



Beef Business

► A look at current events affecting the cattle industry

New Jersey firm recalls ground beef due to *E. coli*

Topps Meat Co. LLC, an Elizabeth, N.J., establishment, voluntarily recalled a total of approximately 21.7 million pounds (lb.) of frozen ground beef products due to possible contamination from *E. coli* O157:H7, the U.S. Department of Agriculture (USDA) Food Safety and Inspection Service (FSIS) announced Sept. 29.

At press time, frozen products still in commerce with an unexpired sell-by date were subject to the recall and its expansion. The company applies a one-year sell-by date to their frozen products. It is important that consumers look for the recalled products and return them if found in their freezers, an FSIS statement suggested.

The frozen ground beef products were produced on various dates between Sept. 25, 2006, and Sept. 25, 2007, and were distributed to foodservice institutions in the New York metropolitan area and to retail establishments nationwide.

Visit www.fsis.usda.gov for a list of products subject to the original and expanded recall.

FSIS evaluating protocol after extensive beef recall

Officials with the FSIS said they are reviewing data related to the massive Topps Meat Co., ground beef recall — the fifth-largest recall in U.S. history — as well as its own protocols to determine how it can improve how it conducts recalls in the future.

During a teleconference with reporters Oct. 4, the agency admitted there is room for improvement.

“We know that we can do better, and we are actively engaging with our public health partners at the federal, state and local levels to determine what we can do better with our collaboration and coordination efforts to protect the public’s health,” Richard Raymond, FSIS undersecretary for food safety, told reporters.

The USDA and other government agencies such as the Food and Drug Administration (FDA) have been criticized for the manner in which the recall was issued — particularly, the 18-day delay between Sept. 7, when initial positive *E. coli* O157:H7 test results were received, and Sept. 25, when the recall was officially issued.

The Consumers Union, publisher of *Consumer Reports*, released a statement in early October calling for mandatory recall authority for both the USDA and FDA as well as a single food agency to oversee the safety of the nation’s food supply.

“The system is broken. Recalls and inspections have failed miserably,” said Jean Halloran, the organization’s director of food policy initiatives, referring to the more than 20 million lb. of recalled beef that was supposed to be inspected daily.

At press time, FSIS officials said they were continuing their epidemiological and case investigation in coordination with eight states in recording illnesses. According to the Centers for Disease Control and Prevention (CDC), 30 cases of related *E. coli* O157:H7 infection had been identified as of noon Oct. 4. Ill persons reside in eight states, including: Connecticut (2), Florida (1), Indiana (1), Maine (1), New Jersey (7), New York (9), Ohio (1), and Pennsylvania (8).

In related news, Topps announced Oct. 5 its plans to go out of business.

“In one week we have gone from the largest U.S. manufacturer of frozen hamburgers to a company that cannot overcome the economic reality of a recall this large,” a company representative told *Reuters*.

Wisconsin firm recalls ground beef

An additional ground beef recall was announced Oct. 6 due to a possible *E. coli* O157:H7 contamination.

Cargill Meat Solutions Corp. announced it is voluntarily recalling approximately 845,000 lb. of frozen ground beef patties produced at its Butler, Wis., location because they may be contaminated with *E. coli* O157:H7, the FSIS stated.

The frozen ground beef patties were produced on various dates from Aug. 9 through Aug. 17, 2007, and were distributed to retail establishments, restaurants and institutions nationwide. Each label bears the establishment number “Est. 924A” inside the USDA mark of inspection.

According to FSIS, the problem was discovered through an investigation into three illnesses by the Minnesota Departments of Health and Agriculture. While the investigation is ongoing, Cargill is voluntarily recalling the products

based on a preliminary analysis of epidemiological data.

Consumers with questions about the recall should call Cargill toll-free at 1-866-567-7899.

For a complete list of products distributed to retail establishments and subject to recall, visit www.fsis.usda.gov.

Secretary of Agriculture resigns

After nearly three years as Secretary of Agriculture, Mike Johanns submitted a letter of resignation Sept. 19 to President George Bush. In it, Johanns thanked the President for the opportunity to serve the American people and said he had decided to pursue “a new opportunity to serve this great nation.”

