



Beef Business

► A look at current events affecting the cattle industry

South Korea rejects U.S. beef

Secretary of Agriculture Mike Johanns released a statement in early December 2006 voicing his displeasure with South Korea's decision to reject all three U.S. beef shipments sent to the country since it opened its borders Sept. 11, 2006.

"The rejection of the third shipment clearly illustrates that South Korean officials are determined to find an excuse to reject all beef products from the United States," Johanns said.

Johanns said there are no food safety issues with any of the shipments, adding that South Korea is essentially not commercially viable for U.S. beef. Johanns said South Korea is attempting to claim its border is open to U.S. beef while refusing to allow trade to take place. "This is unacceptable and certainly not the way trading partners should work with one another," Johanns said.

South Korea loosened beef trade restrictions in mid-November, but quickly banned meat imports from a Kansas processor after a bone fragment was discovered in one of the shipments.

USDA to ease Canadian cattle imports

The U.S. Department of Agriculture (USDA) resubmitted a proposal to the White House Office of Management and Budget (OMB) that would allow shipments into the U.S. of Canadian cattle more than 30 months of age and beef from such animals, according to *Reuters*.

This is the agency's second attempt at reopening the border to older Canadian cattle. USDA delayed its initial proposal after Canada announced in July a case of bovine spongiform encephalopathy (BSE) in an animal born in 2002, several years after the 1997 feed ban.

At press time, the U.S. only allowed importation of animals 30 months of age or younger and boneless beef from such cattle. If approved by the OMB, the rule will undergo public comment before it is initiated, *Reuters* reports.

Russia holds promise for U.S. beef

U.S. and Russian officials signed a bilateral market access agreement Nov. 19, 2006, that could open the door to U.S. beef.

According to the Office of the U.S. Trade Representative (USTR), Russia will immediately apply science-based measures to issues impeding U.S. agricultural exports of beef and other restricted ag products. Once Russian inspectors complete a pending plant audit and clear U.S. beef products, the market could open to U.S. boneless beef, bone-in beef and beef variety meats from cattle less than 30 months of age with an approved export certificate, according to the National Cattlemen's Beef Association (NCBA).

According to NCBA, the second step in the re-opening process could come in May, when the World Organization for Animal Health (OIE) General Assembly is expected to make its final decision on the United States' risk status for BSE. Once the OIE deems the U.S. a controlled-risk or negligible-risk country, Russia will reopen to all U.S. beef and beef products from cattle of all ages, NCBA reports.

The agreement signed by Russia is an important step toward the country's bid to join the World Trade Organization (WTO), and is expected to create significant opportunities for U.S. producers and exporters of industrial and agricultural goods, the USTR adds.

Iowa report forecasts growth

An article released on *RadioIowa.com* reports on an Iowa State University (ISU) study concluding significant growth in Iowa's livestock industry, as long as corn prices remain reasonable.

According to *RadioIowa.com*, ISU animal science professor Maynard Hogberg says Iowa, which currently has about 26% of the nation's hogs and 6% of the beef cattle, could see as much as a 50% increase in beef cattle sales by 2016 due in part to the availability of inexpensive byproduct feeds from ethanol production.

The report also suggests that the number of swine in the state will grow by 15% and the number of hens in Iowa will increase at least 37% within 10 years.

Court denies request to dismiss R-CALF USA case

The 9th Circuit Court of Appeals in late November 2006 denied a motion by the USDA to dismiss litigation by the Ranchers-Cattlemen Action Legal Fund United Stockgrowers of America (R-CALF USA).

R-CALF USA filed litigation against USDA in January 2005, arguing that relaxed import restrictions wouldn't provide adequate protection from BSE-infected Canadian cattle. This most recent ruling opens the door for an appeal from R-CALF

U.S. cattle on feed up 4%

Cattle and calves on feed for harvest in the United States for feedlots with capacities of 1,000 or more head totaled 12.0 million head Nov. 1, 2006. The inventory was 4% above Nov. 1, 2005, figures and 6% above Nov. 1, 2004. This is the highest Nov. 1 inventory since the series began in 1996.

