



Beef Business

► A look at current events affecting the cattle industry

USDA told to make labeling law work

U.S. Sen. James Talent (R-Mo.), chairman of the Senate Agriculture Marketing, Inspection and Production Promotion Subcommittee, spoke to officials from the U.S. Department of Agriculture (USDA) at a field hearing and said that Congress will not repeal the 2002 farm bill provision requiring country-of-origin labeling (often referred to as COOL or COL), according to an article by DTN.

He told the officials they should implement the law in a way that is least costly to producers and most informative to consumers.

Talent said that his subcommittee is concerned about the problems associated with implementing country-of-origin labeling and that it would consider legislation to postpone the deadlines or to make changes to "grandfather" in meat from cows that are born before Oct. 1, 2004. For more information, see the article on page 116 and visit www.countryoforiginlabeling.info.

Beef prices rise

A short-term increase in beef prices this

spring and early summer was caused by fewer cattle going to market, says Gregg Doud, National Cattlemen's Beef Association (NCBA) chief economist. Because fewer cattle are going to market and cattle, in general, are going to market sooner, they are not as heavy. That means tighter supplies and higher beef prices in the short term.

Consumer demand for beef has been strong in recent months, and supplies are currently smaller than a year ago. But as the summer kicks into full swing, supplies will increase, and prices at the meat counter are expected to drop by late summer or early fall.

California loses TB-free status

California has officially lost its status as a bovine tuberculosis (TB)-free state, according to an Associated Press (AP) article. The USDA removed the TB-free status April 25 after TB was discovered in two dairy herds in Tulare County last year.

Ranchers trying to move cattle out of the state will need certificates from veterinarians to verify that their cattle are TB-free.

California joins Texas and Michigan, which have both lost their bovine TB-free

status in the last few years. Outbreaks have also recently been reported in Montana and New Mexico and in Manitoba, Canada.

Effects of labeling law in Canada

In an ordinary year, about half the cattle and beef produced in Canada would be exported to the United States. But in 2004, when the new country-of-origin labeling law goes into effect, Canadian beef and pork exports will undergo changes.

According to an article by *The Western Producer*, Canadian livestock groups are working to find alternative export markets. They are targeting U.S. sales in the restaurant and foodservice industries, which are exempt from country-of-origin labeling regulations. They may also find a niche for Canadian branded products that have stringent product specifications to add value to their products.

Virus may kill *E. coli* O157:H7

Washington state researchers say that a harmless virus that kills the food-poisoning bacterium *E. coli* O157:H7 has been discovered in sheep, according to an article from www.meatingplace.com.

The *Independent*, a British newspaper, reported that the virus, CEV1, is a bacteriophage, or "bacteria eater." It was found by chance when scientists were researching new antibiotics.

Andrew Brabban, a microbiologist at Evergreen State College in Washington, said that in a small trial in sheep, the virus reduced the numbers of *E. coli* by almost 99%.

Scientists found that the virus kills 16 of the 18 toxic strains of *E. coli*. "Bacteriophages are preferable in treating cattle and sheep and could offer many advantages over conventional antibiotics," wrote Daniel Yovich of www.meatingplace.com. They are more specific and are less likely to kill useful bacteria and also are passed easily from one infected individual to another, Brabban said.

World beef exports expected to increase by 4%

The USDA is predicting that world beef exports will total 6.6 million metric tons [carcass weight (cwt.)] for 2003, up 4% from last year.

The increase is in response to growth in global beef demand, with the most significant increase in exports coming from South America, according to an article on www.farminglife.com.

Australia is expected to remain the largest beef exporter, with the USDA forecasting beef exports of 1.425 million metric tons, up 5% from 2002, the article continued.

Beef exports from the United States are estimated at 1.163 million metric tons, a 5% increase from 2002.

The Japanese market continues to recover;

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WASHINGTON WATCH

Senator wants packer-ownership council

Sen. Chuck Hagel (R-Neb.) is asking Agriculture Secretary Ann Veneman to form a "Council on Competition" to oversee livestock marketing, packer ownership of livestock and industry competition, according to an article from *Drovers Alert*. The council would also oversee the \$4.5 million study on the effects a ban on packer ownership of livestock would have on the industry.

The article says that Hagel recommends the council be comprised of U.S. Department of Agriculture (USDA) experts, livestock producers and industry representatives. In his letter to Veneman he says the council would "clearly define the issues surrounding agriculture concentration" and "seek consensus" among producers regarding possible regulatory action.

Congress repeals loophole

Congress has added an amendment to permanently repeal a loophole in the federal organic standard. Sen. Patrick Leahy (D-Vt.)

added the amendment. It requires producers and growers to follow the holistic organic philosophy from soil to feed to final product.

A previous change in the fiscal year (FY) 2003 budget allowed growers to use conventional feed — not strictly organic — and still sell meat, poultry or pork as organic product, according to an article from *Drovers Alert*.

USDA council created to monitor drought

Cattle producers in regions hardest hit by drought will receive special attention from a new Drought Coordination Council, according to a news release from the National Cattlemen's Beef Association (NCBA). The USDA has developed the Council to monitor ongoing drought conditions and their impacts on producers and to coordinate resources to assist affected producers and communities.

The NCBA is working with the USDA to develop and implement pasture, range and forage programs that producers can use to deal with consequences of the drought.

with February consumption down only 5% compared to levels before bovine spongiform encephalopathy (BSE) was discovered in the country.

Beef consumption in Australia decreased

Beef consumption in Australia has decreased by almost 50% from the 1970s, according to an article from *The Courier-Mail* in Australia.

Australians consumed about 65 kilograms (kg), or 143 pounds (lb.), of beef annually in 1970s, but this dropped to 36 kg, or 79 lb. by 2001, said Henry Palaszczuk, Queensland Primary Industries Minister.

