



Beef Business

► A look at current events affecting the cattle industry

Flooding inundates Midwest

The nation continued to experience wet weather conditions early this summer, exacerbating flooding conditions along rivers and streams in the Midwest and parts of the Northeast and West.

At press time, the National Weather Service (NWS) estimated damages would likely reach hundreds of millions of dollars. Roads and bridges were shut down, crops were damaged, and some experienced the worst flooding since 1993. Thousands of homes and hundreds of businesses had been flooded, and some entire towns were evacuated.

Meanwhile, several organizations announced flood relief efforts. The National Cattlemen's Foundation (NCF), in cooperation with the National Cattlemen's Beef Association (NCBA), launched a disaster relief effort to assist farm and ranch families affected by the catastrophic flooding. Every dollar contributed was to directly assist families struggling to keep their farms and ranches operating under flood conditions.

In separate relief efforts, Alpharma, a specialty pharmaceutical company, announced its plans to donate a portion of all

U.S. livestock product sales recorded in July, and New Holland Agriculture announced a flood assistance initiative to aid producers whose equipment had been damaged by flooding in the Midwest.

Buy-in waiver for supplemental disaster assistance programs

The U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) will allow producers who would otherwise be ineligible for the new disaster assistance programs to become eligible by paying a fee as required by the Food, Conservation and Energy Act of 2008 (the 2008 Act).

The 2008 Act requires producers who wish to participate in the new disaster programs to have crop insurance or noninsured crop disaster assistance (NAP) coverage for the land for which assistance is being requested, and for all farms in all counties in which they have an interest. Since the 2008 Act was enacted after the application periods had closed for those programs, producers who did not have such coverage could not comply with this requirement in order to be eligible for the new disaster programs.

However, the 2008 Act authorizes a waiver that allows producers to pay a fee, called

a "buy-in" fee, to be eligible for this new disaster assistance.

Visit www.usda.gov for more information.

Montana to lose brucellosis-free status

A Paradise Valley heifer tested positive for brucellosis early in June, making it Montana's second case of brucellosis in a little more than a year, according to state officials. Two days later, additional cases of the disease were confirmed in Wyoming. At press time, Montana was set to lose its brucellosis-free status, and producers were bracing for more stringent testing requirements and the costs that come with them.

The U.S. Cattlemen's Association (USCA) called upon the Department of the Interior and USDA to reduce bison and elk numbers within Yellowstone National Park to numbers consistent with forage availability and to work with affected states to undertake an aggressive long-term brucellosis eradication program in the Greater Yellowstone Area.

BIF blog to discuss DNA marker technology

The Beef Improvement Federation (BIF) has established a Commission on DNA Markers to provide guidance to BIF regarding the implementation of DNA-based technologies in genetic improvement programs.

In an effort to gather industry input and perspective, BIF has established an Internet blog, available at <http://beefdnatest.wordpress.com/about/>.

Total red meat production at record high for May

Commercial red meat production for the United States totaled 4.22 billion pounds (lb.) in May, up 4% from the 4.08 billion lb. produced in May 2007, according to the National Agricultural Statistics Service (NASS).

Beef production, at 2.38 billion lb., was 4% above the previous year. Cattle harvest totaled 3.14 million head, up 3% from May 2007. The average live weight was up 19 lb. from the previous year, at 1,251 lb.

January 2008 to May 2008 commercial red meat production was 21.0 billion lb., up 7%

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 10.8 million head June 1, 2008. The inventory was 4% below June 1, 2007, figures and 3% below June 1, 2006, figures.

Placements in feedlots during May totaled 1.90 million, 12% below 2007 figures and slightly below 2006 figures. Net placements were 1.82 million head.

Marketings of fed cattle during May totaled 2.14 million, 3% above 2007 figures, but 1% below 2006 figures. Other disappearance totaled 80,000 head during May, 19% below 2007 figures and 30% below 2006 figures.

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

	No. of head (1,000 head)			2008 as % of	
	2006	2007	2008	2006	2007
On feed May 1 ^a	11,559	11,297	11,135	96	99
Placed on feed during May	1,903	2,159	1,899	100	88
Fed cattle marketed during May	2,160	2,085	2,140	99	103
Other disappearance during May ^b	115	99	80	70	81
On feed June 1	11,187	11,272	10,814	97	96

^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.

from 2007. Accumulated beef production was up 4% from last year, veal was down 11%, pork was up 11% from last year, and lamb and mutton production was down 4%.

