



# Beef Business

► A look at current events affecting the cattle industry



## Canada finds seventh BSE case

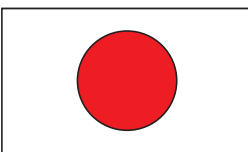
The Canadian Food Inspection Agency (CFIA) announced it has confirmed bovine spongiform encephalopathy (BSE) in an Alberta cow.

Preliminary screening tests were unable to rule out BSE, and additional analysis conducted at the National Reference Laboratory in Winnipeg, Man., confirmed the disease. The animal, reported to be a 50-month-old dairy cow, died and was retained on the farm, CFIA reports. No part of the carcass entered the human food or animal feed systems.

CFIA launched an investigation to collect additional information about the affected animal and to identify other animals of equivalent risk, namely cattle born on the same farm within 12 months before and

after the affected animal. The agency was also conducting an investigation to examine possible routes of infection.

More information and investigation updates were to be posted to CFIA's Web site at [www.inspection.gc.ca](http://www.inspection.gc.ca).



## Japan begins inspections

Ten agriculture and health officials from Japan arrived in the U.S. late June to begin inspections at meatpacking plants in 16 states. At press time, the inspections — part of conditions reached in a U.S.-Japan trade agreement announced late June — were expected to end by July 21. Some industry sectors were anticipating U.S. beef in Japanese markets by July's end.

Upon completion of the audits, Japan has

agreed to expeditiously resume beef trade.

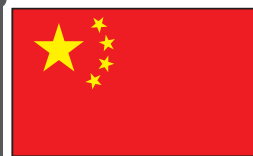
"I cannot emphasize strongly enough the importance of Japan recognizing the U.S. food safety inspection system as a single, effective system and acting accordingly in resuming trade," Secretary of Agriculture Mike Johanns said. "When that occurs, my expectation is that minor noncompliance issues will not disrupt our entire trading relationship."

Japanese Foreign Minister Taro Aso reacted to Johanns in a public radio broadcast, saying Japan wouldn't discontinue U.S. beef imports if a single shipment was found to contain banned materials, *meatingplace.com* reported.

Under the trade agreement, Japan's requirements for trade — such as its demand for beef only from cattle 20 months old or younger, with at-risk materials removed — will remain in effect, according to *The Japan Times*.

Industry organizations such as the National Cattlemen's Beef Association (NCBA) responded with guarded enthusiasm.

According to an NCBA statement, organization members remain skeptical of Japan's dependability as a trading partner. Terry Stokes, NCBA chief executive officer (CEO), said the current agreement does not contain language to provide for the export of bone-in product or for beef from animals between 20 and 30 months of age.



## China resumes beef trade — sort of

China announced June 29 a limited market opening to U.S. boneless beef under 30 months of age.

According to a statement released by Secretary Johanns, China had agreed in April to reopen its market to U.S. beef following the development of a science-based trading protocol.

"We will not be satisfied until a full range of U.S. beef products are once again

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

Cattle and calves on feed for harvest in the United States for feedlots with capacities of 1,000 or more head totaled 11.2 million head June 1. The inventory was 4% above the same time last year and 5% above June 1, 2004, figures. This is the second-highest June 1 inventory since the series began in 1996.

Placements in feedlots during May totaled 1.91 million, 14% less than 2005 figures and 19% below 2004. Net placements were 1.80 million head.

Marketings of fed cattle during May totaled 2.17 million, 9% above 2005 and 7% above 2004 figures. Other disappearance totaled 115,000 head during May, 20% more than 2005 figures and 46% more than 2004 figures.

