



# Beef Business

► A look at current events affecting the cattle industry

## Private sector to play role in animal ID

Agriculture Secretary Mike Johanns announced Aug. 30 the U.S. Department of Agriculture's (USDA's) guiding principles for development of a public/private partnership that enables the private sector to maintain animal movement data as part of the National Animal Identification System (NAIS).

Johanns said USDA is eager to work closely with the industry as it develops and maintains databases containing animal movement information.

"After hearing the confidentiality concerns of producers, we envision a system that allows these databases to feed a single, privately held animal-tracking repository that we can access," he said.

At press time, USDA officials were to schedule a stakeholder meeting this fall to clarify expectations for the private tracking system and discuss user requirements and system specifications.

Once fully implemented, NAIS will enhance U.S. efforts to respond to intentionally or unintentionally introduced animal disease outbreaks more quickly and

effectively. For more information and to view USDA's four guiding principles about NAIS, visit [www.usda.gov/nais](http://www.usda.gov/nais).

## Hurricane Katrina devastates country, cripples ag shipments

The destruction of Hurricane Katrina, which ravaged the South in late August, resulted in news of rising death tolls, rescue efforts, looting and disease concerns. In the days and weeks following the aftermath of one of the worst natural disasters in recent U.S. history, other nationwide consequences of Katrina also became clear.

In addition to closed oil refineries and soaring gas prices, the closing of the Port of New Orleans in Louisiana at press time had posed serious transportation and distribution challenges, especially for agriculture.

With shipping terminals and other facilities closed, approximately 300 barges containing grains and other products were bottlenecking in rivers north of New Orleans, and import shipments were likewise searching for alternative routes, *The New York Times* noted.

While main transportation arteries remained clogged, the production of several products could be delayed, the article stated. Meanwhile, USDA state and county emergency boards coordinated agricultural-related responses in Alabama, Louisiana and Mississippi. Damage assessments on area crops, livestock and other ag-related operations were also scheduled.

## Producers struggle with rising gas prices

Fearing a national gas crisis, consumers flocked to gas stations Sept. 1 in the wake of Hurricane Katrina, where prices reached as high as \$5 per gallon in some areas, *CNN.com* reported. Price hikes prompted President Bush to warn against price gouging and to encourage Americans to conserve. Those in the ag sector also braced themselves for the worst.

A University of Kentucky (UK) Extension release noted that combining costs for this year's grain harvest could be about \$1.65 higher per acre than last year. In addition, due to rising propane and natural gas costs, those drying grain will most likely spend 5¢ more per bushel than last year. Additional fuel costs to transport the grain to storage could add up to a half-cent to 1¢ more per bushel than last year, Craig Gibson, UK Extension farm management specialist said. Likewise, an increase in transport prices for hauling cattle and hay shipments is expected.

## U.S. cattle on feed up 2%

Cattle and calves on feed for harvest in the United States for feedlots with capacities of 1,000 or more head totaled 10.1 million head Aug. 1, 2005. The inventory was 2% above the same time last year and 5% above Aug. 1, 2003, figures.

Placements in feedlots during July totaled 1.68 million, 2% below 2004 and 16% below 2003 figures. This is the lowest placements for the month of July since the series began in 1996. Net placements were 1.62 million head.

Marketings of fed cattle during July totaled 1.92 million, slightly below 2004 and 16% below 2003. This is the lowest fed-cattle marketings for the month of July since the series began in 1996. Other disappearance totaled 60,000 during July, 3% above 2004, but unchanged from 2003.

**Table 1: No. of cattle on feed, placements, marketings and other disappearance, 1,000+-head-capacity U.S. feedlots, Aug. 1, 2003-2005**

	No. of head (1,000 head)			2005 as % of	
	2003	2004	2005	2003	2004
On feed July 1 <sup>a</sup>	9,923	10,132	10,392*	105	103
Placed on feed during July	1,997	1,719	1,678	84	98
Fed cattle marketed during July	2,270	1,925	1,918	84	100
Other disappearance during July <sup>b</sup>	60	58	60	100	103
On feed Aug. 1 <sup>a</sup>	9,590	9,868	10,092	105	102

\*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.

