



Policy Discussions

Cattle producers address top priorities and policy issues at the 2004 Cattle Industry Summer Conference.

An estimated 1,000 producers and cattle industry representatives from across the country met in Denver, Colo., Aug. 9-13 for the 2004 Cattle Industry Summer Conference.

Cattle producers reviewed major policy issues affecting cattle operations and the overall state of the industry. During in-depth committee meetings and innovative open forums, attendees discussed major issues affecting the industry this year, including bovine spongiform encephalopathy (BSE), export markets, animal identification (ID), cattle health, farm policy and the upcoming presidential election.

"The meetings went well — everyone was pleased with the turnout and is excited to bring the new and old policy to Capitol Hill and the Bush Administration this fall," says Jan Lyons, Kansas cattle producer and National Cattlemen's Beef Association (NCBA) president. "As usual, the voice of NCBA cattle producers will be heard loud and clear on Capitol Hill — no matter how many thousands of miles away they are from the beltway."

NCBA's official 2004 Policy Agenda

addresses a lengthy list of policy priorities,

covering more than 40 issues affecting cattle producers. These new resolutions and directives passed at the summer conference guide NCBA staff, members and state affiliates. They will serve as interim policies until they are reviewed and passed by the membership in a mail ballot following the 2005 Cattle Industry Convention in San Antonio.

NCBA members passed numerous resolutions, amendments and directives at the summer meeting. The following summarizes some of the top initiatives.

BSE: NCBA members resolved that NCBA will request that the United States Department of Agriculture (USDA) and the Food and Drug Administration (FDA) not implement final BSE-related regulations until completion of comprehensive

surveillance testing. They also requested that if the surveillance program indicates a need for additional regulations, such additional regulations should be subjected to the Harvard Risk Analysis Model to verify they would reduce BSE risk.

Privacy issues related to

animal ID: NCBA members voiced concern about the need to protect the confidentiality of producers' premises and animal records collected by the National Animal Identification System (NAIS). NCBA will advocate that this data only be used when there is either a confirmed positive test for List A diseases, the declaration of an animal disease emergency, and/or a tracing (forward and back) for program diseases (such as brucellosis or tuberculosis) to determine the origin and scope of possible infection.

Oversight of animal ID system: NCBA members agree that implementation of the NAIS will have major effects on the beef cattle production and marketing system, affecting all cattle producers. NCBA has resolved that the oversight of the NAIS

requires significant participation by industry organizations, while NCBA will play a significant role in the private oversight process.

Property rights-waste management:

The National Center for Manure and Animal Waste Management (National Center) coordinates land-grant university scientists and engineers engaged in developing solutions to animal manure nutrient management, water and air quality protection, and byproduct utilization. It also actively engages scientists. USDA's funding of the National Center is scheduled to expire in early 2005. NCBA members voted to support a continuation of funding to allow the National Center to continue in its valuable role of national scientific leadership and coordination.

NCBA producer education initiatives:

NCBA strongly encourages state and local affiliate organizations to maintain and expand their producer education programs

to maintain a strong American beef industry, while some industry partners have expressed sincere interest in becoming more involved. NCBA resolved to expand its



support and emphasis on the planning, development and implementation of producer education initiatives. These programs will be economically viable, science-based and environmentally sound.

Grazing on federal lands: NCBA members agreed that the ranching industry needs a short-term policy to address immediate challenges posed by the introduction of the buyout proposal and a long-term policy that addresses the creation of vacant grazing allotments on public lands. NCBA resolved to support the introduction of legislation to compensate permittees for loss of income when they are forced to relinquish grazing permits. NCBA supports the creation of an industry task force to develop a comprehensive legislative proposal for introduction in Congress that will strengthen grazing rights on public lands.

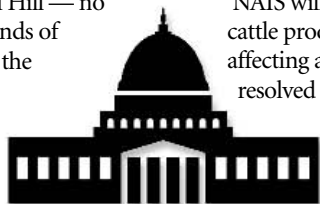
Rehabilitation of sage brush habitat:


NCBA resolved to encourage all agencies involved in post-fire rehabilitation to adopt a two-stage process for rehabilitation. The first step is utilizing quick-establishing, nonnative plant species and forage until plant communities and watersheds have stabilized. After this, native species can be interseeded into the rehabilitation site as allowed.

Farm Credit: NCBA members expressed concern about the sale of the Omaha-based Farm Credit Services of America. Therefore, NCBA members resolved that in the affected four-state area, stakeholders in Farm Credit Services of America should thoroughly study the issues before they vote on the future of their association.

