



Beef Business

► A look at current events affecting the cattle industry

Feds suspend meatpacker pending animal abuse probe

The U.S. Department of Agriculture (USDA) suspended Westland Meat Co. of Chino, Calif., late January as a supplier to the agency's National School Lunch Program after The Humane Society of the United States (HSUS) posted on its web site a video chronicling abuse of cattle at a supplier's processing facility.

The video shows workers prodding downer cattle — apparently with electric prods — spraying high-intensity water through their noses and ramming them with the blades of a forklift. The workers reportedly were trying to get the cattle on their feet before a USDA inspector arrived for daily inspection.

USDA's Food Safety and Inspection Service (FSIS) generally prohibits such abuse as well as the use of downer cattle, or nonambulatory cattle, which pose a higher risk of carrying bovine spongiform encephalopathy (BSE) and other diseases, and their tissue in human food.

At press time, Westland had been suspended indefinitely pending USDA's investigation, which means it cannot produce or deliver products currently under contract. The company also cannot sign further contracts. The agency has put on hold all products in or destined for federal food and nutrition programs, Schafer said.

Steve Mendell, president and chief executive officer (CEO) of Westland Meat Co., the second-largest supplier of meat to the National School Lunch Program, said in a statement that two workers violated the company's animal welfare standards and have been fired. Their supervisor has been suspended pending his explanation, he said.

English county restricted for imports

USDA's Animal and Plant Health Inspection Service (APHIS) reported Jan. 30 it is restricting Surrey County, England, from imports into the U.S. related to the county's incident of foot-and-mouth disease (FMD). In August 2007, APHIS placed restrictions and prohibitions, depending on the type of product and level of processing, on the importation of products from the United Kingdom (UK) derived from FMD-susceptible species following the

confirmation of the disease in Surrey County.

After evaluating the overall FMD situation in the UK, APHIS is localizing the restrictions to just Surrey County after finding that FMD is not known to exist outside of the county. Also, the United Kingdom has established movement barriers to prevent the spread of FMD from Surrey County and maintains a surveillance system capable of detecting the disease should it spread, as well as the infrastructure to eliminate any occurrence of the disease.

As a result of this interim rule, the importation of any ruminant or swine, as well as fresh (chilled or frozen) meat or animal products of any ruminant or swine from Surrey County into the United States is restricted.

According to APHIS, this interim rule is effective retroactively to Aug. 3, 2007, and was scheduled for publication in the Jan. 30, 2008, *Federal Register*.

Secretary of Agriculture sworn in

Ed Schafer was sworn in as the 29th Secretary of Agriculture Jan. 28. Secretary Schafer brings a record as a two-term governor of North Dakota to USDA along with extensive private sector experience as both an entrepreneur and a business executive.

Schafer outlines Bush's FY 2009 ag budget

Secretary Schafer Feb. 4 released details of President Bush's fiscal year (FY) 2009 USDA budget, which, he said, advances the President's goals of building a strong agricultural economy, improving the quality of life in rural America, increasing energy security, conserving our natural resources, and improving the nation's nutrition and health.

"The President's agriculture budget supports his commitment to increase the competitiveness of agriculture, ensure the safety of the food supply, and provide nutrition and housing assistance to those most in need," Schafer said. "This budget aims to enhance those programs with a proven track record for achieving results and reflects the President's goal to keep spending under control to reduce the deficit."

Total USDA expenditures are estimated at \$95 billion in FY 2009, which is approximately the same level as FY 2008. Roughly 76% of expenditures, or \$72 billion in 2009, will be for mandatory programs that provide services required by law, which include many of the nutrition assistance, commodity, export promotion and conservation programs.

According to Schafer, USDA's discretionary programs account for the remaining 24% of expenditures, or \$23 billion in 2009. Discretionary programs include the Women, Infants and Children (WIC) Program; rural development loans and grants; research and education; soil and water conservation technical assistance; management of National Forests and domestic marketing assistance.

The President's 2009 budget is based on the provisions of the 2002 Farm Bill and reflects the Administration's proposals for changes to the bill. Enactment of a Farm Bill will affect some of the estimates in the 2009 budget.

Highlights of the FY 2009 budget are available in further detail at www.usda.gov.

FCS Financial to return \$3.7M to members

FCS Financial's Board of Directors announced Jan. 31 that it will return \$3.7 million to their member-owners in cash patronage for the 2007 calendar year.

