

Food Systems Resiliency Webinar Series

UC ANR Strategic Initiatives
joint effort to **reimagine** our
food system



Processing

Production

Accessibility

UNIVERSITY OF CALIFORNIA
Agriculture and Natural Resources

Food Systems Resiliency Series objectives:

Tour different parts of the Food System to:

- Improve knowledge and understanding
- Identify and share available existing electronic information (resource kits)
- Identify information gaps
- Brainstorm

Dr. Tina Saitone

Cooperative Extension Specialist,
Agricultural and Resource Economics



Kaitlin and Kirby Swickard

5 Dot Ranch

Morgan Doran

UC CE Livestock and Natural
Resources Advisor



Beef Cattle Producers Struggle as COVID-19 Reduces Processing Capacity



Tina L. Saitone

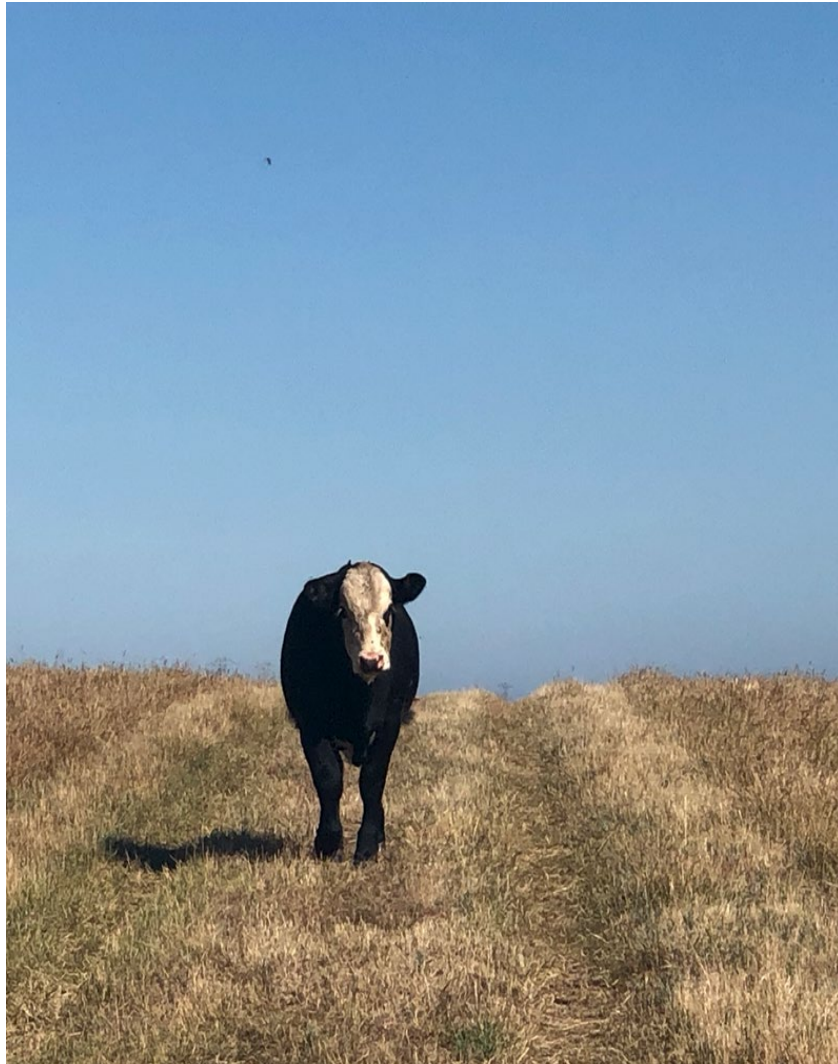
Cooperative Extension Specialist

<https://livestockecon.ucdavis.edu>

UCDAVIS
AGRICULTURAL AND
RESOURCE ECONOMICS

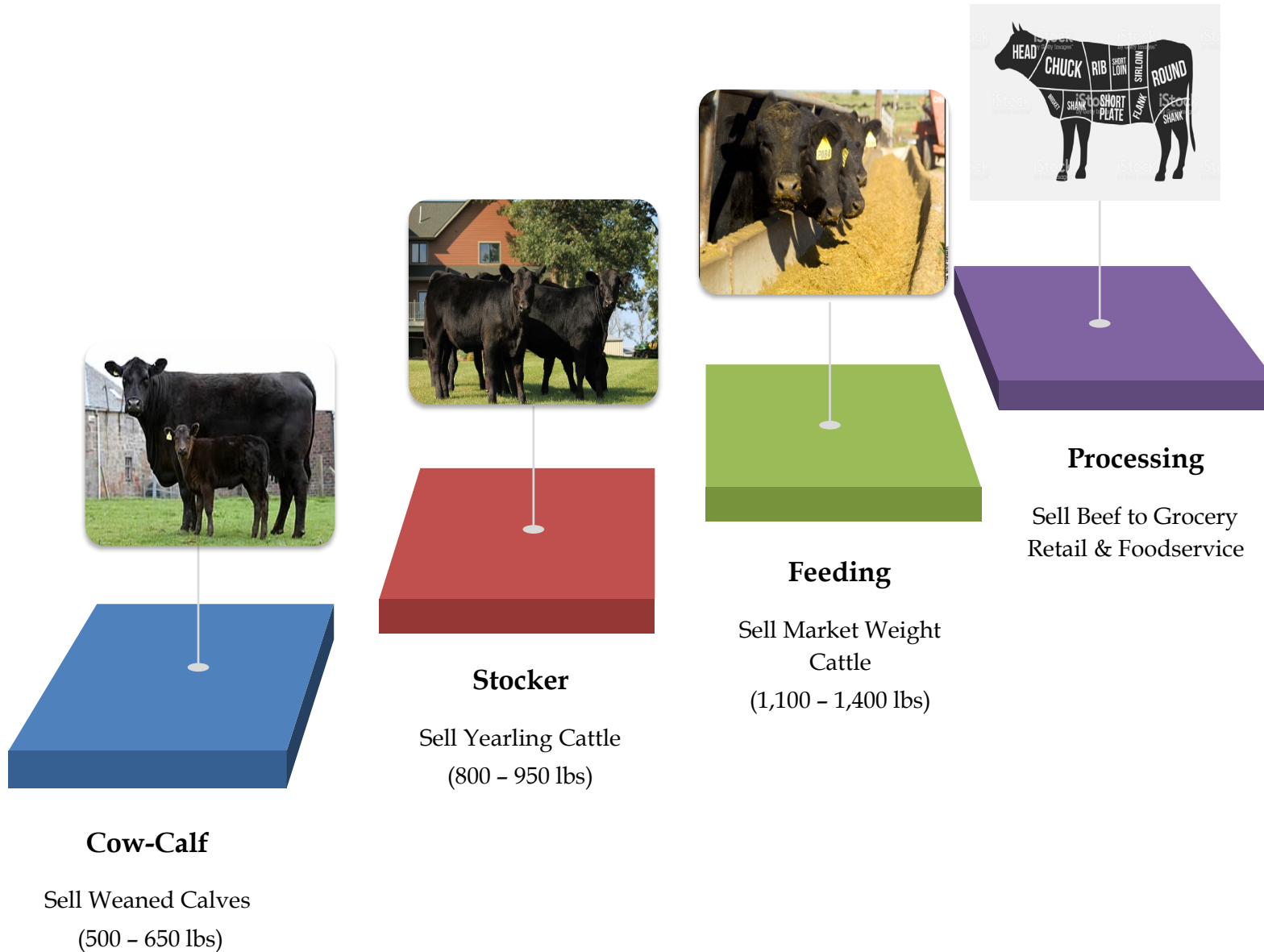
UC
CE

Roadmap



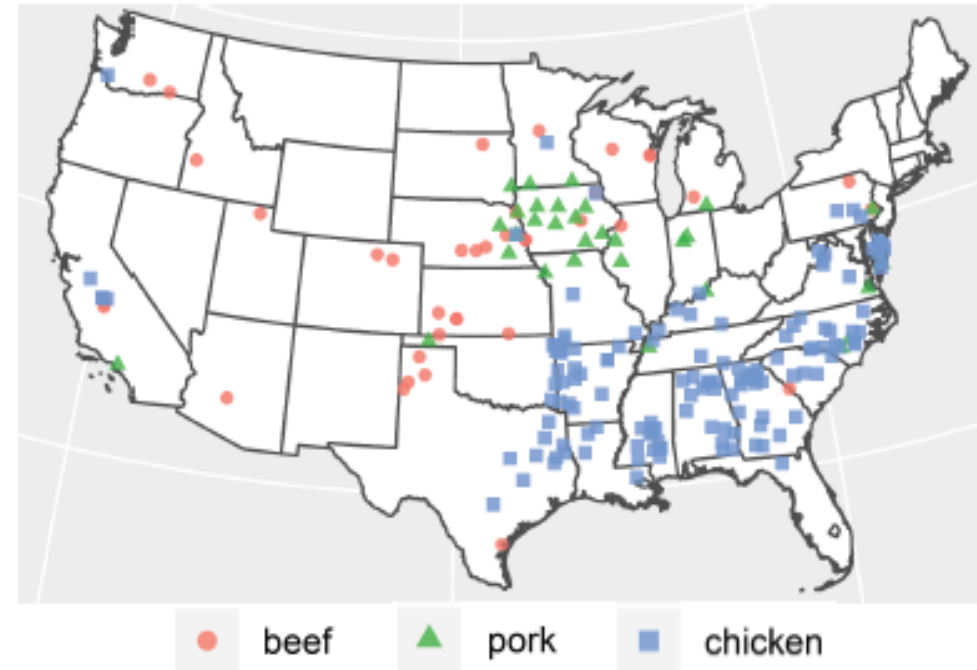
- Beef supply chain
- Beef processing plants and COVID-19
 - Bottleneck in production
- Downstream impacts
- Upstream impacts

Beef Supply Chain



The Meat Processing Sector

- Highly concentrated ownership structure
 - 4 firms harvest 85% of steers and heifers
- Concentrated geographically
 - Nearly 75% of commercial beef cattle slaughter is done in Nebraska, Kansas, Texas, and Colorado
- Large facilities with significant dependence on labor



Source: Food Safety Inspection Service. Plants with capacity to produce more than 10 million lbs. per month.

COVID-19 and Beef Packing Plants

- March 31 marked the first beef processing plant closure (JBS, Souderton, PA)

How meat plant COVID outbreaks revealed 'devastating' workplace

Over 10,000 Tyson Employees

"Food supply chain is breaking," Tyson Foods chairman warns amid meat plant shutdowns

Coronavirus tore through this Meatpacking Plant With Incredible Speed

About 67 Smithfield workers a day were contracting the virus at the peak of the outbreak, the CDC found.