Placements in feedlots during October totaled 2.43 million, 13% below 2005 figures and 10% below 2004. Net placements were 2.34 million head. This is the second-lowest placements for the month of October since the series began in 1996.

Marketings of fed cattle during October totaled 1.77 million, 2% above 2005 but 2% below 2004 figures. Other disappearance totaled 81,000 head during October, 40% above 2005 figures, and 23% above 2004.

Table 1: No. of cattle on feed, placements, marketings and other disappearance, 1,000+-head-capacity U.S. feedlots, Nov. 1, 2004-2006

	No. of head (1,000 head)			2006 as % of	
	2004	2005	2006	2004	2005
On feed Oct. 1 ^a	10,502	10,482	11,385	108	109
Placed on feed during Oct.	2,701	2,788	2,425	90	87
Fed cattle marketed during Oct.	1,803	1,739	1,770	98	102
Other disappearance during Oct. ^b	66	58	81	123	140
On feed Nov. 1 ^a	11,334	11,473	11,959	106	104

^aCattle 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.

^bIncludes death loss, movement from feedlots to pasture and shipments to other feedlots for further feeding.

Source: National Agricultural Statistics Service.

USA, with an opening brief that was due Dec. 11, 2006.

Ag export forecast rises

USDA's Economic Research Service (ERS) released its trade outlook for fiscal year (FY) 2007 agricultural exports, forecasting a record \$77 billion, up \$5 billion from expectations released in August 2006. Corn exports are set at a near-record \$8.9 billion, and projected livestock product exports increased \$800 million.

AMI, FMI object to Montana COOL act

The American Meat Institute (AMI) and the Food Marketing Institute (FMI) Dec. 6, 2006, submitted comments opposing the implementation of Montana's Country of Origin Placarding Act, AMI reports. The organizations stated in their comments that the provisions in the law represent an unconstitutional exercise of power in violation of the U.S. Constitution.

AMI and FMI requested that the Montana Department of Labor and Industry withdraw the proposed regulation. To review the comments in their entirety, go to www.meatami.com/StoryLinks/2006/montanacolcomments120606.pdf.

McDonald's tests Angus burgers

McDonald's Corp., at press time, had been testing hamburgers made with Angus beef at six Los Angeles-area restaurants, *Reuters* reports.

According to the article, McDonald's has been testing three new Angus burgers, called Angus Third Pounders, selling between \$3.39 and \$3.99. Varieties include an Angus burger with cheese, an Angus Deluxe with lettuce and tomato, and an Angus Mushroom and Swiss. A McDonald's spokeswoman said customer response has been positive, but no decision had been made about expanding the test area to additional restaurants.

Trans fats banned

The New York City Board of Health voted Dec. 5, 2006, to adopt the nation's first municipal ban on the use of almost all artificial trans fats in restaurant cooking, according to *The New York Times*.

The measure is considered a model for what's to come — Chicago is already considering a similar approach.

The ban on trans fats is set to begin its phasing-in process in July 2007, the article stated. A measure also passed requiring some restaurants to post caloric content of each menu item. According to *The New York Times*, both measures have been criticized by

restaurateurs as impractical and a violation of free enterprise and civil liberties.

Grandin to speak at ILC

World-renowned livestock facilities designer Temple Grandin of Fort Collins, Colo., is scheduled to speak during the International Livestock Congress—USA (ILC) at the National Western's Livestock Center Auction Arena Jan. 8.

Grandin is a designer of livestock handling facilities and an animal science professor at Colorado State University. She has designed livestock handling facilities in the United States, Canada, Europe, Mexico, Australia and New Zealand.

For additional information on the free presentation, contact Colette Ratcliff at (303) 777-5662, or Bill Angell at (303) 297-1166, ext. 5600. More information about the ILC, including activities Jan. 9-10, is available in the following industry events listing.

Program improves heifer development

An Ohio State University Extension (OSU) livestock program is helping Ohio cattle producers manage their own replacement heifers more efficiently, OSU reports.

Through a two-year \$91,800 grant, OSU Extension and the Ohio Cattlemen's

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Association have launched the Ohio Heifer Development Program. The program provides potential economic and management solutions to raising replacement heifers.

