



# Beef Business

► A look at current events affecting the cattle industry

## U.S. beef shipped to Russia

Russia has purchased about 125,000 pounds (lb.) of U.S. whole-muscle beef, the first such purchase since it banned U.S. beef in 2003 due to bovine spongiform encephalopathy (BSE) concerns, a U.S. Department of Agriculture (USDA) spokeswoman confirmed.

"There have been requests for four shipments (container loads) of beef items to Russia," USDA spokeswoman Angela Harless told *Meatingplace.com*, adding the sale was made by a single company.

USDA's Food Safety and Inspection Service (FSIS) posted a list of 18 facilities approved for export to Russia Oct. 19, 2007. Of these, 13 are harvest or processing plants and five are cold-storage facilities. The approvals followed audits by Russian officials to verify compliance with all Russian requirements.

The United States has been basically shut out of the Russian market since 2003. Russia eased its rules enough in November 2006 to

make U.S. beef imports legal, but restrictions remain.

U.S. officials said last week that after months of negotiating, the United States and Russia are near a deal on opening that market more broadly to U.S. beef products.

## Canada reports another case of BSE

The Canadian Food Inspection Agency (CFIA) confirmed Dec. 18 the diagnosis of BSE in a 13-year-old beef cow from Alberta, noting that the agency has the animal's carcass under its control and no part of it entered the human food or animal feed systems.

The latest discovery marks the 11th case of BSE to befall Canada since its first in a native-born animal in May 2003, which prompted many export markets to ban Canadian beef.

In May of last year, the World Organization for Animal Health (OIE) designated Canada as a controlled-risk country for BSE, acknowledging the

effectiveness of its controls and effectively allowing the export of beef from Canadian cattle of any age.

"This case will not affect Canada's risk status," CFIA said in a news release.

The most recent BSE cases prior to this one included one reported May 2, 2007, in a dairy cow in British Columbia born in 2001 and one reported Feb. 7, 2007, in a bull from Alberta born in 2000. The animal involved in this latest case was born before Canada banned the use of specified risk materials (SRMs) in feed in 1997.

In July 2007, Canada enhanced the 1997 feed ban, barring SRMs from all animal feed, pet food and fertilizer.

An epidemiological investigation is under way to identify the animal's herd mates at the time of birth and the pathways by which it might have become infected.

## USDA promotes animal ID progress

The USDA's Animal and Plant Health Inspection Service (APHIS) has recorded 429,600 premises registered nationwide as part of the National Animal Identification System (NAIS), with substantial increases this year in the number of premises registered, *Meatingplace.com* reports.

As of December 2007, Nebraska became the 10th state to register at least 50% of its total estimated production agriculture premises under NAIS. Nebraska officials attribute the increased registrations in part to visits to its NAIS "Locate in 48" web site ([www.locatein48.com](http://www.locatein48.com)), which publicizes the main goal of the system: to retrieve traceback data within 48 hours to contain the spread of animal disease. Other factors contributing to the increase in registrations in Nebraska include the ability to register by phone and direct mail outreach.

Other states that have topped the 50% mark include Idaho, Indiana, Michigan, Nevada, New York, North Dakota, Pennsylvania, Utah and Wisconsin.

To contact a state partner or find out more about NAIS, visit <http://animalid.aphis.usda.gov/nais/index.shtml>.

## Ultimate Genetics and Semex form marketing alliance

Semex USA and Ultimate Genetics have formed a marketing alliance to offer

## 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 Dec. 1, 2007. The inventory was 1% above Dec. 1, 2006, figures and 3% above Dec. 1, 2005, figures. This is the highest Dec. 1 inventory since the series began in 1996.

Placements in feedlots during November totaled 2.12 million, 12% above 2006 figures and 3% above 2005 figures. Net placements were 2.06 million head.

Marketings of fed cattle during November totaled 1.74 million, 3% below 2006 figures, but 2% above 2005 figures. Other disappearance totaled 57,000 head during November, 31% below 2006 figures and 37% below 2005 figures.

