



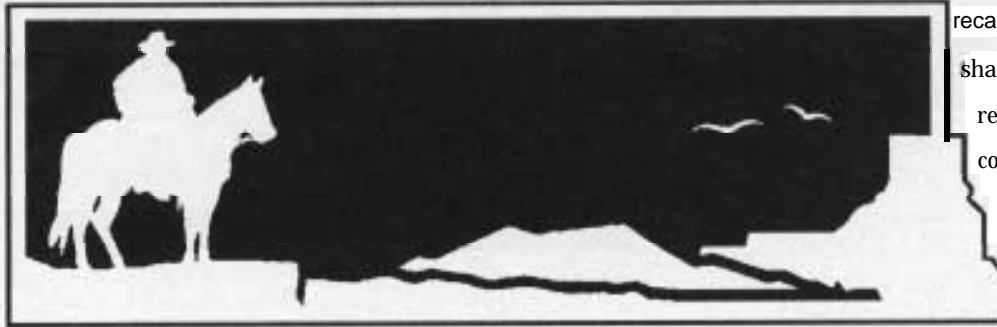
Consolidation Plan Approved at NCA Convention

After a year of growing anticipation, stirring controversy, gut-checking and deep discussion, members of the National Cattlemen's Association (NCA) approved the proposal to merge with the National Live Stock & Meat Board (NLSMB) to form the National Cattlemen's Beef Association (NCBA). The members approved the proposal by a vote of 770 (85%) to 133 (15%) during NCA's business meeting Jan. 30 in San Antonio, Texas. It needed a two-thirds majority vote to pass.

The members approved the consolidation agreement, bylaws and the articles of incorporation. NCBA will have a joint operating agreement with the Beef Board.

Cattle producers who are currently NCA members will automatically become charter members of NCBA. Any new members who join prior to April 30, 1996 will also become a charter member of the new beef organization.

Forging the Future



The merger came almost three years after a special task force

released a long-range plan for the beef industry. The plan is designed to

recapture beef's lost market

share. The plan included

recommendations to

consolidate the national beef industry organizations. The

NLSMB board of directors

approved the merger in

August 1995.

"The merger approval concludes a long process," said outgoing NCA president Bob Drake, Davis, Okla. "It also officially starts the beginning of the National Cattlemen's Beef Association. The new organization is a wonderful opportunity for producers to become involved. While not perfect today, NCBA can and should change to reflect an evolving industry."

At Drake's invitation, President Bill Clinton addressed the convention and beef industry concerns. Speaking on videotape, Clinton focused on important issues such as trade with Mexico and the European Union's ban against imports of meat produced with growthpromotants.

"The United States is very concerned in the action of the European Union erecting a non-tariff barrier," Clinton said.

One Plan, One Vision, One Industry

Opportunities in the beef industry will improve if producers work together to create for themselves their own brighter future, said Charles "Chuck" Schroeder, NCBA's new chief executive officer.

Speaking at NCBA's first Stakeholders' Congress Jan. 30 in San Antonio, Schroeder said the challenge to NCBA is to implement the beef industry long-range plan. "The vision is a dynamic and profitable beef industry, which concentrates resources around a unified plan, consistently meets consumer needs and increases market share," he said.

Schroeder believes the new beef organization is prepared with the tools and experience to successfully confront the challenges, but it still needs a strong commitment from its members. "I am asking you for the more critical element: your commitment to overcoming the challenges and creating a new and brighter future for the beef industry," he said.

The structure of NCBA, along with its programs, will change with the industry. "We will be constantly engaged in mending and sharpening those tools to help us to do our job better," Schroeder said. "But the tools won't determine our success. It will be our passion to achieve that defines the true height of our barriers, the speed of which we can travel and the magnitude of our victories."

A single, long-range plan and its vision were important for several reasons, including competition from poultry, pork and other meats; the unique difficulties of working in a commodity business; and threats from activists and critics. Respected men and women from across the beef industry recognize those challenges, Schroeder said, and developed the plan and constructed a new organization to address them in the most effective and efficient manner.