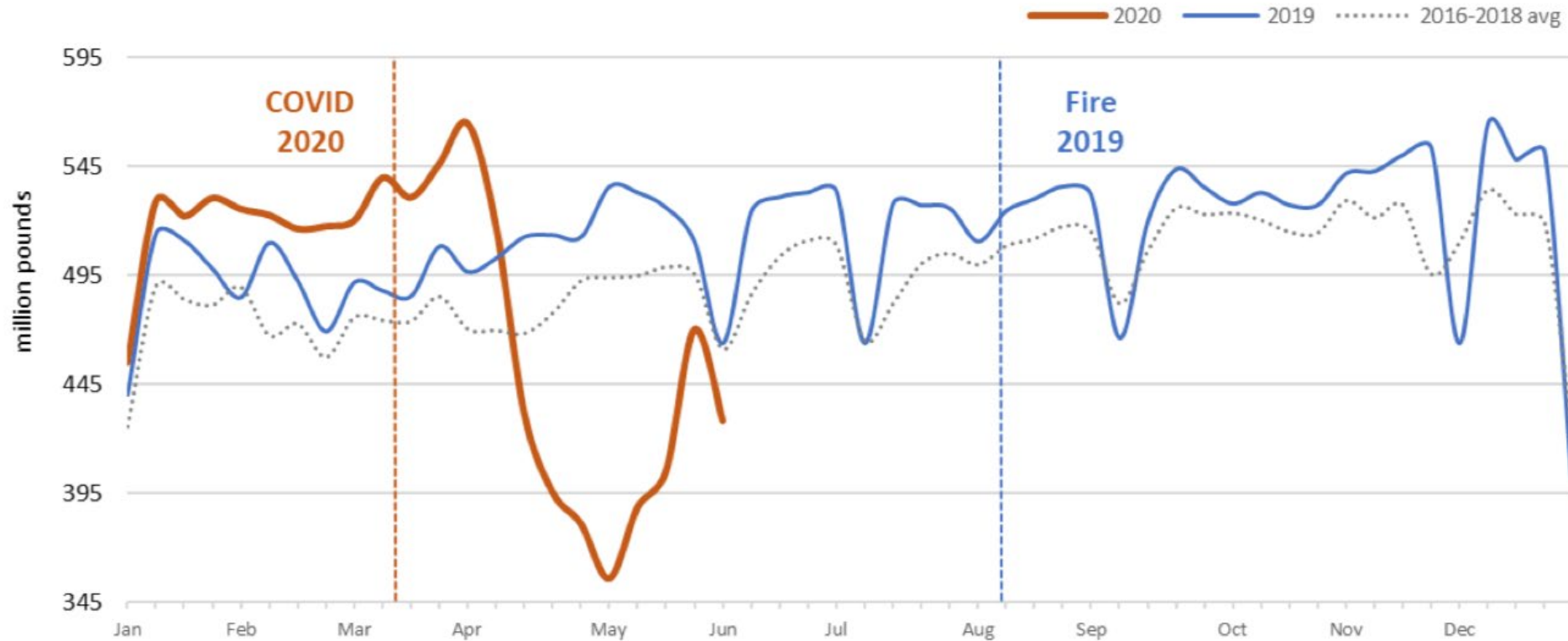


By Dave Jamieson

When Covid-19 hits a rural meatpacking plant, county infection rates soar to five times the average

By Leah Douglas and Tim Marema, May 28, 2020

Weekly Est. Federally Inspected Beef Production



Source: USDA Agricultural Marketing Service

- Trump invoked the Defense Production Act – declares meatpacking facilities as “critical infrastructure”
 - Critics claim that this undermined efforts to stop the spread of COVID via meatpacking plants
 - Improved outcomes for beef producers and mitigated anticipated meat shortages
- Meatpacking employees sued OSHA for not protecting workers
- Families of meatpacking employees that died have sued JBS (Souderton, PA) for ignoring CDC recommendations

Additional Struggles Meeting Demand

- With the vast majority of restaurants and food service operations suspended, beef processors struggled to process cuts of beef for grocery
 - This requires additional labor
- Frozen cuts in storage are not easily re-purposed to meet food-at-home demand
 - These cuts would have to be thawed and butchered (requiring additional labor)
 - Originally destined for export markets



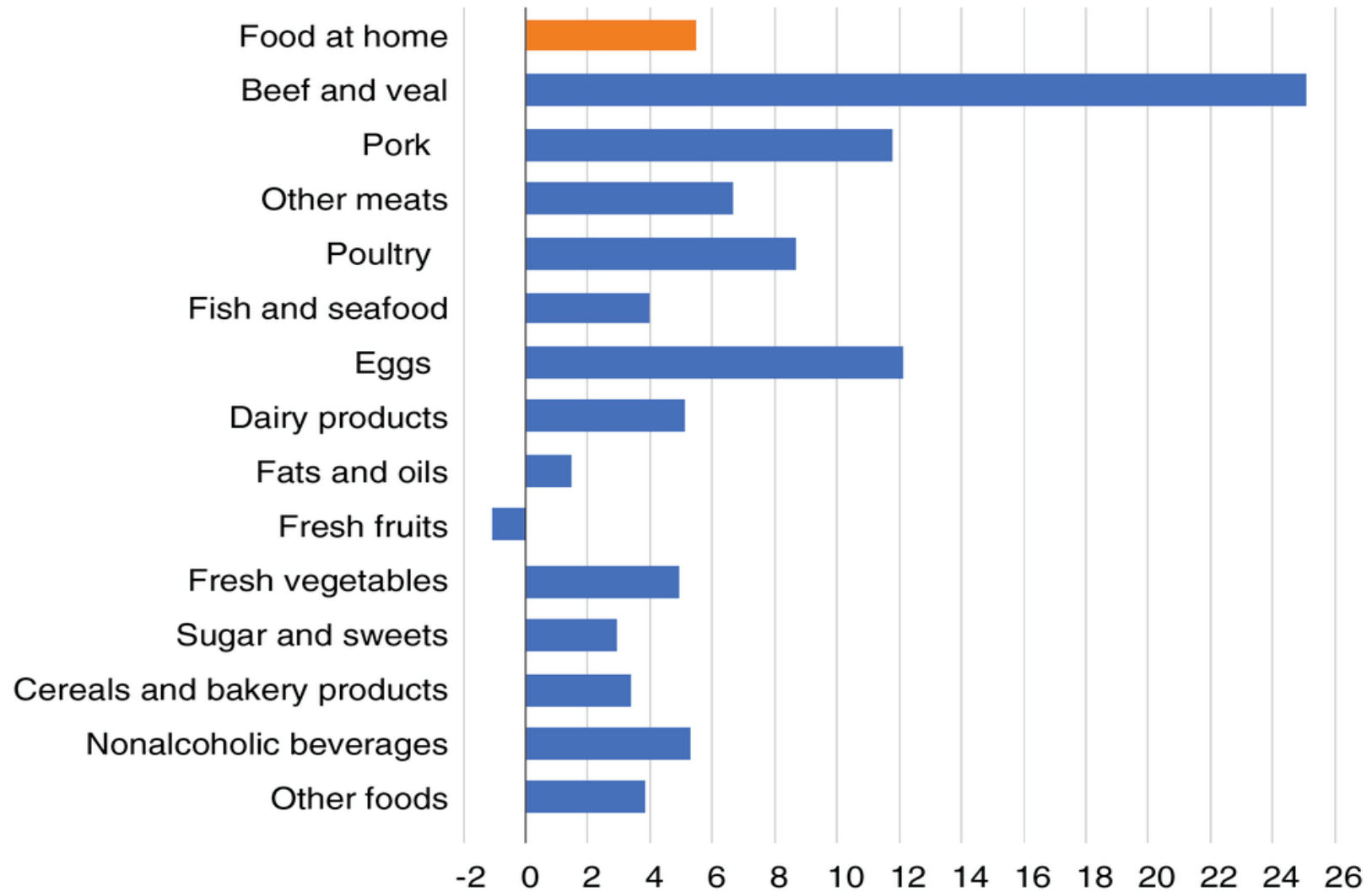


...SO WHAT?

