Cattlemen aim to safeguard turf against 'fake meat'

By CAROL RYAN DUMAS
Capital Press

The proliferation of plant-based proteins marketed as "burgers" and large investments to develop cultured meats grown in laboratories have cattle producers doubling down on their efforts to protect the identity of traditionally grown beef.

Earlier this month, the National Cattlemen's Beef Association adopted a policy to protect consumers and the beef industry from "fake meat" and misleading labels.

On Friday, the U.S. Cattlemen's Association petitioned USDA for rulemaking to establish accurate beef labeling requirements to differentiate between beef products derived from cattle and alternatives created in a laboratory.

Those actions follow recent investments by Tyson Foods, Cargill, tech billionaire Bill Gates and other companies developing alternative protein sources.

Both Tyson and Cargill have announced investments in Memphis Meats, a start-up company developing cultured meat grown from animal cells. Tyson has also announced an additional investment in Beyond Meat, a company that manufactures plant-based proteins.

Memphis Meats

Uma Valeti, Memphis Meats CEO and co-founder, center, and Nicholas Genovese, Memphis Meats CSO and co-founder. They expect to have their cultured meat offered to the public in 2021. Cattlemen's organizations have asked regulators to make sure such products are labeled.

NCBA's new policy recognizes the work it's been doing behind the scenes for about a year to address new products that are perhaps labeled in a way that is misleading or confusing to consumers, said Danielle Beck, NCBA director of government affairs.

Companies have developed plant-based foods that bleed and sizzle, are packaged like real meat and sit next to real meat in the grocery store. NCBA wants labels that distinguish real meat from fake meat for those products and new ones that will be coming to market, she said.

In addition, meat grown in Petri dishes is making its way to the marketplace, and the issue is how it will be labeled so it's clear to consumers that it's not traditionally grown meat, she said.

NCBA has already started working with USDA and the Food and Drug Administration, but the issue is not as clear-cut as one might think, she said.

FDA has jurisdiction over plant-based foods, and imitation products that are nutritionally inferior to the real product can't legally use the nomenclature of the real products, she said.

The dairy industry has fought that battle for years, with plant-based products using terms such as "milk" and "yogurt."

USDA has jurisdiction over meat — but while there's a formal standard to identify meat, there's no such standard for beef. And cultured meat has not yet come to market, so it's unclear which agency will regulate it, she said.

"We're not anti-technology; we've always been big fans of innovation," she said.

NCBA just wants to make sure those alternative products are labeled in a way that's clear to customers and doesn't disparage traditionally grown beef, she said.

USCA's petition states those alternative products should not be permitted to be marketed as beef or meat.

Products labeled "beef" and "meat" should be limited to products from animals born, raised and processed in the traditional manner, and those definitions should not be limited to just U.S. product, the organization said.

"U.S. cattle producers take pride in developing the highest quality and safest beef in the world, and labels must clearly distinguish that difference," Kenny Graner, USCA president, said in a statement.

Wolf compensation bill clears initial hurdle

By MATEUSZ PERKOWSKI
Capital Bureau

SALEM — A proposal tying the amount of money available to ranchers for livestock losses to Oregon's wolf population has cleared its first hurdle.

Under House Bill 4106, Oregon lawmakers would be required to appropriate money to the state's wolf compensation fund based on the population of the species, to the extent practicable.

The bill was scheduled for a work session in the House Agriculture Committee, allowing the proposal to survive an initial legislative deadline, said Rep. Brian Clem, D-Salem, the committee's chairman.

Several ranchers testified that it only makes sense to increase compensation funding as the number of wolves in Oregon continues rising. State wildlife regulators currently peg the wolf population at more than 100, though some ranchers consider that a low estimate.

In Wallowa County, which is home to eight confirmed wolfpacks, it costs up to $30,000 a year to have a range rider patrol for the predators, said Rod Childers, a rancher in the area.

"One range rider is not cutting it," he said. "There's no way he can respond to all those different packs."

The Oregon League of Conservation Voters opposes HB 4106 because it would confirm the "falsehood" that rising wolf populations will necessarily result in more livestock kills, said Paige Spence, the group's Oregon conservation network director.

"Predation rates have not increased with Oregon's increased wolf population," she said.

Oregon Department of Fish and Wildlife

A bill that would increase compensation for livestock losses based on Oregon's wolf population has survived an initial legislative deadline.

Sean Stevens, executive director of the Oregon Wild environmental group, said problems with fraud and abuse of the wolf compensation fund should be resolved before the program is expanded.

Counties have recommended the disbursal of compensation funds without sufficient input from the local committees, and sometimes in areas with no wolves or confirmed depredations, he said.

Childers, the Wallowa County rancher, said that wolf compensation funds are well-vetted.

"We do the best we can on the ground," he said. "I don't believe there's widespread fraud in any of our programs."

In some cases, wolf compensation funds are used to prepare for the arrival of wolves in regions they've yet to be documented, said Todd Nash, a rancher and chairman of the Oregon Cattlemen's Association's wolf committee.

For example, the money pays for the disposal of livestock and wildlife carcasses, which would otherwise attract predators, as well as the installation of fladry, which is rope adorned with ribbons to deter predators.