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

	No. of head (1,000 head)			2007 as % of	
	2005	2006	2007	2005	2006
On feed Nov. 1 <sup>a</sup>	11,473	11,969	11,760	103	98
Placed on feed during Nov.	2,045	1,884	2,116	103	112
Fed cattle marketed during Nov.	1,701	1,797	1,738	102	97
Other disappearance during Nov. <sup>b</sup>	91	83	57	63	69
On feed Dec. 1 <sup>a</sup>	11,726	11,973	12,081	103	101

<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.

an expanding variety of genetics and opportunities for their customers. Utilizing Semex USA's national distribution network and Ultimate Genetics' strong presence in the southern United States will help each company expand its dairy and beef product offerings.

Semex USA, formed in 1996, is a subsidiary of the largest cooperatively owned artificial insemination (AI) company in the world, Semex Alliance of Guelph, Ont., Canada. Ultimate Genetics LLC was formed in 1996 by the purchase acquisition of Medina Valley Genetics.

### Top stories of 2007

The rising demand for corn-based fuel — and subsequent diversion of corn from livestock feed — made ethanol the most significant topic of 2007, according to an unscientific web survey of Meatingplace members.

Other significant events or topics for the year included the surge in FSIS meat recalls in general, the Topps Meat Co. recall in particular, and the acquisition last summer of Swift and Co. by Brazilian beef giant JBS-Friboi.

In rank order, readers chose the following as the top five topics of 2007:

- ▶ Ethanol's effect on feed prices
- ▶ FSIS beef recalls
- ▶ Topps recall/bankruptcy
- ▶ Immigration and Customs Enforcement (ICE) raids on meat/poultry plant workers
- ▶ JBS-Swift acquisition

### FSIS launches risk-based testing for *E. coli* in raw ground beef

FSIS has commenced an enhanced risk-based sampling and testing program for *E. coli* O157:H7 in raw ground beef, one of the many programs it promised to initiate following the Topps Meat Co. recall last fall.

Under the new protocol, effective Jan. 1, 2008, FSIS will take into account establishment volume and whether the establishment has had any FSIS or Agricultural Marketing Service (AMS) positive results within the past 120 days.

FSIS says inspectors will likely collect a minimum of four samples and up to 24 samples annually. The new program is independent of follow-up testing, which results from an establishment being implicated in an *E. coli* O157:H7-positive production lot.

Topps' recall of nearly 22 million pounds

(lb.) of frozen ground beef products in early October 2007, one of the largest beef recalls in U.S. history, followed a rash of recalls in the summer and forced FSIS to review its oversight procedures. The agency vowed it would make improvements, announcing some of its plans shortly thereafter.

## Washington Watch

### Senate passes Farm Bill, moves to conference under veto threat

The Senate on Dec. 17, 2007, voted 79-14 to pass a version of the 2007 Farm Bill that the White House has already threatened to veto, sending the legislation to the House-Senate conference committee to hash out differences and agree on a bill that the White House will sign.

"This legislation is fundamentally flawed. Unless the House and Senate can come together and craft a measure that contains real reform, we are no closer to a good farm bill than we were before today's passage," Acting Secretary of Agriculture Chuck Conner said in a statement.

Conner acknowledged he was disappointed the Senate approved the bill by such a wide margin. Broadly, the Administration opposes the cost of the \$286 billion Farm Bill, which it says includes \$22 billion in unfunded commitments and \$15 billion in new taxes, as well as the fact that it did not limit subsidies to wealthier farm owners as much as the Administration sought.

**Packer livestock ownership.** The Senate version of the bill includes a livestock title (Title X) that contains a provision that would allow meatpackers to own livestock only 14 days before harvest.

"We're going to be working very closely with the conferees in both the House and Senate to address this issue very directly as we go into the conference," Mark Keenum, undersecretary for farm and foreign agricultural services told reporters, adding that the provision is, "impeding commerce and trade with a specific commodity, in this situation livestock, and that's a slippery slope."