USDA awards \$1.52M for renewable energy

Agriculture Deputy Secretary Chuck Conner announced June 19 that 20 individuals and businesses in six states have been selected to receive \$1.52 million in loans and grants for renewable energy systems or to increase energy efficiency in farm and business operations. The funds are being provided under USDA Rural Development's Renewable Energy and Energy Efficiency program.

Texas files petition to reduce mandates for grain-based fuels

The State of Texas has filed a petition with the Environmental Protection Agency (EPA) to reduce federal mandates for production of grain-based fuels.

According to NCBA, the petition requests that EPA use its statutory authority to reduce the Renewable Fuels Standard (RFS) mandate for 2008 by 50% — trimming the mandate to 4.5 billion gallons (gal.) of feedgrain-based ethanol, from the current 9 billion gal. This mandate is scheduled to expand to 15 billion gal. by 2015.

BSE case confirmed in British Columbia

The Canadian Food Inspection Agency (CFIA) announced June 23 it had confirmed bovine spongiform encephalopathy (BSE) in a cow in the province of British Columbia. This case poses no risk to human or animal health, according to CFIA, since Canada's stringent BSE safeguards prevented any part of the animal's carcass from entering the human food chain or any potentially infective parts of the animal's carcass from entering the animal feed chain.

The animal was detected through Canada's national BSE surveillance program. The CFIA has launched a comprehensive investigation in an effort to determine the birth farm of the animal.

The detection of this animal does not affect Canada's status as a BSE controlled risk country as recognized by the World Organization for Animal Health (OIE).

Tyson to drop Canadian beef operations

Tyson Foods Inc. announced a preliminary agreement in late June to sell its beef packing operations in Brooks, Alta.,

Canada, to Canadian beef processor XL Foods Inc., *Meatingplace.com* reported.

The sale would include the packing, feedyard and fertilizer assets of Lakeside Farm Industries Ltd. and its subsidiary Lakeside Packers, according to *Meatingplace.com*.

"Lakeside no longer fits the long-term strategy of our company, as our current international strategy is focused primarily in Asia, Mexico and South America," said Dick Bond, Tyson president and chief executive officer (CEO).

USDA report assesses 2008 acreage

Despite the recent flooding in the Midwest, U.S. farmers expect to harvest nearly 79 million acres of corn and more than 72 million acres of soybeans in 2008, according to the *Acreage* report released by the NASS.

The report shows U.S. farmers planted 87.3 million acres of corn in 2008, down 7% from last year's 93.6 million acres, but still the second-largest area since 1946. Of that area, growers expect to harvest 78.9 million acres for grain, down 9% from 2007 but still the second-largest area since 1944. For soybeans, 2008 planted area is estimated at 74.5 million acres, the third-largest on record and up 17% from last year. Of the planted area, farmers expect to harvest 72.1 million acres, up 15% from last year.

NASS collected the initial data for the annual *Acreage* report during the first two weeks of June, before the majority of the flooding occurred in the Midwest. In an effort to more accurately determine how much of the planted area producers still intend to harvest for grain, NASS re-interviewed 1,150 farmers last week in flood-affected areas of Illinois, Indiana, Iowa, Minnesota, Missouri and Wisconsin.

NASS's Aug. 12 Crop Production report will contain the first 2008 estimates of corn and soybean yield and production. To help ensure that these estimates are based on the best information available, NASS will supplement its standard survey activities by re-interviewing approximately 9,000 farmers in the flood-affected areas. These re-interviews will be conducted in the middle of July, allowing time for flooded fields to dry and for farmers to fully assess their options. Additionally, NASS will increase the number of corn and soybean fields selected for objective field measurements.

Kroger recalls meat due to *E. coli* concerns

The Kroger Co., a Cincinnati, Ohio, retailer, is recalling an undetermined

amount of ground beef products that may be contaminated with *E. coli* O157:H7, the USDA Food Safety and Inspection Service (FSIS) announced late June.

The products subject to recall include all varieties and weights of ground beef products bearing a Kroger label sold between May 21 and June 8 at Michigan and central and northwestern Ohio Kroger retail establishments. These ground beef products also include a sell-by date between "05/21/08" and "06/08/08."