## BSE investigation of Texas cow concludes

USDA's Animal and Plant Health Inspection Service (APHIS) and the U.S. Department of Health and Human Services (HHS) Food and Drug Administration (FDA) completed their investigations regarding an approximately 12-year-old Brahman-cross cow that tested positive for bovine spongiform encephalopathy (BSE) in June 2005.

During the course of the investigation, USDA removed and tested a total of 67 animals of interest from the farm where the index animal's herd originated. All of these animals tested negative for BSE.

To determine whether contaminated feed could have played a role in the index animal's infection, FDA and the Texas Feed and Fertilizer Control Service (FFCS) conducted a feed investigation, which identified 21 feeds or feed supplements that were used on the farm since 1990. The investigation found that no feed or feed supplements used on the farm since 1997 were formulated to contain prohibited mammalian protein. Due to this finding,

FDA has concluded that the animal was most likely infected prior to the 1997 BSE/ruminant feed rule.

For more information on USDA's epidemiological investigation and a copy of the report, visit the APHIS Web site at [www.aphis.usda.gov/lpa/issues/bse/bse.html](http://www.aphis.usda.gov/lpa/issues/bse/bse.html).

For more information on FDA's feed investigation, visit the FDA Web site at [www.fda.gov/cvm/texasfeedrpt.htm](http://www.fda.gov/cvm/texasfeedrpt.htm).

### **Favorable livestock, farm income forecasts released**

USDA's Economic Research Service (ERS) has released its 2005 farm income and costs forecasts.

In 2005, net farm income is forecast to be \$71.8 billion, down \$10.7 billion from 2004 estimates — largely because income rose \$23 billion to an unprecedented level in 2004.

Value of livestock production is forecast to be \$125.3 billion in 2005. Cash receipts from all livestock species are forecast not only to exceed the \$100-billion mark for the fourth time during the past five years, but to exceed the 2004 record high by more than \$183 million. Even with Canadian fed cattle under 30 months of age allowed to enter the U.S. beef market for harvest starting July 18, 2005, beef producers are projected to have an increase in their receipts of more than \$2.3 billion over 2004. Cattle prices in 2005 are expected to be more than \$2 per hundredweight (cwt.) higher than in 2004, which was a record year.

However, total production expenses in 2005 are projected to be \$218.7 billion, up \$8.9 billion, or 4%. Rising costs of energy-based inputs and increasing interest expenses will account for more than 60% of the increase in costs in 2005. Much of the increase will come from rising prices paid for those inputs. Prices paid for fuel during the first half of 2005, for example, are up more than 24% from 2004. Feed expenses are forecast to be down 2% from 2004, largely due to a 5% reduction in feed prices.

For the complete report, visit [www.ers.usda.gov/briefing/farmincome](http://www.ers.usda.gov/briefing/farmincome).

### **U.S. to import Japanese beef**

USDA published a proposed rule in late August that would allow boneless beef imports from Japan. If finalized, the rule, published in the *Federal Register*, would end a four-year ban on Japanese beef that originated September 2001 following the discovery of BSE in the country, [meetingplace.com](http://meetingplace.com) reported.

According to the National Cattlemen's Beef Association (NCBA) U.S. imports of boneless beef from Japan have been relatively minute, averaging 19,000 pounds (lb.) — or about half a semi-trailer load.

However, the organization announced that it would not support finalization of the proposed rule until Japan has completed its process and accepts beef from the United States.

### **Anthrax outbreak in Northern Plains**

Unusually wet conditions earlier during the summer followed by heat and humidity spawned an outbreak of anthrax in the northern Great Plains states, killing hundreds of cattle and devastating area ranchers, *MSNBC.com* reported.