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

|   | No. of head (1,000 head) |        |         | 2006 as % of |      |
|---|--------------------------|--------|---------|--------------|------|
|   | 2004                     | 2005   | 2006    | 2004         | 2005 |
| On feed May 1 <sup>a</sup>                  | 10,375                   | 10,641 | 11,559* | 111          | 109  |
| Placed on feed during May                   | 2,370                    | 2,223  | 1,913   | 81           | 86   |
| Fed cattle marketed during May              | 2,026                    | 1,997  | 2,170   | 107          | 109  |
| Other disappearance during May <sup>b</sup> | 79                       | 96     | 115     | 146          | 120  |
| On feed June 1 <sup>a</sup>                 | 10,640                   | 10,771 | 11,187  | 105          | 104  |

\*Revised

<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.

accepted into the Chinese market.” Johanns said. “We stand ready to continue our technical discussions with China to finalize a protocol based on international scientific guidelines, which we hope will result in a significant market opening in the coming weeks.”

### **Canada lifts import restrictions**

U.S. cattle producers will again be able to export cattle into Canada, including those for breeding purposes born after 1999, NCBA reported. In addition, beef from cattle more than 30 months of age will also be eligible for export to Canada under certain conditions.

The CFIA has also announced it will eliminate bluetongue-related control measures for cattle, sheep and other ruminants imported from the United States.

According to the agency, animal health experts have determined the potential for bluetongue to spread in Canada, both in livestock and wildlife, is very limited. Furthermore, climatic conditions limit potential transmission to only a short period each year, within a restricted geographic region.

As a precaution, the CFIA will enhance its bluetongue surveillance, moving from triennial to annual monitoring. This activity, coupled with ongoing research and risk assessments, is intended to provide ongoing confirmation that risks to Canadian livestock and wildlife remain low.

Regulatory processes needed to bring the revised policy into effect will be completed in the coming months. In the interim, the CFIA will continue to work closely with implicated sectors, particularly breeding animals and livestock genetics, to develop strategies aimed at engaging trading partners and maintaining current market access.

### **Study disputes antibiotics dangers**

A study released early July by the Institute of Food Technologists shows antibiotic-free foods aren't necessarily safer, according to an article appearing in the *Houston Chronicle*.

The study, which examined 20 years' worth of research into antibiotic and antimicrobial resistance, raises questions about promotions claiming antibiotic-free foods are better for human consumption, the article noted. The group warns against reducing antibiotic levels in food production, saying the practice would hurt animal health and food production.

According to Michael Doyle, chairman of the study, panel researchers found that overuse of antibiotics in humans, not regular use in animals, creates strains of resistant bacteria.

### **USDA designates Vermont a disaster area**

Secretary Johanns announced late June the designation of the entire state of Vermont as a primary natural disaster area, making all qualified farm operators in the designated areas eligible for low-interest emergency (EM) loans from U.S. Department of Agriculture's (USDA's) Farm Service Agency (FSA).

All 14 counties in Vermont were declared primary natural disaster areas due to severe weather conditions, including excessive rainfall and flooding that began May 1. Several contiguous counties in Massachusetts, New Hampshire and New York were also named natural disaster areas.

Farmers in eligible counties have eight months from the date of the declaration to apply for the loans to help cover part of their actual losses. Interested farmers may contact their local USDA Service Centers for further information on eligibility requirements and application procedures. Additional information is available at <http://disaster.fsa.usda.gov>.

### **Cattle theft suspects caught**

A Brazoria County, Texas, rancher has confessed to a nine-month series of South Texas cattle thefts spanning eight counties, 13 victims and 289 cattle valued at more than \$250,000, the Texas and Southwestern Cattle Raisers Association (TSCRA) reported.

According to TSCRA, the break in the investigation came June 13, when 10 calves, including one with unusual scarring, were stolen from the Navasota, Texas, sale barn. An order buyer later recognized the scarred calf when it was taken to a sale in Groesbeck, Texas.

Investigators report that the suspect would take stolen cattle to a leased pasture and mix them with his own, selling the stolen calves periodically over a month or two at several different sale barns. Investigators intend to file formal criminal charges in eight different counties.

