

LEAD IN

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It wasn't difficult to get excited about the beef cattle business at this year's convention of the National Cattlemen's Assn. And the optimistic attitude that seemed to permeate the atmosphere around Reno wasn't based upon anyone's expectations at the gaming tables. Rather it was the result of conditions that appear to pave the way for a very modest boom (some call it a boomlet) in the cattle business.

The continued decline in beef cattle numbers should bring slightly higher fed cattle prices this year, said the people at Cattle-Fax, the market information service associated with NCA. The staff predicts strong competition for the declining supplies of feeder cattle. This combined with lower grain costs means that feeder calf producers should receive a premium over fed cattle prices. And, of course, these conditions spell better times for registered cattle breeders—something that many registered Angus cattle producers are already experiencing.

The diet-health controversy has not gone away. But it has at least cooled some, thanks to solid work on the part of a lot of organizations, particularly NCA and the Beef Industry Council. There is good evidence to show that for most people the amount of cholesterol in the food we eat is of little significance. Still the facts are that beef contains no more cholesterol than chicken—even chicken with the skin removed. Cattle producers still need to pound this fact home to health-conscious consumers, even though more and more of them are beginning to realize it.

Excitement was high about the National Beef Checkoff and the work that is being done with the money.

Collections are running \$3.5 million a month, and some 80 percent of the money goes into beef advertising and promotional efforts.

The part that Cybill Shepherd and James Garner play in the advertising and promotion program also seems to enjoy broad industry approval. Both contend, and very publicly, that they eat and enjoy beef. About beef, Garner, who was brought up on an Oklahoma farm says, "You eat chicken when you don't have any beef."

The crisis that threatened to split NCA members about cattle futures trading on the Chicago Mercantile Exchange was averted. Not everyone was convinced of the importance of futures trading to the beef cattle industry, despite some persuasive arguments from cattle feeders and lenders. But in the end, the group voted to continue to study the issue and make no further recommendations pending an investigation into futures trading by the Government Accounting Office (GAO).

There was good news for Angus breeders from Lanny L. Binger, senior vice president of Excel Corporation. He said that Excel's specifications for its house grade branded beef product will be a minimum of modest marbling. Modest is the middle of the USDA Choice grade, similar to the specifications for Certified Angus Beef. To meet this specification in the 625- to 725-pound carcasses, Yield Grade 3 or better that Excel is looking for, will mean that many more commercial cattle producers will need Angus bulls.

And speaking of Certified Angus Beef, the Association again featured CAB in the trade show booth. In fact, we used the attractive, lighted CAB display that Mick Colvin and his staff

set up at food industry trade shows. It attracted much attention and prompted a lot of questions and comment about the program. A group of Montana ranchers stopped by to tell us that some Kansas feedlot operators have told them that they can get a premium for their Angus finished cattle in western Kansas.

A Colorado man said he is making plans to set up an all-Angus feedlot to turn out CAB for packers like Litvak Meat Company in Denver. He will custom feed as well as handle some of his own cattle. Leonard Litvak was at the convention and a more enthusiastic supporter of Angus cattle you will never find. And from all over the country, cattle producers ask about the location of CAB packing plants and how they could benefit from the program.

Combine all this with the fact that we have a better than 10 percent increase in Angus registrations for the first four months of the 1987 fiscal year, along with a more than six percent increase in transfers, an eight percent increase in A.I. service certificates, and it appears that we in the Angus business have every reason to be cautiously optimistic for the year ahead.

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