Endorsement of George W. Bush:

NCBA's Political Action Committee (NCBA-PAC) has worked diligently to secure voluntary contributions from ranchers for the purpose of providing financial support to candidates of both parties. NCBA





members agreed that George W. Bush's policies have been in line with NCBA policy, and he has been a supporter of the American cattle producer. Therefore, a unanimous vote directed NCBA-PAC to financially support and endorse George W. Bush as the next President of the United States

Japanese trade: Since the single case of BSE was found in the United States, NCBA has continued to request that Japan re-open its borders to U.S. beef. It was officially directed that NCBA work toward normalization of trade with Japan based on sound science and harmonization of regulations between both countries.

Normalization of trade relationships: NCBA supports free and fair trade, and it is unlikely that major importing nations will reopen their borders to the importation of beef and beef products from the United States until trade issues are resolved between the United States and Canada. NCBA believes that this trade issue should be resolved using sound science, and there are

significant economic advantages to U.S. beef producers by having fair and equal access to foreign markets. It was recommended that NCBA urge U.S. officials to diligently work toward the normalization of the trading relationship between the United States and Canada regarding the trade of live cattle and all beef and beef byproducts.

Human nutrition research: Human nutrition research serves as the foundation for industry-wide nutrition programs, messages and efforts. Therefore, it was recommended that the impact of budgetary constraints on funding of research be minimized.

Canadian veal subsidy programs: NCBA supports fair and equitable trade within North America and the elimination of unfair farm subsidies in competing countries. Canadian programs were developed to protect and preserve the production profit margins of livestock

producers and other commodities in Canada. These trade practices continue to have a deleterious effect on U.S. markets. Therefore, it was recommended that NCBA support the elimination of the Canadian Agricultural Income Stabilization (CAIS) program and the Programme D'Assurance Stabilisation Des Revenus Agricoles (ASRA) and establish appropriate remedies that allow producers to compete on a level playing field.



Editor's Note: *This news release was provided by NCBA. For more information regarding the summer cattlemen's convention, visit www.beefusa.org or <http://hill.beef.org>.*



Highlights from the 2004 Beef Industry Summer Conference

Cattlemen's Beef Board approves 2005 budget

The Cattlemen's Beef Board (CBB) approved a \$52.5 million Beef Checkoff Program budget for fiscal year (FY) 2005, capping a yearlong planning process and several days of joint industry committee meetings to review specific proposals for checkoff funding.

The breakdown of the budget recommendation, which must be approved by the U.S. Department of Agriculture (USDA) before any funds are expended, includes the following elements: promotion (\$26.8 million); research (\$6.95 million); consumer information (\$6.4 million); industry information (\$1.8 million); foreign marketing (\$5.6 million); producer communications (\$2.1 million); evaluation (\$210,000); program development (\$130,000); USDA oversight (\$220,000); and administration (\$2.25 million).

"We took a hard look at what areas we need to focus on to provide the most benefit for producers in the current market environment," said Beef Board Chairman Nelson Curry, Paris, Ky. "We tried to identify what we believe is the way to fund a varied program that will help build demand for beef and, as a result, improve producers' opportunities for profit through promotion, research and information efforts that keep beef at the center of America's plate."

The promotion segment of the budget for 2005 represents an overall decrease from the current fiscal year because the Beef Board dedicated an additional \$1.5 million to domestic summer promotion this year, amid continued closure of the majority of export markets.

Meanwhile, the budget for FY 2005 represents an increase in funding for additional market research in the areas of bovine spongiform encephalopathy (BSE),

nutrition and youth attitudes, and allows for expansion of the checkoff's issues-tracking efforts. The Beef Board plans to increase the consumer-information budget to provide additional public relations efforts and more funding to reach out to nutrition influencers in 2005.

In the industry information segment of the budget, the Beef Board approved a slight decrease compared to the final 2004 budget, which included expanded funding for crisis management in the wake of the Dec. 23, 2003, announcement of a case of BSE in the United States. The foreign-marketing segment of the checkoff budget was increased for FY 2005 in anticipation of reopening markets.

In the final stage of the budgeting process, the Beef Promotion Operating Committee was to meet in September to identify specific programs to fund through the FY 2005 budget. USDA also must approve those recommendations before any checkoff dollars may be spent.

During its summer meeting, the Beef Board also approved a reapportionment plan that — based on declining cattle numbers in four states — will reduce the size of the board from the current 108 to 104 effective in 2006. Based on review of USDA inventory and import records, the Beef Board approved its Executive Committee's recommendation to reduce Board seats by one each in Minnesota, Montana, Nebraska and Wyoming, leaving them with two, two, six, and one seat, respectively.