Patronage payments will be based on a member's loan business activity with the association. All eligible members will receive a minimum of \$20. Each eligible member's patronage check was to become available at his or her local FCS Financial office beginning Feb. 25.

For more information, contact a local FCS Financial office at 1-800-444-3276 or visit www.myfcsfinancial.com where you will find a link to the 2007 Patronage Program under Information. FCS Financial is a member of the Farm Credit System.

Tyson cuts 1,500 jobs at Emporia location

Tyson Foods Inc. announced Jan. 25 that it will cease all beef harvest operations at its Emporia, Kan., facility, cutting approximately 1,500 of the company's 2,400 jobs.

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Dick Bond, president and CEO of Tyson Foods, cited a sluggish U.S. fed-cattle supply, and the rising price of grain and its subsequent increasing land and feed costs as reasons for the decision to halt harvest operations.

“There continues to be far more beef slaughter capacity than available cattle, and we believe this problem will continue to afflict the industry for the foreseeable future,” Bond said. “We estimate the current slaughter overcapacity in the industry to be between 10,000 and 14,000 head of cattle per day.”

Emporia’s location, according to Tyson, also played a significant role in the decision.

“Cattle production has moved from eastern to western Kansas over the past 20 to 30 years, and the Emporia plant is no longer centrally located in relationship to where most of the cattle it slaughters are raised,” Bond stated.

With little relief in sight, Tyson officials believe the move will divert more cattle to its other facilities and improve their capacity utilization, said Jim Lochner, senior group vice president of Tyson Fresh Meats.

Although more than half of workers at the Emporia location will be searching for new jobs, the facility will continue to be used as a cold storage and distribution warehouse and will process ground beef.

Minnesota herd tests positive for TB

The Minnesota Board of Animal Health announced Jan. 22 that a Roseau County beef cattle herd tested positive for bovine tuberculosis (TB).

The newly detected Roseau herd tested negative in 2005 and 2006, but during a third, follow-up round of testing in November 2007, one animal tested suspect for bovine TB. Tissue samples were collected and submitted to the National Veterinary Services Laboratory (NVSL) in Ames, Iowa, where a diagnosis of bovine TB was confirmed mid-January. This is Minnesota’s ninth beef herd to be detected with bovine TB.

At press time, Minnesota’s Modified Accredited Advanced TB status was to remain unchanged. Minnesota Board of Animal Health Executive Director and State Veterinarian Bill Hartmann said that work will continue unabated to return the state to TB-Free status. However, the discovery of any additional herds could result in the downgrading of Minnesota’s status.

More information on bovine TB in Minnesota and the testing campaign can be found at www.bah.state.mn.us or by calling the Minnesota TB Hotline at 1-877-MN TB FREE (668-2373).

Indonesia, Barbados allow full market access

Indonesia and Barbados officials have announced the countries will allow complete

market access for U.S. beef and beef products of all ages, then-Acting Agriculture Secretary Chuck Conner announced Jan. 23.

Under this new agreement, USDA estimates that U.S. beef exports to Indonesia could potentially double in 2008 and 2009. Exports of U.S. beef and beef products to Barbados were roughly \$2.7 million in 2007 (January-November) with partial market access.

Southeast producers face record drought

Without adequate rain to maintain pastures and grow hay and forage, the worst drought on record in the Southeast continued to hammer the area’s cattle producers mid-January, the National Cattlemen’s Beef Association (NCBA) reported. Some producers were reporting that feed costs have more than doubled.

According to NCBA, many producers were being forced to liquidate their herds due to rising input costs at press time. Drinking water for cattle was also in short supply, forcing producers to purchase water for cattle, along with feed. In addition, producers are reporting that in many instances cattle are as much as 100 pounds (lb.) lighter than normal.

Diamond V plans second manufacturing plant

Diamond V recently announced plans to build a new \$12-million manufacturing facility in Cedar Rapids, Iowa. Construction on the new 28,000-square-foot (sq. ft.) facility will begin this summer, and it will become operational in 2009.

Diamond V officials investigated manufacturing sites around the globe before selecting a location in Cedar Rapids, where its corporate headquarters, technical research and innovation center, and existing plant are located. The company’s use of DiaMatrix Technology,™ an exclusive proprietary fermentation process used to manufacture its products, requires specialized raw materials that are available in the area. Access to these specialized raw materials, desire to maintain control of manufacturing trade secrets and existing infrastructure heavily influenced the decision. The company’s existing plant will remain operational.

