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A National Agricultural Biosecurity Center Newsletter

NABC
National Agricultural Biosecurity Center

IN THIS ISSUE:

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.

SHIFTS IN THE AMERICAN BEEF INDUSTRY

Why This Matters: Kansas, particularly a powerhouse in feedlot placements, saw one of the largest year-over-year declines in cattle placements, reflecting broader structural tightening in the national herd. In March alone, Kansas feedlot placements dropped by 100,000 head compared to last year, reflecting one of the most significant declines nationwide. As national cattle herd numbers continue to remain low and feedyards are keeping cattle longer to maintain output, Kansas producers are being forced to adapt to higher input costs, tighter feeder cattle availability, and a growing mismatch between cattle supply and the capacity in feedlots and processing facilities. These pressures demand new procurement strategies, timing adjustments, and operational flexibility to help Kansas maintain its leadership role in the American beef industry.

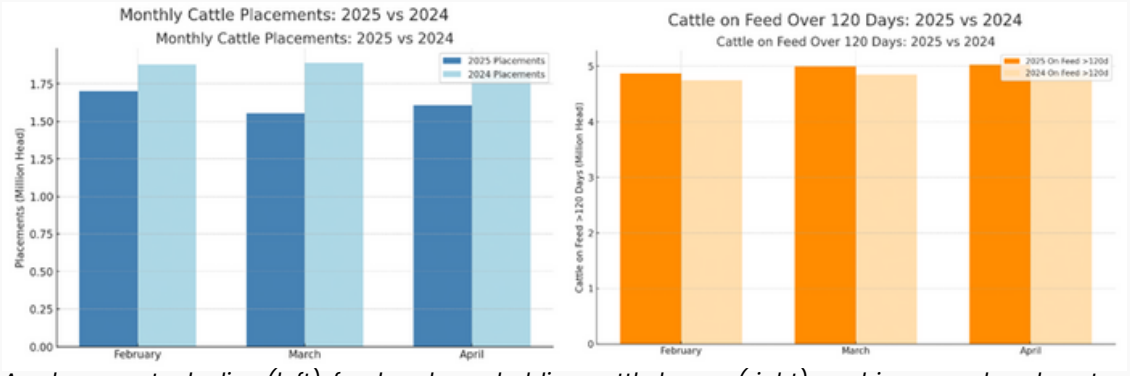
The United States Beef Industry is undergoing a period of structural realignment, marked by tighter cattle supplies, shifting regional feedlot activity, and mounting biosecurity threats at the southern border. From February – April, USDA's cattle on feed reports have confirmed a steady year-over-year decline in placements, displaying anticipated repercussions from a smaller national cattle herd. At the same time, the traditional dominance of the Southern Plains in cattle feeding is giving way to slow but steady migration northward, with Nebraska and the Upper Midwest gaining ground. Adding to the complexity, the re-

SHIFTS IN THE AMERICAN BEEF INDUSTRY ... CONTINUED

emergence of New World Screw Worm near the Mexican border has disrupted the flow of imported feeder cattle, especially into Texas and Kansas feedlots.

In March, placements totaled just 1.554 million head—down 18% from last year. Kansas and Texas, the nation's traditional feedlot powerhouses, placed 100,000 and 95,000 fewer head, respectively. These declines, according to Kansas State University's Dr. Glynn Tonsor, reflect a long-anticipated tightening of the cattle supply pipeline. "The reduction in the breeding herd and subsequent calf crop has led to long-expected reductions in feedlot placements," he explains.

While marketings remain steady, feedyards are holding cattle longer. Cattle on feed over 120 days reached nearly 5 million head in March, up 3% from 2024. This growing backlog signals an effort to maintain fed cattle supply despite smaller feeder runs—a strategy that could continue through summer.



As placements decline (left), feedyards are holding cattle longer (right), pushing more head past the 120-day mark to maintain supply.

At the same time, the center of U.S. feedlot activity is slowly shifting north. Nebraska and the Upper Midwest are gaining ground as placement volumes shrink in the Southern Plains. Tonsor sees this as part of a long-term trend. "Shifts in where processing facilities are, where water availability is a concern, and access to evolving feedstuffs all have a role here," he says. "I would suggest the geographic center of the feedlot industry has moved north and east—think from Garden City, Kansas, toward Omaha, Nebraska."

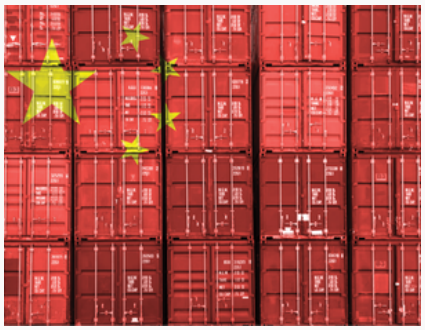
Complicating the picture further is the screwworm outbreak near the U.S.–Mexico border, which temporarily halted feeder cattle imports from Mexico earlier this year. The USDA suspended trade in November 2024 after detecting New World screwworm, a pest that poses a significant threat to U.S. livestock. Imports resumed in February 2025 under stricter pre-clearance and treatment protocols. In April, Agriculture Secretary Brooke Rollins warned that future access would depend on Mexico's cooperation. Following U.S. pressure, Mexico agreed to allow eradication aircraft and equipment, helping maintain the revised import flow.