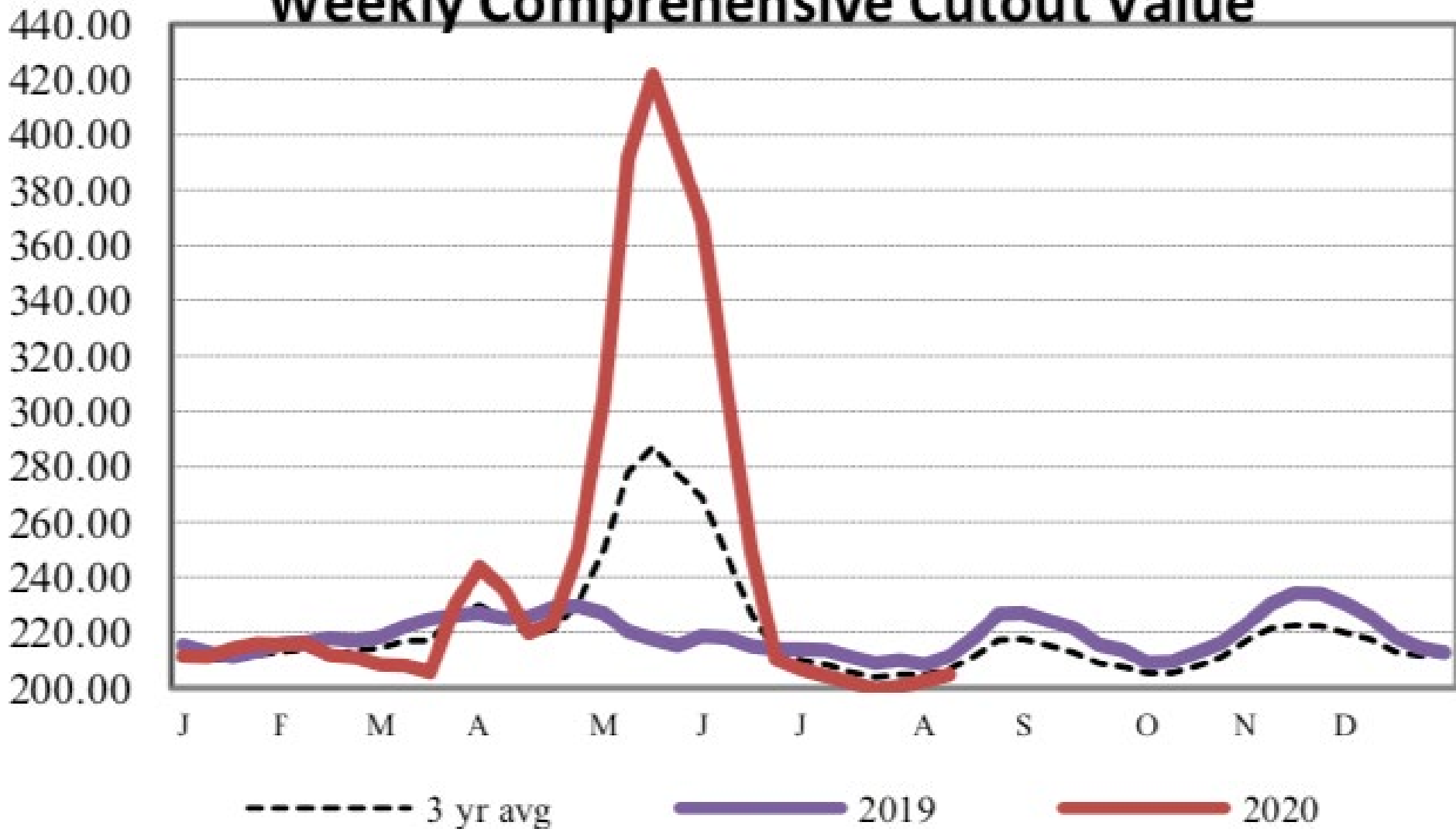
***PLANT SHUTDOWNS CREATED A BOTTLENECK
IN THE SUPPLY CHAIN...***

Retail Prices – Food At Home

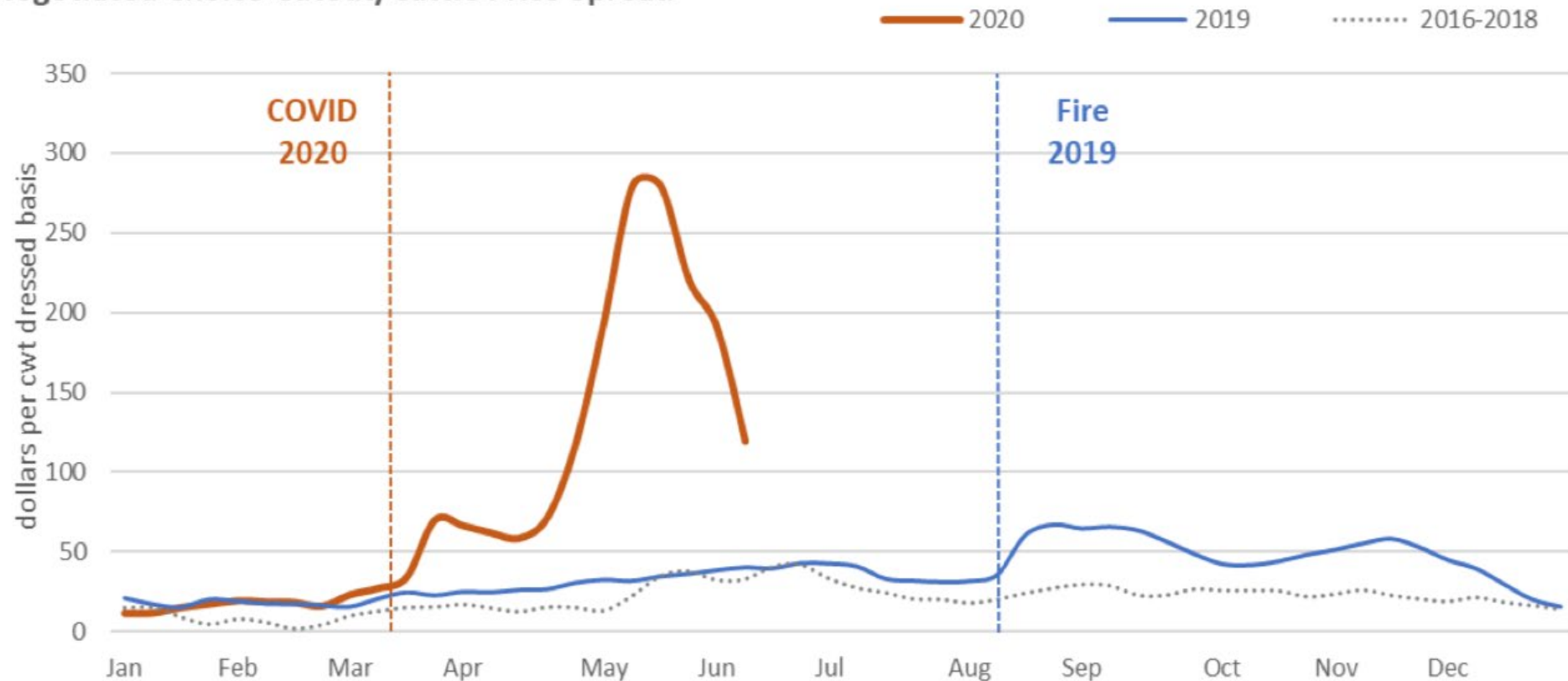
June 2019 to June 2020



Weekly Comprehensive Cutout Value



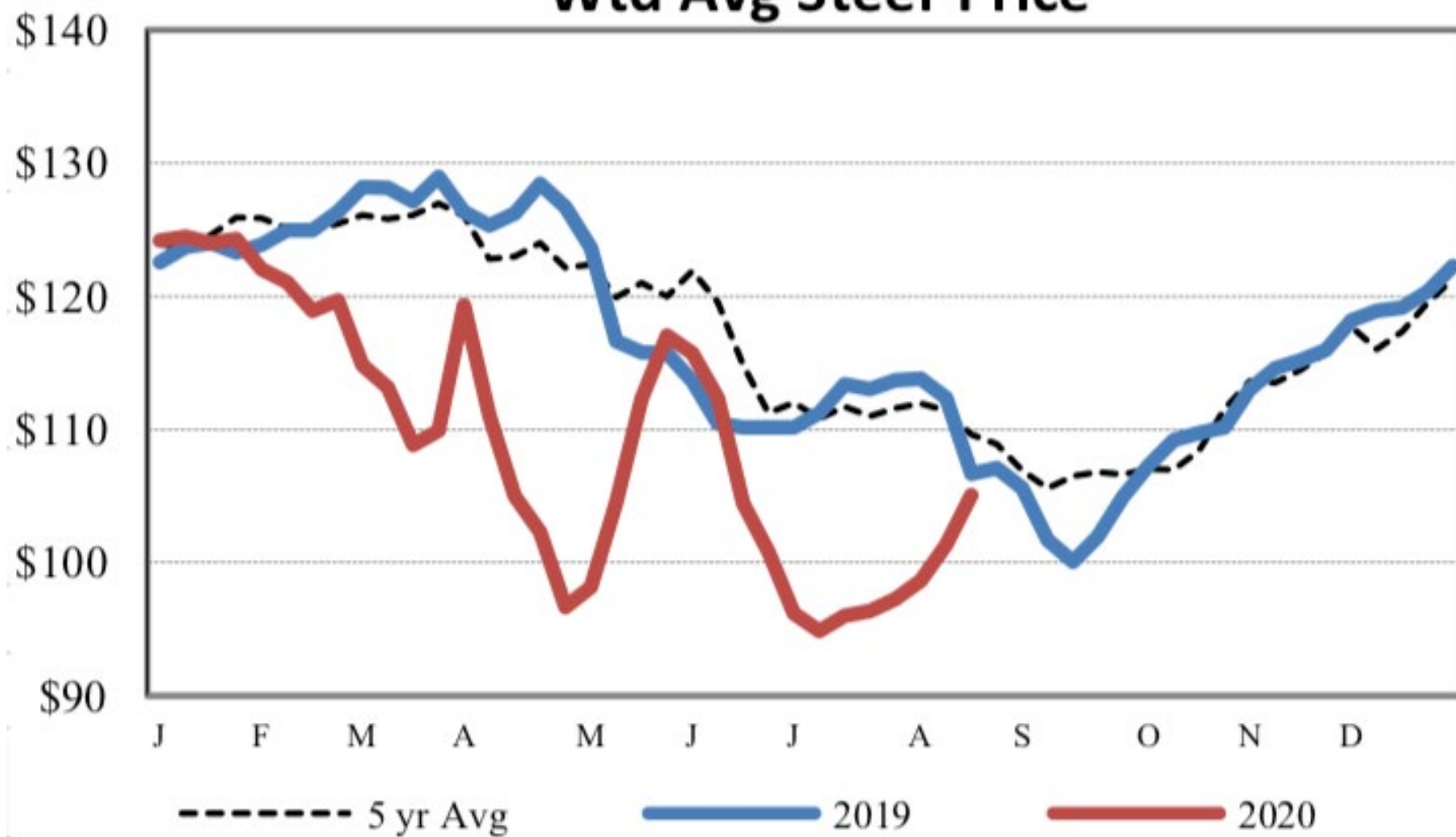
Negotiated Choice Cutout/Cattle Price Spread



The dollar difference between the weekly average negotiated dressed basis Choice boxed beef cutout value and the weekly average negotiated dressed basis price for live fed cattle. Source: USDA Agricultural Marketing Service

- USDA investigation – consider possible Packer and Stockyards Act violations
- U.S. Dept. of Justice and Federal Trade Commission – investigate concentration and any resultant anticompetitive behavior
- Bill to amend the Agricultural Marketing Act (1946) – would require plants that process more than 125,000 head of cattle/year purchase 50% of their daily volume on the “spot” market.

5 Area Weekly Wtd Avg Steer Price



FEEDER CATTLE FUTURES (SEP 2020) · 1D · CME - D 145.600 +1.200 (+0.83%)