**COOL and state-inspected meat.** Both House and Senate versions of the bill contain mandatory country-of-origin labeling (sometimes referred to as COOL or COL) provisions that meat industry groups have agreed they can live with.

The House version of the bill includes

a provision that would allow some state-inspected meat to cross state lines.

### Bush signs renewable fuels bill

President George W. Bush signed into law an energy bill that will call for at least 36 billion gallons (gal.) of biofuel to be used nationwide by 2022, the White House announced Dec. 19, 2007.

The Energy Independence and Security Act 2007 will allow up to 15 billion gal. of that fuel to come from corn. Ethanol from non-corn inputs will be expected to reach 3 billion gal. in 2016 and rise to 21 billion gal. by 2022.

The Senate passed the bill Dec. 13, 2007, dropping from the House version provisions that the White House had threatened to veto, such as taxes on oil companies and a renewable electricity mandate.

Energy legislation passed in 2005 already requires 7.5 billion gal. of ethanol to be used by 2012, a target expected to be reached well before then.

The American Meat Institute (AMI) called the legislation counterproductive, predicting it would further drive up food prices as more corn is diverted from animal feed to fuel.

### Argentina extends cap on beef exports

Argentina has extended to March 31 its limits on beef exports, which were imposed in March 2006 in an effort to safeguard domestic beef supplies at low prices and curb inflation.

Buenos Aires will continue to limit exports to 40,000 metric tons of bone-in beef per month, according to a report by Dow Jones.

Kirchner's initiative has irked his country's cattle ranchers, who have lamented over their resultant inability to cash in on strong demand in the export market.

Meanwhile, the local market has become saturated, driving down beef prices as grain prices soar. Many cattle ranchers subsequently have sold their herds and begun dealing in more profitable crops such as soybeans. Some 7.4 million acres have been switched from cattle grazing to grain growing since 2005, a 10% reduction in ranchland, said Pablo Adreani, an Argentine economic analyst, in a report by *The Associated Press* (AP).

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**Industry Events****2008 Cattle Industry Annual Convention & Trade Show****Feb. 6-9, Reno, Nev.**

The meeting will feature joint and individual meetings by five industry organizations, including the National Cattlemen's Beef Association (NCBA), the Cattlemen's Beef Promotion and Research Board (CBB), the American National CattleWomen Inc. (ANCW), Cattle-Fax and the National Cattlemen's Foundation (NCF).

Angus Productions Inc. (API) will provide real-time coverage of the event, including a schedule and news coverage, at [www.4cattlemen.com](http://www.4cattlemen.com). Visit the site now for a schedule, committee and subcommittee overviews, a Cattlemen's College® preview and pre-conference news.

**R-CALF USA Annual Convention****Feb. 20-23, Omaha, Neb.**

The Ranchers-Cattlemen Action Legal Fund United Stockgrowers of America (R-CALF USA) will conduct its 9th annual convention Feb. 20-23 in Omaha, Neb. The theme for this year's event is "Fighting for the U.S. Cattle Producer's Prosperity — Together." The location is the newly remodeled Holiday Inn Omaha Convention Center, located at 3321 S. 72nd St., just off Interstate 80 at Exit 449.

For the second year in a row, the R-CALF USA Private Property Rights Committee will hold a seminar on Wednesday, Feb. 20, one day before the convention officially gets under way. Panel discussions throughout the convention cover topics important to the live cattle industry, including animal health issues such as BSE and foot-and-mouth disease (FMD), animal identification (ID), market competition, international trade and the Farm Bill. Also planned are updates on the National Beef Checkoff Program and country-of-origin labeling.

On the evening of Feb. 21, the Coalition for a Prosperous America (CPA) will host "CPA Night at the R-CALF USA Convention." CPA plans to bring in speakers to discuss how current U.S. trade policies are detrimental to the United States. R-CALF

USA Convention Committee Chair Eric Nelson represents R-CALF USA on the CPA board of directors.

New this year to get Saturday's business session started on a positive note is a prayer breakfast during which David Andrews will speak about the importance of bringing wholesome food to consumers and supporting a food system made up of family farmers and ranchers.