Despite strong fed cattle prices, the industry faces a challenging supply environment likely to persist well into 2026. Tonsor cautions that the imbalance between cattle supplies and feedlot or processing capacity isn't going away. "The overall North American calf crop being smaller than corresponding feedlot operating capacity—as well as packing and processing capacity—is a supply chain reality expected to continue for years," he notes.

In short, the beef industry is adjusting to long-term structural pressures, not short-term market swings. Regional feedlot dynamics are shifting, the cattle supply chain continues to tighten, and biosecurity threats are adding new layers of complexity. While fed cattle prices remain strong, underlying supply constraints and capacity mismatches point to continued volatility. Those who recognize and adjust to these long-term shifts will be best positioned to thrive in the years ahead.

U.S. ADJUSTS PORT FEES ON CHINA-BUILT SHIPS FOLLOWING INDUSTRY FEEDBACK

Why This Matters: The revised maritime levies are impactful to Midwestern agriculture because they help preserve affordable export access for U.S. farmers. By exempting domestic exporters and ships servicing the Great Lakes, a critical export route for Midwest grain and agricultural goods, the policy avoids increased shipping costs that could have made American products less competitive globally. This ensures Midwestern producers can continue to efficiently reach international markets while supporting efforts to strengthen U.S. supply chain security and domestic shipbuilding.



Last year the US Trade Representative (USTR) investigated China's maritime practices, which found that China uses unfair policies to dominate global shipping. In an effort to reduce Chinese domination of the maritime industries, the United States government released an initial proposal of charging port calls for China-built ships. This initial proposal included fees of almost $1.5 million per port call and was not favored by the majority of the global shipping industry. Economists were very concerned about the potential impact on United State's export prices and a large increase in annual import costs on American consumers.

The USTR has released a revised proposal with key changes included in it. The fees on Chinese-built ships will not apply to domestic exporters and vessel owner servicing the Great Lakes, the Caribbean, and the U.S. territories. Empty ships arriving at U.S. ports to load exports are also exempt.

The revised levies are now set to be phased in overtime starting October 14. Chinese-built and owned ships will be charged $50 a net ton and that will increase by $30 a year over the next three years. Chinese-built ships owned by non-Chinese firms will be charged $18 a net ton with annual fee increases of $5 over the next three years. The fees will be applied once per voyage on affected ships, up to six times a year.

These revisions acknowledge the reality that the United States requires time to bridge the gap with China in shipbuilding capabilities. Currently, the U.S. produces approximately five vessels annually, whereas China produces over 1,700 vessels annually. Maritime shipping is crucial to ensuring the free flow of global commerce and to protecting economic security in the United States. These levies are an attempt at reversing Chinese dominance in the maritime industries, addressing the threats to the U.S. supply chain, and creating a demand for U.S. built ships.

NATIONAL CHICKEN COUNCIL PROPOSES REGULATION CHANGES TO MITIGATE THE IMPACT OF HPAI

Why This Matters: Midwestern poultry producers, who contribute a large portion of the nation's broiler hatchery supply, are disproportionately affected by the FDA's outdated Shell Egg Rule. Each year, over 54 million excess hatching eggs—many from Midwestern farms—are discarded, costing the industry nearly $27 million. If the rule were amended to allow these eggs to be sold to processors, Midwestern producers could recoup an estimated $10–12 million annually. This revision would ease economic strain, reduce waste, and support the region's agricultural stability, especially critical as producers face ongoing disruptions from Highly Pathogenic Avian Influenza (HPAI) and record-high egg prices.

NATIONAL CHICKEN COUNCIL PROPOSES REGULATION CHANGES TO MITIGATE THE IMPACT OF HPAI ... CONTINUED

The National Chicken Council (NCC) is once again petitioning the FDA to amend the "Shell Egg Rule" to allow excess broiler hatching eggs to be sold to processors (breakers) to be pasteurized and used in food products. This petition comes from the NCC as a possible solution to help relieve pressure on the egg supply and lower costs for consumers.

"When eggs are delivered from a breeding farm to a broiler hatchery, they are stored in a room kept at 65°F before they are placed in incubators to be hatched. Research has shown this is the ideal temperature to store these eggs prior to incubation – warmer temperatures would induce the incubation process too soon, and colder temperatures comprise the viability of an eventual hatch. But the 2009 FDA rule, which was focused on the safety of "table eggs," or the eggs you buy in your grocery store, stated that all eggs sent anywhere in the U.S. food supply must be kept at 45°F within 36 hours after being laid." (NCC, 2025) Because of this, the "Shell Egg Rule" effectively prohibits excess broiler hatching eggs to be sold to breakers, which has been costing the broiler industry almost $27 million annually due to over 54 million eggs having to be thrown away.