With Johanns’ resignation, which became effective Sept. 19, Deputy Secretary Chuck Conner began his service as Acting Secretary of Agriculture.

“I can assure you that I leave the Farm Bill finalization in supremely capable hands,” Johanns said in his letter to President Bush. “Deputy Secretary Chuck Conner has been intimately involved in the deliberations — from the development of our proposals to his attendance at virtually every hearing during the House mark-up. Few people are as knowledgeable and insightful about Farm Bill policy. He is supported by some of the most dedicated civil servants in the federal government.”

Cruel deaths a result of horse slaughter bans, AVMA says

Efforts to shut down horse processing plants in the United States have led to increased abandonment and neglect of horses in this country and the inhumane death of horses in Mexico, according to an early October release from the American Veterinary Medical Association (AVMA).

Mark Lutschaunig, director of the AVMA Governmental Relations Division, said that the AVMA, far from being pro-horse slaughter, opposes bills banning horse harvest because there are no provisions to take care of the more than 100,000 horses that go unwanted annually in the United States.

Efforts by groups calling for an end to horse slaughter, such as the Humane Society of the United States (HSUS), have led to the closure of the three remaining processing plants in the United States. Now, according to AVMA, horses are being abandoned in the United States or transported to Mexico where, without U.S. federal oversight and veterinary supervision, they are harvested inhumanely.

Avian influenza surfaces in Canada

The Canadian Food Inspection Service Agency (CFIA) confirmed Sept. 27 that test results from samples collected at a

commercial broiler breeder farm in Saskatchewan, Canada, were positive for a North American strain of an H7N3 highly pathogenic avian influenza (HPAI) virus.

According to a statement released by John Clifford of the Animal and Plant Health Inspection Service (APHIS), the virus detected in Canada is not the HPAI H5N1 virus that has spread through birds in Asia, Europe and Africa.

According to Clifford, the CFIA was to begin depopulation of the infected flock and initiate thorough surveillance in the surrounding area.

APHIS is not allowing the entry of poultry and commercial shipments of live birds, hatching eggs and unprocessed (not fully cooked) avian products from Saskatchewan, Canada, into the U.S. The ban will remain, APHIS notes, until additional information becomes available to reduce the restricted area.

Since the most severe form of avian influenza virus has not been detected, APHIS said it will allow the entry of hunter-harvested birds and wild bird commodities from Canada, including the Saskatchewan province. Other regulations, such as those regarding the transport of avian pets, can be found at www.aphis.usda.gov.

USDA expands allowable imports from Canada

APHIS announced Sept. 14 that it will expand the list of allowable imports from countries recognized as presenting a minimal risk of introducing bovine spongiform encephalopathy (BSE) into the United States. Currently, Canada is the only minimal-risk country designated by the United States.

The rule makes final a proposed rule published in the Jan. 9, 2007, *Federal Register*. It also builds upon and expands the rule published by APHIS in January 2005 that allowed the importation of certain live ruminants and ruminant products, including cattle less than 30 months of age for harvest from countries recognized as minimal risk.

The final rule allows for the importation from Canada of:

- ▶ live cattle and other bovines (i.e., bison) for any use (including breeding) born on or after March 1, 1999, which APHIS has determined to be the date of effective enforcement of Canada's ruminant-to-ruminant feed ban;
- ▶ blood and blood products derived from bovines, collected under certain conditions; and
- ▶ casings and part of the small intestine derived from bovines.

The January 2005 final rule, the first minimal risk rule (MRR), allowed the importation of Canadian bovine meat and meat products of any age. Subsequent to the

publication of the final rule in January 2005, USDA delayed the applicability of those provisions of that final rule that dealt with meat and meat products from animals 30 months of age or older.

With this final rule, which will be published shortly, that temporary delay in applicability is lifted and importation of these meat and meat products can now occur.

The final rule becomes effective Nov. 19. Additional information is available at www.aphis.usda.gov.

Panama accepts U.S. cattle imports

Panama is allowing the importation of U.S. cattle of all ages, consistent with international standards, APHIS announced Sept. 21.

According to the agency, Panama stopped allowing the importation of live U.S. cattle after BSE was detected in an imported Canadian cow in December 2003. Prior to that, however, Panama's market for U.S. cattle exports had been quickly expanding, with the country's 2003 importation of live U.S. cattle double what had been imported in the previous three years combined.