Checkoff report offers statement of state/national expenditures


The Beef Checkoff Program has just released "Tracking Your Investment," a four-color, eight-page brochure that reports the latest state and national beef checkoff expenditures and an up-to-date listing of all state beef council contacts throughout the country.

BEEF



PHOTOS COURTESY OF NCBA

► CBB Chief Operating Officer Monte Reese (left), and CBB Chairman Nelson Curry (center) speak with farm broadcaster Al Pell at an officers' forum broadcast live via satellite.



This piece was funded by beef producers through their \$1-per-head checkoff, and coordinated for the Cattlemen's Beef Promotion and Research Board and state beef councils by the National Cattlemen's Beef Association (NCBA). The NCBA is one of the contractors for the CCB.

"It's our legal responsibility to communicate how each checkoff dollar has been invested to our producers," said Curry.

Checkoff dollars are spent every day for state and national programs aimed at increasing consumer demand for beef through research, information and promotion. "Tracking Your Investment" shows how dollars were allocated among various programs for the last four years.

"The brochure outlines how each dollar collected through the beef checkoff program, both nationally and at the state level, was used to help increase the demand for beef," said Curry. "We'll continue to work hard using checkoff dollars to develop new and innovative ways to increase the demand for beef and support the success of our existing programs."

This year 26,000 copies of "Tracking Your Investment" were printed and sent to state beef councils for distribution at producer and media events nationwide. Additional copies can be obtained by calling Christian Hawley at (303) 850-3354 or e-mailing a request to chawley@beef.org.

Summit provides outline of plan to reduce BSE risk

Those who wish to help reduce the risk of BSE in the United States must be flexible, rely on science and communicate clearly with each other, the public and the government. Those are among the key findings of a national BSE Summit in Fort Worth, Texas, April 26-27, funded in part by the beef checkoff and convened by the Beef Industry Food Safety Council. Findings from that meeting were released during the 2004 Cattle Industry Summer Conference.

The summit was established partially in response to the Dec. 23 discovery of BSE in Washington State. "This issue has affected a very diverse group of people and businesses," said J.O. Reagan, NCBA executive director of research and knowledge management. "The Beef Industry Food Safety Council felt it was important to get everyone in the same room so we could

CONTINUED ON PAGE 272

Realize the Risks

Contracts awarded for new insurance studies.

Cattle producers who saw federal risk management insurance for fed and feeder cattle disappear with the Dec. 23 case of bovine spongiform encephalopathy (BSE) in Washington state will be able to purchase it again beginning Oct. 1. The contract was suspended following the BSE discovery as the insurance policy wasn't rated for BSE. The contract now has been adjusted for BSE. Cattlemen can get details about the risk management tool from their crop insurance agent.

J.B. Penn, undersecretary for farm and foreign agricultural services, delivered this news Aug. 12 to members of the National Cattlemen's Beef Association (NCBA) at the cattle industry's summer conference in Denver, Colo. Speaking to the Agricultural Policy Committee, Penn also announced four new contracts worth approximately \$7 million. They were awarded to private companies to develop insurance products focused on pasture, range, hay and forage. The products will be field-tested and reviewed for effectiveness by the U.S. Department of Agriculture (USDA). If they pass the field tests and review, the products will be sold by private insurance companies nationwide.

"These projects grew out of the National Cattlemen's Beef Association's work during development of the Agriculture Risk Protection Act of 2000," said Bryan Dierlam, NCBA director of legislative affairs. "Our members said they needed new risk management tools and we worked on their behalf to ensure that USDA and the marketplace responded."

The programs would provide insurance to producers wishing to manage risk associated with feed costs due to loss of forage material from drought or other natural disasters. The benefits these contracts offer are limited recordkeeping requirements, no on-site loss adjustments, prompt payment of claims and the flexibility to apply a wide range of forage types and ranch types.

With 55% of the nation's land in pasture, range, forage and hay, these new contracts will use satellite technology and rainfall indices to measure conditions in specific parts of the country, as small as approximately township levels.

The four contracts awarded are:

New plan for pasture/rangeland and dryland hay. This is a dual index consisting of a satellite-based, vegetative index and a proxy crop, where a different crop with similar growth would be identified and used as a trigger to compute losses. This plan doesn't measure forage growth, but indicates a deviation from normal. Pilot projects will be done in select Western states (northeast Nevada, Wyoming, Utah, Texas and New Mexico) beginning in the 2007 growing season.

Temperature-constrained normalized difference vegetation index. This uses data derived from satellite-based, remote sensing imagery, which describes seasonal growth dynamics for a target growth area. Pilot projects will be done in 200 counties in six states (Pennsylvania, South Carolina, Oklahoma, South Dakota, Colorado and Oregon) beginning in the 2006 growing season.