### **Canada tightens feed restrictions**

The CFIA is banning specified risk materials (SRMs) capable of transmitting BSE from animal feeds, pet foods and fertilizers.

According to CFIA, the tighter feed controls are meant to help eradicate the disease from the national cattle herd by preventing more than 99% of potential BSE infectivity from reaching the country's feed.

Following CFIA's announcement, American Meat Institute (AMI) Foundation President James Hodges said, “While we

would have preferred that Canada move toward a more limited SRM removal policy given the extremely low risk of BSE in North America, we are confident that the proposed feed regulation being considered by the U.S. Food and Drug Administration (FDA) will yield equivalent protection.”

Canada's government has earmarked \$80 million to help implement new feed control plans, set to begin July 12, 2007, with additional time provided for small establishments to achieve full compliance.

### **Salmonella levels decrease slightly**

The Food Safety and Inspection Service (FSIS) has released its quarterly salmonella testing report, showing a slight decrease in all categories except for ground beef, AMI reports.

An increase in testing frequency in establishments with process-control problems may be the reason for an increase in positive results, FSIS suggests. Visit [www.fsis.usda.gov/Science/Q1\\_2006\\_Salmonella\\_Testing/index.asp](http://www.fsis.usda.gov/Science/Q1_2006_Salmonella_Testing/index.asp) to access the entire report.

### **USDA personal information scare**

Secretary Johanns announced late June that Washington, D.C., area USDA employees may have had their personal identity information compromised when USDA computer systems were illegally accessed. Approximately 26,000 current and former Washington, D.C., area USDA employees and contractors were potentially affected.

The personal identity information potentially accessed includes individual's names, social security numbers and photos. Worksite information that is readily available to the public is also contained within the database.

Notifications were sent via e-mail to potentially affected individuals informing them of the potential breach, and letters were sent.

Law enforcement agencies were notified, and the USDA Inspector General's Office was to conduct a full investigation into the matter.

### **Canada concludes BSE investigation**

CFIA announced mid-June it had concluded its investigation of the BSE case first confirmed April 16 in a cow from British Columbia.

According to the agency, the investigation identified 148 animals, including the affected animal's herd mates and recent offspring. From this group, 22 live animals were located, and all tested negative for BSE. One

CONTINUED ON PAGE 212

additional animal, which was pregnant, had been placed under quarantine and was to be tested once it had calved. Of the remaining animals investigated, 77 had died or been harvested, 15 were exported to the United States and 33 were untraceable.

CFIA reports that while a specific source of infection was not found, agency investigators determined that vehicles and equipment used to ship and receive ingredients likely contaminated cattle feed with the BSE agent.

Investigators also identified a feed ingredient supplier common to this case and Canada's fourth BSE animal, confirmed Jan. 22. This potential link suggests that all of Canada's BSE cases fall within the same geographic cluster, which, according to CFIA, is reflective of feed sourcing, production and distribution patterns.

### Drought conditions spur harvest market

Ranchers are being forced to send more cattle to harvesting facilities due to drought in the Southern Plains and damaging wildfires, according to an article by *The Associated Press* (AP) appearing on the *Kansas City Star* Web site.

Kansas State University Agriculture Economist James Mintert, who is quoted in the article, estimates total cow harvest up by 3.7% as of early June. Beef cow harvest through June 3 had been running 9% above last year's figures.

### USDA reconsiders grass-fed beef labels

USDA officials are proposing new label guidelines for grass-fed beef that would tighten labeling standards, the *Chicago Tribune* reported.

Under revised guidelines, the label would identify beef from cattle fed 99% grass or other forages as the primary energy source during their lifetime. Previous labeling suggestions were set at 80% grass, but stricter labeling will allow producers who feed cattle almost exclusively on grass to differentiate their products, the article noted.

### Maine develops meat-purchasing policy

As the first state to adopt a meat-purchasing policy, Maine will now favor meat products produced without antibiotics.

