



Beef Business

► A look at current events affecting the cattle industry

U.S. beef returns to Japan

More than five tons of U.S. beef passed inspection at Tokyo's Narita airport Aug. 8, marking the first shipment of its kind since Japan halted U.S. beef imports Jan. 20 due to a shipment containing banned material.

Both the Japanese Health Ministry and Agriculture Ministry inspected the 340 boxes of beef produced by Cargill Meat Solutions in Fort Morgan, Colo., finding no violation of import requirements. The beef shipment lined Costco store shelves by the morning of Aug. 9 and was gone by late afternoon, *Meatingplace.com* reported.

Japan announced July 27 it would resume imports of U.S. beef from cattle 20 months of age and younger. Following the announcement, Secretary of Agriculture Mike Johanns expressed his excitement, but called for ways to avoid any future trade mishaps.

"It is unfortunate that the trade resumption launched last December was cut short in January of this year," Johanns said.

"Nations need reasonable methods of addressing the inadvertent shipment of products that don't meet an importing country's specifications, without disrupting an entire trading relationship."

China reports FMD outbreak

China has reported an outbreak of foot-and-mouth disease (FMD), with 230 head of cattle affected in the northwestern province of Gansu, according to *Forbes.com*.

Cattle in Gansu's Huining county began showing symptoms July 31 and were diagnosed with FMD Aug. 4, the Xinhua news agency said.

A total of 607 sheep, pigs and cattle, including the sick animals, were culled following the outbreak, while local agriculture officials quarantined and disinfected the farms and surrounding area, the agency said.

FMD is a severe and highly contagious viral disease affecting cattle, pigs, sheep and

other livestock. It is not usually fatal, but causes losses in the production of meat and milk.

Drought-related insurance tools available

Secretary Johanns presented two new risk management tools for pasture, rangeland and forage, beginning with the 2007 crop year.

The new insurance products — the Rainfall Index Insurance Program and the Vegetation Index Insurance Program — are offered by the Risk Management Agency (RMA) and are available through approved insurance providers. The programs will provide livestock producers with the ability to purchase insurance protection for losses of forage produced for grazing or harvested for hay.

The Rainfall Index Insurance Program will be pilot-tested in 220 counties in Colorado, Idaho, Pennsylvania, South Carolina, North Dakota and Texas and is based on rainfall indices as a means to measure expected production losses. The Vegetation Index Insurance Program will be pilot-tested in 110 counties in Colorado, Oklahoma, Oregon, Pennsylvania, South Carolina and South Dakota and is based on satellite imagery that determines the productivity of the acreage as a means to measure expected production losses.

Both insurance products are designed to allow maximum flexibility for the producer. They are available for sale from crop insurance agents, and the closing date is Nov. 30. More detailed information is available at www.rma.usda.gov/policies/pasturerangeforage.

FDA issues feed recall

The Food and Drug Administration (FDA) announced two recalls in early August on certain feeds produced in Michigan and Kentucky.

According to *Meatingplace.com*, Vita Plus Corp., Gagetown, Mich., recalled more than 27 million pounds (lb.) of dairy feed because it was believed to contain mammalian protein. The feed was distributed in Michigan.

Also, Burkmann Feeds LLC, Glasgow, Ky., recalled an unknown amount of custom feed

U.S. cattle on feed up 5%

Cattle and calves on feed for harvest in the United States for feedlots with capacities of 1,000 or more head totaled 10.9 million head July 1. The inventory was 5% above the same time last year and 7% above July 1, 2004, figures. This is the second-highest July 1 inventory since the series began in 1996.

Placements in feedlots during June totaled 1.95 million, 10% more than 2005 figures and 18% above 2004. This is the second-highest placements for the month of June since the series began in 1996. Net placements were 1.89 million head.

Marketings of fed cattle during June totaled 2.2 million, 6% above 2005 and 6% above 2004 figures. This is the second-highest fed-cattle marketings for June since the series began in 1996. Other disappearance totaled 63,000 head during June, unchanged from 2005 figures, but 10% below 2004.

