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Dairy/Livestock

Trump's boost to China trade encourages U.S. beef industry

By CAROL RYAN DUMAS
Capital Press

The prospect of resuming U.S. exports to the \$2.6 billion Chinese beef import market after a 13-year hiatus is cause for excitement, but no one's getting too giddy yet, U.S. industry observers say.

President Donald Trump championed the U.S. beef industry's interest in restoring access to China during his recent summit with Chinese President Xi Jinping.

China officially lifted its U.S. beef import ban last September, but no trade has yet taken place. The ban had been in place since December 2003, when the first U.S. case of bovine spongiform encephalitis was discovered.

"We're still unable to send beef into the Chinese market because we still face technical barriers to trade," said



Alex Brandon/Associated Press File

President Donald Trump, left, and Chinese President Xi Jinping walk together after their April 7 meeting at Mar-a-Lago in Palm Beach, Fla. The two leaders agreed on a list of action items that includes negotiations to expedite the export of U.S. beef to China.

Kent Baucus, director of international trade and market access for the National Cattlemen's Beef Association.

Resumption of Chinese beef imports was one of the action items identified during

the Trump-Xi summit to be addressed during the next 100 days. U.S. and Chinese officials will be working on a path forward to resolve some of the technical barriers, including traceability, he said.

The U.S. Meat Export Federation is always encouraged when market access for U.S. beef is discussed at the highest levels of government, said Joe Schuele, USMEF vice president of communications.

"The key will be for the two sides to come to agreement on the technical requirements for U.S. beef that will be eligible for export to China," he said.

Until those requirements and the percentage of U.S. beef that will be eligible are known, it's difficult to make any projections for beef exports to China, he said.

But there's a tremendous amount of opportunity, Baucus said.

China is home to one-fifth of the world's population and a middle class that's larger than the entire U.S. population. It has become a major

importer of beef from other nations, he said.

Beef industry analysts are also weighing in on the prospects.

"The rapid growth in Chinese beef imports recently provides significant export market potential for U.S. beef," Derrell Peel, Oklahoma State University livestock marketing specialist, said in this week's Cow/Calf Corner newsletter.

Chinese beef imports are projected at 950,000 metric tons, up 17 percent from 2016, and will exceed 12 percent of total global beef imports, he said.

Short-term prospects for the U.S. are likely to be modest, however, as U.S. beef establishes market share and official shipments displace unofficial shipments already reaching China through Hong Kong and Vietnam, he said.

Josh Maples, an ag economist at Mississippi State University, agrees a lot of work will be needed to establish market share.

While there is enormous potential for growth in Chinese beef consumption — forecast at 12.7 pounds per person in 2017, compared to 56.2 pounds in the U.S. — that growth is likely to be throttled by household income, he said in the Livestock Marketing Information Center's latest In The Cattle Markets report.

In addition, China's imports are mainly grass-fed beef and U.S. production is overwhelmingly grain-fed, he said.

They and other analysts also point out that traceability and the use of growth promotants are two of the issues that will have to be negotiated before trade starts.

ISDA delivers more flood-related violations

By CAROL RYAN DUMAS
Capital Press

Three more southern Idaho dairies have been issued state notices of violations after unprecedented heavy snowfall and freezing temperatures followed by warm weather and rain that caused flooding.

The Idaho State Department of Agriculture has given Capital Press notices of violations it recently sent to dairymen.

Eagle Ridge Dairy of Kuna faces a penalty of \$10,000 for the Feb. 6 unauthorized release of wastewater off the property into a culvert and eventually into a neighboring field, due to a failure to properly maintain its environmental management system.

ISDA's investigation report states runoff from the dairy was the result of a breach in one of the dairy's compost yard containments receiving run-on from surrounding fields.

It also states the dairy didn't divert or pump the water into its lagoons to mitigate the impact

of the run-on.

Veenstra Dairy of Hagerman faces a \$10,000 penalty for an unauthorized release on Feb. 13, stemming from a break in an earthen lagoon that caused wastewater to flow off the property and into fields and irrigation ditches and continue into West Canal and Tupper Springs.

The runoff was further contaminated by waste the dairy had applied to one of its fields but hadn't incorporated into the soil. The runoff flowed into an irrigation retention pond on the property, but excessive erosion around tree roots created a large hole in the bank of the pond that allowed effluent to flow off the property.

