



Lead In

by Richard Spader, executive vice president

We're the solution to our own demand problems

For nearly as long as I have attended agricultural meetings, some speaker has always predicted a bright future for agriculture based on the fact that the world's population was expanding and that there would be millions more hungry people to feed down the road.

The implication was that success would come in time. All we in agriculture needed to do was wait. We would eventually become a highly rewarded, increasingly important segment of society.

We don't hear this much any more for several reasons. First of all, hungry people are hungry because they don't have the money to buy food. Increasing the number of

people who lack the money to purchase food can't help the farm economy much.

This point was addressed at the recent National Cattlemen's Beef Association (NCBA) meeting in Phoenix, Ariz., by economist Andrew Gottschalk in a presentation to the Seedstock Council of NCBA.

"We can talk all we want to about nations with huge populations, like China, but the real issue is whether the people have money to buy our product," Gottschalk said. "The domestic beef market is 10 times larger than the export market, and beef exports must increase 11% annually to offset just 1% gain in U.S. beef production."

The good news presented at NCBA is that most indicators show that we ended a two-decade decline in beef consumption here at home. In 1999 our industry sold more beef at a higher price and that relates to increased demand.

More realistic approach

Today it appears that agriculture, particularly the livestock industry, is taking a more realistic approach to solving its problems. In other words, we have discovered the people who can help us, and they are us.

As we enter the new century, I think it is obvious to most of us that if the industry is to grow and prosper for another 25, 50

or 100 years, we must become more efficient producers of top-quality beef. We must become better managers. And we especially must become better marketers.

In Gottschalk's words, "The beef industry's greatest challenge is to maintain the trend in improving beef demand by offering consumers more value." His definition of value was quality and consistency combined with competitive prices.

Only within the last decade or so have beef producers, particularly Angus producers, come to realize that no one else is going to improve or promote our product for us. If we want to carve out a bigger market for ourselves, then we are going to have to develop the programs and back them with enough dollars to do the job.

This is true of beef promotion as a whole in relation to other meats. This is true of Angus beef, particularly *Certified Angus Beef*TM product, in relation to the beef industry, and it is true of you and your own herd, in relation to the other breeds and other breeders in your particular market area.

Angus has more potential for growth and development than any other breed in the world. The challenges we face will not always be easy to meet, but they are exciting and potentially very rewarding. I look forward with great anticipation to the new century of Angus Association business.

Richard L. Spader

STATISTICAL REPORT — JANUARY 2000

Processed 20 days in 1999, 20 days in 2000

| Registrations & transfers | 2000 | 1999 | Increase or decrease* | % increase or decrease* |
|---------------------------|---------|---------|-----------------------|-------------------------|
| Registrations | 122,072 | 113,254 | 8,818 | 7.79 |
| ET registrations | 7,520 | 6,600 | 920 | 13.94 |
| Transfers | 60,885 | 51,561 | 9,324 | 18.08 |
| Membership | | | | |
| Regular members | 986 | 861 | 125 | 14.52 |
| Junior members | 594 | 522 | 72 | 13.79 |
| AHIR processing | | | | |
| Birth weights | 161,658 | 152,422 | 9,236 | 6.1 |
| Weaning weights | 170,469 | 154,660 | 15,809 | 10.2 |
| Yearling weights | 31,207 | 27,113 | 4,094 | 15.1 |
| Total weights | 363,334 | 334,195 | 29,139 | 8.7 |
| No. of herds | 3,695 | 3,574 | 121 | 3.4 |

*Increase/decrease is relative to same time period last year.