



# Beef Business

► A look at current events affecting the cattle industry

## Contaminated feed issue continues

The Food and Drug Administration (FDA) has suggested the number of processing plants that received contaminated feed in the pet food recall case could reach into the hundreds, according to *CNN.com*.

As of April 30, the investigation indicated that approximately 30 broiler poultry farms and eight breeder poultry farms in Indiana received contaminated feed in early February and fed it to poultry within days of receiving it. All of the broilers believed to have been fed contaminated product have since been processed, and the breeders that were fed the contaminated product were under voluntary hold by the flock owners at press time.

Officials continue to investigate the cause of the pet food recall, believed to have originated from imported rice protein concentrate and wheat gluten that were found to contain melamine — an industrial chemical allegedly used in China to “spike” protein content in certain feed materials. Alleged use of melamine and cyanuric acid sparked the massive recall that began March 16 of more than 150 brands and 5,300 pet food products.

As with exposure from hogs fed contaminated pet food, FDA and U.S. Department of Agriculture (USDA) officials said they believe the likelihood of human illness after eating chicken fed the contaminated product is very low.

According to CNN, in late April the FDA detained all vegetable protein imports from China that are used in animal feed and human food — including wheat gluten, corn gluten meal, corn byproducts, soy protein and much

more. FDA officials said China has agreed to full cooperation during the investigation.

## Software simplifies synchronization program

A new and improved software program to assist beef cattle producers in making choices in estrus synchronization is now available.

The “Synch06” edition of the Estrus Synchronization Planner has several new features resulting from the combined efforts of the Iowa Beef Center and the Bovine Reproductive Task Force.

The 2006 edition has several new features, including the latest recommendations of the task force and updated fact sheets on synchronized breeding plans. A new, preferred synchronization system for heifers using fixed-time artificial insemination (AI), called “CIDR Select,” was approved last fall during a meeting of the task force.

Producers, veterinarians, AI industry representatives and others can purchase the software for \$35 (including shipping and handling) by contacting the Iowa Beef Center (beefcenter@iastate.edu or 515-294-2333) or by downloading an order form at [www.iowabeefcenter.org](http://www.iowabeefcenter.org).

## Japan to conduct more audits

Secretary of Agriculture Mike Johanns April 23 announced two agreements that he said will expand U.S. beef trade in Japan.

“I have approved Japan’s request to conduct additional audits of U.S. beef processing plants,” Johanns said. “I have invited Japan to begin the audits as soon as arrangements can be made.”

According to a statement issued by Johanns, the procedure is part of Japan’s verification of U.S. beef safety. Once the verification process is complete, Japan will discontinue its requirement of inspecting 100% of the boxes of beef shipped from U.S. plants.

“The United States expects Japan, as well as all of our trading partners, to implement import requirements for U.S. beef and beef products as soon as possible that are based on science and consistent with international guidelines, including those of the World Organization for Animal Health (OIE),” Johanns stated.

## USDA identifies individuals whose data was exposed

The USDA has narrowed to approximately 38,700 the number of people whose private identification information was accessible to the public on a government-wide web site.

In a statement released April 23, USDA stated “it takes seriously its responsibility to protect private information and after learning of the potential exposure, immediately took action to remove the information from the web site.”

The agency is offering credit-monitoring services to protect the personal accounts of affected individuals, due to the potential that information was downloaded prior to removal. There is no evidence that this information has been misused.

The 38,700 people affected were awarded funds through the Farm Service Agency (FSA) or USDA Rural Development (RD).

USDA funding recipients whose personal information was exposed are being notified via mail and will be provided with instructions on how to register for credit monitoring. Any USDA funding recipient with questions may call 1-800-FED-INFO (1-800-333-4636) or visit [www.usa.gov](http://www.usa.gov). The call center operates from 8 a.m. to 8 p.m., Eastern time, Monday-Friday.

Visit [www.usa.gov/usdaexposure.shtml](http://www.usa.gov/usdaexposure.shtml) for more information.

## U.S. beef back in South Korea

A 6.4-ton shipment of U.S. beef was received in South Korea April 23, *Reuters* news service reported. The shipment was the first since the country rejected three shipments of U.S. beef, amounting to 22 tons, because of bone fragments late last year.

Inspection of the shipment was expected to take up to 18 days.

*Reuters* noted that South Korean quarantine officials changed their guidelines so if bone chips are found, only the packages containing the chips are to be rejected.

Once the third-largest importer of U.S. beef, South Korea banned imports after the

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December 2003 finding of a cow infected with bovine spongiform encephalopathy (BSE) in the United States. In September 2006, South Korea partially reopened its market to U.S. beef from cattle harvested at less than 30 months of age. The rejected shipments late last year rankled the beef industry, which deemed the inspections as unrealistic.

### **Rural car crash mortality rate higher**

According to the Texas Cooperative Extension program, crash fatality numbers are especially grim for those in rural areas and those traveling in pickup trucks. According to Extension officials, studies show that 56% of pickup crash fatalities in Texas happened in rural areas, compared to 44% in urban areas.