Noting that "if you want to predict the future, you must participate in its creation," Schroeder outlined changes needed by the NCBA and the industry to create better profit opportunities. He said beef producers must:

Increase the pace of adopting new technologies, in order to reduce production costs, and improve the quality and consistency of beef products

- **Improve communication** and collaboration among the various sectors of the beef business, in order to achieve, successfully and profitably, consumer orientation.
- **Sharpen domestic & international marketing** strategies and invest marketing dollars more effectively, with more accountability for results.
- **Improve the image** of our industry and our products, thereby enhancing the social and economic climate in which we operate.
- **Be more effective** in the public policy and government affairs arena, speaking with one strong voice in Washington and across the country.
- **Overcome our resistance to change**, instead grasping improvements that will lead to a better future.

Schroeder said the structure of the new organization, which officially began operation Feb. 1, 1996, will be characterized by a minimum of bureaucracy; a center orientation with star points that give authority, responsibility and accountability to the team within each center; a clarity of staff responsibilities; and a listen and respond orientation to all audiences.

The NCBA will be dynamic and responsive, Schroeder said. Staff team members will work with industry volunteers, committees, cattle associations, beef councils and other industry segments to "strengthen demand and improve the climate in which cattle and beef producers must produce and market beef. It will be 'administratively lean and accountability-driven.'"

NATIONAL CATTLEMEN'S BEEF ASSOCIATION





New President Drives Herd On Trail to Merger

John Lacey, first president of the newly formed National Cattlemen's Beef Association, has pledged his commitment to helping build a stronger, more unified beef industry, and asks beef producers to be part of the effort on the "trail to a successful merger."

"The vision of our new creation will allow accomplishments and let the beef industry realize enormous progress in the future," Lacey said. He cited industry leaders, staff and stakeholders in the progress — as well as critics and opponents along the way.

"All have brought forth ideas and suggestions that have now become the reality of a new structure to work from and guide us into the 21st century," Lacey said, "It's time to move ahead. We will need to mend broken fences and build some bridges. Certainly there is much work to be done to hone this organization to perfection and keep it on the cutting edge of performance."

Lacey said the people who built the new organization recognized the many challenges the industry now faces. At the same time, they wanted an organization that would take pride in its people and their heritage.

"It isn't where a man or woman stands in moments of comfort and convenience, but where they stand in times of challenge and controversy," he said. "Hence forward, the NCBA will build its reputation on cooperation, integrity and efficiency. Our handshake will be our bond, and we will honor that bond."

"We in the cattle business are more than a business system, more than a po-



New NCBA officers are (l to r): John Lacey, president; Max Deets, president-elect; and Clark Willingham, 1st vice president

litical force," Lacey added. "We are a social system that brings a code of ethics and a sense of history to this country."

Lacey owns and manages a cow-calf operation near Paso Robles, Calif. He has served in leadership roles with the California Cattlemen's Association and the California Beef Council, and is a past president of the NCA. He has also served as Meat Board director and as a representative of the Federation of State Beef Councils on the Beef Promotion Operating Committee.

President-elect of the NCBA is Max Deets, Beloit, Kan. Deets is manager of a commercial cattle feedlot and has served in leadership positions with the Kansas

Livestock Association, Meat Board/Beef Industry Council, NCA and the U.S. Meat Export Federation.

Betty Grum, Belmont, Ohio, was installed as the 45th president of the American National CattleWomen. ANCW serves as an education and promotion organization for the beef industry. Two important projects Grum and her fellow members will work with in 1996 include the National Beef Ambassador Program and Agriculture in the Classroom.

Betty resides with her husband, Dave, on a third-generation family farm in Belmont County, Ohio. They manage a 200-head commercial cow-calf operation.

1 9 9 6 N C B A L E A D E R S

President
John Lacey
Paso Robles, Calif.

President-elect
Max Deets
Beloit, Kan.

