



Issues, Ideas and Inspiration

More than 4,000 cattlemen and cattlemwomen gathered in San Diego for the 1992 National Cattlemen's Association (NCA) Convention. They confronted current issues, gathered innovative ideas and were inspired by speakers such as former hostage Thomas Sutherland and President George Bush.

Cattlemen have long held the reputation of being rugged individuals with courage. In today's environment of tough economics and even tougher issues, we brag about their never-give-up, positive attitudes.

Thomas Sutherland is an individual who did more than talk about courage and the will to survive, he proved it.

Until last November, this animal scientist/educator was one of six U.S. hostages held by terrorists in Beirut, Lebanon. For 2,354 days, bound with leg iron chains, he was a prisoner. For six and a half years his life was put on hold.

Sutherland celebrated the concluding chapter of his homecoming at the NCA Convention in San Diego. In December a hearty homecoming celebration took place at Colorado State University in Fort Collins, where Sutherland taught for several years before taking a position as dean of the agricultural school at American University in Beirut.

"It's great to be reunited with fellow animal scientists and friends in the beef industry," Sutherland said.

Sutherland's spirit wasn't chained by his captors and came shining through in his speech to the NCA audience. "Not everything was negative in my hostage experience. I read more books than I ever had in my life and listened to radio programs," he said.

What was disheartening was not hearing any reports on the radio about his capture or about his wife and family back in the United States. "I thought I was a completely forgotten man," Sutherland said.

Sutherland gives credit to fellow hostage Terry Anderson, a journalist who was the last to be released, for his survival.

"Spending 70 of my 78 months in captivity with Terry is the reason I and the other hostages survived," Sutherland explained. "He forced us to keep our minds active."



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— *Thomas Sutherland*

Sutherland also credits his survival to his strong family and agricultural roots, which gave him a great deal of comfort during those lonely, frustrating days.

To the delight of the beef-lover audience, Sutherland shared the story of his first meal after being released.

When asked what he'd like for his first meal, Sutherland replied, "A nice, rare steak!"

"It wasn't the best steak I've ever had, after all, it was cooked by the U.S. Air Force on the plane to Germany, but it sure tasted good!" he told the NCA audience.

Starting over as an American has sparked a drive and ambition in Sutherland to speak up for his country. "The world has changed since I was captured. There is a new world order," he said. "The United States has evolved as the only super power and the world is looking to us as an example of freedom, democracy, objectivity and thinking.

"Now is not the time for retrenching into isolationism. Now is the time to continue thinking internationalism."

Sutherland suggested that the people who criticize George Bush for spending his time on international policy rather than domestic issues don't understand that the two are not separate entities. "We are in an age of a globalized world," he said. "Thank God we have a president who's committed to leading the world."

President Bush saluted NCA members in a videotaped presentation at the convention, reminding cattlemen of their upstanding image and competitive spirit.

"Cattlemen hold an enduring place in the American imagination and in the whole world's image of America," Bush said.

"I remember when I moved to West Texas in the 1940s. The whole place had been shaped by the cattlemen's rugged spirit of enterprise.

"You've been a powerhouse in building this nation. Thank God, you're still a vital force for the present time — and for the future. The cattle business is responsible for much of our success in international markets. American cattlemen are tough competitors. Recent years have seen a continuing increase in cattle and beef product exports, including beef for Japan. I wish every business in America were as competitive and responsive to consumers' needs as yours."

— *Jerilyn Johnson*



Jimme Wilson — The Environmental President

Jimme Wilson, newly elected president of the National Cattlemen's Association, is calling on association members to demonstrate that they are responsible stewards of the environment and shouldn't be subjected to unreasonable laws and regulations.

The Montana rancher delivered this message and more at the NCA convention in San Diego. "As individual producers and as an industry, we must be more pro-active," he said. "We must not let radical environmentalists control the agenda. We must take steps to assure that we protect and enhance the environment. We must prevent imposition of laws and regulations which can price beef out of the market."

Following up on the "quality and excellence" theme of retiring president Don Smith, Wilson said he would put particular emphasis on quality in relation to the environment. "The environment may be the most challenging public issue facing our industry in the decade of the '90s," he said. "It's an issue that won't go away.

"Concern about the environment can lead to very restrictive laws and regulations — regulations which take away our property rights, increase our costs and make our individual operations and our industry less competitive... Also, criticisms of our industry threatens to reduce consumer demand for beef. It's important that we work on environmental issues, just as we have waged a war on fat and have taken steps to deal with the safety issue.

