



# Beef Business

► A look at current events affecting the cattle industry

## FMD outbreak traced to pipe

Investigators have determined a pipe at a research laboratory facility in southern England caused August's outbreak of foot-and-mouth disease (FMD), the British Broadcasting Corp. (BBC) reported Sept. 5.

According to the BBC, Britain's Health and Safety Executive (HSE) found there were biosecurity lapses at the facility in Pirbright, Surrey.

The laboratory complex houses vaccine-maker Merial Animal Health — the British arm of the U.S.-French pharmaceutical firm Merial Ltd. — and the government's Institute of Animal Health (IAH). Virus traces were found in a pipe running from Merial's lab to a treatment plant operated by the government-run laboratory. It is believed the pipe may have been damaged by tree roots before flooding pushed virus traces to the surface, according to the BBC.

It is not known how the virus found its way onto farmland a few miles away following the flooding July 20, but the HSE investigation did establish that contractors working at Pirbright at the time traveled to and from the site using a country road

adjoining farmland where the first outbreak was detected in August.

Restrictions imposed on livestock movement in the UK following the FMD outbreak were lifted, only to be reinstated a week later.

## New case of FMD

British authorities confirmed Sept. 12 a new outbreak of FMD on a farm in Surrey and have again restricted movement of cattle, sheep and pigs, according to a BBC report.

The infected cattle in the latest outbreak are on a farm 10 miles from the Pirbright laboratory. Initial tests suggest the latest outbreak is likely to be the same strain as the one from the government's research laboratory.

Chief Veterinary Officer Debby Reynolds said up to 300 cattle on the farm had been culled along with a small number of pigs. Cattle and pigs at another nearby farm were also being culled on suspicion of infection, according to the Department of Environment, Food and Rural Affairs (DEFRA).

A 6.2-mile (10k) control zone has been

established around the Surrey site near Milton Park Farm. The movement restrictions came into force while livestock sales were taking place around the country.

The European Union (EU) reversed its decision to declare Britain free of FMD as early as Nov. 9 and has kept in place an export ban on meat, dairy products and live animals that was imposed after the disease was found on two farms in July and August.

An emergency meeting of politicians, animal health experts and officials to plan the government's next response to the outbreak, chaired by Prime Minister Gordon Brown, was taking place at press time, according to the BBC.

## Bones found in shipment to S. Korea

South Korea's Agriculture and Forestry Ministry announced Sept. 4 it had found rib bones in a 15.5-ton shipment of U.S. beef.

According to the *Wall Street Journal*, the country said it would revoke import approval for Colorado-based Swift & Co., the facility that processed the order, and send the entire shipment back.

South Korea had previously revoked import approval for another facility and suspended three others from shipping meat, the *Wall Street Journal* reported.

The U.S. Department of Agriculture (USDA) Agricultural Marketing Service (AMS) has posted new requirements to participate in its Export Verification (EV) program for exports to South Korea. In a directive dated Aug. 24, the agency instructed establishments to review and tighten appropriately their weight range tolerance for boxes of boneless beef product presented for export to Korea. The statement can be seen in its entirety at [www.ams.usda.gov/lsg/arc/LSKoreaClarificationStatement.pdf](http://www.ams.usda.gov/lsg/arc/LSKoreaClarificationStatement.pdf).

USDA's Food Safety and Inspection Service (FSIS) posted rules for inspection personnel pertaining to the new AMS requirements in an Aug. 28 document, which can be viewed at [www.fsis.usda.gov](http://www.fsis.usda.gov).

## U.S. ag exports expected to reach record levels

Agriculture Secretary Mike Johanns in late August announced a record \$79 billion forecast in fiscal year (FY) 2007 agricultural exports. For FY 2008, the USDA forecasts exports to reach \$83.5 billion with growth and new sales across all major agricultural product groups. The forecasts eclipse the old record of \$68.6 billion set last year.

Building on momentum from 2007, export gains in 2008 will be broad-based, with record sales for bulk grains, oilseeds, cotton, and high-value horticultural and livestock products.