As of mid-August, 300 animals in North Dakota had died from anthrax and at least 200 head of cattle had been killed in South Dakota. North Dakota State University reported in August that anthrax had been confirmed in 84 locations within North Dakota.

Spores of the bacteria causing anthrax, *Bacillus anthracis*, can live in the soil for several decades and become vegetative once soil and weather conditions become ideal. Luckily, vaccines against anthrax are available, and humans are not considered at risk for the disease if they don't come in contact with blood and tissue of an infected animal.

To learn more visit [www.ext.nodak.edu/extpubs/ansci/animpest/v561w.htm](http://www.ext.nodak.edu/extpubs/ansci/animpest/v561w.htm).

### **USDA releases records of processing violations**

USDA released information detailing more than 1,000 violations at beef processing plants that failed to comply with specified risk material (SRM) removal, CNN reported Aug. 18.

However, the violations, which took place from January 2004 to May 2005, represent less than 1% of all citations at the facilities, an agency source noted, and no meat containing SRMs — such as brain or spinal cord tissue — reached consumers.

USDA released the information in response to requests made by consumer groups citing the Freedom of Information Act.

## **Industry Events**

### **MU field days October, Missouri**

The University of Missouri (MU) Agricultural Experiment Station and research centers will host several field days throughout 2005. Scheduled events will include the latest in crop, livestock, forage, horticulture and agroforestry research.

For a detailed schedule and contact information, visit <http://aes.missouri.edu>.

## **Washington Watch**



### **Senate postpones tax vote**

The Senate postponed its regular business, including a vote on the Death Tax, in early September due to activities surrounding Hurricane Katrina and the passing of Chief Justice William Rehnquist, the National Cattlemen's Beef Association (NCBA) reported. At press time, when senators would address the issue remained uncertain.

### **Europe's Livestock Farming Summit**

#### **Oct. 6-8, Clermont-Ferrand, France**

The Sommet de l'Élevage, Europe's leading Livestock Farming Summit, will take place at the Grande Halle d'Auvergne fairgrounds in Clermont-Ferrand. Approximately 70,000 people are expected to attend the event, which will feature 1,500 exhibited animals and 200 foreign exhibitors. Dairy cattle, sheep and horses will also be exhibited. Visits to farms, technical sites and insemination centers are to be organized for participants. A conference and symposia are also planned.

For more information e-mail Benoit Delaloy, international manager, at [bdelaloy@sommet-elevage.fr](mailto:bdelaloy@sommet-elevage.fr) or visit [www.sommet-elevage.fr](http://www.sommet-elevage.fr).

### **Georgia National Fair**

The 16th Georgia National Fair will take place at the Georgia National Fairgrounds and Agricenter in Perry.

The fair, themed "Sweet 16," is a celebration of the state's youth, agriculture and heritage. Competitive exhibits, food, rides and games, vendors, street entertainers, free family entertainment, a free circus, nightly fireworks, and major concerts are scheduled in Reaves Arena. Educational exhibits will be on hand, and livestock exhibits will be shown throughout the fair.

Admission at the gate is \$6 for adults or \$5 per adult with a group, plus two free tickets. Children ages 10 and younger get in free. Visit [www.georgianationalfair.com](http://www.georgianationalfair.com) for other admission specials and more information.

### **Cattlemen's Boot Camp**

The American Angus Association, in partnership with Colorado State University (CSU), will host the first-ever Cattlemen's Boot Camp at the CSU Agricultural

CONTINUED ON PAGE 246

Research, Development and Education Center (ARDEC) in Fort Collins.

The event will feature a variety of industry topics, including genetic selection, animal ID, beef carcass grading and marketing programs. Tours of meatcases at local retail outlets are also scheduled.

The event is limited to 150 producers, and registrations, at \$75, are due Oct. 7. For more information or to register, contact Linda Campbell at (816) 383-5143 or visit [www.angus.org](http://www.angus.org). Hotel reservations can be made at the Ramada Inn by calling (970) 484-4660. Request the Cattlemen's Boot Camp rate.