As a result, the National Highway Traffic Safety Administration (NHTSA) sponsored a campaign to increase safety belt use. The two-week "Click It or Ticket" program, conducted from May 21-June 3, was designed to emphasize the ease and cost effectiveness of using a seat belt.

In addition, the "Buckle Up In Your Truck" campaign was conducted during the same two weeks. It was aimed at 18- to 34-year-old men who do not consistently wear their safety belts in their pickup trucks.

According to information from the traffic safety administration, from 2001 to 2005, 1,444 people died in pickup truck rollover crashes in Texas, the Texas Cooperative Extension reports. According to figures from the NHTSA, wearing a safety belt reduces the risk of dying in a rollover pickup truck crash by up to 80%.

For more information visit [www.buckleupinyourtruck.com](http://www.buckleupinyourtruck.com) or [www.nhtsa.dot.gov](http://www.nhtsa.dot.gov).

### **Global warming to affect Colorado grasslands**

New research results from Colorado State University (CSU) suggest that the effects of rising atmospheric concentrations of carbon dioxide (CO<sub>2</sub>) and global warming will lead to an increase in grass production and a decline in forage quality for grasslands of eastern Colorado and Wyoming.

Study results suggest that both elevated CO<sub>2</sub> and warming will increase grass production, but the quality of the vegetation will decrease due to lower nitrogen (N) concentration in the forage. Results also revealed that elevated atmospheric CO<sub>2</sub> levels always increase grass growth; however, warming can have both positive and negative effects on plant production.

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The scientists observed that doubling CO<sub>2</sub> levels caused strong and consistent increases in grass growth, which was due to improved water-use efficiency. Under the elevated CO<sub>2</sub> levels, it was also found that plant nitrogen content was declining in native grasslands.

### **Grants available for sustainable ag projects**

Colorado ranchers and farmers are invited to submit grant proposals for research

projects that focus on sustainable agriculture. The Western Sustainable Agriculture Research and Education (SARE) program has made more than \$2 million in grants available. The grants typically explore, develop or promote some aspect of agricultural sustainability, which embraces profitable farms and ranches, a healthy environment and strong families and communities.

Requests for applications and grant deadlines can be obtained through the Western SARE web site, at <http://wsare.usu.edu>, by calling 435-797-2257 or by e-mailing [wsare@ext.usu.edu](mailto:wsare@ext.usu.edu). For more information, contact Dennis Lamm at 970-

491-2074 or via e-mail at [Dennis.Lamm@colostate.edu](mailto:Dennis.Lamm@colostate.edu). For more information about sustainable agriculture programs at CSU, visit [www.coopext.colostate.edu/sustag](http://www.coopext.colostate.edu/sustag).

### ***E. coli*, salmonella levels on rise**

The Centers for Disease Control and Prevention (CDC) has released a report showing a leveling of cases for some foodborne infections after a period of decline. For others, incidences of infection, which had declined, appear to be returning to earlier levels.

The findings are from 2006 data reported to the CDC as part of the agency's

Foodborne Diseases Active Surveillance Network (also known as FoodNet).

According to FoodNet data, there continues to be little change in the incidence of salmonella cases, and it appears progress made in 2003 and 2004 in reducing the number of cases of *E. coli* O157 infections has been lost. *Vibrio* infections, which are often related to the consumption of raw shellfish like oysters, have increased to the highest level since FoodNet began conducting surveillance.

The full report, titled "Preliminary FoodNet Data on the Incidence of Infection with Pathogens Transmitted Commonly Through

Food—10 States, United States, 2006," is available online at [www.cdc.gov/mmwr](http://www.cdc.gov/mmwr).

### **Johanns discusses Farm Bill for beginning farmers**

Secretary Johanns April 17 described in greater detail a broad package of proposed changes to several titles of the Farm Bill that he said will help future generations of farmers and ranchers become established in production agriculture.

Key elements of the beginning farmer and rancher proposals include an increase in direct payments to major crop producers, targeting 10% of conservation payments to

beginning farmers and ranchers, reducing the interest rate under the Beginning Farmer and Rancher Down Payment Loan Program and doubling the maximum loan amount among other enhancements, and creating a combined maximum for direct operating loans direct ownership loans of \$500,000.

For further details of the major components of the proposals to assist beginning farmers and ranchers, visit [www.usda.gov](http://www.usda.gov). To access the full 183-page document of Farm Bill proposals, or to access the proposals by title, go to [www.USDA.gov/farmbill](http://www.USDA.gov/farmbill).

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**Tyson, ConocoPhillips enter renewable fuel venture**

ConocoPhillips and Tyson Foods Inc. have partnered in a venture that is expected to use beef, pork and poultry byproduct fat to create renewable diesel fuel, according to *Meatingplace.com*.

According to the article, both Tyson and ConocoPhillips will begin making improvements in order to begin pre-processing animal fat and producing the fuel in several refineries. Production is expected to eventually reach as much as 175 million gallons per year, the article noted.