These products were distributed to Kroger stores in Michigan and in Columbus and Toledo, Ohio. FSIS has confirmed that none of the affected products remain available for purchase at stores; however, consumers are urged to check their refrigerators and freezers and discard or return the ground beef products for a refund.

This recall was initiated after epidemiological investigations and a case control study conducted by the Michigan and Ohio Departments of Agriculture and Health and the Centers for Disease Control and Prevention determined that there is an association between the ground beef products and 32 illnesses reported in Michigan (15) and Ohio (17).

Consumers with questions about the recall should contact the Kroger Consumer Hotline at 1-800-632-6900. The toll-free USDA Meat and Poultry Hotline 1-888-MPHotline (1-888-674-6854) is available in English and Spanish and can be reached from 10 a.m. to 4 p.m. (Eastern Time) Monday through Friday.

USDA releases CRP land in flood regions for grazing

USDA Secretary Ed Schafer announced July 7 that he is releasing Conservation Reserve Program (CRP) acres for livestock grazing in counties recently designated as Presidential Disaster Areas because of flooding. The release permits grazing only in counties designated as primary and contiguous disaster areas and only because of flooding.

To be approved, CRP participants must write their county Farm Service Agency (FSA) office, obtain a modified conservation plan and receive county office approval before beginning to graze. Participants will experience a 25% reduction in their CRP rental payments.

The states with counties that will permit livestock grazing include: Colorado, Illinois, Indiana, Iowa, Kansas, Kentucky, Maryland, Minnesota, Missouri, Nebraska, Ohio,

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Pennsylvania, South Dakota, Virginia, West Virginia and Wisconsin.

The counties within each state are listed at www.usda.gov.

FDA to prohibit antimicrobials in food-producing animals

The Food and Drug Administration (FDA) has announced plans to prohibit the extra-label use of cephalosporin antimicrobial drugs in cattle, swine, chickens, turkeys and other food-producing animals, *Meatingplace.com* reported.

According to the article, FDA reported it has gathered evidence showing that the extra-label use of the antimicrobial in food-producing animals is linked to the emergence of drug resistance and compromises human therapies.

S. Korea makes beef trade progress

South Korea's legislature was set to reconvene July 10, ending a boycott by the United Democratic Party, which had refused to participate in the new National Assembly due to the country's resumption of U.S. beef imports, *Meatingplace.com* reported.

Meatingplace.com reported the news a day after President Lee Myung-bak fired three of his cabinet members amid anti-government protests.

Meanwhile, a group of 19 physicians and business executives sat down together today to eat U.S. beef in a publicized effort to squelch myths regarding BSE, according to *The Associated Press*.

NCBA evaluates governance structure

NCBA has appointed a task force to identify potential changes to the governance structure of its organization, which represents more than 31,000 members.

The task force is charged with identifying changes that will strengthen NCBA's service to its members, according to the organization. Its task will be to find ways to improve the association's ability to respond to consumer, regulatory and legislative issues affecting the cattle and beef industries efficiently and effectively.

Washington Watch



Senator advises Justice Department to say no to JBS merger

JBS-Swift & Co.'s proposed acquisitions of Smithfield Beef Group and National

Beef Packing Co. should not be allowed, the chairman of the U.S. Senate's antitrust subcommittee says.

Sen. Herbert Kohl (D-Wis.) sent a letter in late June to the Justice Department urging it to block the deals because it would give three U.S. beef packers more than 80% control of the market and reduce competition.

Agriculture groups call on Congress to investigate food prices

A broad coalition of agriculture interests called on Congress June 12 to investigate reasons for rising food prices. Critics, citing biofuel production and higher commodity markets, have wrongly blamed record-high food prices on farmers, the National Farmers Union (NFU) stated.

The groups recognized the effect higher food prices are having on consumers but reiterated the importance of studying the larger picture.

In addition to the NFU, the American Farm Bureau Federation (AFBF), the National Corn Growers Association (NCGA), the American Soybean Association (ASA), the National Sorghum Growers Association and the National Association of Wheat Growers signed the coalition letter.

Industry Events



Beef cattle short course Aug. 4-6, College Station, Texas

The high price of fertilizer, diesel and other expenditures necessary to produce beef will be the focus of the 54th annual Texas A&M Beef Cattle Short Course Aug. 4-6 at Texas A&M University in College Station.