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

	No. of head (1,000 head)			2006 as % of	
	2004	2005	2006	2004	2005
On feed June 1 ^a	10,640	10,771	11,187	105	104
Placed on feed during June	1,647	1,769	1,951	118	110
Fed cattle marketed during June	2,085	2,083	2,203	106	106
Other disappearance during June ^b	70	63	63	90	100
On feed July 1 ^a	10,132	10,394	10,872	107	105

^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.

due to ingredients that may contain ruminant-derived meat-and-bone meal. The feed was distributed in Kentucky.

Government funds bioenergy research

Energy Secretary Samuel Bodman and Secretary Johanns announced in early August that the U.S. Department of Agriculture (USDA) and the Department of Energy (DOE) awarded nine grants totaling \$5.7 million for biobased fuels research that will accelerate the development of alternative fuel resources.

The research projects will focus on poplar, alfalfa, sorghum, wheat and other grasses.

Awards were given to Purdue University, Indiana, \$1.4 million; The Noble Foundation, Oklahoma, \$800,000; Texas A&M University, \$800,000; USDA-Agricultural Research Service (ARS), University of Wisconsin, \$333,000; Carnegie Institute of Washington, \$359,100; Brookhaven National Laboratory, New York, \$300,000; North Carolina State University, \$700,000; Kansas State University, \$700,000; and the University of Georgia, \$445,000.

Visit www.csrees.usda.gov for more information.

USDA releases renewable energy analysis

Secretary Johanns released an analysis paper prepared by USDA economists that details the agency's renewable energy

programs. The paper, available at www.usda.gov/farmbill, is the fourth in a series of subject areas that warranted a comprehensive examination based on comments during last year's Farm Bill Forum listening tour.

The paper looks at all the potential sources of energy under agriculture's umbrella, from farm fields to pasture and forestlands. It also tracks the results of USDA's renewable energy and energy efficiency programs and contemplates enhancements and alternatives to those programs. According to USDA, the alternatives do not represent specific farm bill proposals but are instead meant to foster further public discussion.

APHIS names NAIS provider

Global Animal Management Inc., a wholly owned subsidiary of Schering-Plough Animal Health, has been approved by the USDA Animal and Plant Health Inspection Service (APHIS) as an interim animal tracking database participant for the National Animal Identification System (NAIS). The company announced it had passed all APHIS requirements for participation in the interim/development phase.

According to a company release, Global Animal Management plans to utilize its Animal Tracker program to feed data to USDA's information system when animal health officials are responding to an animal disease.

USDA, Iraq enter joint venture

Secretary Johanns and Iraq's Deputy Prime Minister Salam Zukam Ali Al-Zawba'i signed a joint statement of intent Aug. 1 to strengthen and broaden Iraq's agricultural Extension system and universities through partnerships between U.S. and Iraqi universities.

Johanns stated the collaboration is intended to help rebuild the Iraqi economy and revitalize Iraq's food and agriculture sector. The initiative matches U.S. land-grant universities with Iraqi agricultural universities to provide training for the country's faculty members.

Drought-resistant wheat variety released

A new high-yielding and high-quality variety of winter wheat developed by the Colorado State University (CSU) Agricultural Experiment Station has been released to seed producers in Colorado. The new variety is tolerant of stresses such as drought and high temperature, and it has shown as much as 10% greater yields than varieties currently in production. It took 10 years to develop the new variety, which will be available to seed growers by fall.

The new variety, dubbed Ripper (slang for "top-notch") by CSU wheat breeder Scott Haley, is a hard red winter wheat. In addition to its high yield and yield stability, it has excellent milling and bread-baking properties.

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First ACRE lawsuits filed in Pennsylvania

Pennsylvania Attorney General Tom Corbett on June 29 announced the filing of four lawsuits challenging four municipal ordinances. These are the first lawsuits filed under Pennsylvania's Agricultural, Communities and Rural Environment (ACRE) law, which was enacted to help protect Pennsylvania agriculture from unauthorized municipal regulation.

The lawsuits filed ask Commonwealth Court to overturn these local ordinances because they unfairly and illegally restrict normal agricultural operations. ACRE, which was signed into law as Act 38 on July 6, 2005, gives farmers the right to ask the Attorney General's office to review local ordinances that they believe unlawfully restrict normal agricultural operations or ownership. ACRE gives the Attorney General's office the authority to file lawsuits in Commonwealth Court to challenge local ordinances that, in its judgment, violate state law.