Vol 2.868K



CME Group

powered by TradingView

2020

Feb

Mar

Apr

May

Jun

Jul

Aug

Se

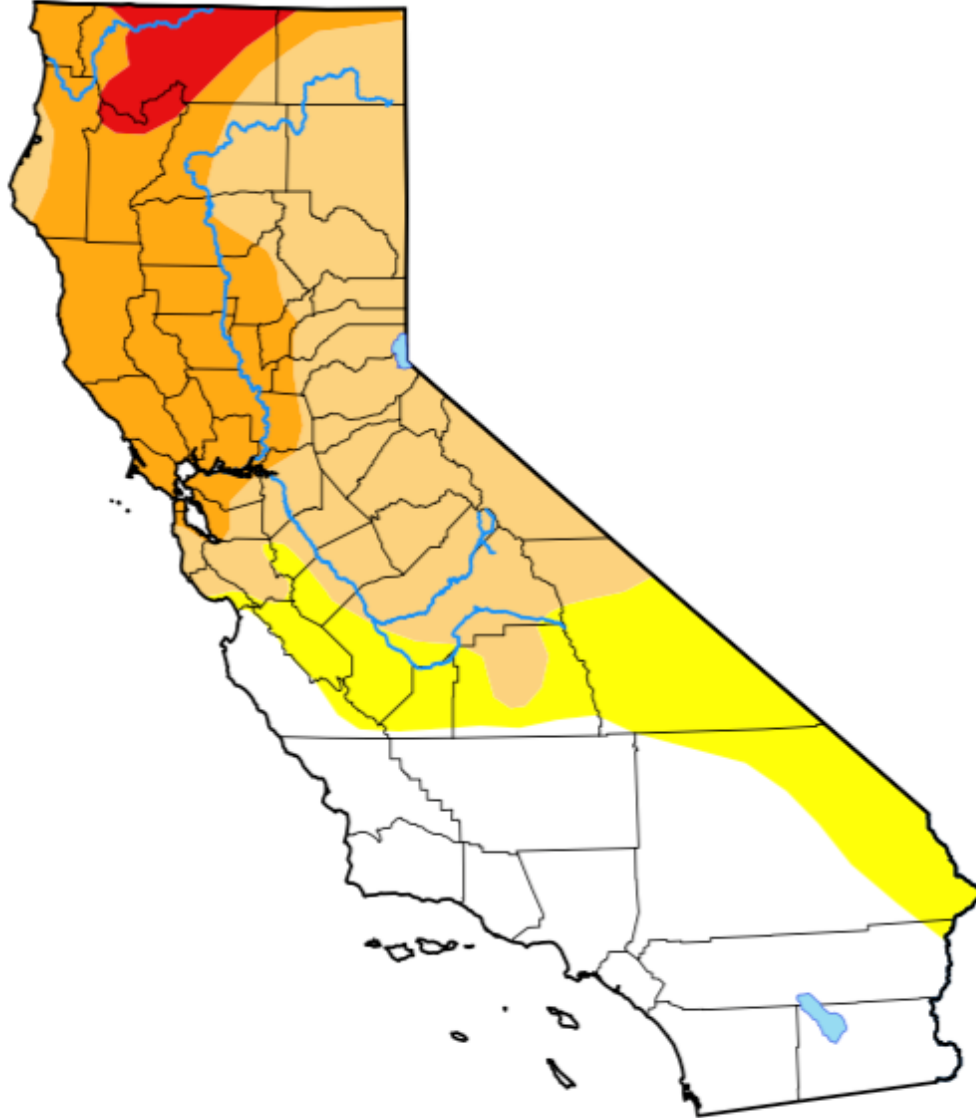




CALIFORNIA

U.S. Drought Monitor California

August 11, 2020
(Released Thursday, Aug. 13, 2020)
Valid 8 a.m. EDT



Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	33.74	66.26	50.39	21.72	3.04	0.00
Last Week <i>08-04-2020</i>	33.74	66.26	50.38	21.50	3.04	0.00
3 Months Ago <i>05-12-2020</i>	41.80	58.20	46.67	20.84	2.99	0.00
Start of Calendar Year <i>12-31-2019</i>	96.43	3.57	0.00	0.00	0.00	0.00
Start of Water Year <i>10-01-2019</i>	95.29	4.71	2.06	0.00	0.00	0.00
One Year Ago <i>08-13-2019</i>	94.07	5.93	0.00	0.00	0.00	0.00

Intensity:



The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>

Author:

Brian Fuchs
National Drought Mitigation Center



California Considerations

- Not geographically proximate to feeding and processing capacity
 - Spatial discounts of approximately \$0.80/cwt.
- Primarily cow-calf and stocker operations
 - Reliant on rangelands and pasture for forage
- Higher operating costs (e.g., regulation) and opportunity costs
 - Risk of urbanization and loss of rural communities

Uncertainty Persists...

- There remains a backlog of cattle
 - Current projections – Sept. 1 there will still be 300,000 more fed cattle than “ideal”
- Packing plant workforce issues appear to have stabilized but resurgence is always possible
- Longer term – predictions of a recession are concerning; lower incomes have historically reduced beef demand



UC Livestock Economics

Research Areas



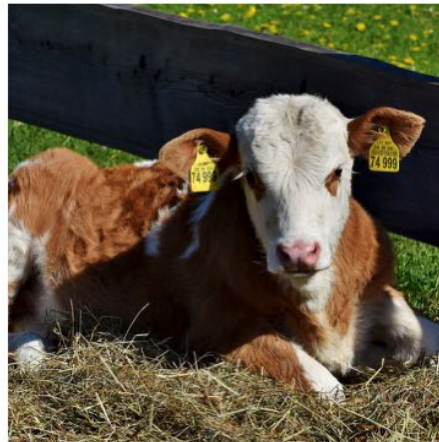
Western Video Market

What programs are adding value to your cattle?

<https://livestockecon.ucdavis.edu>



@livestockecon



Veterinary Feed Directive

What do you need to know?



Livestock Guardian Dogs

Do the benefits outweigh the costs?

Coming soon

saitone@primal.ucdavis.edu



@TSaitone



Kirby Swickard Dougherty



Kaitlin Swickard Stoltenberg







COOKHOUSE

Menu

FOR BREAK
\$10.99 - \$12.99
Includes: 1/2 lb. brisket, 1/2 lb. sausage, 1/2 lb. ribs, 1/2 lb. brisket, 1/2 lb. sausage, 1/2 lb. ribs, 1/2 lb. brisket, 1/2 lb. sausage, 1/2 lb. ribs

FOR DINNER
\$14.99 - \$16.99
Includes: 1/2 lb. brisket, 1/2 lb. sausage, 1/2 lb. ribs, 1/2 lb. brisket, 1/2 lb. sausage, 1/2 lb. ribs

CALL CHEESE STEAKS
\$12.99 - \$14.99
Includes: 1/2 lb. brisket, 1/2 lb. sausage, 1/2 lb. ribs, 1/2 lb. brisket, 1/2 lb. sausage, 1/2 lb. ribs

REUVEN
\$12.99 - \$14.99
Includes: 1/2 lb. brisket, 1/2 lb. sausage, 1/2 lb. ribs, 1/2 lb. brisket, 1/2 lb. sausage, 1/2 lb. ribs