He added that beef's dominant position had been eroded by the growth in chicken and pork consumption.

Powdered milk shipped to ranchers

The government plans to ship 218 million

lb. of nonfat dry milk (NDM) to Western states suffering from drought, to feed cattle, buffalo, sheep and goats, said Agriculture Secretary Ann Veneman.

The milk is expected to go to 24,000 farmers, and it will be added to grain for their animals, according to a story from the AP.

Veneman said that the milk will go to nine states, from Arizona to Montana, where the drought has affected pasture growth in some parts for more than two years.

The milk was bought and paid for (to the tune of about \$1 billion) over the past three years to prop up prices paid to dairy farmers.

250 cattle poisoned

Organic phosphate may have been the toxin that poisoned 250 cattle on a ranch in northeast Nebraska, authorities say. The cattle were yearlings owned by Jack Barta of Fremont.

"We really don't know if it was accidental or intentional yet," said Terri Teuber, a spokeswoman for the State Patrol.

Barta said that the chemical could have

come in a sack of mislabeled minerals, or someone could have intentionally put it in the cattle's feed.

Identifying cattle diseases through DNA

Agricultural Research Service (ARS) scientists in Ames, Iowa, hope chromosome sequencing is the key that unlocks doors leading to new tests and vaccines for cattle diseases, according to an article from ARS News and Information.

Researchers at the Bacterial Diseases of Livestock Research Unit, part of the National Animal Disease Center (NADC) in Ames, used a DNA sequence analyzer and collaborated with the University of Minnesota to sequence the chromosomes of microbes that cause Johne's disease and bovine brucellosis.

Automated sequencing allows for rapid analysis of an organism's genes, speeding identification of those linked to superior characteristics — or to negative traits, such as susceptibility to disease.



INDUSTRY EVENTS

Canadian Society of Animal Science Annual Meeting June 10-13, University of Saskatchewan, Saskatoon

The 2003 Canadian Society of Animal Science (CSAS) Annual Meeting agenda features 12 symposia with expert speakers selected from around the world. Topics include: advances in meat quality, factors affecting feed efficiency in beef cattle, and livestock production and water resource issues. For more information visit the CSAS Web site at www.csas.net or contact conference co-chairs John McKinnon at (306) 966-4137 or john.mckinnon@usask.ca; or Phil Thacker at (306) 966-4159 or phil.thacker@usask.ca.

Texas Beef Quality Producer program

Beef producers can get free training to help them become more competitive by attending a Texas Beef Quality Producer (TBQP) program. The program teaches the principles of Beef Quality Assurance (BQA). TBQP programs have been scheduled for June 12 at McKinney and June 17 at Childress. Registration for each program begins at 7 a.m. The Level I program is from 8 a.m.-3 p.m. Level II runs from 3:30 p.m.-5:30 p.m. The program is free, but attendees are asked to register one week in advance. For more information, call 1-800-242-7820, Ext. 145, and ask for Melanie Tittor.

Educational sessions on country-of-origin labeling

The U.S. Department of Agriculture's Agricultural Marketing Service (USDA-AMS) announced dates and locations for listening and educational sessions on the country-of-origin labeling (often referred to as COL or COOL) law. All sessions will be from 1-4 p.m. local time.

June 4 – Holiday Inn, Cody, Wyo.

June 6 – Holiday Inn, Billings, Mont.

June 12 – California-EPA Headquarters, Sacramento

June 19 – Southern University Agricultural Research and Extension Service, Baton Rouge, La.

June 24 – University of Minnesota, Saint Paul

June 26 – Lancaster Farm and Home Center, Lancaster, Pa.

For more information, visit www.ams.usda.gov/cool/.

Marketing Your Way to Profitability

The National Cattlemen's Beef Association (NCBA) and Chicago

Mercantile Exchange (CME) are teaming up with state cattlemen's associations to present a new risk management series called "Marketing Your Way to Profitability." On the first day of the two-day series, the CME staff will instruct participants through the mechanics of futures with hedging and the basics of forward pricing with options. The second session will feature Cattle-Fax analysts leading the group through technical, fundamental and basic analysis in order to develop a marketing plan for their operations. The conference will be held in Nebraska (one-day sessions on June 30 and July 1), South Dakota (July 7-8), Kansas (July 14-15), Kentucky (Aug. 5-6), Florida (Aug. 7-8), Texas (Sept. 11-12) and Colorado (Sept. 18-19). For more information on the sessions and to register, contact your participating state cattlemen's association, or contact Renee Lloyd, NCBA, at (303) 850-3373 or rlloyd@beef.org.

Feed Mill Profitability Workshops Manhattan, Kan.

To help train key feed mill employees, Kansas State University (K-State) has teamed up with the American Feed Industry Association (AFIA) and the National Grain and Feed Association (NGFA) to host a series of three workshops in spring and summer 2003. The first workshop was completed in March, the second in May. The workshops are being held at the KCI Expo Center, near Kansas City International (KCI) Airport in Kansas City, Mo. The date for the last session is:

July 22-23 – Level 3: Using Diversification to Manage Risk
Individual workshops are \$295 per session. For more information, contact Tim Herman, K-State Research and Extension, at (785) 532-4082 or visit their Web site at www.oznet.ksu.edu/grsiext.

Soil and Water Conservation Society Annual Conference July 26-30, Spokane, Wash.

The Soil and Water Conservation Society (SWCS) Annual Conference will focus on four key topics: integrated watershed and basin management, water supplies for ecology and economy, grassland health for sustainable production and biological diversity, and air quality for public health and economic vitality. For more information, e-mail memberservices@swcs.org.