Rising costs keep U.S. beef herd expansion at bay

James Mintert, Kansas State University (K-State) Research and Extension state leader in agricultural economics, said rising costs of production are curbing producers' interest in growing their herds.

He and K-State agricultural economist Rodney Jones cited recent survey information that indicated lease rates on summer pasture in Kansas have climbed 16% in the past five years.

Reduced forage options stemming from several years of drought in recent years have been largely responsible for holding back beef cow herd expansion, Mintert said. Surging corn prices are another "input" that have made cattle producers reluctant to expand herds, Jones said.

Corn demand will ultimately affect grazing rates as corn growers are pressured to put pastureland into crop production, and as there is increased demand for forage-based production systems, Jones said.

Based on current data and with no immediate relief in sight for high fuel prices, Jones and Mintert said they expect little to no expansion of the U.S. cow herd in the near term.

Effect of rate change possibly mixed for agriculture

While the Federal Open Market Committee's (FOMC's) move in September to drop the federal funds interest rate one-half percent is generally seen as good for the general economy, it will take a while to tell what its ultimate effect will be for farmers and ranchers, said Larry Sanders, agricultural policy specialist with the Oklahoma Cooperative Extension Service.

For the agriculture sector, Sanders said producers wanting to borrow money or extend loans may want to wait; farmers and ranchers should be wary of overextending themselves on loans; producers should watch for inflation in input costs, including equipment; and a resulting weakened dollar should help sell more U.S. agricultural products overseas.

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U.S. cattle on feed down 6%

Cattle and calves on feed for harvest in the United States for feedlots with capacities of 1,000 or more head totaled 10.3 million head Sept. 1, 2007. The inventory was 6% below Sept. 1, 2006, figures but 3% above Sept. 1, 2005, figures.

Placements in feedlots during August totaled 2.12 million, 7% below 2006 figures but 6% above 2005 figures. Net placements were 2.07 million head.

Marketings of fed cattle during August totaled 2.07 million, virtually unchanged from 2006, but 2% above 2005 figures. Other disappearance totaled 50,000 head during August, 15% below 2006 figures and 6% below 2005 figures.

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

	No. of head (1,000 head)			2007 as % of	
	2005	2006	2007	2005	2006
On feed Aug. 1 ^a	10,093	10,822	10,299	102	95
Placed on feed during Aug.	1,993	2,290	2,119	106	93
Fed cattle marketed during Aug.	2,033	2,067	2,066	102	100
Other disappearance during Aug. ^b	53	59	50	94	85
On feed Sept. 1 ^a	10,000	10,986	10,302	103	94

^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.

Conner adjusts CRP

Acting Ag Secretary Conner announced in late September that the USDA will not be offering penalty-free early releases from Conservation Reserve Program (CRP) contracts.

In addition to more than 2 million CRP acres, which expired under existing contracts Sept. 30, Conner cited record-high corn production and a higher-than-expected grain stocks report for corn and soybeans at the beginning of the 2007-2008 crop year.

Conner said he would not anticipate offering a general signup while grain stock levels remain historically low and prices continue at unprecedented levels. He plans to closely monitor the acreage response and market conditions, and "will not hesitate in the future to make adjustments to USDA programs if needed to achieve balance in the agricultural sector."

USDA employee killed in Afghanistan

Acting Secretary Conner Oct. 5 reported the death of Steven Thomas (Tom) Stefani, a USDA Forest Service employee on voluntary assignment with the USDA Foreign Agriculture Service in Afghanistan. He was serving on a provincial reconstruction team as an agricultural advisor when he lost his life Oct. 4 in an explosion that impacted his convoy near Ghazni.

In Afghanistan, Stefani was developing and implementing projects to help the people of the Ghazni Province, Conner said.

USDA lowers projected corn use for ethanol

USDA has lowered its estimates in the projected use of corn for ethanol 100 million bushels (bu.) in its latest World Agricultural Supply and Demand Estimates (WASDE) report, released mid-September. Ethanol use was lowered "based on indications of declining plant capacity utilization and a slower-than-expected pace of start-ups."

Corn exports are projected at 100 million bu. higher with strong world demand and tighter foreign supplies.