Before the ACRE law was passed, the only recourse farmers had to address illegal ordinances was to file their own lawsuits.

"Local governments have some regulatory power, but they do not have the power to violate state law, and they should not have the power to prevent farmers from earning an honest living," Corbett said.

As these cases go to court, the rulings will also benefit townships, providing guidelines on what they are permitted to regulate.

"The possible Commonwealth Court hearings will be helpful to townships who are considering agricultural ordinances because some statewide precedent-setting case law will come from any Commonwealth Court hearings. This case law, which has been

nonexistent in the past, will help townships know where the boundaries are as far as agricultural zoning and regulation go," said Pennsylvania Agriculture Secretary Dennis Wolff.

While the state's agriculture department has not been actively involved in the Attorney General's action, Act 38 does permit the Attorney General's office to request expert consultation from the Pennsylvania Secretary of Agriculture and the Pennsylvania State Dean of the School of Agricultural Sciences on normal farming practices.

"We are pleased that the ACRE process seems to be working, with the Attorney General's filings in Commonwealth Court of four cases against townships whose ordinances exceed state law," said Pennsylvania State Grange Master Betsy Huber. "Pennsylvania farmers have been patiently waiting for relief from illegal ordinances that restrict their ability to make a living in their communities. We hope now that the Court will act swiftly to correct these injustices so that agriculture can continue to prosper in Pennsylvania.

"Hopefully it will make other townships take a second look at any questionable ordinances they have adopted to make sure they are not illegal," she continued. "Although some townships may wait to see the Court decisions, we hope that just the Attorney General's determination will have the effect of eliminating some problem ordinances right away."

Editor's Note: This article adapted by Janet Mayer, with permission, from an article written by Charlene Shupp Espenshade, staff writer, Lancaster Farming.

In an agreement between CSU, the Colorado Wheat Research Foundation (CWRF), and the Colorado Seed Growers Association, ownership and marketing rights of Ripper will be offered to the CWRF. Ripper may be grown and sold only as a class of certified seed by Colorado Seed Growers Association members licensed by the CWRF.

Ethanol fuels cattle production

Increased ethanol production may boost Iowa's cattle-producing capabilities, *The Des Moines Register* reported.

The state's booming ethanol industry is producing abundant amounts of high-protein byproducts, or distillers' dried grains (DDG). The production of this relatively cheap feed source, the article noted, could lead to a cattle comeback within the state.

Visit <http://desmoinesregister.com/apps/pbcs.dll/article?AID=/20060730/BUSINESS01/607300326/1001> for the complete article.

Study explores livestock, biotech crops

The Council for Agricultural Science and Technology (CAST) released a study showing that meat, milk and eggs produced by animals fed biotechnology-derived crops are just as safe and wholesome as similar products from animals fed conventional crops.

An international task force of scientists conducted the study, which is available online (or you may purchase a hard copy) at www.cast-science.org/cast/src/cast_top.htm.

USDA withdraws proposal to allow older Canadian cattle

APHIS withdrew a proposed rule that would have allowed Canadian cattle imports more than 30 months of age.

According to a *Meatingplace.com* article, the proposed rule may be rewritten or possibly resubmitted once the investigation of Canada's latest bovine spongiform encephalopathy (BSE) case concludes.

Conservation listening sessions scheduled

The Agriculture, Interior and Commerce Departments, with the Environmental Protection Agency (EPA) and the White House Council on Environmental Quality have announced a second set of listening sessions on cooperative conservation and environmental partnerships. The sessions will take place nationwide throughout the month of September. For session details and locations, visit www.usda.gov.

Washington Watch



Conservation provisions included in bill

Ranchers who donate land for conservation can receive an increased tax deduction and ensure those lands remain in ag production according to provisions contained in a pensions package passed by Congress, the National Cattlemen's Beef Association (NCBA) reported. The adjusted deduction for conservation easement donations within the bill provides tax incentives for protection of open space and for farm and ranch stewardship.

The Senate approved The Pension Protection Act of 2006 Aug. 3 by 93-5. The package passed the House July 28.

"This bill will provide a major increase in the deductions landowners can take for donating a conservation easement in 2006 and 2007," Jeff Eisenberg, NCBA's director of federal lands, says.

The provision includes the following items of interest to ranchers.