For more information about the convention or trade show, call R-CALF USA headquarters at 406-252-2516. To make room reservations, call the hotel before Jan. 20 at 1-800-315-2621 and ask for the R-CALF USA group rate of \$96 plus tax per night. Media interested in attending should contact R-CALF USA Communications Coordinator Shae Dodson at 406-252-2516.

**Academy for Ranch Management****Feb. 21-23 and 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 certified prescribed burn manager.

For more information about the workshops and to register, call 979-820-1778 or visit [www.ranchmanagement.org](http://www.ranchmanagement.org).

**Crop and Livestock Insurance Programs****February, various locations in Kansas and Colorado**

A series of meetings designed to help Kansas and Colorado crop and livestock producers learn about Adjusted Gross Revenue-Lite (AGR-Lite) and other risk management programs is under way in two states.

The meetings, which began in January, are sponsored by Kansas State University's (K-State) Department of Agricultural Economics and K-State Research and Extension; Colorado State University; the USDA Risk Management Agency; and Farm Credit Associations of Kansas.

Topics to be covered at each meeting include: an update from the USDA Risk Management Agency, an introduction to AGR-Lite, a description of what is covered under AGR-Lite, a description of how coverage is established and how claims are calculated; and issues with AGR-Lite.

Each meeting will also include examples and time for questions and discussion. The dates, locations and contact information are available in the Jan. 7, 2008, Angus News Update, which can be found in the Angus e-List archive at [www.anguselist.com](http://www.anguselist.com).

All of the meetings, except the Colby meeting, will begin at 1 p.m. and end at 4 p.m. The Colby meeting begins at 10 a.m. and runs until 5 p.m., with a meal included.

More information about the meetings is available by calling the contact person listed for the site of interest.

**High Plains BioFuels Coproducts Nutrition Conference****Feb. 20, Garden City, Kan.**

The High Plains BioFuels Coproducts Nutrition Conference has been re-scheduled for Wednesday, Feb. 20, from 8:30 a.m. to 4 p.m. The conference will be at the Plaza Inn (Clarion) in Garden City, Kan.

All existing registrations are still valid; if you are already registered there is no need to reregister.

If you have any questions or comments, contact Chris Reinhardt, K-State Extension feedlot specialist at 785-532-1672 (office) or 785-410-2717 (cell).

**For the latest information and event notices, sign up for Angus e-List at [www.anguselist.com](http://www.anguselist.com).**

 **Animal Care and Handling Conference**

**Feb. 14-15, Kansas City, Mo.**

The 2008 Animal Care and Handling Conference, Feb. 14-15, will be at the Westin Crown Center in Kansas City, Mo.

The American Meat Institute (AMI) Foundation Animal Care and Handling Conference for the food industry is the leading animal welfare education opportunity for meat companies, their customers and those involved in the production and management of livestock and meat products.

A special preconference workshop on livestock transportation will be Feb. 13. Attendees of this workshop will benefit from a packed educational agenda with sessions hosted by industry leaders. Discussion topics will include international perspectives, developing a national emergency program, driver fatigue management, ventilation, loading density, managing losses and more.

For complete conference agendas or to register, go to [www.animalhandling.org](http://www.animalhandling.org). For more information visit [www.meatami.com](http://www.meatami.com).

 **2008 Women Managing the Farm Conference**

**Feb. 8-9, Hutchinson, Kan.**

The 2008 Women Managing the Farm Conference is scheduled for Feb. 8-9 at the Grand Prairie Hotel and Conference Center in Hutchinson, Kan.

Titled “Celebrating Ag Women,” the conference is designed for women who are sharing agribusiness decisions with their farmer or rancher husband and for women who have either inherited — or are purchasing — a farm or acreage or choosing agriculture as a career.

Registration and more information on the conference and a limited number of scholarships are available on the conference web site, [www.womenmanagingthefarm.info](http://www.womenmanagingthefarm.info), and by calling 866-327-6578.