2008 beef checkoff initiatives outlined

The Beef Promotion Operating Committee late September funded a total of 42 program proposals with beef checkoff dollars for fiscal year (FY) 2008. At the same time, however, a tight budget forced the committee to reject more than \$1.8 million in proposals to stay within the Cattlemen's Beef Board's (CBB's) \$46.8 million national

program budget for the coming year, CBB officials said.

The plan of work funds promotion, research and information programs is designed to build demand for beef using the checkoff funds remitted to the CBB. At press time, the plan still needed to be approved by the USDA before any funds could be expended.

Visit www.beefboard.org to view the checkoff plan of work for CBB during FY 2008.

ERS releases Argentina, Uruguay beef production overview

USDA's Economic Research Service (ERS) has released an overview detailing beef production in Argentina and Uruguay. According to ERS, both are significant beef exporters and among the world's greatest consumers of beef on a per-capita basis. Between 13% and 20% of U.S. beef imports, on a tonnage basis, come from these two countries annually, and it is mostly grass-fed beef.

Visit www.ers.usda.gov/Publications/LDP/2007/09sep/LDPM15901/ to access the ERS report.

Washington Watch**Food safety issues could affect Senate Farm Bill**

Recent food safety concerns heightened by a massive ground beef recall could create a road bump on the Farm Bill's road to passage.

Although Senate Agriculture Committee Chairman Sen. Tom Harkin (D-Iowa) said he had expected to mark up the bill early October, a provision in the proposed bill was already drawing criticism at press time, according to *The Associated Press* (AP).

The provision passed by the House of Representatives would allow small-scale meat processing plants to undergo state inspections vs. federal inspections, and that had some senators riled.

Sen. Barbara Boxer (D-Calif.), citing questionable safety of the domestic food supply in recent months, had threatened to block the bill if the provision was included, AP reports.

Sen. Harkin released a statement shortly after announcement of the "expanded recall," saying he would mandate a Presidential Commission on domestic food safety in the Farm Bill much like the one mandated earlier this summer by President Bush for international food safety issues.

Senate committee adds funds to Farm Bill

The Senate Finance Committee in early

October added billions of dollars to the Farm Bill proposal, according to AP.

By tightening rules on tax shelters and taking other tax measures, the committee added the funds to the bill, generating approximately \$16 billion over 10 years, according to AP.

Almost \$5 billion of the extra money would go toward a fund for weather-related ag disasters, and the rest would go toward tax credits for conservation, rural development and other programs.

Minimal Risk Rule resolution proposed

Sen. Byron Dorgan (D-N.D.) introduced a Resolution of Disapproval early last month that, if passed, would express the U.S. Senate's dissatisfaction with the USDA's decision to expand the list of allowable beef and cattle imports from countries recognized as presenting a minimal risk of introducing BSE into the United States, namely Canada.

According to the American Meat Institute (AMI), Sen. Dorgan is joined by Sen. Michael Enzi (R-Wyo.), Tim Johnson (D-S.D.), Kent Conrad (D-N.D.), John Thune (R-S.D.), Jon Tester (D-Mont.), Sherrod Brown (D-Ohio) and John Barrasso (R-Wyo.).

The Resolution of Disapproval will not affect the minimal risk rule unless both the U.S. House and Senate pass it and the President supports it with his signature, AMI reports.

Industry Events**Sale dates featuring AngusSource® calves****November-December**

To assist Angus producers in capturing added value from their participation in AngusSource,® the American Angus Association announces several fall sale dates. These scheduled sales will group AngusSource-tagged calves as well as other age- and source-verified calves.

The sale dates and locations are listed below.

Nov. 5	Pratt Livestock Inc., Pratt, Kan.
Nov. 10	Fort Scott Livestock Market, Fort Scott, Kan.
Nov. 12	Pratt Livestock Inc., Pratt, Kan.
Nov. 13	Woodward Livestock Auction, Woodward, Okla.
Nov. 16	Woodward Livestock Auction, Woodward, Okla.
Dec. 6	Russell Livestock Exchange, Russell, Kan.

Participating livestock auction markets are currently taking consignments for calves that qualify for these sales. For further information,

contact Ty Groshans, American Angus Association director of commercial programs, at tgroshans@angus.org or 816-383-5193.



