Foot & Mouth Disease Threat Alert!

USDA appears to be gearing up to do the unthinkable: allowing fresh beef imports from Brazil, a country infected with highly contagious Foot-and-Mouth Disease (FMD). No sane person would dare risk this “nuclear option.” Exposing U.S. livestock herds to an FMD outbreak could devastate millions of cattle, hogs & sheep, destroy rural communities, and immediately shut down our export markets—at a potential cost of hundreds of $ billions. What is the Obama administration thinking?!

by Jim Eichstadt

In a deeply disturbing development for U.S. livestock producers, Brazil—a country infected with highly contagious Foot-and-Mouth Disease—is preparing to begin exporting fresh beef to the U.S. as early as August 2015. That’s according to a Reuters News story posted online May 12, 2015 by Beef Central, an Australian livestock industry publication. Government and beef industry sources in Brazil have received assurances of approval from USDA, and are preparing to begin export shipments to the U.S. as soon as official approval is announced, the report said.

U.S. beef producers, meanwhile, have been kept in the dark about the pending status of USDA’s controversial proposed rule. Imports of fresh beef from Brazil could wreak havoc in the U.S.—exposing livestock herds nationwide to the risk of FMD infection and driving down beef prices at a time when cattle producers are struggling to recover from years of severe drought that have decimated foundation cattle herds in the Southwest.

Approval of USDA’s controversial proposal to allow regionalized fresh beef imports from Brazil is expected to follow Brazilian President Dilma Rousseff’s official state visit to Washington, DC in June, Reuters reported. Rousseff is scheduled to visit the White House on June 30 to discuss trade and other major issues. Officials in Brazil are preparing to begin export shipments to the U.S. as early as August 2015. That’s according to a Reuters News story posted online May 12, 2015 by Beef Central, an Australian livestock industry publication. Government and beef industry sources in Brazil have received assurances of approval from USDA, and are preparing to begin export shipments to the U.S. as soon as official approval is announced, the report said.

First shipments promised in August

Brazil’s agriculture ministry stated that the U.S. had “promised the first shipments of fresh beef could occur in August,” the Reuters report said. Martin Secco, CEO of Brazilian beef processor Marigal SA, said technical and sanitary questions had been resolved. Authorities reportedly had finished providing technical intelligence of the human and bovine species.

USDA was forced to extend the public comment period until April 22, 2014. December 23, 2013. That proposal raised such a firestorm of public protest that USDA’s Animal and Plant Health Inspection Service (APHIS) proposed to allow imports of fresh (chilled and frozen) beef from a FMD-free region of Brazil on December 23, 2013. That proposal raised such a firestorm of public protest that USDA was forced to extend the public comment period until April 22, 2014.

Too Much Milk: Lose-Lose-Lose for Dairy

by Pete Hardin

Current dairy supply/demand conditions east of the Mississippi River and north of the Mason-Dixon Line are a sad comment upon the relative intelligence of the human and bovine species.

The Northeast, Mid-East and, to a somewhat lesser extent, the Upper Midwest have been seriously overwhelmed with milk supplies in the past several months. In those areas, many dairy plants are generally full. Some milk truck drivers wait in line for many hours to get off-loaded. So much farm milk is being dumped in the Northeast and Mid-East that the regional federal milk orders are now “pooling” dumped milk in their monthly reports. Why the dumping? Reasons range from filled-up dairy plants and overwhelmed milk hauling logistics.

Continued on page 4

The above social media message by R-CALF USA and the Organization for Competitive Markets criticizes Ag Secretary Tom Vilsack for allowing the NCBA to use national beef promotion checkoff funds to lobby for the repeal of the U.S. Country of Origin Labeling (COOL) law in Congress.

This issue mailed on June 11, 2015
Continued from page 1

nical data and documentation to the U.S. by early June in preparation for the exports to begin. See the story at http://www.beefcentral.com/trade/competition-

watch-brazil-anticipates-us-market-access-by-august-by

Al Almanza, administrator of USDA’s Food

Safety Inspection Service was in Brazil during April,

according to Bill Bullard, CEO of R-CALF USA. “An audit of Brazilian slaughter houses is in the works,” Bullard said. FSIS inspection of Brazil’s meat packing plants is a key step in moving the beef imports approval process forward. R-CALF (Ranch-
ers-Caribbean Action Legal Fund, United Stock-
growers of America) is a grass-roots organization representing independent U.S. cattle producers.