The Ohio Heifer Development Program is designed to ease the management and economic stresses of individually raising replacement heifers by placing eligible cattle in a central location to be developed and bred artificially to bulls with proven genetics. Producers retain ownership of the heifers, but pay a daily fee that covers the cost of feed, medicine, reproductive costs and labor.

For more information about the Ohio Heifer Development Program, visit www.ohiocattle.org and click on "Beef Improvement," or contact Bill Doig at (614) 873-6736, doig.7@osu.edu or bdoig@ohiocattle.org.

Washington Watch

Bush signs animal terrorism law

President Bush signed the Animal Enterprise Terrorism Act into law in late

November 2006, according to *Food Systems Insider*. The law, passed by the House of Representatives Nov. 13, 2006, amends the Animal Enterprise Protection Act of 1992 and makes it a federal crime to damage property, harass or commit violence against companies or persons associated with animal enterprises.

Violators could be sentenced to up to a year in jail for economic damages of less than \$10,000, and up to five years in prison if a threat produced a "reasonable fear" of bodily harm. According to the *Associated Press* (AP), prison sentences of up to 10 years could be issued if someone is injured.

The *Journal of the American Veterinary Medical Association* (JAVMA) reports the new law closes loopholes that were previously exploited by animal rights extremists.

Industry Events

Outreach Seminars

January, March; Wyoming, Utah, South Carolina

The American Angus Association has several Outreach Seminars scheduled in the coming months, including the following:

- ▶ Jan. 22, Douglas, Wyo. The seminar will

be at the Wyoming State Fairgrounds from 4 p.m. to 6 p.m. in conjunction with the Wyoming Winter Ag Expo.

- ▶ Jan. 27, Provo, Utah. The seminar is planned in conjunction with the Utah Angus Association Annual Meeting and will begin at 2 p.m.
- ▶ March 16, Clemson, S.C. The seminar will begin at 4 p.m. and will be prior to the South Carolina Angus Association Annual Meeting.

Association staff will be on hand to discuss the latest in the beef industry and Association programs. In addition, Association members will have an opportunity to provide input to Association staff during interactive discussions about ways the Association can best serve members today and in the future. For more information about other Outreach Seminars or Association programs, visit www.angus.org or contact Shelia Stannard, director of communications and events, at (816) 383-5100.

International Livestock Congress

Jan. 8-10, Denver, Colo.

The ILC and related events will take place in Denver Colo., in conjunction with the National Western Stock Show (NWSS). The event, themed "Global Beef: Thinking

Beyond the Fence,” includes presentations designed to educate producers about the direct effect of global beef issues to local markets and management practices. A packer panel, workshops, and a hands-on program detailing various meat cuts are also scheduled.

The event will kick off at 1 p.m., Jan. 8, at the NWSS Livestock Center Auction Arena with a presentation by livestock facilities designer Temple Grandin. Tuesday’s events will take place at the Renaissance Denver Hotel, beginning with registration for ILC at 7:30 a.m., followed by a morning of presentations, a luncheon, and afternoon breakout sessions. An optional tour of Five Rivers Cattle Co., Loveland, Colo., is scheduled for Wednesday, Jan. 10.

The ILC is hosted in partnership with the International Stockmen’s Educational Foundation (ISEF) and the National Cattlemen’s Foundation (NCF). For more information visit www.theisef.com or call (303) 777-5662 or (817) 443-0686.

Four-state beef conference

Jan. 10-11, Kansas, Nebraska, Iowa, Missouri

The 23rd annual 4-State Beef Conference will be hosted in four locations during a two-day period. The conference series is designed

to give beef cattle producers in Iowa, Kansas, Missouri and Nebraska an annual update on current cow-calf and stocker topics.

A forum of Extension specialists from four of the leading beef cattle programs will discuss a variety of topics, including the state of the beef industry, utilizing co-product feeds, grazing management and the reduction of percent Choice.

The first Jan. 10 conference will begin at 10 a.m. in Holton, Kan., at the Jackson County Fair Building. An afternoon conference is then scheduled to begin at 4 p.m. in Tecumseh, Neb., at the community building.

The first Jan. 11 session will begin at 10 a.m. in Lewis, Iowa, at the ISU Armstrong Research Farm, while the afternoon session will be at 4 p.m. in Bethany, Mo., at the community center.

