JUNE 2024

ISSUE 1

NATIONAL AGRICULTURAL BIOSECURITY CENTER



IN THIS ISSUE:

- Trouble In The Panama and Suez Canals......1,2
- APHIS Issues Final Ruling On Electronic ID........ 2.3
- Russia Urging BRICS To Form Inter-Bloc Grain Trade......3

BRINGING NATIONAL SECURITY TO AGRICULTURE PRODUCERS IN THE MIDWEST

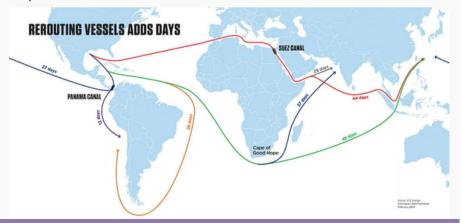
Located on the Manhattan campus of Kansas State University, the National Agricultural Biosecurity Center, or NABC, is an integral part of the midwest's expanding animal health corridor. The NABC contributes to and accesses a vast network of interdisciplinary research and resources in the areas of animal and plant diseases, foodborne pathogens, environmental changes, food security, emergency management and One Health.

The mission of the NABC is to facilitate prevention and response strategies that address emerging threats to agricultural economies and the food supply in the U.S. and the world.

TROUBLE IN THE PANAMA AND SUEZ CANALS

Yemen-backed Houthi rebels are continuing their attacks throughout the Mediterranean and Red Sea. They are targeting vessels headed to any Israeli ports in the area, including those destined for the Suez Canal. There have been repeated drone and missile attacks with three casualties and extensive damage to passing vessels reported thus far. Traffic through the canal has slowed by over 50% according to reports by the U.S. Naval Institute.

Water levels in the Panama Canal are concerningly low due to extreme weather patterns and climate change. Under normal conditions, the canal can handle 36 passing vessels per day, however officials are allowing only 32 to pass through the canal daily. 2023 was Panama's driest year on record however, it is anticipated that the route will to be back to normal capacity by early 2025.



National Agricultural Biosecurity Center

TROUBLE IN THE PANAMA AND SUEZ CANALS ... CONTINUED

The Panama and Suez Canals are both crucial trade routes for American agricultural products including grains, seed oils, livestock feed, soybeans, corn, etc. Due to these geopolitical and climate concerns, many trading vessels are being rerouted to go around the Cape of Good Hope on the southern tip of Africa. Rerouting vessels around the Cape of Good Hope takes on average 20 extra days compared to going through the Panama or Suez Canal. Every additional day at sea costs approximately \$30,000. U.S. markets are reflecting these additional costs throughout the supply chain from producers to consumers. "Logistical challenges at the Panama and Suez canals make U.S. grain less competitive and add costs to the supply chain." - Marion Le Bacquer (CHS, Switzerland)



H5N1 INFLUENZA A IN DAIRY CATTLE

As of June 21, the avian influenza virus (H5N1 Influenza Type A) has been found in dairy cattle in 12 states with four cows testing positive in Kansas. On April 29, the USDA's Animal and Plant Health Inspection Services (APHIS) declared a federal order requiring lactating dairy cattle destined for interstate travel to receive a negative test for H5N1 Influenza Type A before being transported. The USDA announced that they would cover the cost of testing.



Affected cattle have seen slight drops in milk supply but not a large enough difference to cause concern over the milk supply. The FDA and USDA have confirmed that pasteurization is effective at inactivating the Highly Pathogenic Avian Influenza Virus.

All lactating dairy cattle intended for movement into, throughout with intention of leaving, and out of the state of Kansas must receive a Certificate of Veterinary Inspection (CVI) stating that the cattle are not originating from herds or locations where H5N1 Influenza A symptoms have been found present. Symptoms include decreased milk production; decreased rumen activity; reduced appetite; thickened, discolored milk; lethargy; fever; and/or dehydration. Please visit the Kansas Department of Agriculture's official website for more information regarding regulations on the transportation of dairy cattle.

APHIS ISSUES FINAL RULING ON ELECTRONIC ID

The Animal and Plant Health Inspection Service (APHIS) has made an amendment to the disease traceability regulations to require all cattle and bison (that fall under the regulations) to have an official USDA ear tag applied that is both visually and electronically readable. The final rule applies to all sexually intact cattle and bison 18 months of age or older, all dairy cattle, cattle and bison of any age used for rodeo or recreation events, and cattle or bison of any age used for shows or exhibitions that are destined for interstate travel. All cattle and bison affected by this ruling will need to have ear tags applied by November 1, 2024.

National Agricultural Biosecurity Center

APHIS ISSUES FINAL RULING ON ELECTRONIC ID ... CONTINUED

All ear tags will be available for free through the state veterinarian. They can also be purchased directly through manufacturers. If the animal has already been tagged with a visual-only official identification before the rule's effective date (May 9th, 2024), they do not need to be re-tagged. USDA and APHIS believes that these changes will impact trade for the better because of the enhanced disease traceability that these tags offer. If/when the U.S. has a disease outbreak, it will be possible to shut down only the region where that disease has been found instead of shutting off the entire U.S. supply until the outbreak is under control. Many states have announced their disapproval of the ruling stating that it is a clear example of government overreach as well as violating personal property rights. Many producers are concerned about the cost per head of these tags and worry that this ruling will cause unnecessary financial burden.



RUSSIA URGING BRICS TO FORM INTER-BLOC GRAIN TRADE

Russia is urging BRICS to form an inter-bloc trade. BRICS is a group of major emerging economies including Brazil, Russia, India, China, South Africa, along with the recent additions of Iran, Egypt, United Arab Emirates, and Ethiopia. Russia is urging BRICS to form this grain trade so to influence free pricing in the international grain market (similarly to OPEC in the oil market). This grain trade would also increase Russia's geo-economic and political influence over the member countries of BRICS. If the BRICS grain exchange comes to fruition,



their conversion rate would not be based on the U.S. dollar and runs the risk of devaluing the dollar. The inter-bloc grain trade is a way to keep Russian grain in the international market when there are Western sanctions imposed on it. The BRICS members only account for 8-9% of North American grain exports because most of it goes through the Americas or to Asia. Though some experts believe this grain trade will never become reality, others see this as another example of China and Russia 'flexing their muscles' on the international stage.