Most Americans enjoy burgers

Eighty-five percent of Americans say they eat burgers once a month or more, according to a recent survey, the American Meat Institute (AMI) reports.

These and numerous other findings are detailed in two new reports from foodservice consultancy Technomic — one that examines key consumer trends in burger

U.S. cattle on feed up 1%

Cattle and calves on feed for harvest in the United States for feedlots with capacities of 1,000 or more head totaled 12.1 million head Jan. 1, 2008. The inventory was 1% above Jan. 1, 2007, figures and 2% above Jan. 1, 2006, figures. This is the highest Jan. 1 inventory since the series began in 1996.

Placements in feedlots during December totaled 1.70 million, 1% below 2007 figures and 10% below 2006 figures. Net placements were 1.64 million head.

Marketings of fed cattle during November totaled 1.65 million, 1% above 2007 figures, but 4% below 2006 figures. This is the second-lowest fed-cattle marketings for the month of December since the series began in 1996. Other disappearance totaled 58,000 head during December, 34% below 2007 figures and 36% below 2006 figures.

Table 1: No. of cattle on feed, placements, marketings and other disappearance, 1,000+-head-capacity U.S. feedlots, Jan. 1, 2006-2008

	No. of head (1,000 head)			2008 as % of	
	2006	2007	2008	2006	2007
On feed Dec. 1 ^{a,b}	11,726	11,973	12,099*	103	101
Placed on feed during Dec. ^b	1,884	1,714	1,701	90	99
Fed cattle marketed during Dec. ^b	1,715	1,625	1,645	96	101
Other disappearance during Dec. ^{b,c}	91	88	58	64	66
On feed Jan. 1 ^a	11,804	11,974	12,097	102	101

*Revised.

^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.

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

Source: National Agricultural Statistics Service.

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consumption and another that takes a closer look at the top-25 chain operators in the burger segment.

According to AMI, significant differences were found in burger preferences and consumption behavior based on gender, age, region, ethnicity and income. For example, Northeastern consumers are the lightest burger users, and Asian consumers are more likely to find themed burgers appealing than other ethnic groups.

Heavy burger users, those who eat burgers once a week or more, make up the largest burger user category (44%); this group skews toward young consumers and those in the South and Midwest.

Within the nearly \$59-billion burger category, the top 25 limited-service burger chains held roughly 97% of the market — and the top three (McDonald's, Burger King and Wendy's) accounted for nearly 75% of limited-service burger chain sales.

For more information on either report, go to www.foodpubs.com.

R-CALF motion denied

A motion filed by Ranchers-Cattlemen Action Legal Fund United Stockgrowers of America (R-CALF USA) to block the import of older cattle into the United States from Canada has been denied by a federal judge, AMI reported.

According to AMI, the judge found the request moot.

R-CALF filed a lawsuit last November seeking to enjoin a rule published by APHIS allowing older cattle from Canada to enter the United States. The rule, however, went into effect on Nov. 19, 2007, and older cattle have been coming into the country, AMI reports.

In addition to denying the temporary restraining order request, the court set a hearing date of Feb. 19, 2008, for argument on R-CALF's motion for a preliminary injunction.

Former ag secretary Earl Butz dies

Secretary Schafer announced Feb. 4 the death of former Secretary of Agriculture Earl Butz.

Schafer said Butz championed the cause of the farmer and was an optimist about American agriculture and the power of the marketplace.

"He was also a pioneer who foresaw the opportunities that global markets could offer to America's farmers long before they became a reality," Schafer said.

As Secretary of Agriculture, Butz insisted on giving farmers more freedom to manage

their own businesses and more incentives to produce. He oversaw changes to government support programs that have helped create today's robust agricultural economy. And by approving the sale of more than \$1 billion of grain to the former Soviet Union in 1972, he raised farm incomes and set American farmers on the path to developing a stronger presence in export markets around the world.

Butz served as Secretary of Agriculture from 1971 to 1976 under presidents Richard Nixon and Gerald Ford. He also served as Assistant Secretary for Marketing and Foreign Agriculture from 1954 to 1957 under President Dwight Eisenhower.

Washington Watch

Economic stimulus package passes

The U.S. House of Representatives passed a \$146-billion aid package Jan. 29 with hopes of healing a listless U.S. economy.

