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Subject: HC implications of transfers of arriving Containers from one I house to another I house
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Hi Everyone, thanks once again for your help with the Agro issue.

A further impact of the coronavirus that has arisen is requests many by importers to change the destination I house because of capacity issues. This differs from the previous issue in that it is a change in the destination I house and not to a warehouse that is not approved for inspection.

The request is for the inspector to be able to accept copies of the health certificate from countries that don't have E-certs as the documents have to be sent to the new I house.

Regards,

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PRE-DECISIONAL, NOT FOR PUBLIC INFORMATION
Price Analysis and Market Impacts

Information contained within this document is collected by Livestock, Poultry, and Grain Market News. Most numbers and data points are publicly available, some charting was made especially for this document. Written commentary is derived from analysis of the data, in addition to speaking with trade members, not all comments and market trends contained within are made public.

Livestock futures were sharply lower again Thursday, after falling by their daily trading limits on Wednesday as COVID-19 outlook and restrictions continue to affect markets. Live cattle futures dropped for the 5th time in six sessions, erasing all gains from earlier this week. Lean hog futures dropped to their lowest level since August 2018. Stay-at-home orders and restaurant closures have greatly affected livestock prices as traders weighed meat supplies against a downturn in demand and livestock supply chain disruptions.

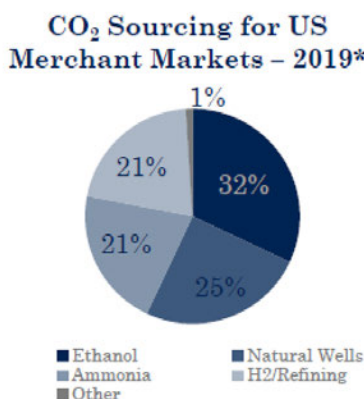
LMR Cattle & Beef

Negotiated cash trade for Thursday was \$6.00-\$8.00 lower than last week, at mostly \$112.00. Dressed purchases traded \$10.00-\$15.00 lower from \$175.00-\$180.00, comparing to last week. Packer participation was limited with one major packer obtaining a majority the of purchases. Today's cattle slaughter was reported at 115,000 compared to 123,000 a week ago. Two plants were dark today, with a few at reduced harvest rates. Another day of downward pressure on the Boxed Beef Cutouts, with continued lackluster wholesale demand. The Choice cutout finished \$2.53 lower at \$232.64, while Select dropped \$3.01 to finish at \$222.12. Beef trimmings were sharply lower this week due to weaker demand and very heavy supplies. Most packers reported that tight domestic lean supplies and imports have limited the amount of the fresh and frozen 50s that could be used by grinders. Several buyers are nearing their freezer capacity. The daily weighted average of \$24.67 for Fresh 50% Trim, combos on April 1st was the lowest daily price reported since November 2002. April Live Cattle futures fell \$4.50 closing at \$92.825, with the nearby June contract down \$4.50 closing at \$83.075.

	Today	Change from Yesterday	Change from last week		Yesterday	Week ago
National Daily Direct Slaughter Cattle Live FOB	\$112.05	-\$8.46	-\$7.39		\$120.51	\$119.44
National Daily Direct Slaughter Cattle Dressed Delivered	\$178.87	-\$1.65	-\$11.11		\$180.52	\$189.98
National Daily Boxed Beef Choice Cutout Value	\$232.64	-\$2.53	-\$20.93		\$235.17	\$253.57
National Daily Boxed Beef Select Cutout Value	\$222.12	-\$3.01	-\$20.05		\$225.13	\$242.17
National Daily Choice/Select Cutout Spread	\$10.52	\$0.48	-\$0.88		\$10.04	\$11.40
Daily By-Product Cattle Drop Value	\$7.43	\$0.08	-\$0.18		\$7.35	\$7.61
CME Live Cattle Close (April)	\$92.83	-\$4.50	-\$12.63		\$97.33	\$105.45
CME Feeder Close (April)	\$110.68	-\$6.75	-\$14.43		\$117.43	\$125.10
Daily Estimated Cattle Slaughter	115,000	-1,000	-8,000		116,000	123,000
WTD Est. Cattle Slaughter	467,000	115,000	-17,000		352,000	484,000

Carbon dioxide comes from various sources that differ from geographic region to geographic region. Approximately 30% of all CO₂ produced in the US comes from ethanol production. Other sources include ammonia (fertilizer manufacturing), H₂/refining processes, and natural wells and coastal refining in the southwestern and southeastern states (see Figure 2). However, due to shipping distance, cost of shipping, availability of trucks and drivers, much of the CO₂ the meat industry uses comes from ethanol production in the Midwest (some members report up to 60-65% of their CO₂ sourcing is from ethanol production).

Figure 2. CO₂ Sourcing for US Merchant Markets (2019 Cryogas US Merchant Report)



Most CO₂ produced is considered “food grade” rather than “commercial” or “industrial” grade because food grade CO₂ simply makes more money than industrial grade. Personal communications with CO₂ manufacturers and distributors reveal that approximately 98% of all CO₂ produced in the US is food grade or above (Brad Jones, POET). The Compressed Gas Association (CGA) issues industry standards for the purity of CO₂ required for different grades. Grade E is the lowest grade, and is used for medical or industrial uses ($\geq 99.0\%$ pure). Grade H is food grade ($\geq 99.5\%$ pure), and Grade I is beverage grade ($\geq 99.9\%$ pure). Beverage grade is the purest form. All grades require the CO₂ product to be $\geq 99.0\%$ pure. Small differences in the allowable levels of impurities exist, but are miniscule. For example, the allowable level of hydrogen sulfide in Grade E CO₂ products is 1ppm, and is 0.5ppm and 0.25ppm for Grade H and Grade I, respectively.

Regulation of CO₂ Use in the Meat Industry

There is no Food Safety and Inspection Service (FSIS) regulation, directive, or guidance that stipulates that food grade (Grade H) CO₂ must be used for stunning of animals, or in chilling, blending, or packaging of meat products. Regarding CO₂ use for food products, 21 CFR 184.1240 (the Food and