## U.S. cattle on feed down 5%

Cattle and calves on feed for harvest in the United States for feedlots with capacities of 1,000 or more head totaled 10.3 million head Aug. 1, 2007. The inventory was 5% below Aug. 1, 2006, figures but 2% above Aug. 1, 2005, figures.

Placements in feedlots during July totaled 1.62 million, 17% below 2006 figures and 3% below 2005 figures. Net placements were 1.56 million head. This is the lowest placements for the month of July since the series began in 1996.

Marketings of fed cattle during July totaled 2.0 million, up 3% from 2006 figures and up 4% from 2005 figures. Other disappearance totaled 61,000 head during July, 5% above 2006 figures but unchanged from 2005.

**Table 1: No. of cattle on feed, placements, marketings and other disappearance, 1,000+-head-capacity U.S. feedlots, Aug. 1, 2005-2007**

	No. of head (1,000 head)			2007 as % of	
	2005	2006	2007	2005	2006
On feed July 1 <sup>a</sup>	10,394	10,872	10,737	103	99
Placed on feed during July	1,678	1,958	1,622	97	83
Fed cattle marketed during July	1,918	1,950	1,999	104	103
Other disappearance during July <sup>b</sup>	61	58	61	100	105
On feed Aug. 1 <sup>a</sup>	10,093	10,822	10,299	102	95

<sup>a</sup>Cattle and calves on feed are animals for harvest being fed a ration of grain or other concentrates and are expected to produce a carcass that will grade USDA Select or better.

<sup>b</sup>Includes death loss, movement from feedlots to pasture and shipments to other feedlots for further feeding.

Source: National Agricultural Statistics Service.

According to USDA's first forecast for FY 2008, an expected record U.S. corn crop, strong foreign demand and reduced competition will boost U.S. corn exports \$600 million. China's demand for soybeans and cotton remains strong. Developments in the biodiesel market will raise Europe's demand for soybeans as well. Horticultural exports are anticipated to rise by \$800 million, supported by strong foreign demand and a competitive dollar. Beef exports are expected to increase \$400 million due to larger volume.

Imports for FY 2008 are forecast at \$75 billion, up \$4.5 billion from the 2007 estimate, making for an \$8.5 billion trade surplus in 2008.

The summary and full report of USDA's Outlook for U.S. Agricultural Exports may be accessed at the Economic Research Service (ERS) web site, [www.ers.usda.gov](http://www.ers.usda.gov). The next quarterly report will be issued in November.

### **Johanns re-establishes committee on foreign animal and poultry diseases**

Secretary Johanns announced his intent to re-establish the Secretary's Advisory Committee on Foreign Animal and Poultry Diseases for a two-year period, determining that the Committee is necessary and in the public interest, the American Meat Institute (AMI) reports.

This notice of intent was posted in the *Federal Register* Aug. 13.

The purpose of the committee is to advise the Secretary of Agriculture regarding program operations and measures to suppress, control, or eradicate an outbreak of FMD or other destructive foreign animal or poultry diseases in the event these diseases should enter the United States. According to AMI, the committee also advises the Secretary of Agriculture of means to prevent these diseases.

### **Appeals court rules against R-CALF**

A U.S. appeals court Tuesday, Aug. 28, rejected the legal challenge by Rancher's Cattlemen Action Legal Fund United Stockgrowers of America (R-CALF USA) that seeks to overturn USDA's rule allowing the import of Canadian cattle and beef because of the alleged risk of bovine spongiform encephalopathy (BSE), according to *Meatingplace.com*.

"Having reviewed the merits of this case, we conclude that the agency considered the relevant factors and articulated a rational connection between the facts found and its decision to designate Canada a minimal-risk country," Judge Cynthia Holcomb Hall wrote

for the U.S. Court of Appeals for the Ninth Circuit.

### **Agriculture loses 'biggest employer' title**

According to a report available from *Food Systems Insider*, more people around the world are, for the first time ever, working in service trades than in food production.

According to the report, titled "Key Indicators of the Labour Market" from the United Nation's International Labor Organization, 42% of the world's workers are employed in services and 37% in agriculture.