 **Meat research conference**  
**Oct. 25-26, Chicago, Ill.**

The 2005 Meat Industry Research Conference (MIRC) will take place at McCormick Place in Chicago, in conjunction with the American Meat Institute (AMI) International Meat, Poultry and Seafood Industry Conference and Exposition Oct. 26-28.

The conference targets all those

responsible for food safety, product development, regulatory compliance, and research and development. Food allergens, natural and organic products, effects of animal diet on meat composition, culinary arts, food defense measures, and other topics are to be discussed.


A welcome reception will take place Tuesday from 5:30 to 7 p.m. The MIRC is free to registered AMI Expo attendees. Visit [www.worldwidefood.com/register](http://www.worldwidefood.com/register) to register or for more information.

 **Worldwide Food Expo 2005**  
**Oct. 26-29, Chicago, Ill.**

The Food, Dairy & Beverage Exposition and the International Meat, Poultry and Seafood Exposition compose the biennial Worldwide Food Expo, scheduled to take place at McCormick Place in Chicago.

Sponsored by AMI, the International Association of Food Industry Suppliers (IAFIS) and the International Dairy Foods Association (IDFA), the expo features the latest innovations in processing equipment, packaging, ingredients and services.

Visit [www.worldwidefood.com](http://www.worldwidefood.com) for more information and registration materials.

 **Cattle reproduction workshops**  
**Oct. 27-28, Reno, Nev.; Nov. 1-2, Lexington, Ky.; Nov. 12-13, College Station, Texas**

The North Central Region Bovine Reproduction Task Force, along with several other institutions, will host a set of intensive workshops this fall. Titled "Applied Reproductive Strategies in Beef Cattle," the workshops are designed to improve understanding of the physiological processes of the estrous cycle, the procedures currently available to synchronize estrus and ovulation, and the proper application of these systems. Sessions also will focus on improving understanding of methods to assess male fertility and of its effects on artificial insemination (AI) programs. The workshops are open to anyone interested in beef cattle production and estrus synchronization, including producers,

CONTINUED ON PAGE 248

veterinarians, AI technicians and Extension specialists.

Presentations about breeding soundness exams, sexed semen, embryo transfer (ET), reproductive tract scoring and ultrasound are also planned.

Visit <http://westcentral.unl.edu/beefrepro> for more information. Contact Ron Torell at (775) 738-1721 or [torellr@unce.unr.edu](mailto:torellr@unce.unr.edu) to learn more about the Nevada event; John Hall at (540) 231-9153 or [jbhall@vt.edu](mailto:jbhall@vt.edu) for the Kentucky event; and Gary Williams at (361) 358-6390 or [glwilliams@tamu.edu](mailto:glwilliams@tamu.edu) for the Texas event.

### **Kentucky Women in Agriculture conference**

**Nov. 2-4, Owensboro**

The sixth statewide Kentucky Women in Agriculture (KWIA) conference will take place at the Executive Inn Rivermont in Owensboro.

The nonprofit organization is dedicated to empowering women in agriculture through education, involvement and action. A preconference session Nov. 2 will allow participants to learn about agritourism through a morning workshop and an afternoon tour. A session on tobacco buyout programs is also scheduled, and a spa session is planned.

The main conference begins at 9 a.m. Nov. 3 with a KWIA business session, followed by an opening session with a keynote speaker. Concurrent session topics include "Making the Most of Your Contacts," "Organizing Your Life," "Adding Value to Your Product" and "Back to Basics."

The first day concludes with dinner and an auction, with entertainment provided by the Theatre Workshop of Owensboro. Activities on Nov. 4 include more concurrent sessions, roundtable discussions and a closing lunch.

Registration is limited and costs \$60 for KWIA members and \$70 for nonmembers. Preconference registration is an additional \$10 for the agritourism workshop. Some meals are included. Send registration and checks payable to Kentucky Women in Agriculture Inc. to Kim Henken, University of Kentucky, 206 Scovell Hall, Lexington, KY 40546-0064. Preregistration is required and must be received by Oct. 20; no registrations will be accepted at the door.