According to *The Associated Press* (AP), the package would speed rebates of \$600-\$1,200 to most taxpayers. The plan would also include rebates for anyone with at least \$3,000 in income, "with more going to families with children and less going to wealthier taxpayers," AP reported.

At press time, the Senate had yet to finalize its version of the bill, which, AP noted, could take some time.

Both the House and Senate versions include tax breaks to businesses to spur equipment and other purchases.

Fed slashes interest rate

The Federal Reserve made an unprecedented move late January, slashing a key interest rate twice within a week. The central bank first announced the rate cut Jan. 22, slashing it by three-quarters of a percentage point, *The Washington Post* reported, and bringing rates to 3.5%. The largest rate cut in at least 18 years, the move was meant to stymie a weakening U.S. economy and was expected to affect everything from certain loans and credit card payments to auto loan rates and lines of credit.

Facing further risks of recession, the Federal Reserve made another interest rate cut Jan. 30, bringing rates from 3.5% to 3.0%. The discount rate — what banks pay to borrow directly from the Federal Reserve — was also cut by half of a point, *CNN.com* reported.

According to *The Washington Post*, the Fed said it had cut rates due to a worsening U.S. housing market, growing unemployment rate and an overall weakening of the economy.

NCBA Chief Economist Gregg Doud said the economic downturn, coupled with more affordable competing proteins in the meatcase could spell trouble for beef demand in the coming months.

Legislation aims at increasing veterinarians

A growing shortage of veterinarians threatens U.S. food safety and public health, Rep. Tammy Baldwin (D-Wis.), told a House subcommittee on health late January.

According to the *Milwaukee Journal Sentinel*, Baldwin introduced the Veterinary Public Health Workforce Expansion Act last year, with a goal of increasing veterinary school resources and enabling more students to enroll.

At press time, the bill, which had 90 co-sponsors, was expected to move through the committee to a vote on the House floor, according to the article.

"There is a projected shortage of 15,000 veterinarians over the next 20 years, particularly those working in food supply and public health," the *Journal Sentinel* stated.

Industry Events

Academy for Ranch Management

March 6-8, Texas Agricultural Experiment Station near Sonora

The Academy for Ranch Management has scheduled two workshops in early 2008 for prescribed rangeland burning, a technique that renews vegetation by using fire to burn off unwanted brush.

A prescribed burning rangeland workshop is scheduled for Feb. 21-23, while an advanced workshop on the method is scheduled March 6-8. Both workshops will be at the Texas Agricultural Experiment Station near Sonora.

Cost for each workshop is \$395 and includes meals and lodging at the Sonora station.

The first workshop provides basic information on prescribed burning, weather, fuels, equipment and planning. It is designed to be a prerequisite to the advanced workshop. A prescribed burn will be conducted, weather permitting.

The advanced workshop provides additional information on weather and fuels with emphasis on planning and conducting a prescribed burn. A comprehensive exam is administered for those interested in completing the educational requirement for a certified prescribed burn manager.

For more information about the

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workshops and to register, call 979-820-1778 or visit www.ranchmanagement.org.

K-State Cattlemen's Day 2008 **March 7, Manhattan, Kan.**

Kansas State University's (K-State's) Cattlemen's Day 2008 is set for March 7 in Weber Hall on the university's Manhattan campus.

The day will begin at 8 a.m. in Weber Arena with a commercial trade show and educational exhibits. A program with featured speakers and breakout sessions will start at 10 a.m.

Several guest and university speakers will be program highlights, including world-renowned animal behavior specialist Temple Grandin, who will present "Animal Welfare From the Consumer Perspective." Grandin is an associate professor at Colorado State University.

The registration fee is \$25 per person. The registration includes both refreshments and a lunch.

Other program topics and speakers will include: Beef and the Consumer; DNA Marker-Assisted Selection; Cashing in on Ethanol Co-Products; Preconditioning for Optimum Cattle Performance and Carcass Value; Fertility Assessment in Bulls and Strategies for Improvement; Controlling Brush and Sericea Lespedeza in Native Pastures; Value-Added Beef Processing Technologies; and Biofuels Expansion.

The day will end with the 3:30 p.m. K-State Legacy Bull Sale at the university's Purebred Beef Unit.

More information is available at www.asi.ksu.edu or by calling 785-532-1281.

Certified Livestock Manager Training (CLMT) program

March 7, Springfield, Ill.

The Certified Livestock Manager Training (CLMT) program at the University of Illinois (U of I) at Urbana-Champaign will offer a workshop to help producers comply with the Livestock Management Facilities Act and other environmental regulations.