- ▶ Raising the maximum deduction a donor can take for donation of a conservation easement from 30% of their adjusted gross income in any year to 50% (provided the contribution does not prevent use of the donated land for farming or ranching);
- ▶ allowing qualified farmers and ranchers to deduct up to 100% of their adjusted gross income; and
- ▶ increasing the number of years during which a donor can use conservation tax deductions from 6 years to 16 years.

According to NCBA, the provision will be effective for donations made through Dec. 31, 2007. After that, the law will revert back to previous provisions, unless Congress extends the provision prior to the deadline.



Senators push drought-related tax relief

Sen. Ben Nelson (D-Neb.) and 14 colleagues have sent a letter to Treasury Secretary Henry Paulson requesting an extension on tax relief for ranchers who were forced to sell large portions of breeding stock as a result of drought conditions suffered during 2002.

Previous legislation attached to the American Jobs Creation Act of 2003 provided a four-year tax deferral period for weather-related livestock sales and stipulated that the Treasury Secretary could further extend the deferral period, according to NCBA. It's important the Secretary now extend the tax relief period,

NCBA noted, since many of the affected ranchers are again suffering from drought conditions.

"If ranchers were forced to restock their herds now — during our current drought — many would be forced to sell them again quickly because there is no way to keep cattle on the ranch without feed or water," Jason Jordan, NCBA manager of legislative affairs, said.



Cattlemen urges Senate to respect property rights

Burlington, Okla., cattlemen Keith Kisling urged a subcommittee of the Senate Environment and Public Works Committee to respect producers' property rights, NCBA reported.

During a hearing of the Subcommittee on Fisheries, Wildlife and Water, Kisling argued that the government has been regulating private property water usage beyond the authority conferred by the Clean Water Act. He cited Supreme Court rulings, saying, "Agricultural producers need assured access to their own lands to run their businesses and produce the food America eats."



Meat packaging bill introduced

Rep. Rosa DeLauro (D-Conn.) has introduced a bill that would ban the use of carbon monoxide (CO) in meat packaging, according to *Meatingplace.com*.

In the article, DeLauro noted that the European Union (EU), Japan and Canada have all outlawed the use of CO in meat packaging. Products treated with the gas, she said, could make spoiled meat appear fresh.

However, meat industry groups like the American Meat Institute (AMI) maintain the safety of CO-treated meat, noting recently released university-based analyses showing that meat packaging systems using low oxygen combined with gases — including minute CO levels — to prevent premature browning also can prevent the growth of pathogenic bacteria.

Industry Events



Hurricane Katrina recovery workshop

Sept. 6, Hattiesburg, Miss.

NCBA, the Mississippi Cattlemen's Association, The Wax Co., and the Mississippi Cattlemen's Foundation and its sponsors will present a daylong workshop to assist the thousands of Gulf Coast farmers and ranchers devastated by Hurricane

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Katrina. The workshop, titled "Getting Back on Track," will take place at the Forrest County Multi-Purpose Center.

Workshop participants will learn how to rebuild fences, utilize low-stress cattle handling methods, discuss market changes, and face operational management challenges. Session topics will also include animal identification (ID), export verification, feeding, management and more.

A \$20 preregistration fee, or \$30 at the door, includes lunch. Doors open at 9 a.m., and the program will begin at 9:30 a.m. Contact the Mississippi Cattlemen's Association at (601) 354-8951 for more information. For a complete agenda or to register, visit www.ms cattlemen.org/gettingbackontrack.htm.

**The Puyallup Fair****Sept. 8-24, Puyallup, Wash.**

The Puyallup Fair will take place at the Puyallup Fair and Events Center in Puyallup. The fair features Pro Rodeo, live concerts, youth entertainment and more. Visit www.thefair.com to purchase tickets or for more information.

**Animal ID, quality assurance workshop****Sept. 11, Cottonwood, Idaho**

Idaho beef and dairy producers are invited to attend a hands-on workshop featuring Beef Quality Assurance (BQA) and NAIS. Coordinated by the University of Idaho (UI) Extension and sponsored by the Idaho Beef Council and Idaho Cattle Association, the half-day workshop will take place from 1:30 p.m. to 6 p.m. at the Cottonwood Livestock Auction in Cottonwood.