"A basic challenge is to prove to the public and to lawmakers and regulators that cattle production can enhance the quality of our environment, including rangeland, wildlife habitat and water quality. We must demonstrate that we are good stewards of the resources for which we are responsible. We must demonstrate that — as shown in environmental damage in Communist Eastern Europe — private sector initiatives are more effective than government command and control in maintaining and improving the environment. We all want a healthy environment, but we have to achieve that while also producing food in an efficient manner. Environmental quality cannot be divorced from economics."

The NCA leader asked members to be environmental spokespersons in their own communities and states. NCA and affiliated associations are now training

cattlemen and cattlemen to be industry spokespersons.

Members' help is also needed in increasing NCA's clout in Washington, D.C. The best way to do that is to expand membership. NCA is launching a new membership campaign and theme — "Earn one, reach one" — which encourages each member to sign up another new member. NCA currently represents 250,000 professional cattlemen, as well as 79 affiliated state cattle and national breed organizations.

To be an effective president Wilson needs beef producers' interest and support. "I challenge each of you to join in strengthening our association and our industry," he said.

Wilson, along with his wife, Eileen, and four children, operates the Bonnie J Ranch at Trout Creek, Mont. The business includes registered and commercial cow-calf operations and backgrounding of feeder calves. Farming on the ranch includes hay and small grains for silage. Wilson has been in the ranching business since 1958. He is a graduate of the University of Montana and served in the U.S. Army as an infantry officer and pilot.

In addition, Wilson has been active in the Montana Stockgrowers Association, serving as president in 1984-86. NCA roles include serving on the tax, resolutions, membership, planning and ag policy committees. He recently chaired an environmental planning group.



NCA leaders are (l to r) president-elect Roger Stuber, Bowman, N.D.; president Jimme Wilson, Trout Creek, Mont.; and first vice president Dan Koons, Shirley, Ill.

Smith – Make Good Things Happen

Don Smith, NCA past president from Tribune, Kan., reaffirmed the need for an industry-wide commitment to the concepts of quality and excellence.

When Smith assumed the presidency in January 1991 he asked members to focus on quality and excellence — “quality in our product and excellence in the way we run our business.” If individual producers and the industry collectively are to be competitive and succeed, the concept of total quality management must become part of the vocabulary of even more cattlemen, he said.

“As the quality and image of our product improve, as the image of our industry improves, we will be able to compete more effectively,” Smith said. “We will be more effective in Washington. We will win public support of our industry. We will not just be on the defensive all the time; we’ll

be on the offense. We’ll improve our profit opportunities. NCA can’t do all this for us. Each of us must do the basic things. We ask that NCA be a catalyst to make good things happen.”

Smith noted that cattle producers basically are wholesale producers or manufacturers, not producers and marketers of consumer products. “We’ll know we’re successful in our quality management when beef marketers — the meat processors, retailers and restaurateurs — really want to market our product to consumers, when they really promote beef.

“We can’t expect them to market beef the way they market competing foods unless we supply them with high quality, uniform, consistent products.”

Smith cautioned against resisting change and not improving. He cited the example of the U.S. automobile compa-

nies, which failed to keep up with competition and now are playing catch-up after losing billions of dollars.

Challenges in the coming year will include record large meat supplies and pressure on beef markets; environmental activism and other activities that threaten to bring more costly laws and regulations; and conduct of programs that will improve the industry’s image in consumer circles.

“By far our greatest challenge,” Smith said, “is within our industry. It’s getting cattlemen at the fork of every creek to commit to a prosperous industry, in spite of threats against us. We are not the first business people, not the first industry, to face adversity. And we won’t be the last. Let’s learn from those who have faced adversity and won.”

NCA President Names '92 Committee Leaders

NCA president Jimme Wilson has announced selections of chairmen and vice chairmen of NCA's 11 standing committees for 1992. The chairmen head committees which have primary responsibility for development of NCA policy on public issues.

Agriculture Policy — Bob Drake, Davis, Okla., chairman; Dana Hauk, Delphos, Kan., vice chairman.

Animal Health & Inspection — Wes Bonner, Veribest, Texas, chairman; Connie Greig, Estherville, Iowa, vice chairman.

Food Policy & Labeling — Mark Armentrout, Roswell, Ga., chairman; Sheri Spader, Bosendale, Mb., vice chairman.