Excess broiler hatching eggs sent to breakers undergo pasteurization and are subject to the same standards as table eggs. Consequently, the refrigeration requirements are redundant, despite significantly impacting a major segment of the broiler industry.

This is not the first time that the NCC has petitioned the FDA to revise the "Shell Egg Ruling". In 2010, a petition was submitted to revise the ruling; however, the FDA declined to grant it. In 2015, following the initial HPAI outbreak, another petition was submitted to the FDA, which went unanswered. Most recently, in 2023, the FDA refused yet another petition. The NCC is hoping that the Trump administration and the FDA will allow this revision now, when egg prices are at an all-time high and the HPAI situation does not seem to be slowing down soon.

INCREASING AFRICAN ETHANOL MANDATES

Why This Matters: This topic matters to Midwestern producers because it directly affects demand for two of the region's most important crops: corn and sorghum. As African nations adopt ethanol blending mandates and look for reliable ethanol sources, U.S. farmers (particularly in the Midwest) are well-positioned to help fill that gap. Increased international demand can support stronger grain prices and open new, long-term export markets, which is especially valuable during periods of domestic oversupply or market uncertainty. However, producers should also keep a close eye on how these policies evolve, as rising self-sufficiency in ethanol production abroad could eventually reduce U.S. export potential.

Africa is participating in the global shift toward cleaner, more reliable energy sources, including ethanol blending in place of fossil fuels. Though the continent contributes less than 4% of global emissions, this transition aims to reduce greenhouse gases and address climate change. Beyond environmental goals, the push for ethanol is also driven by a desire to stimulate Africa's ethanol market and reduce dependence on imported oil. However, this shift could mean farmers pivoting away from food crops to grow energy crops—impacting local food production. Agriculture across the continent is increasingly shaped not just by food demand but also by energy policy and climate goals. While these mandates create potential for growth, they also raise concerns about food security, trade tensions, and ethical implications.

INCREASING AFRICAN ETHANOL MANDATES ... CONTINUED

Ethanol blending mandates require a certain percentage of ethanol to be mixed with gasoline for transportation. Countries including Uganda, Nigeria, Ghana, and Malawi have adopted such policies. Uganda began its program in July 2024 with a 1% blend, aiming to grow to 20%. Malawi has used a 10% ethanol blend since 2006 as part of its Ethanol Vehicle Project. Ghana plans to hit 20% biofuel use in transport by 2030, while Nigeria permits up to 20% blends, though it produces only 6% of its ethanol needs and imports 300 million liters annually.

Common feedstocks include sugarcane, maize, and cassava—crops also central to local food systems. That overlap has raised concerns over land use competition. For example, South Africa, one of the continent's top ethanol markets, has already restricted grain use for ethanol to safeguard food supply. The Africa Centre for Energy Policy (ACEP) is warning against the tradeoffs of expanding ethanol production too quickly. ACEP emphasizes the need for balanced land use, pointing to risks such as higher food prices, lower food availability, and growing social tensions, especially in rural areas where land holds both economic and cultural value.

As African countries move toward ethanol mandates, the U.S. Grains Council (USGC) sees an opportunity—not just to support development abroad but also to open new markets for U.S. corn, sorghum, and ethanol. Many African nations lack the production capacity to meet their blending goals, putting the U.S. in a strong position to help fill the gap. The USGC is working in countries like Nigeria and Mozambique, hosting delegations of African leaders in the U.S. to tour ethanol plants and helping them craft policy frameworks modeled after our own. As Alicia Koch, Director of Global Ethanol Export Development, put it, "Building new demand is a pillar of the Council's commitment to U.S. producers because of the financial benefits derived from diversified markets for U.S. ethanol, and we certainly see the potential for further breakthroughs in countries like Brazil, Nigeria, the Philippines and others."

If African ethanol programs continue to grow, so does the demand for U.S. grain, which could mean more stable prices and a stronger global outlook for American agriculture.

But this expansion isn't without risk—even for U.S. producers. If African nations eventually produce enough ethanol themselves, they could become competitors in the global market. And if biofuel expansion leads to food instability, it could trigger international pushback on U.S. ag involvement. Rising food prices and grain scarcity could also drive up input costs at home. As Dr. John Akinjeji, a Nigerian economist, noted at a 2024 energy forum, "Biofuel investment must not come at the cost of food sovereignty. If we get the balance wrong, farmers and consumers alike—both in Africa and abroad—will feel the consequences."

As Africa advances its ethanol blending goals, the implications extend well beyond the energy sector. This shift represents a broader global challenge: how to meet climate and energy needs without compromising food security, land access, or rural livelihoods. The continent's efforts highlight the delicate balance between producing fuel and feeding people, especially when the same land and crops are involved. Ethanol blending may bring economic growth and environmental benefits, but it also raises critical questions about equity, sustainability, and who bears the costs of transition. As countries around the world, including the U.S., watch these developments, Africa's experience offers a valuable lens into the complexities of aligning agricultural policy, energy strategy, and social well-being in an increasingly interconnected world.