**Washington Watch**



**Group urges Congress to consider ethanol effects**

American Meat Institute (AMI) President and Chief Executive Officer (CEO) J. Patrick Boyle submitted testimony mid-April to the House Committee on Ways and Means, Subcommittee on Select Revenue Measures. Boyle stated Congress and the Administration should consider tax incentives and other legislative vehicles to support energy-based opportunities for animal agriculture because of the increased demands on corn from the ethanol industry.

Boyle said that dramatically increased demand for corn has pressed market forces to

demand higher feed prices. As a result, animal agriculture producers are considering alternatives to their feeding, nutrition, and dietary regimen, which, Boyle stated, affects meat and poultry quality, consumer offerings, livestock and poultry farm efficiency, and the management of livestock and poultry operations.

**State legislator calls for cloning label**

California State Sen. Carole Migden (D-San Francisco/Marin) unveiled legislation mid-April requiring milk and meat products from cloned animals that are intended for human consumption to be clearly labeled.

Migden said the legislation is necessary given the FDA's preliminary approval late last year of meat and milk products from cloned animals.

According to a statement issued by Migden, if the FDA confirms its decision after the public comment period, food products from cloned animals can soon be introduced into the food chain.

**Industry Events**



**National Value-Added Agriculture Conference**

**June 3-5, Lexington, Ky.**

The University of Kentucky (UK) Cooperative Extension Service and UK agricultural economics department will host the ninth annual National Value-Added

**U.S. cattle on feed down 1%**

Cattle and calves on feed for harvest in the United States for feedlots with capacities of 1,000 or more head totaled 11.6 million head April 1, 2007. The inventory was 1% below April 1, 2006, figures but 7% above April 1, 2005. This is the second-highest April 1 inventory since the series began in 1996.

Placements in feedlots during March totaled 1.97 million, 7% above 2006 figures and 12% above 2005. Net placements were 1.89 million head.

Marketings of fed cattle during March totaled 1.85 million, down 6% from 2006 and down 6% from 2005 figures. Other disappearance totaled 72,000 head during March, 20% below 2006 figures, but 6% above 2005.

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

|   | No. of head (1,000 head) |        |        | 2007 as % of |      |
|---|--------------------------|--------|--------|--------------|------|
|   | 2005                     | 2006   | 2007   | 2005         | 2006 |
| On feed March 1 <sup>a</sup>                  | 11,154                   | 12,023 | 11,599 | 104          | 96   |
| Placed on feed during March                   | 1,750                    | 1,837  | 1,965  | 112          | 107  |
| Fed cattle marketed during March              | 1,963                    | 1,958  | 1,848  | 94           | 94   |
| Other disappearance during March <sup>b</sup> | 68                       | 90     | 72     | 106          | 80   |
| On feed April 1 <sup>a</sup>                  | 10,873                   | 11,812 | 11,644 | 107          | 99   |

<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.

Agriculture Conference at Lexington's Embassy Suites Hotel June 3-5.

The conference is aimed at resource providers, counselors, and practitioners who mentor entrepreneurs in value-added agricultural business ventures.

Those attending will have a chance to experience Kentucky value-added items during "A Taste of Kentucky" at the Kentucky Horse Park. A tradeshow, featuring value-added research and industry exhibits, will be open from 6 p.m. June 3 to 12 p.m. June 5.

Registration for the conference is \$160. Make checks payable to the University of Kentucky and mail to UK Ag Econ/Value-Added Conference, C/O Jennifer Hunter, 320 C.E. Barnhart Building, Lexington, KY, 40526-0276, or fax registrations and credit card information to 859-225-9043.

### **K-State ag conferences June-August, Kansas**

Kansas State University (K-State) Research and Extension is offering the following area and statewide agricultural conferences and field days to all interested persons. For more information about these events and other local and county events, check with your local Extension office.

- ▶ June 4 — North Central Kansas Experiment Field Spring Field Day, Belleville, 785-335-2836
- ▶ June 4 — Wheat Field Day, Southwest Research-Ext. Center, Tribune, 620-376-4761
- ▶ June 25-26 — Composting Operators' School, Manhattan, 785-532-5776
- ▶ July 15-17 — Crop Diagnostic School, Manhattan, 785-532-6183
- ▶ July 22-23 — Kansas Ag Retailers Association Crop School, Manhattan, 785-532-6183
- ▶ Aug. 14-15 — Risk and Profit Conference, Manhattan, 785-532-1504

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

#### **June-November**

Purdue University will host several conferences and seminars aimed at those in agribusiness. Among the seminars are:

- ▶ June 5-7 — Sales Management and Leadership
- ▶ July 10-11 — Precision Selling: Building Relationships with Large Farmers
- ▶ Oct. 22-26 — Agrimarketing
- ▶ Nov. 13-14 — National Conference for Agribusiness: "Re-Thinking Service Strategies: Innovations that Drive Profit."

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).