1st Vice President
Clark Willingham
Dallas, Texas

Executive Committee
Dues Division
George Swan, Idaho, chairman
Andy Tucker, Florida, vice chairman
Del King, Kentucky, **Region I**
Sam Payne, Georgia, **Region II**
Sheri Spader, Missouri, **Region III**
Mike Brooks, Oklahoma, **Region IV**
Dave True, Wyoming, **Region V**
Darrell Johnson, Utah, **Region VI**
Phyllis Gardner, Nebraska, **Region VII**
Jim Timmons, California, at-large

Checkoff Division
Ned Ellis, Alabama, chairman
George Halt, Oklahoma, vice chairman
Francis Gregerson, Colorado
George Hammond, Montana
Ray Larson, Illinois
Larry Oltjen, Kansas
Nancy Uellett, Iowa
George Spencer Florida
Palmer Steiner, Ohio
Marvin Walter, Iowa

Beef Board Holds Elections, Unveils Important Studies

Jan Lyons, an Angus breeder from Manhattan, Kan., was elected chairman of the Beef Promotion & Research Board during its winter meeting Jan. 27-30 in San Antonio. Lyons was the 1995 vice chairman of the Beef Board and is a former president of the Kansas Livestock Association.



Jan Lyons

Also elected as part of the Beef Board's 1996 officer team were vice chairman Bob Carter, Plainview, Texas, and treasurer Tom Beard, Alpine, Texas.

University of Florida economist Ron Ward unveiled the results of his latest study on the economic impact of the Beef Checkoff Program during the Beef Board Meeting. He reported the checkoff provides beef producers with a return of \$5.70 for every \$1 invested. Ward used factors such as price, competing meats and health issues to calculate the economic impact and reported the checkoff-funded advertising and information/public relations programs had a positive impact on number of beef servings consumed per household.

Final results of the 1995 Producer Attitude Survey, conducted by Colorado-based Quantum Research Services, were also unveiled at the Beef Board meeting.

This survey shows that 70 percent of beef and dairy producers approve of the Beef Checkoff Program.

This level of approval has held steady during the past year, however, 73 percent of producers believe the beef industry is headed in the wrong direction. This is the lowest level of optimism recorded since the industry began tracking producer attitudes in 1987 and can be attributed largely to the weak cattle market. The research was conducted in November and December of 1995.

In other action, the Beef Board approved a \$2.5 million fiscal year 1996 budget amendment which was based on priorities established by the Beef Board planning committee.

Beef Board FY-96 Amended Budget

Program	Amount
Promotion	\$26,845,446
Research	4,600,000
Consumer information	3,320,000
Industry information	4,200,000
Foreign marketing	5,275,000
Producer communications	850,000
Evaluation	100,000
Program development	300,000
USDA oversight	250,000
Administration	2,275,000
Total expenditures	\$48,015,446



CATTLEMEN'S BEEF PROMOTION & RESEARCH BOARD 1996 LEADERS

Chairman

Jan Lyons
Manhattan, Kan.

Vice chairman

Bob Carter
Plainview, Texas

Secretary-treasurer

Tom Beard
Alpine, Texas

Beef Board Executive Committee

J.D. Alexander, Nebraska
Steve Hailey, Washington
Matt Mariace, New Jersey
Julia Marietta, Texas
Jim Meetz, Kansas
Myron Openshaw, California
Elaine Swiler, New York
Gil Tucker, Kentucky
Dave Wood, California, ex-officio

Beef Promotion Operating Committee

Jan Lyons, Kansas, chairman
Tom Beard, Texas, treasurer
Bob Carter, Texas
Jim Courtney, Montana
Bill Ehrke, Wisconsin
L.D. Fitzpatrick, Alabama
Burke Healey, Oklahoma
Jim Webb, Arizona
Bob Wolf, North Carolina
Dave Wood, California

Federation of State Beef Council Representatives on Operating Committee

Ned Ellis, Alabama, vice chairman
Sallie Atkins, Nebraska
George Hall, Oklahoma
Joe Hampton, Illinois
Terry Handke, Kansas
Inez Jaca, Idaho
John Jensen, Iowa
Bert Johnson, California
Walter Taylor, Montana
Bobby Wilson, Texas



NCBA Adopts Policy for 1996

Dues-paying members of the National Cattlemen's Beef Association adopted legislative policy at the organization's first Stakeholders Congress in San Antonio, Texas. The policy was developed in the NCA committee structure, approved at the annual NCA business meeting, and ratified by NCBA members at the Stakeholders Congress.