### **AMS issues voluntary grass-fed standards; others progressing**

At press time, AMS was to issue voluntary standards for grass-fed livestock in the next few weeks, Assistant Deputy Administrator Bill Sessions told *Meatingplace.com*.

Once AMS issues its voluntary standard, FSIS would recognize producers who meet the standard and grant them the right to use the grass-fed label claim on meat from those animals. Currently, FSIS approves such labeling on a case-by-case basis.

Sessions says meeting the grass-fed standard would include putting a system in place that substantiates how the animals were fed and being subject to periodic USDA audits.

USDA first proposed the grass-fed standards in May 2006, reflecting consumers' increasing demand for a variety of information about how animals are raised and fed.

### **FSIS releases final notice on non-ambulatory cattle, SRMs**

FSIS announced Aug. 31 the publication of the specified risk materials (SRM) final rule "Prohibition of the Use of Specified Risk Materials for Human Food and Requirements for the Disposition of Non-Ambulatory Disabled Cattle; Prohibition of the Use of Certain Stunning Devices Used to Immobilize Cattle During Slaughter" (also referred to as "the SRM final rule").

To read the notice in its entirety, visit [www.fsis.usda.gov/regulations\\_and\\_policies/FSIS\\_Notices\\_Index/index.asp](http://www.fsis.usda.gov/regulations_and_policies/FSIS_Notices_Index/index.asp).

### **Blueprint for USDA efforts in animal genomics released**

The USDA Animal Genomics Strategic Planning Task Force has released the "Blueprint for USDA Efforts in Agricultural Animal Genomics," a 10-year plan for research, education and Extension in animal

genomics to improve animal production systems.

USDA's Cooperative State Research, Education, and Extension Service (CSREES) and Agricultural Research Service (ARS) led the task force, which developed recommendations in order to apply basic science to improve animal production practices.

CSREES intends for the document to guide and facilitate future budget development, resource allocation, implementation and coordination of research, teaching and Extension programs by federal and university scientists and educators.

For more information visit [www.csrees.usda.gov](http://www.csrees.usda.gov).

### **Dow AgroSciences, University of Guelph sign licensing agreement**

Dow AgroSciences LLC, a wholly-owned subsidiary of The Dow Chemical Co., has announced the signing of a license agreement with the University of Guelph, Canada, that provides Dow AgroSciences with exclusive rights to the leukotoxin antigen LKT-50. Researchers at the university have isolated and modified the gene for the native antigen, which produces an immune response against *Mannheimia haemolytica*, or "shipping fever," a common respiratory infection in cattle. The University of Guelph will soon receive a U.S. patent on LKT-50.

### **Poll: Most consumers will pay more for domestic meat**

Seventy percent of shoppers say they're willing to pay more for produce, poultry, meat, seafood and other food products produced in the United States, according to a poll by Zogby International, *Meatingplace.com* reports.

According to the survey, one in three respondents would pay up to 10% more for U.S. food, and 46% would be willing to pay from 10% to 25% more. Eleven percent said they'd be willing to pay 25% more, and almost 15% said they'd pay even more.

Ninety percent of survey respondents said knowing the country of origin would allow consumers to make safer food choices, and 88% said they'd like all food to be labeled as such, according to the web site.

### **USDA Rural Development announces \$13.7M in grants**

At the 54th Annual Farm Progress Show in Decatur, Ill., Aug. 29, Secretary Johanns announced \$13.7 million in economic

CONTINUED ON PAGE 338

development grants for rural communities and Native American organizations in 48 states.

The funds are being provided through the Rural Business Enterprise Grant (RBEG) and Rural Business Opportunity Grant (RBOG) programs of USDA's rural development mission area. A complete list of grant recipients is available on the USDA Rural Development web site at [www.rurdev.usda.gov](http://www.rurdev.usda.gov).

### **Purdue launches CAFO web site to aid decision-makers**

A new web site featuring scientific information about concentrated animal feeding operations (CAFOs) has been developed by Purdue University to help people who make decisions about their location.