Foreign Trade — Jim Mullins, Corwith, Iowa, chairman; Clay Daulton, Madera, Calif., vice chairman.

Grading — Marshall King, Boone, Iowa; Earl Lindgren, Joliet, Mont., vice chairman.

Marketing — Jack Frick, Scott City, Kan., chairman; Eddie Nichols, Max, Neb., vice chairman.

Private Lands & Environmental Management — Jim Timmons, Arcata, Calif., chairman; Ben Love, Marathon, Texas, vice chairman.

Public Affairs — Pat Adrian, White River, S.D., chairman; Gene Wiese, Manning, Iowa, vice chairman.

Public Lands — Jack Metzger, Flagstaff, Ariz., chairman; Keith Bales, Otter, Mont., vice chairman.

Research & Education — Burke Healey, Davis, Okla., chairman; Lee Leachman, Billings, Mont., vice chairman.

Tax & Credit — Jim Almond, Billings, Mont., chairman; Phyllis Gardner, Max, Neb., vice chairman.

In addition to the standing committees, the following committee chairmen were also named:

Resolutions — Dave True, Casper, Wyo., chairman.

Membership — George Swan, Rogerson, Idaho, chairman.

NCA Political Action Committee (PAC) — Gary Shortm Archbold, Ohio, chairman.



NCA Honors Environmental Stewards

In an effort to recognize and reward the long-standing good stewardship practices of cattlemen across the country who care for their animals and the land, NCA has launched an Environmental Stewardship Awards program.

The award identifies and honors those cattle producers who are doing an exemplary job of protecting the environment.

Beef producers are the original environmentalists. Due to their love for the land and their practical business decisions to properly maintain the source of their income, cattlemen were caring for the land, the water and the wildlife long before such things became fashionable. Recognizing these individuals helps the public understand that cattlemen work to improve the environment. The awards also serve to reinforce to the industry the fact that sound environmental practices make good business sense.

Jack Turnell, a 45-year-old rancher from Meeteetse, Wyo., is the national winner of NCA's Environmental Stewardship Award. Turnell's holistic management system for his historic Pitchfork Ranch has created so many dramatic improvements that the U.S. Forest Service and others use the ranch for tours and workshops to show the compatibility of productive ranching and environmental stewardship. The Forest Service considers Turnell's work on his own operation a prime example of how to improve range resources and wildlife habitat.

An on-going water development program is an integral part of Turnell's approach. By making water available at higher elevations on the ranch, he keeps cattle, elk, antelope and deer from bunching up in creek bottoms and other riparian areas. This fosters the development of trees and grass in those areas, providing cover and food for wildlife and reducing soil erosion.

Turnell has been an active member on a Wyoming Game and Fish Department advisory team, helping to develop a program that will help ensure the successful coexistence of endangered species and cattle operations. He also led the formation of the Wyoming Riparian Association, which brings together livestock producers, industry, environmental groups, and land and water management agencies to solve stream and riverbank problems.

Turnell was chosen from seven regional winners who employ successful, innovative environmental management practices in efficient cattle operations. The regional winners are:

Region I — Don Duff's D&R Cattle Co., Chavies, Ky.,

nominated by the Kentucky Beef Cattle Association;

Region II — Alto "Bud" Adams, Fort Pierce, Fla., nominated by the Florida Cattlemen's Association and the International Braford Association;

Region III — Terry Littrell, Thompson, Mo., nominated by the Missouri Cattlemen's Association;

Region IV — O.J. "Jim" Barron III, Spur, Texas, nominated by the Texas Cattle Feeders Association;

Region V — Jack Turnell, Meeteetse, Wyo., nominated by the American Salers Association;

Region VI — Robert & Richard Mackey, Alturas, Calif., nominated by the California Cattlemen's Association;

Region VII — Marc Roth, Ulysses, Kan., nominated by the Kansas Livestock Association.

The stewardship award winners were named by a national selection committee made up of representatives of the cattle industry, government agencies, environmental organizations and universities. Turnell was nominated by the American Salers Association, Denver.

"The environment may be the most challenging public issue facing the cattle industry in the decade of the '90s," NCA president Jimmie Wilson told the 5,000 cattle producers attending the annual convention in San Diego. "Winners are a few of the thousands of cattlemen out there everyday, all day, actively caring for natural resources."

Wilson said a basic challenge for the cattle industry is to show the public that cattle production can enhance the quality of our environment, including rangeland, wildlife habitat and water quality.

