



General Session: Market Outlook for Meat and Poultry

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1. **As you mentioned the pork industry stepped up their game during PEDv. Is the US prepared for ASF? (SM)**

Pretty well, I think. USDA vet services and state vets have been working a long time on a foreign animal disease plan. But much depends on where a disease appears. Idaho? No problem. North Carolina? Big problem.

- **Is the government prepared to support the oversight of biosecurity to limit the spread?** Probably no 100% but they aren't flat-footed. They and state vets would move quickly to regionalize the disease and stop its spread.
- **If it came tomorrow, are we at all ready?** We are more ready than most laymen realize. The vets have been thinking about and working on this a long time. They got a very good primer in control a few years back when Indiana stopped a high-path avian flu outbreak in its tracks.

2. **Do you think transparency helps relieve some of the negative consumer perceptions about big agriculture? (SM)**

Yes – but our friends at HSUS, PETA and others will not be bothered by the truth.

- **What percent of the industry is engaged in transparency today?**
Not sure what you mean by transparency. Most producers are open to sincere “seekers” to visit their farms but no one can just open the doors due to biosecurity issues and the fact that animal rights groups are always trying to infiltrate their operations.

3. **Given all the attention on “the new green deal” what is the REAL impact of “cow farts” on global warming? (RB)**

The New Green Deal: Dr. Sara Place Sets Record Straight on U.S. Cattle Carbon Emissions

The ongoing debate over cattle's contributions to climate change through greenhouse gas emissions remains a big issue for cattle producers across all sectors of the industry. In a recent conversation with Radio Oklahoma Ag Network Farm Director Ron Hays, Dr. Sara Place, NCBA's senior director for sustainable beef production research, attempted to set the record straight on misleading reports about U.S. cattle production and says it's important for beef producers to understand what is being talked about and why it is wrong.

“The way methane is being counted now is essentially over-inflating the impact the cattle are having on the climate,” she said. “Understand, these methane emissions that are coming from U.S. cattle have been on the decline over time and are not contributing to higher concentrations in the atmosphere.”

Place told Hays that vast improvements have been made, noting the industry has already reduced its impact by a third over the last four decades.

“We need to make sure that it is clear and drive home the point that the answer to all this in terms of feeding 10 billion people in the future is doing more with less and staying on this path of being responsible stewards of the land. We can absolutely nourish everybody and do so in a responsible manner.”

And it’s not just the beef industry that is pointing this out. Researchers from the Oxford Martin School looked at the long-term climate implications of lab grown meat versus meat from actual cattle and what they found should be noted.

The scientists say that previous studies tend to look at the various emissions from cattle and convert them all to their carbon dioxide equivalent, and that, the researchers say, does not give you the full picture as methane and nitrous oxide have different impacts on the climate.

“Per tonne emitted, methane has a much larger warming impact than carbon dioxide. However, it only remains in the atmosphere for about 12 years, whereas carbon dioxide persists and accumulates for millennia,” said a co-author of the study. And because emissions from a lab are related to the production of energy, which is almost entirely made of carbon dioxide, in some circumstances and over the long term, manufactured lab meat can result in more global warming.

Researchers went on to make a bunch of other non-scientific assumptions related to traditionally raised beef that you can read about here, but the fact remains, beef production in the U.S. is incredibly efficient, and lab-cultured fake meat isn’t necessarily better for the planet, and in fact, could be worse.

4. **Do you see a day in the near future where a marbling score will be added to pig grading? (SM)**
No. Marbling is generally not the issue with pork muscle quality. Color, an indicator of pH, is more the issue and much more useful measure of quality. Historic cutting styles make both of those hard to measure at chain speed but color is potentially more useful.
5. **What impact will the Midwest’s record snowfall have on planting and markets? (SM)**
Really depends on weather through April. The week of March 17 is turning out to be helpful but there is still a lot of snow to melt in northern plains, northern Minnesota. The “Bomb Cyclone” and its rain on frozen ground made a bad situation much worse. If we can avoid big rains, things will definitely get better but planting will likely still be slow. Not much field work got done last fall. Any delay works against corn acres. It may be difficult to get any increase and 3 million acres may be impossible. Planting intentions report is 3/29.
6. **You suggest the new plants will only increase production 1%-what is the impact of the increase in line speeds? (PA)**
About 20 plants have been allowed to run their inspection line speeds at 175 bpm, 25% faster than the usual 140. The USDA/FSIS has begun to permit the higher speed on a plant-by-plant basis for any plant demonstrating they can meet the requirements to run at 175. I assume that the industry will close some older plants that can not meet the requirements for 175 bpm. Therefore, capacity will not increase as much as 175 would suggest on its face.

7. **What will the impact be on corn and grains in general for biofuel production? Prices should go up correct? (SM)**

I don't think so. Ethanol has been a loser this past winter. Several ethanol plants are shut down. Profits haven't been good. Ethanol producers are barely back in the black.

8. **What will the impact of LFTB on beef prices? (RB)**

I believe that even though LFTB can be labeled as beef, the price impact will be minimal because the demand for the product won't come back over night thus limiting production ramp up.

9. **Where would you put the percentage of Grass Fed Vs Grain Fed Beef, currently and futuristically? (RB)**

Grass fed beef makes up only a few percent of the total high quality beef supply, Non fed cow and heifer and bull steer beef production could also be used in the ground beef production that is labeled grass fed.

High quality grain fed beef makes up 80 to 85 percent of harvest on a weekly and annual basis. Grass fed beef demand will grow but it will still comprise less than a 10 percent market share in ten years in my opinion.

10. **Is the cage free egg supply still growing? How is that impacting the market? (PA)**

Cage free is indeed increasing as a percentage of production – now 57 million are cage free out of a total flock size of 326 million. Cage free costs and prices are higher, but consumers don't seem to mind. The consumption of eggs is increasing despite the headwinds of higher costs and prices.

11. **Do you see any conditions that would cause a resurgence in select grade beef? (RB)**

I don't believe that the Select grade beef supply will increase in the future. Keep in mind that 1 out of every 4 select steaks is a poor eating experience and this is unacceptable from a demand standpoint. I expect Select grade beef will make up no more than 10-15% of the supply in the future.

12. **What happens to chicken prices/exports when Mexico enforces the anti-dumping dumping duty on chicken? (PA)**

Mexico is our most important export market. If Mexico imposes a significant duty the price of leg quarters will fall significantly in the US followed by a drop in total US chicken production and eventually an increase in the price of boneless breast prices.

13. **Why can't China freeze the pork and use that way? If I understand that there is no harm to humans? (SM)**

They can in the short run but they have limited freezer capacity and they soon run out of pigs due to death losses. ASF doesn't harm humans even in fresh pork. The problem is future production. They have lost an estimated 8 million sows and will not be able to replace them quickly. That takes 120 the 160 million pigs from their annual production.