Agricultural Policy — Oppose further mergers between the Farm Service Agency and Natural Resource Conservation Service.

Support better disaster insurance programs to replace existing disaster crop insurance programs and political disaster relief programs.

Animal Health & Inspection — Support studies in improved diagnostic techniques to control or eliminate Johne's disease from cattle herds. Commend companies that have actively progressed with the development of injectable animal health products which achieve the beef industry's total quality management. Encourage the industry to use only injectable animal health products that have been shown to not cause damage in edible tissue.

Support the eradication of brucellosis from the bison and elk populations in the greater Yellowstone area. Request that APHIS update NCBA annually on Vesicular Stomatitis, including research progress and vaccine status.

Support aggressive control and prosecution of suppliers and-or users of illegal products.

Support adequate funding of the Food Safety Inspection Service in its efforts to obtain adequate supplemental appropriations during the current fiscal year.

Federal Lands — Support pending passage of the Public Rangelands Management Act, the Public Rangeland Improvement Act's formula, including the \$1.23 base and indices.

Support that further withdrawals of federal lands from multiple use be subject to federal, social and economic analyses regarding losses to the public of natural resources and revoke those that are no longer justified.

Support only those efforts which qualified rangeland scientists have advocated as the proper means of assessing rangeland conditions and trends, including rangeland monitoring processes.

Food Policy — Ensure diet guidelines issued by the government are not interpreted out of context by health professionals, the media and consumers, and that recommendations include the role of beef in a balanced and healthful diet.

Foreign Trade — Support enforcement of NAFTA provisions relating to strong regulatory enforcement for animal health, environment and food safety standards.

Support government export credit programs that give emphasis to high value products which include beef and beef products.

Grading — Support working with other beef organizations to establish an award to be given to the entity that develops an instrument to measure yield and quality grades and tenderness.

Marketing — Request the Packers & Stockyards Administration continue to closely monitor price movements and sector margins in the packing and processing industry to assure that price changes are a result of market signals, not the exercise of market power. Support the involvement of USDA in a pre-merger evaluation of proposed packer mergers as conducted currently by the U.S. Department of Justice.

Obtain weekly reports on import and export market information for beef, pork and poultry from the appropriate government agencies.

Support petitioning USDA to define captive supply as cattle sold in any manner other than a negotiated sale, cattle with more than seven-day pick up, or packer financed/owned or controlled cattle.

Support as an alternative to current "formula" marketing agreements, further study of negotiated "grid" pricing with the base price and spreads determined by competitive bidding between buying interests no more than seven days prior to shipment.

Support that if any irregularities are found in the Packer & Stockyards study of livestock marketing, price discovery and packer concentration, an anti-trust investigation of the packing industry be conducted.

Support Justice Department and Packers & Stockyards monitoring of margins and acquisitions in the non-fed packing sector.

Private Lands & Environmental Management — Support principals in the Clean Water Act Reauthorization to assure no negative impact on the cattle industry.

Support legislation to protect landowners from invited and uninvited guests through "hold harmless" and trespass laws.

Oppose reintroduction efforts by the U.S. Fish & Wildlife Service of the grizzly bear in Idaho and Montana. Oppose further reintroduction of gray wolves in Yellowstone National Park and other areas. Support the management of wolves in Montana, Wyoming and Idaho and other states be turned over to the respective states.

Public Affairs — Support education programs for young people about beef and beef production.