"I congratulate Jack Turnell for being selected and for stepping out to help demonstrate to the public that we are good stewards of the resources for which we are responsible," Wilson said.

Those interested in nominations for next year's Environmental Stewardship Award, or requiring additional information, should contact Greg Ruehle, National Cattlemen's Association, (202) 347-0228.

Editor's Note: The American Angus Association will select one of the *Angus Journal's* Land Stewardship Award winners for nomination to NCA's Environmental Stewardship Award in 1993.

"All the applicants took the land and made it better. Each winner demonstrated real improvements in the land, wildlife and the ecosystem on which future generations depend. We all can learn a great deal from these people and these efforts."

— Will Murray, *The Nature Conservancy*

Cattle industry Profits Down From Recent Years' Levels

The cattle industry is moving into a period which is expected to be less profitable than the last several years have been.

Analysts with Cattle-Fax, a market information service, noted that for more than four years, the industry experienced declining per capita beef supplies, improving beef demand (increasing domestic expenditures and beef exports), higher average cattle prices, and relatively low and stable production costs — with the result that most operations in all segments of the business were profitable.

In 1992 and perhaps in subsequent years, the analysts said, the industry will see increased beef and total meat supplies, flatter demand, lower average cattle prices and marginally higher beef and other costs.

"We are shifting from a time when most producers in all segments of the cattle business made pretty good profits," said Topper Thorpe, executive vice president of Cattle-Fax. "We are moving into what is actually a more normal time in a commodity business like cattle — when operators in some segments do not make or lose money at least some of the time.

"However, we should emphasize that there still are opportunities in a transi-

tion period like the current one. If an operator knows where he is and where he is going, if he knows his costs and other aspects of his business, he will have opportunities for growth and profit during the next few years."

"Current indications are that herd growth, in response to cow-calf profits for several years, will continue at a slow rate for the next few years. "

Cattle-Fax expects fed cattle prices in 1992 to average about the same as the 1991 average of \$74 per hundredweight (cwt) for Choice steers. Feeder cattle and

calf price averages will decline. Prices will be less volatile, with less range between highs and lows for the year.

Presenting situation and outlook information at the NCA Convention were Thorpe; Randy Blach, director of market analysis; Tommy Beall, director of market research, and Tom Brink, research analyst. Their presentations covered basic supply, demand and other factors. They emphasized that the 1992 situation is by no means certain. Because of the international situation and possible weather developments, there is, as always, uncertainty in the market.

Looking at the overall structure of the business, Cattle-Fax sees a continuation of recent trends. These trends include a gradual decline in numbers of cow-calf operations — part of the trend to larger and fewer; further consolidations in the feeding business, including numbers of commercial feeding companies; additional concentration in packing because of attrition among smaller, less efficient plants; and additional contractual integration and coordination among the different segments, such as more contracting for cattle supplies and more retained ownership by cow-calf operators.

Here are highlights of Cattle-Fax' information and comments on the situation and outlook for 1992:

Cattle Numbers and Beef Supplies

— After expanding about 2 percent in 1991, the total cattle herd, now at an estimated 101.9 million head, will expand again in 1992. The cow herd, after rising 3 percent in 1991, will expand again, but at a slower rate because of an increase in cow slaughter. Current indications are that herd growth, in response to cow-calf profits for several years, will continue at a slow rate for the next few years.

Beef production in 1992 will be up an estimated 1-2 percent, with a non-fed slaughter increase being more of a factor than a possible slight increase in fed slaughter. Cattle-on-feed numbers currently are down substantially from a year earlier and numbers of feeder cattle outside feedlots are up for the first time since 1982.

However, heavier feeder cattle and faster turnover on feedlots will increase beef output somewhat. As previously indicated, data show clearly that on-feed numbers were overstated by USDA in 1990 and 1991, but "currentness" in marketing slipped, contributing to a substantial decline in fed cattle prices during the second half of 1991.

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One of the most significant industry developments has been continuing growth in

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productivity, with more beef produced per cow in the breeding herd. This growth, resulting mostly from increases in carcass size and faster turnover in feedlots, has offset decreases in cattle numbers. If the cow herd continues to expand by 1-2 percent a year for the next few years, the herd, al-

though much smaller, will be equivalent in terms of output to the record large herd of 132 million head in the mid 1970s. Because of population growth and increases in exports, average per capita supplies will remain smaller, however.

