



# Beef Business

► A look at current events affecting the cattle industry

## USDA announces more than \$11M in water quality grants

Acting Agriculture Secretary Chuck Conner announced Oct. 10 that more than \$11 million in grants will be awarded to universities nationwide to address water supply and water quality issues in rural, agricultural and urbanizing watersheds. Highlighted among these grants are two projects that address bioenergy production and water resource issues. The two projects, funded by the U.S. Department of Agriculture's (USDA's) Cooperative State Research, Education and Extension Service (CSREES), take unique approaches to addressing bioenergy development.

- Investigators at Washington State University will explore the effects of irrigating switchgrass for bioenergy development.
- At the University of Wisconsin, investigators are attempting to address the environmental and economic effects of an emerging bio-economy in 14 Midwest states.

For a list of competitively awarded national and watershed-scale projects in fiscal year 2007, visit [www.csrees.usda.gov](http://www.csrees.usda.gov).

## Japan suspends beef from Cargill Kansas plant

Japan's Agriculture Ministry announced it has suspended beef imports from Cargill Inc.'s plant in Dodge City, Kan., because 225 boxes of a recent 9-ton shipment contained tendons that weren't properly identified on papers issued by the USDA, *Agriculture Online* reported.

Japan permits imported meat from young animals only if certain bones and the spinal cord have been removed and the meat has been processed at selected plants. Though the tendons don't violate that ban, Cargill has acknowledged that the boxes may have been mistakenly sent to Japan, according to the release.

## USDA purchases electronic ID tags

USDA announced Oct. 19 contracts with three manufacturers to produce 1.5 million radio frequency identification (RFID) ear tags compliant with National Animal Identification System (NAIS) standards. The combined cost of the contracts is \$1.7 million. The ear tags will be used specifically for USDA state-federal cooperative disease control and eradication efforts, such as

bovine tuberculosis (TB) and brucellosis (Bang's disease) and will be distributed in geographic areas that are determined to be at increased risk for disease outbreak or spread.

Three manufacturers are under contract to produce the RFID ear tags: Allflex USA Inc., Dallas-Fort Worth Airport, Texas; Digital Angel Corp., South Saint Paul, Minn.; and Global Animal Management, Summit, N.J. The average cost per unit to USDA for the bulk purchase is approximately \$1.13 per tag.

The NAIS consists of three components: premises registration, animal identification and tracing. The premises registration component of the system ensures the availability of a nationwide communications network to assist livestock owners and animal health officials in the event of an animal disease event. More than 420,000 premises nationwide have been registered to date.

## USDA will cease back verification of cattle age

USDA announced that, effective Jan. 1, 2008, cattle eligible for export verification programs can no longer be back verified for age, *Meatingplace.com* reported.

Cattle that have left the ranch of origin must be age-verified by Jan. 1, or they will not be eligible for export verification programs that require age verification, such as Japan.

Going forward, cattle must be age-verified prior to leaving the ranch of origin to qualify for age-verification premiums.

## USMEF optimistic on increased U.S. beef sales to EU

U.S. Meat Export Federation (USMEF) President Philip Seng told *Meatingplace.com* that U.S. beef exports to the European Union (EU) are expected to exceed 6,000 metric tons this year and could reach 12,000 metric tons in 2008, excluding variety meats.

Seng said he expects exports of beef this year to slightly exceed the current annual EU quota of 11,500 metric tons, even though it would mean paying stiff duties on shipments exceeding the quota. Seng also said he is optimistic the United States and the EU will be able to negotiate an increase to the current quota.

Beef shipped to the EU must come from

## U.S. cattle on feed down 4%

Cattle and calves on feed for harvest in the United States for feedlots with capacities of 1,000 or more head totaled 11.0 million head Oct. 1, 2007. The inventory was 4% below Oct. 1, 2006, figures but 5% above Oct. 1, 2005, figures.

Placements in feedlots during Sept. totaled 2.43 million, 9% above 2006 figures and 3% above 2005 figures. Net placements were 2.37 million head.

Marketings of fed cattle during Sept. totaled 1.71 million, 3% below 2006, and 6% below 2005 figures. This is the second-lowest fed cattle marketings for the month of September since the series began in 1996. Other disappearance totaled 54,000 head during September, 21% below 2006 figures and 5% below 2005 figures.