According to AP, the policy encourages the state's school districts to engage in contracts with suppliers whose products contain meat from animals that were not given antibiotics for nontherapeutic reasons.

The Maine policy stems from a law that calls for further study into the use of the same classes of antibiotics used in human medicine in animals, AP reported.



### Beef origin to appear on Korean menus

Beginning in January 2007, large South Korean restaurants will be required to display the origin of meat on menus, including grilled and roast beef dishes.

Korea's Ministry of Health and Welfare made the announcement Wednesday, calling for restaurants larger than 300 square meters to abide by the rules, which exclude some soup dishes, according to the *Korea Times*.

Restaurants will have to inform customers of the breed of beef and whether the animal was raised in Korea. Restaurants failing to inform customers will face stiff financial penalties, as well as possible jail time in cases where menus are deliberately misleading.

Small-scale restaurants will be subject to the law after 2008, according to the article.

### USDA awards conservation grants

Agriculture Undersecretary Mark Rey has awarded nearly \$20 million in Conservation Innovation Grants (CIG) to 38 states to fund 66 projects designed to develop and refine cutting-edge technologies and approaches that can help producers maintain viable agricultural operations.

Applicants from 45 states submitted 180 project proposals and requested about \$63 million. This fiscal year's grantees include three resource conservation and development councils, seven conservation districts, four state and local governments, 13 nongovernmental organizations, 22 colleges and universities, two tribes, 12 business entities and three individuals.

Approved projects address natural resource issues such as water quantity, water quality improvement, livestock nutrient management, grazing lands and forest health, and soil resource management. In addition, projects also address emerging natural resource issues including agricultural air emissions, energy conservation and market-based approaches to conservation.

Additional information about CIG, including summaries of approved projects,

is available at [www.nrcs.usda.gov/programs/cig](http://www.nrcs.usda.gov/programs/cig). A chart for a state listing of CIG projects, in pdf format, can be found at [www.nrcs.usda.gov/programs/cig/2006awards.html](http://www.nrcs.usda.gov/programs/cig/2006awards.html).

### USDA trains scientists to detect bird flu

USDA's Animal and Plant Health Inspection Service (APHIS) Administrator Ron DeHaven announced APHIS has trained 24 scientists from 19 countries on diagnostic testing for highly pathogenic avian influenza (HPAI).

The agency's workshop took place June 19-23 at the National Veterinary Services Laboratories (NVSL) in Ames, Iowa. It was the third in a series of train-the-trainers workshops on HPAI testing and diagnostics.

DeHaven said the goal was to assist senior-level veterinarians and poultry disease experts from countries that either have discovered HPAI, or are at high risk for the disease. The 24 participants come from countries that have requested USDA technical assistance in HPAI testing and diagnostics. Training included hands-on lab exercises and lectures from USDA experts.

The workshops were a joint effort of Iowa State University and USDA's Agricultural Research Service (ARS), APHIS and the Foreign Agricultural Service.

## Washington Watch



### Senate takes action against Japan

Members of the Senate took retaliatory action against Japan June 22 in response to a delay in beef trade resumption.

Although the USDA previously announced a trade agreement with Japan, the Senate Appropriations Committee attached a statement to the Fiscal Year (FY) 2007 Agriculture Appropriations Bill calling for sanctions on Japanese products if Japan does not resume imports of U.S. beef by the enactment of the bill.

NCBA announced its support of the legislation, as well as a bill introduced by Sen. Pat Roberts (R-Kan.) and Kent Conrad (D-N.D.) calling for tariffs on Japanese exports if Japan does not open its borders to U.S. beef by Aug. 31, 2006.



### Antibiotics legislation introduced

Sen. Olympia Snowe (R-Maine) and Rep. Sherrod Brown (D-Ohio) are sponsoring

legislation in both the Senate and House of Representatives calling for an end to the routine use of medically important antibiotics as feed additives.