Research & Education — Support government agencies developing a multi-disciplinary model that will assist producers in their management decision process.

Taxes — Oppose any proposal to repeal the stepped-up basis provision for estate taxes and oppose taxing capital gains at death. Support legislation to reduce or eliminate estate and gift taxes on farms, ranches and small businesses.

Support tax codes requiring that breeding livestock be held a minimum of 24 months to qualify for capital gains treatment.

Support the repeal of the current Internal Revenue Code and replace it with a new, simplified, single rate tax system.

leaving a legacy

Texas cattlemen Joe and Rod Weatherly win the NCA Stewardship Award for their outstanding environmental practices.

National environmental organizations, government agencies, universities and industry leaders selected Texas cattlemen Joe and son Rodney Weatherly, of Heritage Beef Cattle Co., as the fifth national Environmental Stewardship Award winners for their outstanding environmental practices.

Honored during the National Cattlemen's Association's (NCA) convention and trade show, the Wheeler, Texas, family was chosen for the environmental improvements it has achieved at its 30,000-head feedlot and surrounding pastureland. Some of the practices include conserving land and water and converting erodible soil into profitable pastures. They were selected from a field of seven regional winners.

"I can't explain how rewarding it is to be recognized for more than 30 years of work," says Joe. "At Heritage, we strive to leave a legacy for future generations. I will be happy knowing the future generations will be able to enjoy an environment rich in land, water and wildlife. This is the kind of inheritance I want to leave for my family"

The award, which is given by the NCA through a partnership with Pfizer Animal Health, honors cattle farmers and ranchers who use innovative methods that protect the environment while making their business more profitable.

"The Dallas Cowboys aren't the only Texans vying for a national championship this week," said NCA president Bob Drake, Davis, Okla. "The Weatherlys faced tough competition from six other regional winners to receive this national honor. Through years of hard work, the family is producing 40 times as much beef per acre (1,600 pounds) as they did 30 years ago."

The selection committee includes representatives from the Environmental Protection Agency, American Farmland Trust, Natural Resources Conservation Service, The Nature Conservancy, Texas Tech University Southern Utah State University, Texas Agricultural Extension Service and the NCA.

The dedication that this family has shown in developing a sustainable operation is remarkable. They transformed scrub

into productive rangeland, regenerating and improving a natural resource," said Bob Budd, The Nature Conservancy's Red Canyon ranch manager. "Their business is a wonderful example of enhancing ecological values and maintaining a profitable cattle ranch."

Conserving water has paid dividends for Heritage. Their gravity-flow water system — which involves water tanks, retention ponds and sprinkler systems — annually saves the

business an estimated 111 million gallons of water and nearly \$8,000.

The Weatherlys are also innovative in the management of their feedlot. They treat their feedlot pens with fly-ash — a coal by-product that acts like concrete. The fly-ash not only reduces odors and dust, but also has lowered their maintenance costs by 50 to 75 percent. In addition, they use parasitic wasps to control fly populations, therefore, reducing the use of pesticides.

Environmental improvements at Heritage are world renown. Groups from Mexico, Brazil, Germany, Switzerland, Canada, Japan, Korea, Aus-

tralia and the United States come to visit the feedlot to see the environmental practices employed.

"When we bought the land in 1969, I took a chance. The soil was pathetic — it wouldn't even grow enough weeds to hold the soil from blowing away," says Joe. "But I had a vision, which was to have a successful cattle operation that would also revitalize the unproductive land around the feedyard."

The Weatherlys were able to create productive rangeland where there once was barren land, resulting in 40 times as much beef produced per acre than when they arrived in 1969. The family's success can be attributed to several practices including planting grasses that hold the soil in place, maximizing usage of available water and recycling manure and water from their feedlot operation.

The Weatherlys were nominated by the Texas Cattle Feeders Association.



The Weatherly Family, Wheeler, Texas, was named NCA's top Environmental Stewardship Award winner. (Dale Heikes photo)