WEDGE SALAD
\$5.99 - \$6.99
Includes: 1/2 lb. brisket, 1/2 lb. sausage, 1/2 lb. ribs, 1/2 lb. brisket, 1/2 lb. sausage, 1/2 lb. ribs

EXTRAS
\$1.99 - \$2.99
Includes: 1/2 lb. brisket, 1/2 lb. sausage, 1/2 lb. ribs, 1/2 lb. brisket, 1/2 lb. sausage, 1/2 lb. ribs

FOLLOW US ON
@FIVE DOT RANCH
#FiveDotRanch

Support

BUTCHER SHOP HOURS

MONDAY	9AM - 4PM
TUESDAY	9AM - 4PM
WEDNESDAY	9AM - 5PM
THURSDAY	9AM - 5PM
FRIDAY	9AM - 7:30PM
SATURDAY	9AM - 7:30PM
SUNDAY	9AM - 7:30PM

KITCHEN OPEN @ 10AM - 10PM

FIVE DOT RANCH MERCHANDISE

- GRAPESEED OIL
- BBQ SAUCE
- STEAK SAUCE
- HOT KETCHUP
- STEAK STRIPS



All Natural Beef Shipped Straight To Your Door*

*shipped to West Coast customers only (AZ, CA, ID, MT, NV, OR, WA)

Orders are shipped Monday thru Wednesday, any order placed after will be pushed to the following week. Shipping rates start at \$15.00.

Product ships frozen with gel ice packs.

Shop below or call us at (707) 927-5820 to place an order

Local delivery available to residents within the Napa City Limits as well as curbside pick up for select beef items.

*Local delivery and pick up will be available within 24 hours of placing an order. Delivery is available Monday thru Friday only. Product will be fresh.

At checkout when prompted to select a shipping method select either Local Delivery or Pick Up to use the above services.



ECONOMY BOX

10 lbs. All Natural Beef

- 1 ea. - London Broil
- 2 ea. - 8 oz. Top Sirloin Steaks
- 1 ea. - Inside Skirt Steak
- 2 ea. - 1 lb. 80/20 Ground Beef



FAMILY PACK FOR 2

10 lbs. All Natural Beef

- 1 ea. - Whole Tri Tip Roast
- 2 ea. - 10 oz. New York Steaks
- 1 ea. - Flat Iron Steak
- 1 ea. - 2 lb. Chuck Roast



FAMILY PACK FOR 4

15 lbs. All Natural Beef

- 2 ea. - Whole Tri Tip Roasts
- 4 ea. - 10 oz. New York Steaks
- 1 ea. - Flat Iron Steak
- 1 ea. - 4 lb. Chuck Roast

www.FiveDotRanch.com

Beef Supply Chain and Market Disruptions

Regulatory Navigation for Beef Slaughter and Processing

Presented by Morgan Doran
Livestock & Natural Resources Advisor

Date August 25, 2020

Market Disruptions Inspire Creativity

"A crisis is a terrible thing to waste," Paul Romer

Canceled Fairs

- Forced alternative marketing opportunities
 - Alternative online auctions
 - Private sales



Market Disruptions Inspire Creativity

Supply Chain Shortfalls

- Seek local meat supplies
- Alternative and local channels to the normal supply chain
- Not an overall fix, but still an impact



Market Disruptions Inspire Creativity



Doing it legally

- Ranch slaughter?
- Selling animals or meat?

Market Disruptions Inspire Creativity



Doing it legally

- Ranch slaughter?
- Selling animals or meat?
- ~~Raffling livestock?~~

Legal ways to sell meat (beef, lamb, goat, pork):

- Animal must be slaughtered at a USDA inspected facility with a USDA inspector on site.
 - Carcass processed on same premises as slaughter, or
 - Carcass can be transported, with climate control, to another facility for processing
- Carcass must be processed at a USDA inspected facility, or
- Carcass can be processed at a CDFA or county inspected facility
 - All meat can only be sold at the same facility
- What about a USDA inspected mobile slaughter unit
 - The site (corral and surrounding area) and unit must be USDA certified
 - Local regulations on water and blood disposal

Ranch slaughter options:

- Slaughter by owner or custom exempt mobile butcher
- [CDFA list of mobile butchers](#)
- Carcass transported to custom exempt processor
- Records of owner(s) name and address must be kept by custom butcher and processor
- Owner is the consumer



Ranch slaughter options:

- Custom Exemption or Custom Exempt process
- Meat cannot be sold
- Labeled “NOT FOR SALE”
- Owner(s) pay for the services
- Meat can be consumed by
 - The owner(s) of the animal
 - Members of owner’s household
 - Owner’s employees



Ranch slaughter options:

- Livestock must be slaughtered on the owner's property
 - (lamb, goats, swine)
- Cattle Exemption
 - 2018 and 2019 CA laws
 - Allows 5 cattle per month to be slaughtered on seller's property
 - Brand inspection required