For a conference program, registration forms or further information, visit the KWIA Web site at [www.kywomeninag.com](http://www.kywomeninag.com).

### **2005 Beef Producers Seminar** **Nov. 3, Maryville, Mo.**

This year's event will begin at 4:30 p.m. at the Nodaway County Community Fair Building in Maryville. Numerous guest speakers are scheduled, and a bull selection workshop will kick off activities. Topics will include breeding soundness exams, proper vaccine handling, biosecurity, animal ID, proper sire selection and DNA marker testing.

The seminar costs \$10, and dinner will be provided. The registration deadline is Oct. 27. For registration forms or information, contact Jim Humphrey at (816) 324-3777 or [humphreyjr@missouri.edu](mailto:humphreyjr@missouri.edu).

### **Applied Reproductive Strategies in Beef Cattle**

**Nov. 12-13, College Station, Texas**

This conference and workshop will take place at the Memorial Student Center at the Texas A&M University campus in College Station. It is designed to provide the most up-to-date information on reproductive management and reproductive technologies in beef cattle for veterinary practitioners, animal scientists and professional breeders.

The conference will focus on advancements in the development and application of pharmacological tools for synchronizing ovulation for timed AI in beef cattle, physiological and managerial issues influencing fertility, and adjunct technologies that can be used now or that will be used in the future for advanced beef cattle breeding systems.

Registration, which includes meals and refreshments, costs \$250 after Oct. 1. Registration, which is limited to 300 attendees, is required by Oct. 15 to receive Veterinary Continuing Education Units. To register online visit <http://animalscience.tamu.edu/ansc/conference/registration.htm>. Producers can also print out a form from the Web site and fax it to Sherry Martin at (979) 862-3399.

### **National Conference for Agribusiness**

**Nov. 16-17, West Lafayette, Ind.**

The biennial conference, titled "Focused Agriselling: A Quest for Profitable Relationships," will take place at the Purdue University campus in West Lafayette. This year's event, hosted by the Center for Food and Agricultural Business at Purdue, will have a sales focus geared toward division or general managers, agri-selling practitioners,

sales managers or product marketing managers. Highlighted topics will include trend analysis for segmenting producers, communicating value through brands, leveraging information and services for greater profits, and proactively changing strategies, among other topics.

Activities start at 7:30 a.m. Wednesday and end at 2 p.m. Thursday. Registration is \$795. All meals and program materials are provided. Cancellations will be accepted through Oct. 14, and refunds for cancellations on or before this date will be given.

To register visit [www.agecon.purdue.edu/cab/programs/nca](http://www.agecon.purdue.edu/cab/programs/nca), e-mail [heckamal@purdue.edu](mailto:heckamal@purdue.edu) or call (765) 494-4247.

### **Four-State Range Beef Cow Symposium**

**Dec. 6-8, Rapid City, S.D.**

More than 1,000 people are anticipated at the event, which will be at the Rushmore Plaza Civic Center in Rapid City. The symposium is co-sponsored by the departments of animal science and the Cooperative Extension services of the University of Nebraska, University of Wyoming, South Dakota State University and Colorado State University.

For more information contact Trey Patterson, South Dakota State University Extension beef specialist, at (605) 394-2236.

### **MSGA, MGGA joint convention** **Dec. 7-10, Billings, Mont.**

The Montana Stockgrowers Association (MSGA) and the Montana Grain Growers Association (MGGA) plan to host their 2005 conventions jointly at the Holiday Inn Grand Montana and the Billings Hotel and Convention Center in Billings.

Titled "Teaming Up for Agriculture," the event is expected to attract more than 1,000 attendees and will feature notable speakers, instructive workshops and critical policy development.

For more information contact MSGA at (406) 442-3420 or [msga@mtbeef.org](mailto:msga@mtbeef.org), or MGGA at (406) 761-4596 or [mgga@mgga.org](mailto:mgga@mgga.org).