"We wanted to develop a source of information that is based on science, not sentiment," Alan Grant, head of the Department of Animal Sciences, said. "We are excited because this web site brings information from multiple disciplines together and is easy for people to access."

The information, written by Purdue experts, is targeted to zoning boards, planning commissions, agricultural Extension educators as well as citizens and farmers.

The site, [www.ansc.purdue.edu/CAFO](http://www.ansc.purdue.edu/CAFO), covers environmental issues, public health issues, social and economic issues, and general information. Additional content will be added in the coming weeks.

For questions and more information, contact the web site operator, Paul Ebner, at 765-494-4820 or [pebner@purdue.edu](mailto:pebner@purdue.edu).

### **Red meat, poultry, egg prices projected to outpace inflation due to ethanol**

The ethanol boom is expected to result in retail price increases for red meats, poultry and eggs that will exceed the general inflation rate in 2008-2010 as the livestock sector struggles to adjust to higher feed costs, according to an article based on the most recent data released by the USDA's ERS.

The exact effects of higher corn prices will vary across livestock species, due to differences in feed conversion efficiencies and constraints on some animals' ability to use distillers' grains in rations, the article states.

According to USDA projections, based on the different uses among the livestock species and a number of other important underlying assumptions, each bushel of corn used to produce ethanol results, on aggregate, in a reduction of about a fifth of a bushel of direct corn feeding, due to the use of distillers' grains in rations. However, the substitution of distillers' grains in feed rations is expected to bring only a small reduction in soybean meal use. Beef cattle are assumed to be the largest users of distillers' grains, and beef cattle rations typically use urea as the protein source rather than soybean meal.

To read this article in its entirety, visit [www.ers.usda.gov/AmberWaves/September07/Features/Ethanol.htm](http://www.ers.usda.gov/AmberWaves/September07/Features/Ethanol.htm).

### **USDA announces sign-up dates for new livestock, crop disaster programs**

The U.S. Department of Agriculture (USDA) Aug. 24 announced sign-up dates for the new Livestock Compensation Program (LCP), Livestock Indemnity Program (LIP) and Crop Disaster Program (CDP). The three ad hoc disaster programs provide benefits to farmers and ranchers who suffered losses caused by natural disasters in recent years.

Eligible ranchers and other livestock producers were able to apply to receive benefits under the LCP and LIP beginning Sept. 10, 2007. Eligible farmers can sign up for the CDP beginning Oct. 15, 2007, if they suffered quantity losses to their crops. USDA will announce and conduct CDP sign-up for quality losses as soon as possible.

LCP compensates livestock producers for feed losses occurring between Jan. 1, 2005, and Feb. 28, 2007, due to a natural disaster. This can include producers who suffered losses resulting from blizzards that started in 2006 and continued into January 2007. Livestock producers may elect to receive compensation for calendar year 2007 grazing season losses that are attributable to wildfire natural disasters occurring during the applicable period as determined by the Secretary of Agriculture.

Producers in primary counties declared secretarial disaster areas or certain counties declared presidential disaster areas between Jan. 1, 2005, and Feb. 28, 2007, are eligible, as are producers located in counties contiguous to those counties. Also, producers in a primary (or contiguous) county that received an Administrator's Physical Loss Notice directly associated with a disaster declaration made by President Bush may also be eligible. Producers incurring a loss in more than one of the 2005, 2006 or 2007 calendar years must choose only one year for which they want to apply for benefits.

LIP compensates livestock producers for livestock losses between Jan. 1, 2005, and Feb. 28, 2007, that resulted from natural disasters, including losses due to blizzards that started in 2006 and continued into January 2007. Producers in primary counties declared secretarial disaster areas or certain counties declared presidential disaster areas between Jan. 1, 2005, and Feb. 28, 2007, are eligible, as are producers located in counties contiguous to those counties. Also, producers in a primary (or contiguous) county that received an Administrator's Physical Loss Notice directly associated with a disaster declaration made by President Bush may also be eligible. Producers incurring eligible livestock losses in more than one of the 2005, 2006 or 2007 calendar years must choose only one year for which they want to apply for benefits.

