – Skeletal (physiological) assessment

• Proposed method – Dentition assessment (USDA-FSIS) or by documentation of actual age through USDA Process Verified Program or USDA Quality System Assessment

• Carcasses determined to be less than 30 months old would be included in the youngest maturity group (A maturity) regardless of physiological maturity
U.S. Standards for Grades of Carcass Beef (Beef Standards)

• April 13, 2016: AMS received petition representing the interests of the various market segments that utilize and depend upon the USDA beef grading program.

• Notice published to the Federal Register (www.federalregister.gov) on August 24, soliciting comments from the public.

• **Comment period closes October 24, 2016.**

• Then, decide whether proposed revisions should be implemented- based on the comments, on grading, marketing, and other technical factors, and any other relevant information.
USDA Process Verified Program

- Allows companies to establish their own standard and have AMS serve as third-party verifier.
- Two primary tenets of the PVP:
  o Companies are committed to transparency (approved standards are posted on website)
  o Subject themselves to a rigorous audit by AMS auditor
- Recent program growth in areas related to poultry antibiotic use and claims related to non-genetically engineered ingredients
Export Verification

• Outline specified product requirements for individual countries
• 22 programs for Bovine, Ovine, and Caprine requirements
• Recently added Saudi Arabia
• AMS participated in visit from Chinese delegation the week of September 11
• Surprise China announcement
Market News Reporting
Livestock Mandatory Reporting (LMR)

- Initially authorized in 1999
- Most recently reauthorized on September 30, 2015
- Direct final rule for lamb changes effective May 31, 2016
- Final rule for swine & lamb changes published August 11, 2016
- Implementation date October 11, 2016
Reauthorization Study of LMR

- To be conducted by AMS in conjunction with the Office of the Chief Economist and in consultation with cattle, swine, and lamb producers, packers, and other market participants.

- AMS hosting stakeholder meetings to gather feedback and reach consensus on LMR changes for the next reauthorization.

- Report of findings is due to the House & Senate Ag Committees not later than March 1, 2018.
Other LMR Reporting Changes

- October 31 – Ham muscles added to pork cutout
  - Insides, outsides, & knuckles included in ham primal and pork carcass cutout
Voluntary Local Reporting

New Market News Local Reports:

- Pasture Raised Pork
- Grassfed Beef
- Grassfed Lamb and Goat


### NATIONAL MONTHLY PASTURE RAISED PORK REPORT
For the Month of August

<table>
<thead>
<tr>
<th>PASTURED PORK - Wholesale ($/lb)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Chops</td>
<td></td>
</tr>
<tr>
<td>Center</td>
<td>9.50 - 20.80</td>
</tr>
<tr>
<td>Rib</td>
<td>9.90 - 12.25</td>
</tr>
<tr>
<td>Sirloin</td>
<td>8.63 - 10.25</td>
</tr>
<tr>
<td>Roasts</td>
<td></td>
</tr>
<tr>
<td>Tenderloin</td>
<td>12.25 - 24.70</td>
</tr>
<tr>
<td>Loin</td>
<td>8.17 - 29.15</td>
</tr>
<tr>
<td>Butt</td>
<td>5.99 - 11.79</td>
</tr>
<tr>
<td>Shoulder</td>
<td>8.75 - 31.85</td>
</tr>
<tr>
<td>Ground</td>
<td></td>
</tr>
<tr>
<td>Pork</td>
<td>6.99 - 10.80</td>
</tr>
<tr>
<td>Breakfast Sausage</td>
<td>6.49 - 12.00</td>
</tr>
<tr>
<td>Italian Sausage</td>
<td>11.20 - 12.99</td>
</tr>
<tr>
<td>Bratwurst</td>
<td>7.99 - 11.20</td>
</tr>
<tr>
<td>Ribs</td>
<td></td>
</tr>
<tr>
<td>Back</td>
<td>14.25 - 22.95</td>
</tr>
<tr>
<td>Spare</td>
<td>7.95 - 18.99</td>
</tr>
</tbody>
</table>
Commodity Purchases
<table>
<thead>
<tr>
<th>Commodity</th>
<th>Total Costs</th>
<th>Total Pounds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beef</td>
<td>$273,798,848</td>
<td>131,956,000</td>
</tr>
<tr>
<td>Bison</td>
<td>$399,560</td>
<td>39,996</td>
</tr>
<tr>
<td>Chicken</td>
<td>$188,093,135</td>
<td>174,097,500</td>
</tr>
<tr>
<td>Pork</td>
<td>$55,546,318</td>
<td>39,073,340</td>
</tr>
<tr>
<td>Turkey</td>
<td>$118,718,537</td>
<td>61,755,000</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>$636,556,398</strong></td>
<td><strong>406,921,836</strong></td>
</tr>
</tbody>
</table>
National Bioengineered Food Disclosure Standard Law

• Beginning rulemaking – Advanced Notice of Proposed Rulemaking in development

• Law prohibits food derived from an animal to be disclosed as bioengineered solely due to consuming GMO feed

• Law only applies to meat, poultry and egg products in processed food when not the most predominant ingredient (or second-most when the first is broth, stock, water, etc.)

• Public engagement is a priority
  o GMOLabeling@ams.usda.gov
  o www.ams.usda.gov/rules-regulations/gmo
Research and Promotion
NAMI’s Role with the American Lamb Board

• A certified organization that nominates first handlers (packers) to the American Lamb Board

• Current first handler members include:
  
  o Greg Ahart: (term expires 2017; eligible for reappointment)
  
  o Elizabeth Dressler: (term expires 2018)
  
  o Brad Anderson: (term expires 2019)

• 2017 nominations received and forwarded to Secretary for appointment
NAMI’s Role with the Cattlemen’s Beef Promotion and Research Board

Sept. 13-15, 2016-NAMI participated in the Beef Board’s Beef Promotion Operating Committee, in Denver, CO.

- Awarded funding for three proposals totaling $860,000.
  - Post Harvest Beef Safety Research, knowledge Dissemination and Stakeholder Engagement
  - Veal Promotion by Connecting and Inspiring Consumers and Channel Marketers with Innovative Veal Products and Menu Solutions
  - Producer Education Through Veal Quality Assurance Training
Country of Origin Labeling (COOL)
COOL Activities

• Repeal of beef and pork in December 2015.
  o Amended Final Rule (to reflect the statutory change) was published on March 3, 2016

• Retailer and supplier enforcement activities continue for lamb, goat and chicken; fruits and vegetables; fish and shellfish; nuts and ginseng
  o 3,086 retail reviews conducted in 2016
  o Nearly 100 commodity audits completed in 2016 stemming from 2015 retail review data
COOL New Activities

- Proposed Rule to add Venison to COOL labeling requirements (2014 Farm Bill)
- Enforcement of Online Grocery Retailers
- COOL Supplier Certification Program
Agricultural Analytics
Economic Landscape

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

https://www.ams.usda.gov/services/market-research/aad
ISO Animal Welfare Standards
ISO TS on Animal Welfare

ISO Publishes TS (Dec 2016)

Implementation – Feedback mechanism in place (2017)

TS reviewed in 3 years – move to standard, discontinue, or rework? (2019)

4th OIE Global Animal Welfare Conference
Guadalajara, Mexico December 6-8, 2016