Registration begins at 12:30 p.m., and a beef dinner will follow the workshop at 6 p.m. Contact Jim Church, UI Extension educator, at (208) 983-2667 for more information.

**Irrigated pasture management workshop****Sept. 11-14, Salmon, Idaho**

UI Extension is offering a four-day workshop on management intensive grazing (MiG) of irrigated pasture. The workshop, at the Nancy M. Cummings Research, Extension and Education Center north of Salmon, is designed for producers and other ag professionals who want to learn how to design and manage grazing cells, water systems and electric fencing. Participants also may learn how to reduce

winter feed costs by stockpiling standing forage.

Registration is \$450 per person and includes continental breakfasts, meals and all materials. Farmers and ranchers registering as part of a management team pay \$450 for the first team members and \$225 for each additional member. The preregistration deadline is Sept. 5.

For more information, call Jim Hawkins at (208) 879-2344, or Scott Jensen at (208) 896-4104.

**NAAB 60th Annual Convention****Sept. 13-14, Milwaukee, Wis.**

The National Association of Animal Breeders (NAAB) will host its 60th Annual Convention and 21st Biennial Technical Conference at the Four Points Sheraton in Milwaukee.

The convention will begin Wednesday with a general business session, followed by NAAB meetings. Several speakers are scheduled, and several vendors will display their products. A technical conference on artificial insemination (AI) and reproductive physiology will feature speakers who will discuss and review scientific developments and important technical issues in the AI industry.

For registration information contact Mary Derby at NAAB, PO Box 1033, Columbia, MO 65205; (573) 445-4406; or naab-css@naab-css.org.

**Minnesota Nutrition Conference****Sept. 19-20, Saint Paul**

The 67th Minnesota Nutrition Conference will feature dairy, beef, swine and poultry nutrition topics. Hosted at the Holiday Inn Saint Paul/East hotel, the conference highlights feeding standards for organic production, the influence of immune status on nutrient requirements and the latest on new distillers' dried grains with solubles (DDGS) products.

For more information or to register, visit www.cce.umn.edu/MNnutrition.

**2006 Food Safety Education Conference****Sept. 27-29, Denver, Colo.**

The Food Safety Inspection Service (FSIS), FDA, Centers for Disease Control (CDC) and other food/animal health organizations will host the food safety conference at the Adam's Mark Hotel in Denver. International, federal, state and local experts will present cutting-edge information on at-risk populations for foodborne illness.

Presentations will center on foodborne

illness surveillance and epidemiological insights, research and new technologies.

Visit www.fsis.usda.gov/denver2006 for more information or to register.

**USAHA, AAVLD annual meeting****Oct. 12-18, Minneapolis, Minn.**

The United States Animal Health Association (USAHA) and the American Association of Veterinary Laboratory Diagnosticians (AAVLD) will host their 110th annual meeting at the Minneapolis Hilton.

Meeting topics will include global avian influenza surveillance, zoonotic disease surveillance for public health, integration of food surveillance systems, U.S. domestic animal disease surveillance and more. Implementation of the NAIS, development of the National Animal Health Laboratory Network (NAHLN), and the threat of bioterrorism to animal agriculture will also be areas of special interest at the weeklong meeting.

The USAHA meeting will be open to animal health officials, producers, veterinarians, researchers, lab officials, wildlife specialists, allied organizations and others. For more information, meeting agenda or registration, call (804) 285-3210 or visit www.usaha.org.

**NDSA All Breeds Cattle Tour****Oct. 13-14, Bismarck and Mandan, N.D.**

The North Dakota Stockman's Association (NDSA) will showcase seedstock operations in the Bismarck and Mandan areas during its annual All Breeds Cattle Tour.

The Seven Seas hotel in Mandan will serve as tour headquarters. Rooms reserved under the NDSA's name are available until Sept. 29 for \$66 per night. To make reservations call (701) 663-7401.

For more information about the tour, call (701) 223-2522.

**Renewable energy conference****Oct. 10-12, Saint Louis, Mo.**

USDA and DOE will host the national renewable energy conference titled "Advancing Renewable Energy: An American Rural Renaissance." The conference is meant to help create partnerships and strategies necessary to accelerate commercialization of renewable energy industries and distribution systems. It will focus specifically on biomass, wind and solar research and commercialization.

Visit www.usda.gov or www.energy.gov for more information.