The registration fee, which includes a meal and a copy of the conference proceedings, is \$25 per person. Reservations are requested by Jan. 5.

Information and registration for the Jan. 10 conference in Kansas is available by calling the K-State Research and Extension Jackson County office at (785) 364-4125. More information about the other sites is available by contacting any county or district Extension office in any of the four states or

by visiting www.extension.iastate.edu/feci/4StBeef.

American Angus Association webcast

Jan. 16

The Association will host an educational webcast Tuesday, Jan. 16, beginning at 8 p.m. Central time. Staff will present an update on programs and services in addition to the featured discussion topic, which is yet to be announced.

In order to view and listen to the webcast you will need a high-speed DSL internet connection. Register for a free and private account at www.liveauctions.tv prior to the start of the webcast. Once on the site, go to “Create a new user.” Fill in the brief information form to create a unique user name and password.

Past webcasts are archived on the Association’s Angus Learning Center online resource. Visit www.angus.org/AngusEducation.html to access presentations on “AHIR Basics” and “AAA Login.”

The next scheduled webcast will be Feb. 13.

Southwest Beef Symposium

Jan. 16-17, Amarillo, Texas

The Texas and New Mexico Cooperative

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Extension services will present the third annual Southwest Beef Symposium at the Fifth Season Inn in Amarillo.

The symposium, tailored for Southwest beef producers, centers around three educational sessions and a trade show.

The first session targets critical success factors in ranching and beef production, while the second session addresses current issues such as ethanol production, source-verified markets, trichomoniasis management and pregnancy-testing. The final session will look at beef market trends from the consumer, producer and packers' viewpoints.

Registration is \$50 if registering by Jan. 5, and \$60 thereafter. The fee includes a prime rib dinner, lunch, refreshments and printed proceedings.

Call (432) 336-8585 or (505) 646-8022 for more information. Visit <http://cahe.nmsu.edu/ces/swbeef> for a complete schedule, speaker and lodging information and registration materials.



USDA 'Natural' listening sessions

Jan. 17, Denver Colo.; Jan. 18, Seattle, Wash.

USDA has scheduled three public listening

sessions to discuss "natural" meat and poultry product claims.

USDA's Agricultural Marketing Service (AMS) will host the sessions, aimed at obtaining input on a voluntary standard specifically for naturally raised livestock. The two remaining meetings are scheduled as follows:

- ▶ Session 2: Jan. 17, Hyatt Regency Tech Center, Denver, Colo.
- ▶ Session 3: Jan. 18, Seattle Marriott Sea-Tac Airport, Seattle, Wash.

All sessions will begin at 1 p.m. local time. For additional information, including how to submit verbal or written comments, visit www.ams.usda.gov/lsg.



R-CALF USA National Convention

Jan. 17-20, Denver, Colo.

R-CALF USA will host its 2007 National Convention and Trade Show at the Doubletree Hotel in Denver.

For more information visit www.r-calfusa.com or call (406) 252-2516.



National Cowboy Poetry Gathering

Jan. 27-Feb. 3, Elko, Nev.

The weeklong annual celebration of life in the rural West will feature contemporary and traditional arts of Western ranching culture,

including poetry, music, stories, gear, film, photography and food. Produced by the Western Folklife Center, performances, workshops, ticketed shows and exhibits will present and preserve the contemporary and traditional arts created by people living close to the land.

Memberships to the center and tickets to shows can be purchased at 1-888-880-5885, ext. 222, or online at www.westernfolklife.org. Three-day guest passes are \$51. A one-day pass is \$18.



2007 Cattle Industry Annual Convention & Trade Show

Jan. 31-Feb. 3, Nashville, Tenn.

The meeting will feature joint and individual meetings by five industry organizations, including NCBA, CBB, American National CattleWomen Inc. (ANCW), Cattle-Fax and the NCF.

Angus Productions Inc. (API) will provide real-time coverage of the event, including a schedule and news coverage, at www.4cattlemen.com.

Visit www.beefusa.org for additional details and schedule updates as they become available. If you have questions, call the NCBA Convention & Meetings Department at (303) 694-0305.