The Aug. 6 "Cattleman's College" sessions are designed to offer a more hands-on approach to calf working, cattle handling, cattle selection, carcass evaluation and recordkeeping. Participants can receive private applicators license training that day and take a tour of the Texas A&M College of Veterinary Medicine.

In addition to the Cattleman's College sessions, a key general session will be offered Aug. 4.

Participants can earn numerous pesticide continuing education (CE) units if already licensed. The industry trade show will feature more than 100 agricultural businesses and service exhibits. Registration is \$140 per person and includes educational materials, a copy of the 300-page Beef Cattle

Short Course proceedings, trade show admittance, tickets to the prime rib dinner, five additional meals and daily refreshments. Registration information and a tentative schedule are available at <http://beef.tamu.edu> or by calling 979-845-6931.

Prescribed burn workshop Aug. 7-9, Sonora, Texas

A prescribed burn workshop is scheduled Aug. 7-9 at the Texas AgriLife Research Station at Sonora. The burn workshop is a prerequisite to the advanced burn workshop, said Ray Hinnant, AgriLife Research senior research associate and instructor. "Individuals completing both workshops satisfy the educational component for a certified prescribed burn manager," he said.

The August workshop will provide basic information on prescribed burning, which is used to control invasive plants and manipulate habitat for wildlife and livestock on rangeland. The cost is \$395 and covers meals and lodging at the Sonora station.

For more information, call Hinnant at 979-820-1778 or the Sonora station at 325-387-3168 or visit www.ranchmanagement.org.

Missouri Angus Tour Aug. 22-24, Southeast Missouri

Angus breeders and enthusiasts are invited to "Show-Me SEMO Angus," the Missouri Angus Tour in Cape Girardeau, Mo., Aug. 22-24. The weekend will be an opportunity to meet with old friends and make new ones, all while enjoying a common interest — Angus cattle.

This year's tour will highlight more than a dozen Angus operations in southeastern Missouri and includes additional stops at the Southeast Missouri Regional Port Authority (Semo Port) and Sandy Ridge Cotton Gin Co.

Friday evening will include registration and a social at Drury Inn, the tour headquarter hotel, in Cape Girardeau. Saturday will be a full day, starting with the tour of Semo Port, followed by viewing cattle from seven Angus farms and visiting the Sandy Ridge Cotton Gin Co. The evening will conclude with dinner at Hickory Log, a restaurant famous for its barbecue ribs. Sunday's activities will include a visit to the Southeast Missouri State University farm and displays from five more Angus farms.

Registration is \$100 and includes meals and bus transportation, but not hotel accommodations. To register, send a list of participants along with \$100 for each person

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to Brian and Paula Meier, 1523 CR 335, Jackson, MO 63755.

Registrants may make hotel accommodations at the Drury Inn in Cape Girardeau by calling 573-334-7151. For information regarding the 2008 Missouri Angus Tour, please contact the Meiers at 573-204-7916.

Cattlemen's Roundup **Aug. 22-23, Crawford County, Ohio**

The Crawford County Cattlemen's Association will host the 2008 Ohio Cattlemen's Association Roundup Aug. 22-23. The Roundup will include a lineup of speakers made possible with the support of Farm Credit Services.

The event will kick off on Friday afternoon with a presentation by Trent Loos, an ag activist and radio host. Tour stops are also planned at Crawford County farms and businesses.

For more information contact Jamie King, director of communications, at 614-873-6736 or jking@ohiobeef.org, or visit www.ohiocattle.org.

Cattlemen's Boot Camp **Aug. 22-23, College Station, Texas**

Cattle producers who want to learn more about various segments of production, marketing and carcass value will want to attend the Cattlemen's Boot Camp, Aug. 22-23 at the Texas A&M University Beef Center, College Station, Texas. The Cattlemen's Boot Camp is a cooperative effort between Texas A&M, the American Angus Association and the Angus Foundation.

Texas A&M professors and Association staff will present the program. Small groups will be formed to allow for more hands-on interaction.

The event will begin at 9 a.m., Friday, Aug. 22 at the Texas A&M Beef Center, and runs through noon on Saturday, Aug. 23. Following the Boot Camp, Association staff will offer an optional session about specific Association processes and procedures.