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

	No. of head (1,000 head)			2007 as % of	
	2005	2006	2007	2005	2006
On feed Sept. 1 <sup>a</sup>	10,000	10,986	10,302	103	94
Placed on feed during Sept.	2,355	2,227	2,425	103	109
Fed cattle marketed during Sept.	1,816	1,760	1,706	94	97
Other disappearance during Sept. <sup>b</sup>	57	68	54	95	79
On feed Oct. 1 <sup>a</sup>	10,482	11,385	10,976	105	96

<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.

cattle that have not been implanted with growth hormones. Skyrocketing meat-import demand in Europe, as well as the weak U.S. dollar against the Euro and a desire to diversify beyond big suppliers such as Brazil will all create opportunities for U.S. beef, he said.

### **USDA expects modest growth in exports to Japan**

Unless there is an import policy change, Japan is expected to import about 71,400 metric tons of U.S. beef in 2008, up from a projected 57,000 metric tons in 2007, according to *MeatingPlace.com*. Those projections are from an annual livestock report by Kakuyu Obara, an agricultural specialist with the USDA Foreign Agriculture Service. Sales from 2007 will be approximately six times larger than in 2006, but 2007 figures are approximately one-eighth of 2001 sales.

### **NCBA membership on the rise**

The National Cattlemen's Beef Association (NCBA) announced a membership increase for 2007. As of Sept. 30, NCBA counted 29,029 members, an 8% increase during the same time last year. The largest regional gains for the 2007 fiscal year were posted in NCBA Region IV, which includes Texas, Oklahoma and Arkansas.

### **FSIS provides update, likely source of Topps recall**

A joint investigation between the Canadian Food Inspection Agency (CFIA) and the USDA's Food Safety and Inspection Service (FSIS) has identified a likely source of the multi-state outbreak of *E. coli* O157:H7 infections linked to the Topps Meat Co.

On Oct. 25 the CFIA provided FSIS with PFGE patterns, or DNA fingerprints, from tests of beef trim from a Canadian firm, Ranchers Beef Ltd., Canadian establishment 630. This firm provided trim to the Topps Meat Co. While the firm, which had been located in Balzac, Alberta, ceased operations Aug. 15, some product remained in storage and was collected and tested by CFIA as part of the joint investigation of the Topps recall and as part of CFIA's own investigation into 45 illnesses in Canada from *E. coli* O157:H7.

On Oct. 26 PulseNet provided verification to FSIS that this PFGE pattern matched those from patients who were ill and from positive tests conducted by the New York Department of Health on product that was later recalled by the Topps Meat Co. Sept. 29. PulseNet is the Centers for Disease Control and Prevention's (CDC) searchable database

of all PFGE patterns from patients and food products in the United States.

FSIS had delisted Ranchers Beef Ltd., Canadian establishment number 630, as a result of the Topps Meat Co. recall investigation Oct. 20. No product from that firm has been eligible to come into the U.S. since that date.

FSIS announced Oct. 23 new ongoing and upcoming actions to protect public health against the risk of *E. coli* O157:H7, including expanded testing, and expanded testing of imported trim at the border. On Oct. 19, FSIS notified countries that export beef to the U.S. of new policies and programs and is working with them to ensure they implement the same or equivalent measures to protect the public from *E. coli* risks.

### **USDA partners with FFA to promote 2007 Census of Agriculture**

Acting Agriculture Secretary Chuck Conner announced Oct. 26 a strategic partnership with the National FFA Organization to develop online learning tools to educate FFA members about the importance of the 2007 Census of Agriculture. Together, the National Agricultural Statistics Service (NASS) and FFA are in the final stages of developing a series of classroom-ready lesson plans about the Census of Agriculture for teachers, as well as online tutorials for independent study.

NASS will mail out Census forms Dec. 28, 2007, to collect data for the 2007 calendar year. Completed forms are due by Feb. 4,

2008. Producers can return their forms by mail or, for the first time, they have the convenient option of filling out the Census online. For more information about the Census, visit [www.agcensus.usda.gov](http://www.agcensus.usda.gov) or call toll free 1-888-424-7828.

### **Pennsylvania firm recalls ground beef**

Cargill Meat Solutions Corp., a Wyalusing, Pa., firm, is voluntarily recalling approximately 1,084,384 pounds of ground beef products because they may be contaminated with *E. coli* O157:H7, FSIS announced Nov. 3.

A list of products included in the recall can be found at [www.fsis.usda.gov/PDF/Recall\\_051-2007\\_Release.pdf](http://www.fsis.usda.gov/PDF/Recall_051-2007_Release.pdf). Consumers with questions about the recall should contact the company toll-free hotline at 877-455-1034.

### **Increased testing and re-inspection of Canadian meat**

USDA's FSIS has instituted additional import requirements for meat and poultry products from Canada.