S.D. beef clinics,

November-December, eastern South Dakota

A series of seven clinics on beef quality assurance and critical management planning will take place in eastern South Dakota. South Dakota's Beef Quality Assurance and Critical Management Planning Task Force will host the clinics, which are open to any beef producer and others in the industry who are interested in beef quality assurance.

The clinics will cover information on incidence and effect of carcass defects as well as information on proper sanitation methods, residue avoidance and cattle-handling techniques. Other topics will include proper injection techniques, feed additives and feed quality, and pathogen reduction at the farm and facility level.

A registration fee of \$25 will include a handbook and training materials. Scheduled clinics include:

- ▶ 10 a.m.-noon, Nov. 8, courthouse basement, Milbank
- ▶ 10 a.m.-noon, Nov. 15, 4-H service center, Clear Lake
- ▶ 10 a.m.-noon, Dec. 6, 4-H building, Hayti
- ▶ 10 a.m.-noon, Dec. 13, courthouse basement, Clark

More information is available at http://sdces.sdstate.edu/ces_website/files/BQACMP07.pdf.



Purdue agribusiness conferences, seminars

Nov. 13-14

Purdue University will conduct a conference aimed at those in agribusiness. A National Conference for Agribusiness: "Re-Thinking Service Strategies: Innovations that Drive Profit" is scheduled for Nov. 13-14.

For more information about the conference, contact Purdue's Center for Food and Agricultural Business at 765-494-4247 or agbusinessinfo@purdue.edu.



Beef Cattle Coproducts Conference

Nov. 28, Springfield, Ill.

With hay in short supply and high-priced grain, beef cattle producers are evaluating their feeding operation and looking at coproducts to fill the void for their cow-calf and feeding operations. To answer some of their questions, a Beef Cattle Coproducts Conference is set for Nov. 28 at the University of Illinois (U of I) Extension building on the Illinois State Fairgrounds in Springfield.

Featured conference topics will include storage and handling issues, timely buying of

coproducts, coproducts in growing and backgrounding diets, cow and heifer rations, and ruminant digestion and metabolism with emphasis on coproducts. Other topics will include mineral concerns, standing corn and coproducts for wintering cattle, utilizing coproducts in finishing diets, early weaning, and new coproducts.

Co-sponsors of the conference include the U of I Extension, Illinois Corn Marketing Board, Illinois Beef Association and the Sen. Simon E. Lantz Memorial Lecture fund. The conference will begin with registration at 8:45 a.m. and conclude at 4:45 p.m.

Registration for the seminar is \$18, which covers the meal along with a bound copy of the proceedings. Late and at-door registration will be \$25. The deadline for reservations is Nov. 21. Make reservations through the East Peoria Extension Center at 309-694-7501, ext. 224. Producers unable to attend the conference but wanting a copy of the proceedings can secure one for \$10 following the conference.

For additional information on the program or to be mailed a copy of the program, contact Dave Seibert, animal systems educator at the East Peoria Extension Center, 727 Sabrina Dr., E. Peoria, IL 61611 (309-694-7501, ext. 224). Questions regarding the conference can also be sent to Seibert at dseibert@uiuc.edu.



Range Beef Cow Symposium

Dec. 11-13, Colorado State University

The 2007 Range Beef Cow Symposium, hosted by Colorado State University (CSU), will be at the Larimer County Fairgrounds Dec. 11-13. The event is a biennial educational symposium designed as in-service training for cow-calf ranchers. It will feature well-known speakers who will provide updates on production topics in the areas of beef industry issues, genetics, reproduction, range and forage management, cattle health, beef nutrition and more.

The symposium is a joint effort of the Extension services from CSU, University of Wyoming, University of Nebraska and South Dakota State University. Angus Productions Inc. will provide real-time coverage of the event at www.rangebeefcow.com. Visit the site now to view the schedule, sign up for exhibitor space, access lodging information and download a registration form for the meeting.

For additional information, contact Jack Whittier, CSU Extension beef specialist, at 970-491-6233 or jack.whittier@colostate.edu; or Nancy Weiss, Extension secretary, at 970-491-7640 or nancy.weiss@colostate.edu.