Sousa Dairy of Buhl is facing a \$4,000 penalty for an unauthorized release on Dec. 10 for wastewater flowing off the property, into a culvert and onto neighboring fields. The investigation report doesn't state an event contributing to the release.

Capital Press last month reported that ISDA issued a

\$70,000 civil penalty to 4 Bros. Dairy of Shoshone for seven unauthorized releases of wastewater off the property and into the Milner Gooding Canal from Feb. 20 to Feb. 23.

ISDA's investigation report states the owners reported the discharges and said the dairy's containment was overwhelmed by run-on from neighboring fields after protection berms were breached.

Every operation has had different circumstances and a different strategy to mitigate winter-weather and flood situations, and ISDA evaluates each on a case-by-case basis, said Chanel Tewalt, ISDA chief of operations/communications.

"While the ISDA has completed several recent investigations, it is still early in the enforcement process on many of these cases," she said.

Many of the open investigations were precipitated by winter weather, but ISDA also conducts annual investigations on all confined animal feeding operations and investigates complaints, she said.

Idaho dairy industry to host global nutrition conference

By CAROL RYAN DUMAS
Capital Press



Karianne Fallow

United Dairymen of Idaho will bring dairy nutrition to the world stage when it co-hosts a conference on the links between economic growth in developing countries and access to dairy-containing supplements on May 10 and 11 in Boise.

"Dairy Nutrition: An Engine for Economic Growth — The First 1,000 Days and Beyond" is designed to inform the aid community about the science-based benefits of dairy nutrients for use in programs aimed at reducing stunting and malnutrition in infants and children.

Co-hosted by the U.S. Dairy Export Council, it will focus on the role of both prenatal and postnatal dairy nutrition and its impact on economic development.

It will also fulfill UDI's

mission to inspire trust in dairy farming and dairy products and build demand around the world, said Karianne Fallow, CEO of the organization.

Not only do dairymen take pride in producing a nutritious product for the world, "they are investors in the U.S. Dairy Export Council and have long invested in research in dairy benefits in human health," she said.

The conference is focused on preventing stunting and malnutrition in the first 1,000 days of a child's life, and dairy is a source of high-quality protein crucial in preventing those maladies, she said.

Breast milk is recommended by international health organizations for in-

fant's up to six months of age, but dairy protein offers an excellent alternative when that's not possible, she said.

It also provides a higher rate of recovery from stunting and malnutrition than alternative proteins, she said.

The conference will also explore the benefits of dairy protein for mothers-to-be in preventing low-weight births, stunting that often begins in utero and faltering intrauterine growth.

The agenda includes speakers involved in global food and nutrition issues, research and economic development.

Attendees will come from across the country and around the world, representing academia, public health and education agencies, non-government food-aid organizations, dairy product developers and processors and more, Fallow said.



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Dairy Markets

Lee Mielke



Cheese prices weaken; inventory builds

By LEE MIELKE
For the Capital Press

CME block cheddar closed the last day of trading in April at \$1.48 per pound, down 6 1/2-cents on the week but 11 cents above a year ago.

The barrels finished at \$1.4175, down a penny on the week, a half-cent above a year ago, and narrowed the spread to 6 1/4-cents.

The cheese was unchanged Monday, as traders anticipated Tuesday morning's Global Dairy Trade auction. The blocks were steady Tuesday but the barrels inched a quarter-cent lower, to \$1.4150.

Fresh cheese is in tight supply, according to the April 21 Dairy and Food Market Analyst, and "blocks less than 30 days old are the ones that trade at the CME. Cheese inventories are huge, but much of this product can't come to the exchange."

Dairy Market News says the cheese market tone is "uncertain" and production for the most part continues to match abundant milk supplies.

Butter finished Friday at \$2.1050 per pound, up 1 1/2-cents on the week but 1 1/2-cents below a year ago. Twenty cars traded hands last week.

The butter gave up 1 1/4-cents Monday but was up 2 1/4 cents Tuesday, to \$2.1150.

Cream remains available for churns in the Central region but Class II producers continue to show increased interest in cream. Butter demand is steady to slightly strong but inventory is steady to building.



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