

Evaluating Potential for Angus in Foreign Markets

International livestock marketing specialist shares insights for selling Angus genetics abroad.

Story & photo by *Shelby Mettlen*, assistant editor

President of Clayton Agri-Marketing Tony Clayton spoke to a group of Angus producers and American Angus Association members at the 2016 Angus Convention in Indianapolis, Ind., Nov. 6. Clayton's presentation was part of Angus University, a set of workshops designed to provide education and a more in-depth look at various facets of the Angus industry.

Clayton, whose business has experience exporting species including beef cattle, dairy cattle, horses, hogs and sheep to 52 different countries, placed emphasis on the standard the United States has set for quality around the world.

"It is a market that the rest of the world looks on as having the very best in cattle genetics," he said. "They want to access those genetics."

In the coming years, Clayton noted, "we've got some real changes coming." He reminded his audience that we all depend on the food system.

By 2050, Clayton said it's predicted that one in four people on Earth will be living in Africa, and French will likely be the most spoken language in the world. By the end of this year, the United Nations said that about 42% of the world's population will live in cities, and by mid-century, that figure will increase to 70%.

The population will also likely face changes as families earn more income, and demand for high-quality animal protein and products like milk will also increase.

A laundry list of factors affects the international beef industry, including the economy, disease, weather and, perhaps this year most notably, politics.

Clayton said many international market players were standing "on the sidelines" until the U.S. presidential election passed, waiting to make their next moves until the 45th

President of the United States was named.

In March, during the closing of a \$13-million deal in Sudan, Clayton and his colleagues spent "two minutes" talking about the finance package and "25 minutes" on the U.S. election. "That's how many people are watching and how it's going to affect what we do," he said.

Live animal genetics have driven Clayton's business in the past few years, and will continue to into the future. That means disease control is paramount, as well as keeping an eye on animal welfare.

Foot-and-mouth disease (FMD) hasn't made an appearance in the United States since 1929, but other countries aren't so lucky, Clayton said, adding, "This is the one that keeps people up at night."

After closing numerous markets overnight, the bovine spongiform encephalopathy (BSE) scare of 2003 is beginning to subside, and China reopened its market to live cattle exported from the United States in October. Trade will likely remain up in the air until the new administration determines its policies and priorities.

The main concern for producers entering

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Animal Health

Building a Brand

Collaboration and adjusting to change drive Oregon rancher.

Story & photo by *Shelby Mettlen*, assistant editor

What we sell at Thomas Angus Ranch is probably pretty similar to what *Certified Angus Beef*[®] (CAB[®]) sells, and that is primarily a brand," said Rob Thomas of Thomas Angus Ranch in Baker City, Ore. Thomas spoke to an audience at the 2016 Angus Convention in Indianapolis, Ind., during a breakout session for the convention's Angus University.

"We have certain expectations that we expect our cattle to meet," he continued. "When we build a brand, we try to raise the level so high that it's tough to get through so when we put something out there, those cattle will do the job, they'll exceed expectations and keep that brand level where it's at."

Thomas briefed listeners on the importance and process of building a brand in the cattle industry. Developing a brand

that customers recognize is key, he said.

"That's what we try to present: Cattle that work, cattle that perform for all segments of the industry," he said. "That's our brand."

Look for a niche, Thomas encouraged. Decide what works for you, whether it be show cattle, performance cattle or data-driven cattle for a designated end point. Thomas Angus Ranch found its niche in building repeatable genetics.

"Over the years, we've seen trends in cattle, but also trends in performance," he explained. "We try to find those trends and capitalize on the way the industry is going."

To do that, producers must utilize and adapt to technology in both genetics and economics. Thomas said big changes are on the horizon for the cattle industry, including what he believes will be more consolidation



► The rest of the world looks on the U.S. cattle industry as having the very best in cattle genetics, said Tony Clayton, president of Clayton Agri-Marketing. “They want to access those genetics.” Click the photo above or turn your browser to https://www.youtube.com/watch?v=B3da_6QgXkg to watch an Angus Media video interview of Clayton at the convention.

the foreign marketplace is communication. After taking the plunge into international markets “you have a responsibility now,” Clayton said. “You’re going to have a lot of people to keep in contact with.”

That can include websites, exchange of

email and other contact information, and third-party consultants, he explained.

Animal welfare and the way we move our animals in the cattle industry is of great concern to many, Clayton noted. “We are in front of a lot of people,” he added.

Complicating global marketing is that there are many players in the game, but few have personal experience on the farm or ranch. It’s another reason why animal welfare must be a priority in shipping and receiving animals.

“Numbers are going to drive our industry,” Clayton said of international markets going forward. In the next four to five years, 310 million Chinese residents will move from lower to middle class, driving demand for U.S. beef.

“They’re going to eat better,” he said.

Global trade will be an interesting story to follow in the coming months. However, as markets go, it’s probably a risk worth taking.

Clayton’s presentation was one of the Angus University Workshops sponsored by Merck Animal Health Nov. 6 at the 2016 Angus Convention. To listen to his presentation or access the PowerPoint, visit <http://bit.ly/AC16-Clayton>. For comprehensive coverage of the Angus Convention, including speaker summaries, links to the full presentations, photos, videos and more, visit www.angus.media/news/Angus-Convention.



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among the commercial and seedstock segments of the industry.

“You’ll see more integration between the segments,” he predicted, adding that the industry continues to see more innovation. “As long as we’re willing to accept those things we have more potential to become more and more competitive with other proteins.”

Thomas Angus Ranch will continue to grow its cooperator base, Thomas said. With land and labor two of the industry’s most limiting resources, working with cooperator herds is vital to Thomas Angus Ranch’s expansion.

To recap, Thomas encouraged producers to build a brand, find their niche, adapt to evolving technology, collaborate with other

producers and market their products.

“One of the things we have is a vision of where the industry is going, and we need to maybe provide a unified vision to our cooperators,” he said.

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