According to the Livestock Management Facilities Act, certified livestock managers of farms with 300 to 1,000 animal units are required to attend the training program or pass the Illinois Department of Agriculture's Certified Livestock Manager Exam. The CLMT workshop has been approved by the Illinois Department of Agriculture as meeting the training certification requirement.

Certified livestock managers of 1,000 animal units or more are required to do

both. U of I Extension also has an Internet quiz option that, if successfully passed, substitutes for the requirement of attending a workshop.

The workshop brings together a broad range of disciplines, including environment, economics, animal science and engineering.

Livestock producers, both large- and small-scale, who apply for the Natural Resources Conservation Service (NRCS) Environmental Quality Incentives Program (EQIP) cost-share funds can pick up 10 points in the application process by becoming certified.

Workshop topics include concrete construction, odor issues, manure management planning, mortality composting, and updates on rules and regulations.

Additional details are available by visiting www.livestocktraining.com.

Bovine ultrasound clinics for veterinarians

March 13-14, Bell, Fla.; April 3-4, Cortland, N.Y.

Merial is sponsoring a series of bovine reproductive ultrasound classes for veterinarians. These classes will provide hands-on, in-depth instruction in the use of ultrasound for bovine reproductive exams.

Craig DeMuth, DVM, and Jill Colloton, DVM, are the instructors of the seminars that include classroom and on-farm curriculum. "Bovine reproduction can be improved by learning about technological advancements," DeMuth says. "Efficient reproduction takes the right tools. The goal of these classes is to educate veterinarians about current practices, products and technologies that can maximize efficiency when it comes to reproduction."

The classroom portion of the ultrasound course will cover what to look for when purchasing an ultrasound unit, practical tips for using ultrasound in the field, video demonstration of ultrasound imaging, current topics in bovine reproduction, and how ultrasound works. The on-farm portion includes: identifying normal and abnormal ovarian and uterine morphology, early pregnancy diagnosis and fetal viability, fetal sexing, and twin diagnosis.

Attendees of the clinic can apply for nine hours of continuing education (CE) credits. For more information and to register, log on to www.bovineservices.com or call Jill Colloton at 715-352-2232. For more information visit www.merial.com.

Heart of Oklahoma Cattle Conference

March 22, Shawnee

The Heart of Oklahoma Cattle Conference will take place March 22 at the Exposition Center in Shawnee located at 1700 W. Independence St.

The conference will investigate the "Keys to Success in the Commercial Cow Business," and speakers will discuss practices that can lead a producer to a successful business.

Early registration is \$8 by March 17 and \$12 the day of the conference; this will cover the cost of lunch and handout materials.

Registration on March 22 begins at 8:30 a.m., with the first session starting at 9:30 a.m.

The morning session will cover practices such as a defined calving season, beef cow body condition at breeding and calving, replacement heifer growing, herd health and immunizations, calving management, and bull care.

An afternoon presentation will examine how to evaluate a calf crop based on value to the consumer. Attendees will examine calves at feeder weight and again at market weight to see if phenotypically a person can actually determine what cattle characteristics can be examined and be indicators of carcass value and quality.

The final session of the day will look at market-weight cattle going through the harvest phase and breaking them down into wholesale and retail cuts. A trade show is also scheduled.

The Heart of Oklahoma Cattle Conference is sponsored by the Pottawatomie Cooperative Extension Service and Pottawatomie County Cattle Producer's Association.

For more information about the conference or vendor information call 405-273-7683.

NIAA Annual Meeting **April 1-3, Indianapolis, Ind.**

The National Institute for Animal Agriculture (NIAA) 2008 annual meeting, themed "Animal Care and Well-Being: Facts Not Fiction," will host producers, animal health and management professionals, animal agriculture Extension specialists, and individuals involved in animal agriculture.

Tuesday's opening general session will feature four speakers, including Wes Jamison, Ray Stricklin, Steve Kopperud and Charlie Arnot.

NIAA's 12 species-based and issues-based committees will meet after the opening general session on Tuesday afternoon, April 1, and Wednesday, April 2. Committees are open to all attendees.

Thursday, April 3, will be devoted to a one-day ID.INFO Workshop.

A schedule of events for NIAA's annual meeting and the 2008 ID.INFO Workshop, meeting registration, list of NIAA committees and hotel information are all available at www.animalagriculture.org or 270-782-9798.