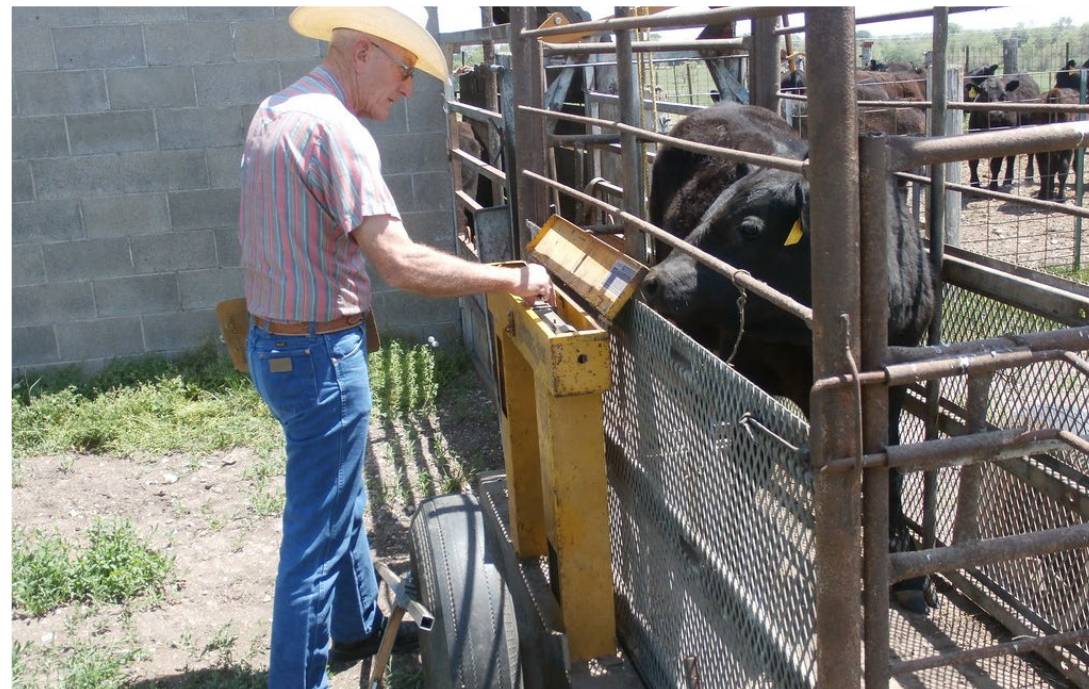


CDFA-Licensed Custom Slaughterhouse

- Meat cannot be sold
- Custom Exemption or Custom Exempt process
- Labeled “NOT FOR SALE”
- Meat can be consumed by
 - The owner(s) of the animal
 - Members of owner’s household
 - Owner’s employees
 - Owner’s non-paying guests

More considerations

- Cattle brand inspection
 - Required prior to sale
 - [Bureau of Livestock Identification](#)
- Sales by weight \$ / lb
 - Scale must have current certification by Ag Commissioner / Sealer
 - Must use licensed weighmaster
- Sales by the animal \$ / animal
- Drug residues and withdrawals
 - Ensure drug withdrawals periods are followed



 **Draxxin**[®]
(tulathromycin)
Injectable Solution

Antibiotic
100 mg of tulathromycin/mL

RESIDUE WARNINGS

Cattle

Cattle intended for human consumption must not be slaughtered within 18 days from the last treatment. Do not use in female dairy cattle 20 months of age or older. A withdrawal period has not been established for this product in pre-ruminating calves. Do not use in calves to be processed for veal.

Swine

Swine intended for human consumption must not be slaughtered within 5 days from the last treatment.

Publications



UNIVERSITY OF CALIFORNIA
Division of Agriculture and Natural Resources
<http://anrcatalog.ucdavis.edu>

PUBLICATION 8146

Selling Meat and Meat Products

LINDA J. HARRIS is Cooperative Extension Specialist in Microbial Food Safety, Department of Food Science and Technology, UC Davis, and HSU LING TAN is Planning Analyst, Strategic and Business Development, Sutter Health.

INTRODUCTION

Before you can legally offer domestic meat and meat products for sale, the meat animal must be slaughtered in a facility inspected by U.S. Department of Agriculture's Food Safety and Inspection Service (referred to simply as USDA in this publication) (Title 9, Code of Federal Regulations, part 417; or, more briefly, 9 CFR 417). In addition, products processed from USDA-inspected carcasses must be handled in a facility inspected by either county, state, or USDA inspectors, depending upon the type of product and the intended customer. This publication provides an overview of the meat and poultry inspection system in California.

SELLING THE CARCASS

Federal Inspection for Slaughter

Federal inspection by USDA inspectors is required for cattle, swine, sheep, goat, equines (horses, mules, ponies, and burros), and in many cases poultry (see below). You can only sell meat from these animals if they are slaughtered in a USDA-inspected facility (Figure 1).

When an animal is to be sold as meat, USDA ante- and post-mortem inspections are mandatory for

- "Amenable livestock species" (cattle, swine, sheep, goat, and equines)
- "Amenable poultry" (turkeys, chickens, ducks, geese, squab, guinea fowl, and ratites [emus, rhea, and ostrich]), for plants slaughtering more than 20,000 poultry carcasses per year (9 CFR 381.10(b) (1)).



United States Department of Agriculture

Economic Research Service

Economic Research Report
Number 150

June 2013

Local Meat and Poultry Processing The Importance of Business Commitments for Long-Term Viability

Lauren Gwin, Arion Thiboumery, Richard Stillman



Livestock Sales for Meat: Rules and Regulations

Morgan Doran, UCCE Livestock & Natural Resources Advisor
Tracy Schohr, UCCE Livestock and Natural Resources Advisor
Laura Shell, UCCE Livestock and Natural Resources Advisor
Roselle Busch, DVM, University of California, Davis

July 2020

Livestock producers are continuing to explore consumer direct sales, taking advantage of the "Farm to Fork" movement and as a means to increase profitability. In addition, the novel coronavirus in 2020 disrupted markets and processing capacity, while creating a great public recognition of food security. A question many livestock producers are asking is: How can I sell my livestock directly to consumer for consumption?

property where the animal was raised and then ranch-slaughtered.

Mobile Butcher

Mobile custom slaughterers licensed by the Department of Food and Agriculture (FAC § 22001.5) to butcher animals on farm and authorized to transport carcass to custom

Thank You!

Morgan Doran

UC Cooperative Extension

Livestock & Natural Resources Advisor



UNIVERSITY OF CALIFORNIA
Agriculture and Natural Resources

■ Cooperative Extension

Polling question

Did the information provided improve your knowledge and understanding of farm sales of meat?

Yes definitely, somewhat, not much, does not apply

Polling question

Were the electronic resources new to you?

Yes definitely, somewhat, not much, does not apply

Polling question

Will you use information from today's webinar with your clientele?

Yes definitely, somewhat, not much, does not apply

**What if our food system changed
to improve the meat supply chain...**

SEPTEMBER

10 to 11 am

8

Thinking Inside the Box: Farm Boxes and Local Supply Chain Resilience During the Pandemic

Registration at: <https://ucanr.edu/survey/survey.cfm?surveynumber=31756>

The Covid-19 pandemic has unleashed large-scale food system disruptions resulting in a surge of interest in local food supply chains. An increased demand for CSAs coincides with the development of new farm box programs to link small-to-mid size farmers and consumers through food hubs, mobile markets, and online ordering systems. This webinar highlights new farm box models designed to support the viability of small-scale farmers, improve community food security, and increase the resilience of the local food supply chain.

Join [Tania Zuñiga](#), Business Advisor, Kitchen Table Advisors, [Andy Ollove](#), Program Director, Fresh Approach, [Odile Morrison](#), Board Member, CalaverasGROWN, [Tim Page](#), Cofounder, FEED Sonoma as they provide innovative ideas for boxes.