CDP provides benefits to farmers who suffered quantity and quality losses to 2005, 2006, or 2007 crops from natural disasters if the crop was planted before Feb. 28, 2007, or, in the case of prevented plantings, for crops that would have been planted before Feb. 28, 2007. Producers who incurred qualifying losses in 2005, 2006 or 2007 must choose only one year to apply for benefits. Producers may apply for benefits for losses to multiple commodities as long as the losses occurred in the same crop year. Only producers who obtained crop insurance coverage or coverage under the Noninsured Crop Disaster Assistance Program (NAP) for the year of loss will be eligible for CDP benefits. Producers must have suffered quantity losses in excess of 35% to be eligible for CDP.

On May 25, 2007, President George W. Bush signed into law the "U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007" (2007 Act). The 2007 Act authorizes LCP, LIP and CDP. It also authorizes funding for the Emergency Forestry Conservation Reserve Program (EFCRP), Emergency Conservation Program and Dairy Disaster Assistance Program III (DDAP-III). USDA recently announced sign-up for EFCRP and the distribution of funds to 18 states under ECP. At press time, USDA was to announce and conduct sign-up for DDAP-III. USDA's Farm Service Agency (FSA) is charged with administering the programs.

### **Washington Watch**



### **Bush calls for enhanced hunting, land conservation**

President Bush issued an Executive Order Aug. 17 directing coordination among federal agencies to work directly with the Sporting Conservation Council to promote expansion and enhancement of hunting opportunities and the management of game species and their habitat.

The Sporting Conservation Council, a federally chartered advisory committee, advises the departments of Interior and Agriculture on wildlife conservation issues



such as hunting access, education, healthy landscapes and energy development.

Secretary Johanns and Interior Secretary Dirk Kempthorne will direct their federal departments to evaluate trends in hunting participation and implement actions that will expand and enhance hunting opportunities for the public and establish goals to conserve and manage wildlife habitats for healthy and productive populations of game animals. Together, the Departments of Agriculture and Interior manage nearly 700 million acres of land in the United States.

## Industry Events

### **Cattlemen's Field Day**

**Oct. 2-3, Yatesville, Ga.**

Three Trees Ranch will host a field day Oct. 2-3, at their Yatesville, Ga., location. Sponsored by Purina Mills, LLC, the day-and-a-half seminar will focus on several key topics pertaining to ranch profitability, including:

- ▶ cow management with and without forage;
- ▶ the importance of bull development and mature bull conditioning to your reproductive success;
- ▶ how to effectively develop your heifers for performance and longevity;
- ▶ handling first-calf heifers and rebreeding; and
- ▶ Wind & Rain® mineral.

To make reservations, call Saralyn White at 863-425-5130, ext. 106, or Nancye Deloach at 615-315-4072.

### **OSU workshop**

**Oct. 10, Waynesburg, Ohio**

The Ohio State University's Sustainable Agriculture Team will sponsor a tour Oct. 10 titled "Organic Livestock and On-farm Biodiesel Production."

The event will take place at the Mike and Dawn Roberts farm, 7203 Waynesburg Rd. N.W., Waynesburg, from 11:30 a.m. to 2:30 p.m.

The farm is a certified-organic, grass-based operation that milks Normande cattle using an all-forage diet in a managed grazing system, produces and direct-markets pasture-raised beef and poultry, and recently received a USDA Sustainable Agriculture Research and Education grant to develop an on-farm biodiesel system to refine used cooking oil and use it to power the farm's equipment.

Visit <http://sustainableag.osu.edu> to download the schedule, along with the schedule of tours and workshops offered by

Innovative Farmers of Ohio, the Ohio Ecological Food and Farm Association, the Ohio Grassland and Forage Council, and the Small Farm Institute.

For more information contact Mike Hogan, Carroll County office, OSU Extension, 32 W. Main St., Carrollton, OH 44615; 330-627-4310; [hogan.1@osu.edu](mailto:hogan.1@osu.edu). The tour is free, and interested participants can call 330-866-2132 for more information.