More than 350 organizations have endorsed the legislation, including the American Medical Association (AMA), the American Academy of Pediatrics (AAP), the American Geriatrics Society (AGS) and others.

Titled "Preservation of Antibiotics for Medical Treatment Act," the legislation was prompted by growing concern that antimicrobial agents' effectiveness in treating human infections is becoming compromised by increasing bacterial resistance due to increased antibiotics use in animals.

The antibiotics act would withdraw FDA approval for feed-additive use of seven antibiotics classes, including penicillins, tetracyclines, macrolides, lincosamides, streptogramins, aminoglycosides and sulfonamides.

## Industry Events

### International Conference on The Future of Agriculture

**Aug. 6-9, Sacramento, Calif.**

The International Conference on The Future of Agriculture: Science, Stewardship and Sustainability will be at the Hyatt Regency in downtown Sacramento. Conference participants will come together in technical sessions, panel presentations and interactive group discussions to develop strategies for addressing pressing environmental issues in agriculture through the integration of science, technology and policy.

The conference is presented by the California Environmental Protection Agency (EPA), the U.S. EPA Hazardous Substance Technical Liaisons Program, the National Institute of Environmental Health Sciences, and the Midwest Hazardous Substance Research Center at Kansas State University. For complete information call (785) 532-2562.

### Cattlemen's Boot Camp Aug. 29-30, University of Illinois, Champaign-Urbana

The American Angus Association, Angus Foundation and University of Illinois (U of I) will conduct a Cattlemen's Boot Camp at the University of Illinois in Champaign-Urbana. The Boot Camp is open to all

cattle producers and will cover various segments of the beef industry as well as give perspective on emerging technologies.

U of I animal science professors, Association and Certified Angus Beef LLC (CAB) staff and other guest speakers will present the program. Some small groups will be formed to allow for more hands-on interaction.

The event is set to begin at 12:30 p.m., Tuesday, Aug. 29, at the Holiday Inn in Urbana. Bus transportation will be provided to the university. The Boot Camp will conclude around 1 p.m. on Wednesday, Aug. 30.

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

Prior to the Boot Camp, an Angus Skills Lab will be conducted. The lab is designed for new Association members. It begins at 7:15 a.m. Tuesday at the U of I beef unit.

A block of rooms has been reserved at the Holiday Inn. Make reservations by calling (217) 328-7900, and be sure to ask for the American Angus Association block to get the negotiated rate. For more information contact Shelia Stannard, Association event coordinator, at (816) 383-5100 or log onto [www.angus.org](http://www.angus.org).

### Farm Progress Show Aug. 29-31, Amana, Iowa

The 53rd annual Farm Progress Show will be at the Amana Colonies facility near Amana, Iowa. The show will display agriculture's innovations, information and technology. The Farm Progress Show showcases the most extensive, state-of-the-art agricultural equipment, products and services.

The show is open 8 a.m. to 5 p.m. on Tuesday and Wednesday and from 8 a.m. to 4 p.m. on Thursday. Admission is \$7 for adults, \$3 for ages 13-17, and admission is free for ages 12 and younger. Parking is also free. For more information visit [www.farmprogressshow.com](http://www.farmprogressshow.com).

### UNL Lab open house Aug. 30, Whitman, Neb.

The University of Nebraska-Lincoln will host an open house at its Gudmundsen Sandhills Laboratory (GSL) to celebrate the center's 25th anniversary. GSL is located three miles north and five miles east of Whitman.

Several university-sponsored activities and demonstrations are scheduled. Visit <http://westcentral.unl.edu/GSL/> for more information.

### 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](mailto: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.

The early registration fee is \$295 if received by Aug. 31.

For more information or to register, visit [www.cce.umn.edu/MNnutrition](http://www.cce.umn.edu/MNnutrition).

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

FSIS, FDA, Centers for Disease Control 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](http://www.fsis.usda.gov/denver2006) for more information or to register.