Seasonal growth-constrained rainfall index. This uses a weighted warm-season/cool-season index period based on the normal temperature at the start and end of the growing season and uses the National Oceanic and Atmospheric Administration (NOAA) rainfall data system. The index will not predict real forage levels, but will estimate growth and deviation from normal. Pilot projects will be done in 220 counties in six states (Colorado, Idaho, North Dakota, Pennsylvania, South Carolina and Texas) beginning in the 2006 crop year.

Precipitation index. This will use a rainfall index gathered from local weather stations. This contract follows the current Group Risk Plan. Indemnity payments are not based on the individual's ability to produce or the resulting production, but on a season-ending rainfall index value. Pilot programs will be done in the 2005 growing season in Alabama, Missouri, New York and Wyoming.

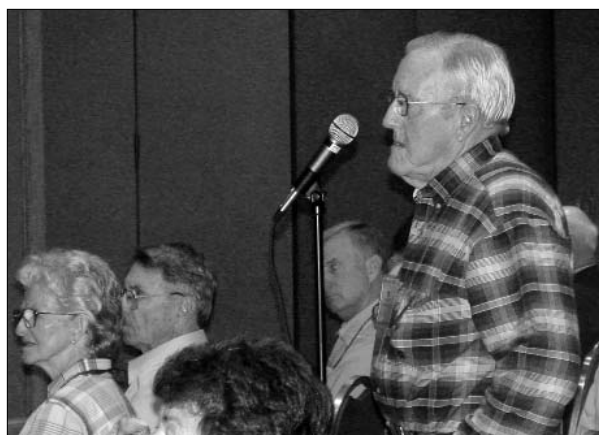
For more information, go to www.rma.usda.gov.





discuss possible action steps and look at the impacts of those steps across the industry.

“We had cow-calf operators, feeders, renderers, retailers, grinders, exporters, packers, foodservice and government representatives all at the same table,” he continued. “Every segment is committed to eliminating the risk of BSE, and I think everyone realizes that the job is too big to try and do alone. It will take teamwork.”



► Producers were offered the opportunity to share their views.

► An estimated 1,000 cattlemen interacted with producers and NCBA staff from across the country.



Attendees broke into working groups to address concerns, including specified risk materials (SRMs), trade disruptions, byproduct handling, testing issues and consumer relations. In some instances, some of the groups’ recommendations — such as testing protocols — already had gone into effect. The beef industry already is looking into alternative uses for SRMs, as was the recommendation from one group. A study to determine the accuracy of dentition in determining the age of cattle was completed.

One of the overarching themes from the groups was to make science-based decisions as this issue continues to evolve, whether they relate to trade, product handling or communications efforts.

“There is a need to build an understanding among consumers that BSE first is an animal health issue, albeit one with human health implications,” Reagan said. “The situation in the United States is very different than what exists in Europe, and we

have to be thorough but careful as we create regulations for this disease. Once regulations are in place, especially when they come from a crisis, they usually are in force for good.”

The Beef Industry Food Safety Council was formed to help the beef industry eliminate food safety risks. Reagan said that the group has experience communicating with the industry to share information of this sort and help effect change.

A copy of the BSE executive summary is available at www.beef.org.

Training camp to further retailer education about beef

A “traveling training camp” will soon be helping extend the beef knowledge of store-level meat retailers across the country. The checkoff-funded half-day seminar will cover the topics retailers need to know in their day-to-day operations and interactions with consumers.

Materials for the seminar, including a manual, professional video and interactive CD-ROM, were in production during 2004. Hands-on seminars for store-level meat managers, with participants involved in preparing beef dishes to learn more about proper cooking methods for each cut, will start being conducted in late fall of this year.

The “Beef Training Camp” is an extension of the checkoff-funded “Beef College” program, which nearly 5,000 retail meat managers and staff have attended to date. The new program will allow for greater reach to retailers, as those who miss the live seminar will benefit from information provided in the print, video and computer materials.

Among issues covered in the program are cooking methods for beef, industry and consumer trends, nutrition, food safety, beef basics and current issues, such as animal identification (ID). The information and presentations are based on retailer needs as they market and promote beef.

“We have received tremendous interest in offering this program from the retail community, and believe it will go a long way toward providing a core knowledge of beef and the business of selling beef,” said Alan Hess, a beef producer from Alma, Kan., and chairman of the Joint Retail Committee. “What’s more, this program allows us to reach retailers who are geographically spread out. By structuring our ‘training camp’ this way, we can regularly and directly reach retailers coast-to-coast.”

The beef training camps will be presented by retail account managers of the NCBA and by staff of state beef councils. For more information contact your state beef council representative.