Competing Meats — Changes in competing meat supplies may have more effect on average cattle and beef prices in 1992 than changes in beef supplies. Pork, whose supplies will jump about 6 percent in 1992, will be a big competitor. Hog prices will be at the lowest level since 1980. Poultry production growth is now moderating because of a shrink in profits, but poultry productivity has continued to gain, and total output may rise by 3 percent in 1992. For the first time in several years, production of all types of meat is increasing this year. Average per capita red meat and poultry supplies will be at a record level of 220 pounds, up 5 pounds from 1991.

Economy and Demand — The economy may improve this year, but any growth will be sluggish. After increasing for the past few years, average per capita spending for beef, and retail prices, may show little or no change in 1992. Cattle-Fax is projecting spending at \$194 per person, the same as in 1991. Competition and a weak economy will limit any beef spend-

ing growth. The projected spending would permit an average of \$74/cwt for Choice fed steers, assuming normal farm-retail margins and steady hide and offal prices.

Grains — Stocks remain tight, and the total corn supply at the end of the 1991-92 crop year may be only a 50-day supply. If weather cooperates, corn prices may remain within a \$2.20-2.60/bushel range. A drought could present serious problems, hiking feeding costs and reducing feeder cattle prices. The biggest single risk for a sharp reduction in industry profitability this year is in feed costs.

Beef Exports — Exports in 1991 were somewhat disappointing, particularly in terms of timing and relationships to domestic markets, but they did grow, and further growth of 5-8 percent is foreseen for 1992.

Price Outlook — Choice fed steer prices averaged approximately \$74/cwt in 1991, down significantly from a year earlier. The price range, from \$64 to \$82, was much greater than normal. Prices

this year are expected to range from the high \$60's to the high \$70's averaging \$73-74 for the year.

Feeder cattle and calf prices in relation to fed cattle prices in 1991 were at the highest levels on record. Choice 750 pound feeder steers in 1992 are expected to vary from the mid \$70's to the low \$80's averaging around \$78. Calves weighing 450 pounds will average in the mid \$90's this year. Cattle prices this year generally will be down from 1991 levels, but most of the break has already occurred. Bigger supplies and loss of profits in the feeding industry are largely responsible for the feeder cattle price declines.

Profits — Total profit dollars available to the different industry segments in 1992 will be down from recent years because of lower fed cattle prices and higher costs. Cattle feeders are likely to sell at near breakeven prices or have slightly positive returns during most of the year. Cow-calf margins will be narrower but will remain positive for most producers. Stocker operators will have the greatest risk for non-profitability in 1992.

American National CattleWomen Names Officers for 1992

The American National CattleWomen Inc., (ANCW) moves into 1992 with new leadership elected at the ANCW Convention, Jan. 24-28, held in San Diego.

1992 ANCW president, Wilma Ackerman of Sabetha, Kan., will rally cattlemen to join her as "Partners With A Vision." Her opening remarks to the ANCW membership were strong words describing the importance of being dedicated partners with a mission to promote beef, and of commitment to a vision of success for the beef industry. Ackerman has long been a catalyst for ANCW; she was instrumental in a very successful 1985 National Beef Cook-Off® held in Kansas, and has chaired many of ANCW's committees.

ANCW president-elect, Becky Terry of Alpine, Texas, brings with her to ANCW tremendous experience and hands-on knowledge of the beef industry in general and ANCW projects specifically. Terry represents ANCW on the National Live Stock and Meat Board, was chairwoman of the 1982 National Beef Cook-Off® and the 1985 Texas Beef Cook-Off, and has chaired the ANCW Budget Committee. Terry was named Texas CattleWomen of the Year in 1985.

Eleanore Jones, Huntley, Wyo., is 1992 ANCW first vice president. Leadership comes naturally to Jones, as is evident by her commitment to her state and ANCW, she has held numerous state offices including president, and has chaired four ANCW committees: budget, consumer relations, education and nominating. She is also chairwoman of the 1993 National Beef Cook-Off® to be held in Cheyenne, Wyo.

The newly elected second vice president is Marilyn Weber of Wiley, Colo. Weber has been a key leader in the Southeast Colorado CattleWomen, Colorado CattleWomen and ANCW. She was Colorado CattleWomen president for two years and has served on many local, state, region and national committees. Weber has also chaired committees for the National Beef Cook-Off®

ANCW is the voice for women in the United States beef cattle industry. Its primary focus is promotion and education regarding beef and the beef cattle industry. For more information contact ANCW, PO. Box 3881, Englewood, CO 80155; (303) 694-0313.

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