Effective Nov. 5, FSIS will increase testing for salmonella, *Listeria monocytogenes* and *E. coli* O157:H7 and will require that shipments be held until testing is complete and products are confirmed negative for these pathogens. In addition, Canadian meat and poultry products will receive increased levels of re-inspection by the FSIS to confirm they are

CONTINUED ON PAGE 148

eligible to enter commerce when presented at the U.S. border.

FSIS has also initiated an audit of the Canadian food safety system that will focus on Ranchers Beef Ltd., the Canadian plant previously identified as the likely source of the multi-state outbreak of *E. coli* infections linked to the Topps Meat Co., and on other similar establishments. The audit and the stepped up actions at the border are being conducted because of concerns about testing practices at Ranchers Beef Ltd. that were discovered as part of the ongoing investigation.

FSIS will review preliminary findings of the audit to determine whether there is a need to continue the additional interim requirements.

FSIS Administrator Alfred Almanza and an additional senior FSIS food safety official met Nov. 2 with their counterparts at the CFIA to inform them of the increased testing and re-inspection requirements.

### **Animal Health International announces acquisition of Kane Veterinary Supplies.**

Animal Health International Inc. announced it has acquired Kane Veterinary Supplies Ltd. for approximately \$24 million in cash, together with a performance-based earn out.

## **Washington Watch**



### **Acting ag secretary recommends Farm Bill veto**

Acting Secretary of Agriculture Chuck Conner said he and other presidential advisors will recommend President Bush veto the Farm Bill being debated on the

Senate floor in its current form. On a conference call with reporters, Conner said the Senate bill includes \$37 billion in additional costs and relies on "budget tricks" and additional taxes to fund it. He cited the lack of government payment limits for the wealthy, increased crop loan rates and target prices and a lack of reform in crop price support payments as particularly unacceptable.

He said USDA will send Congress a detailed Statement of Administration Policy (SAP) outlining specific changes the administration will seek.

Asked about the livestock portion of the Senate bill, Conner said there are several provisions of the livestock title the administration opposes.

Conner said the administration opposes the creation of a special counsel on agricultural competition at USDA to enforce the Packers and Stockyards Act. He said it also opposes the proposed ban on packer livestock ownership, as well as contract restrictions of any kind.

In terms of the country-of-origin labeling (often referred to as COL or COOL) provisions, Conner said while USDA has historically opposed COOL, the provisions in the current House and Senate bills make it easier for USDA to implement it.

## **Industry Events**



### **National Western Stock Show, Denver, Colo.**

Five days of Angus events, including the 2008 National Angus Show, junior heifer show, pen and carload show and the National Western Angus Bull Sale are planned during the 102nd National

Western Stock Show (NWSS) in Denver, Colo. Angus events kick off Tuesday, Jan. 15, and happen daily through Saturday, Jan. 19. See page 78 in this issue for a detailed schedule of events.

### **Angus Outreach Seminars, Montana, Texas**

An American Angus Association Outreach Seminar is set for Thursday, Dec. 13, in conjunction with the Montana Stock Grower's Annual Convention & Trade Show. The Outreach Seminar is set for 6 to 8 p.m. in the Gallatin Room of the Holiday Inn Grand Montana in Billings, Mont.

Another Outreach Seminar will be Thursday, Jan. 24, 2008, in Fort Worth, Texas, in conjunction with the Texas Angus Association Annual Meeting. The Outreach Seminar is set for 6 to 8 p.m. at the Southwestern Exposition & Livestock Show.

For more information contact Jim Shirley or Shelia Stannard at 816-383-5100 or visit [www.angus.org](http://www.angus.org).

### **Cattlemen's Boot Camps, Iowa, Washington**

The American Angus Association, Angus Foundation and Iowa State University (ISU) will conduct a Cattlemen's Boot Camp, Dec. 18-19, at Kildee Hall on the Iowa State University Campus, Ames, Iowa. The Boot Camp is open to all cattle producers and will overview various segments of the beef industry as well as give perspective on emerging technologies.

The event is set to begin at 9 a.m. Tuesday, Dec. 18, at Kildee Hall on the Iowa State Campus. The Boot Camp will conclude on Wednesday, Dec. 19. Following the Boot Camp, Association staff will offer an optional session about specific Association processes and procedures for any member who wants to participate.

Registration is \$75, which includes meals and materials for the Boot Camp. Enrollment is limited, so sign up today by contacting the Association for registration materials. Registration forms are available online at [www.angus.org](http://www.angus.org).

An additional Boot Camp is planned for Washington State University, Pullman, Wash., Jan. 3-4, 2008.

For more information about either Boot Camp or to register, contact Shelia Stannard or Monica Jordan at 816-383-5100.