U.S. beef, pork exports break records

By CAROL RYAN DUMAS
Capital Press

U.S. exports of beef and pork set records in 2017, with beef exceeding the mark in value and pork surpassing the pinnacle in volume, according to a new report by the U.S. Meat Export Federation.

Beef exports reached $7.27 billion, up 15 percent year over year and 2 percent higher than the previous record high of $7.13 billion in 2014. At 1.26 million metric tons, they increased 6 percent from 2016 and were the fourth-largest volume on record.

"This was a remarkable year for beef exports, in our mainstay markets in northern Asia as well as emerging destinations in South America, Southeast Asia and Africa," said Dan Halstrom, USMEF president and CEO, in the federation's year-end tally.

Pork exports totaled 2.45 million metric tons, breaking the 2016 record by 6 percent. The value of those exports at $6.49 billion was up 9 percent and second only to $6.65 billion in 2014.

"The new volume record for pork is impressive, but it's important to note that export value increased at an even more rapid pace — which confirms that international demand is robust and that exports deliver a strong return," Halstrom said.

Associated Press File

A sales person at the Jusco Supermarket in Tokyo arranges U.S. beef products. U.S. beef gained significant market share in Japan last year, according to the U.S. Meat Export Federation.

U.S. beef gained significant market share in Japan, despite considerable obstacles, and posted a record-breaking performance in South Korea and Taiwan, he said.

"These markets are especially critical for chilled beef exports, which were up about 25 percent year over year. This has a tremendous impact on carcass value," he said.

Japan solidified its position as the leading market for U.S. beef, with volume up 19 percent to 307,559 metric tons and value up 25 percent to $1.89 billion.

The results could have been even more impressive if not for the tariff rate increase on frozen beef, Erin Borror, USMEF economist, told Capital Press.

That increase was imposed last summer when rising imports of frozen beef triggered a 1994 safeguard meant to protect Japan's domestic producers. Tariffs on U.S. exports of frozen beef to Japan increased from 38.5 percent to 50 percent and will remain until the start of the Japanese fiscal year in April.

Much of the business in the fall and winter was already contracted before the safeguard was triggered, and fortunately it was triggered at a time of booming demand for U.S. beef in China, Borror said.

"U.S. beef has not only taken market share from Australia but has also capitalized on Japan's growing beef consumption. So Japan's imports of both chilled and frozen U.S. beef continued to increase by double digits year over year, even after the higher tariff on frozen beef was implemented in August," she said.

U.S. chilled beef exports to Japan were up 37 percent in value to $1.102 billion and 32 percent in volume to 148,688 metric tons.

Those exports were already accelerating at a faster pace than frozen exports before the tariff increase, she said.

Japan was also the leading value market for U.S. pork exports, increasing 4 percent in value to $1.63 billion and 2 percent in volume to 393,648 metric tons.

Analysts see growth potential in beef herd

By CAROL RYAN DUMAS
Capital Press

USDA's annual inventory of cattle shows the number of all beef and dairy cattle and calves in the U.S. was up 1 percent year over year on Jan. 1 to 94.4 million, an increase of nearly 700,000 head.

The number of beef cows and calved heifers increased 2 percent to top 31.7 million, up almost 510,000.

However, the agency reported decreases in replacement beef heifers and replacement beef heifers expected to calve, which were down 4 percent and 5 percent, respectively.

At 6.1 million head, replacement heifers are 237,000 fewer than a year ago. Those expected to calve this year, at nearly 3.8 million, are down about 208,000.

While the replacement heifer counts are lower year over year, analysts say those numbers are still strong and could lead to more herd growth.

"It's certainly possible, it's kind of wait-and-see," said Derrell Peel, livestock marketing specialist with Oklahoma State University.

"It would certainly support a limited amount of growth if conditions are right," he said.

Markets were stronger than expected in 2017, despite an increase in beef production, with a decent level of profit in most sectors. If that continues in 2018, there could be additional herd expansion. But that's not guaranteed, he said.

"There's enough heifers out there to grow. We could see another half percent, plus or minus, growth this year," he said.

The number of heifers and heifers expected to calve are both down from last year, but that's coming down from extraordinarily high levels, he said.

Those animals as a percentage of the herd are still at a higher level than the industry ever got to in the 1990s, the last full herd expansion, he said.

The average share of heifer replacements in the overall herd in 1993 to 1995 was 18.3 percent. The latest inventory report shows them at 19.3 percent of the herd, he said.

"There's enough to support a moderate level of growth," he said.

John Nalivka, owner of Sterling Marketing, said he's expecting about the same level of growth this coming year as what was seen in 2017.

There's still room for growth, given the increase in beef cow numbers, he said.

"And I think there are more heifers out there that will calve" than the report suggests, he said.

The survey numbers are only estimates. The lower number of heifers expected to calve this year remains to be seen, he said.

Those heifers would have been retained in 2016 and bred in 2017. While profits to cow-calf producers in 2016 were down significantly from the record highs in 2014 and 2015, producers still made nearly $175 per cow, he said.

"We haven't had a drought, and 2016 had good forage conditions and low grain prices," he said.

In addition, cow-calf profits were good in 2017 as well, $155 to $160 per cow, he said.

All those factors lead him to believe producers were holding back more heifers in 2016 and breeding them in 2017 than the report suggests.

"Time will tell. I think we'll still have continued growth in the cattle inventory and be up about 1 percent" this year, he said.