Wesley Batista, CEO of JBS SA, said the U.S. trade proposal is in the “final phase” and described the development as “a very good moment for Brazil-

ian beef.” Beef Central reported March 24, 2015, JBS, based in Sao Paulo, Brazil, is the world’s largest meatpacker and would be one of the leading benefi-
ciares to open the U.S. market to more imports.

JBS operations in Brazil are certainly well-

positioned to channel beef imports to JBS USA, the firm’s American subsidiary. JBS USA has extensive beef processing facilities and feedlot operations in the U.S. as well as Mexico, Canada, and Australia. JBS, by no accident, has a global operating structure ideally suited to “Free Trade” agreements such as the proposed Trans-Pacific Partnership involving 12 Pacific Rim nations.

U.S. key to opening global beef markets

Apparently, the announcement of opening U.S. markets to Brazilian beef imports is a grand “Free Trade” gesture being timed as to coincide with Pres-

ident Obama’s visit to Brazil. The Rio de janeiro-based beef processing and feedlot operations in Brazil. The_vertical_2

W-17 Ammon Rd., Brooklyn, WI 53523. Periodic postage paid at Brooklyn, WI, and additional mailing offices.

Postmaster:

Send address changes to The Milkweed, PO. Box 10, Brooklyn, WI 53521-0010.

The Milkweed is published monthly by The Milkweed, Inc., PO. Box 10, Brooklyn, WI 53521-0010.

Phone: 608-455-2400.

The Milkweed is a monthly dairy marketing-


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May 2015 Class III Price $16.19/cwt. – Class IV $13.91

by Pete Hardin

Both Class III (cheese) and Class IV (butter-

powder) milk prices in USDA’s federal milk order production increases, a fact that should have all legitimate seg-

ments of the livestock industry up in arms. Maureen McCarthy, a senior DHS advisor on

mance is underway. The U.S. cattle slaughter cumulative total for the months of 2014, the dairy slaughter cumulative total was 14,24 million head.

an outbreak/23070/

USPS: 561120

ISSN: 1533-6026

The Milkweed

Publisher/Editor: Peter L. Hardin

Associate Editors: Jim Eichstadt, Paris Rei-

dhead, Nate Wilson, Mark Kastel, and Will

Fante.

The Milkweed is published monthly by The Milkweed, Inc., W717 Amridon Rd., Brooklyn, WI 53521. Periodic postage paid at Brooklyn, WI, and additional mailing offices.

Postmaster:

Send address changes to The Milkweed, PO. Box 10, Brooklyn, WI 53521-0010.

— The Milkweed — June 2015

thrust of highly contagious Foot-and-Mouth Disease (FMD). If approved, imports of fresh beef from Brazil would expose the U.S. livestock industry to extreme economic and animal health risks, a wide range of critics warn.

U.S. cattle numbers nearing 60-year low

U.S. beef numbers remain near their lowest level in more than 60 years. USDA reported that U.S. cattle numbers totaling 89.8 million head as of January 1, 2015 are up 1% from 2014 and represent the largest increase in cattle numbers in the last five years. U.S. beef numbers is due in large part to severe drought that forced the liquidation of foundation herd in Texas and other key Southeastern states.

The cattle shortage has driven retail beef prices to record levels in recent months, generating politi-

cal pressure from the big meatpackaging firms and their allies to open the U.S. market to more imports.

USDA responded by proposing beef imports from Brazil and Argentina, two leading cattle-producing nations that have long histories of FMD infection. Many Latin American countries are included on the long list of countries lacking FMD-free status, according to the World Organization for Animal Health. JBS operations are also a member of the International Federation of Animal Health (OIE), a Paris-based organization also known by its French name, the Office International des Epizooties. JBS has also reported cases of Bovine Spongiform Encephalopathy (BSE, or “Mad Cow” disease), another dreaded livestock disease that has caused the U.S. and European livestock industry to move away from Brazil imports. Brazil violated international rules recently by failing to promptly report (for more than a year) a “Mad Cow Disease” infected beef animal. The APHIS proposal brings the risk of FMD-contaminated Brazilian meat transmitting the virus to the U.S. The last outbreak of FMD occurred in 1929, among swine in California that were fed table scraps containing meat from a cruise ship that sailed from Argentina.