Registration is just \$75, which includes meals and materials for the Boot Camp. Enrollment is limited, so sign up today by contacting the Association for registration materials.

A block of rooms has been reserved at the Holiday Inn Express. Call 979-846-8700 by Aug. 1 to reserve a room at the negotiated rate. Be sure to ask for the Cattlemen's Boot Camp or CBC block.

Registration forms are available online at www.angus.org. For more information about

Boot Camp or to register, contact Monica Jordan or Shelia Stannard at 816-383-5100.

Virginia Angus Association Field Day

Aug. 23, Four Locust Angus, Keysville, Va.

Angus enthusiasts are encouraged to attend the Virginia Angus Association's field day, Saturday, Aug. 23. Attendees will have the opportunity to enjoy fellowship and a complementary lunch while participating in this year's event that features industry speakers and exhibits. Zach Tucker, Four Locust Angus, Keysville, Va., will host the single-day event, which begins at 10:30 a.m.

Bryce Schumann, American Angus Association chief executive officer (CEO), will present an update and overview of the Association's programs. Schumann was recently appointed CEO after serving seven years as the director of member services.

Also presenting is Jim Johnson, national director, sales and distribution for Pfizer Animal Genetics-Bovigen. Johnson will discuss "Utilizing DNA Technology, Today and Tomorrow." Johnson has worked for Bovigen for the past four years. Prior to joining Bovigen he worked for Genex and the Virginia Cattlemen's Association.

There is no cost to attend the event; however, interested attendees are encouraged to preregister by calling the Virginia Angus Association office at 540-337-3001 or e-mail at vaangus@angus.org. Additional information about the event can also be obtained by contacting the Virginia Angus Association.

Keysville, Va., is located 78 miles southwest of Richmond on Route 360. Four Locust Angus is located at the Route 15 exit for Keysville.

Visit www.angus.org/newsroom/index for a schedule.

2008 Farm Progress Show **Aug. 26-28, Boone, Iowa**

The 2008 Farm Progress Show site at Boone, Iowa, is well on its way to completion for this year's construction plans. The event is expected to take place Aug. 26-28 at its new permanent biennial home. Some of the upgraded show features that are nearly finished include permanent restrooms and hard-surfaced roads.

The site includes multiple features designed to manage an even greater quantity of moisture than what has been received so far this year. Field crops and plots are planted and growing, as well. Electricity and telephone systems are 60% completed.

Long-term facilities have been established to avoid weather-related interruptions and to provide visitors and exhibitors with even better show experiences.

Visitors at the 2005 and 2007 shows held at its first permanent biennial location near Decatur, Ill., have been very impressed with the upgraded facilities. The show now rotates between the Boone and Decatur sites.

The Boone site is developed on nearly 600 acres at the intersection of U.S. Highway 30 and Iowa Highway 17. Additional show information is available at www.farmprogressshow.com.

Ohio Angus Field Day **Sept. 21, Mansfield, Ohio**

The Ohio Angus Association will conduct its field day Sept. 21 at the Mansfield Correctional Institute Farm in Mansfield, Ohio. Angus breeders and enthusiasts are invited to spend the day in Mansfield as the interesting and educational program is sure to be enjoyable to all in attendance.

Registration is at 9 a.m., and the program will begin at 10 a.m. Featured speakers for the field day include Gerald Stokka, veterinarian, Pfizer Animal Health; Fernando Silveira, veterinarian, The Ohio State University; and Brian House, beef specialist, Select Sires Inc.

A catered lunch will be served, and participants will be offered a wagon tour of the Mansfield Correctional Farm. In late afternoon the Ohio State Reformatory tour will begin.

Bryce Schumann will also be in attendance to meet and speak with Angus breeders.

Reservations are needed by Sept. 15. Make reservations by sending \$5 per Angus family to Joe Sanders, field day chairman, 5959 Hay Rd., Harrod, OH 45850; or Allen Gahler, Ohio Angus Association secretary and fieldman, 641 N. Ellistown Trowbridge Rd., Graytown, OH 43432.

Those who need accommodations should contact Holiday Inn, in downtown Mansfield, for reservations at 1-800-428-7290.

For more information about the Ohio Angus Association Field Day, contact Sanders at 419-648-3233 or Gahler at 419-350-2091 or secretary@ohioangus.org.