### **Korea-U.S.-Japan International Joint Symposium**

**Oct. 15-16, College Station, Texas**

Producing beef with high levels of oleic acid and other heart-healthy traits for both domestic and Asian consumption will highlight an international symposium Oct. 15-16 at Texas A&M University.

Top international beef researchers will headline the second Korea-U.S.-Japan International Joint Symposium. Discussions on the economics of producing high-quality beef for domestic and foreign markets, and the latest research on Wagyu (Japanese) and Hanwoo (Korean) breeds will be featured.

For registration information, visit <http://animalscience.tamu.edu/symposium/index.html> or call 979-845-3939.

### **Purdue agribusiness conferences, seminars**

**Oct. 22-26; Nov. 13-14**

Purdue University will conduct two conferences and seminars aimed at those in agribusiness. An agrimarketing seminar will take place Oct. 22-26, and a National Conference for Agribusiness: "Re-Thinking Service Strategies: Innovations that Drive Profit" is scheduled for Nov. 13-14.

For more information about these conferences and seminars, contact Purdue's Center for Food and Agricultural Business at 765-494-4247 or [agbusinessinfo@purdue.edu](mailto:agbusinessinfo@purdue.edu).

### **Cattlemen's Boot Camp**

**Oct. 29-30, State College, Pa.**

The American Angus Association and Angus Foundation will conduct a Cattlemen's Boot Camp Oct. 29-30 at Pennsylvania State University (Penn State).

Activities begin at 8 a.m., at the Beef/Sheep Unit on the Penn State Campus. The registration deadline is Oct. 1.

Boot Camps are two-day educational programs open to all cattle producers and cover all aspects of the beef industry from basic production practices to the end product. All participants must preregister by the set deadline, and a minimal fee of \$75 is charged to offset meals and materials.

A block of rooms has been reserved at the Holiday Inn Express, Williamsburg Square.

Call 814-867-1800 and ask for the Cattlemen's Boot Camp block to get the block rate of \$82 per night plus tax.

Complete schedules and program topics are available online at [www.angus.org](http://www.angus.org). In addition to these Boot Camps, a Boot Camp is set for Dec. 18-19 at Iowa State University in Ames. A Boot Camp is also set for Jan. 3-4 at Washington State University, Pullman. Watch the web site for more information about these and other educational events.

### **Beef Producers Seminar**

**Nov. 1, Maryville, Mo.**

The 2007 Beef Producers Seminar is set for Thursday, Nov. 1. It begins at 4:30 p.m. at the Nodaway County/Community Fair building in Maryville, Mo. Cost of admission to the event is \$10 per person and includes a beef dinner.

Darla Eggers, director of the Missouri Cattlemen's Foundation, will serve as emcee for the evening's events. The seminar features three guest speakers discussing beef cattle management topics: Larry Hollis, Kansas State University Extension beef veterinarian; Justin Sexten, University of Missouri Extension specialist; and Joe Powell, Maryville, Mo., veterinarian.

Proper cattle handling, creative cattle nutrition and animal health management are among the scheduled topics.

For more information regarding the 2007 Beef Producers Seminar and to register for the meal, contact the Andrew County Extension Center at 816-324-3147.

The Beef Producers Seminar is sponsored by VitaFerm® the American Angus Association and the University of Missouri Extension Service.

### **Range Beef Cow Symposium**

**Dec. 11-13, Colorado State University**

The 2007 Range Beef Cow Symposium, hosted by Colorado State University (CSU), will be at the Larimer County Fairgrounds Dec. 11-13. The event is a biennial educational symposium designed as in-service training for cow-calf ranchers. It will feature well-known speakers who will provide updates on production topics in the areas of beef industry issues, genetics, reproduction, range and forage management, cattle health, beef nutrition and more.

The symposium is a joint effort of the Extension services from CSU, University of Wyoming, University of Nebraska and South Dakota State University.

For additional information, contact Jack Whittier, CSU Extension beef specialist, at 970-491-6233 or [jack.whittier@colostate.edu](mailto:jack.whittier@colostate.edu); or Nancy Weiss, Extension secretary, at 970-491-7640 or [nancy.weiss@colostate.edu](mailto:nancy.weiss@colostate.edu).