FMD is among the most highly contagious and economically devastating livestock diseases known to man, and Brazil has a long history of FMD infection in its beef herds. FMD threatens all cloven-hoofed livestock, including cattle, hogs, sheep, and goats, and many wildlife species, including deer, antelope, and elk. The FMD virus is very rugged and spreads easily by humans, vehicles, wind, water, wildlife including armadillos, and many other carriers. FMD virus pres-

ents a threat to the U.S. livestock industry. Infected herd must be destroyed and carcasses are burned, taking a tremendous economic and emotional toll on affected farmers and other rural residents.

An outbreak of FMD would devastate the U.S. economy and imperial national food security. USDA’s own risk analysis report conservatively estimates the economic cost of an FMD outbreak in the U.S. in the range of $37 billion to $42 billion – a low estimate. In addition to threatening domestic nation-

al food security, an outbreak of FMD in the U.S. would bring an immediate halt to all U.S. animal product exports – including meat, dairy products, and semen, a fact that should have all legitimate seg-

ments of the livestock industry up in arms.

Potential losses: “hundreds of billions”

The U.S. Department of Homeland Security lists FMD as one of the top bio-security threats to the nation. Maureen McCarthy, a senior DHS advisor on weapons of mass destruction, in November 2006 warned the Association for Intelligence Officers’ annual convention that “an [FMD] outbreak would cost the American agriculture economy ‘hundreds of billions of dollars’ and would shutter some trade bor-

ders for ‘years’ if officials deem it necessary. ‘It will happen instantly,’ she said of the financial and trade impact, ‘even if there are no deaths,’” Homeland Security Watch reported in a November 7, 2006 online report. See the report at:

http://www.govexec.com/defense/2006/11/dhs-
officials-ponder-effects-of-foot-and-mouth-

outbreak/23070/

NCBA cites “extreme concerns”

Even the National Cattlemen’s Beef Associa-

tion, a conservative industry group with close con-

nections to the beef industry, expressed “extreme concerns” about the proposed beef imports from Brazil and Argentina. NCBA said USDA failed to produce documents revealing Brazil’s inability to monitor and control FMD and BSE.

“We have significant concerns regarding the willingness, committed resources, and infrastructure of Brazil to consistently perform adequate risk manage-

ment in order to mitigate the risk for the intro-

duction of FMD into the United States through the importation of FMD-susceptible animals,” said NCBA president Bob McCan in NCBA’s April 22, 2014 comments on the APHIS proposal.

Industry observers agree that the risk of FMD infection is major, if the free traders at NCBA are so strongly opposed to Brazilian beef imports.

Dairy Culls Ahead of 2014

For the week ending May 16, 2015, 51,600 million U.S. dairy cows were slaughtered. For 2015 to date, all slaughtered dairy cows have totaled 1,26 million head.

One year ago, the comparable weekly slaughter total was 48,200 head. For the first four and a half months of 2014, the dairy slaughter cumulative total was 79,4 million head.

Hard to believe that more dairy animals are not headed to slaughter, given declined farm milk values and high prices being paid for calf cows as the back-

yard grading season gets cooking.

Butter has declined from the recent apex of around $2.00/lb. Heavy imports of butter and non-standard products with high-butterfat content are weighing on U.S. commodity butter prices in recent trading at the Chicago Mercantile Exchange. Dairy commod-

ities are under pressure due to heavy spring milk production. Meanwhile, stockpiles of nonfat dry milk have pushed prices for that com-

modity (and other dairy protein powders) even lower.

USDA used the following product values in pricing formulae to determine May’s Class III and Class IV prices:

Butterfat price ……………………….$2.059/lb.
Nonfat Solids price ………………….$0.770/lb.

Protein price ……………………….$2.520/lb.

Other Solids price …………………..$0.253/lb.