



Beef Business

► A look at current events affecting the cattle industry

USDA reports farmers shatter corn production records on fewer acres

The final report from the U.S. Department of Agriculture (USDA) on the 2009 corn harvest is one for the record books. Despite poor planting conditions; a cool, wet growing season; and an abysmal harvest that still sees corn standing in fields, American farmers shattered records for both yield per acre and total production.

In the January Crop Production report, USDA estimates farmers averaged 165.2 bushels (bu.) of corn per acre, up from its previous estimate of 162.9 and shattering the previous record of 160.4 in 2004. Notably, average yields are more than 11 bu. per acre higher (7%) than last year's average yield. In

addition, this record yield helped produce the largest corn crop ever — 13.2 billion bu.

Renewable Fuels Association President Bob Dinneen pointed out in a news release that the record 2009 crop was produced on 7 million fewer acres than were required to produce the second-largest crop on record (13.0 billion bu.) in 2007.

Despite raising total production and yield numbers, USDA left demand for all sectors, save feed use, unchanged. For ethanol, USDA is estimating 4.2 billion bu. of demand for the marketing year Sept. 1, 2009-Aug. 31, 2010. That is enough to produce 11.7 billion gallons (gal.) of ethanol based on industry ethanol yield averages.

For calendar year 2009, the U.S. is

expected to produce 10.6 billion gal. of ethanol and more than 30 million metric tons of livestock feed from 3.8 billion bu. of corn.

Groups urge Secretary Vilsack to take new direction to prevent animal disease spread

In a hand-delivered letter to U.S. Secretary of Agriculture Tom Vilsack, 16 groups called the agency's practice of using inadequate international standards and the OTM Rule to leverage global export markets into conformity with weaker disease standards "deplorable." The OTM Rule was implemented in 2007 and authorizes the importation into the U.S. of older Canadian cattle that have a higher risk for bovine spongiform encephalopathy (BSE).

The groups state they disagree with the "uncritical deference" that Vilsack has accorded the World Organization for Animal Health (OIE), which recently designated both the U.S. and Canada as 'controlled risk' countries for BSE.

According to a letter Ranchers-Cattlemen Action Legal Fund United Stockgrowers of America (R-CALF USA) received from Vilsack, the agency believes the OIE's

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designation provides assurance that measures are in place in both countries to manage 'any possible risk of BSE in the cattle population,' and that cattle and beef can be 'safely traded by both nations.'

But the groups state that USDA is wrong to rely on the weaker OIE standards and that Vilsack's stated position is inconsistent with Congress' mandate "to protect animal health and the health and welfare of the people of the United States by preventing the introduction into or spread within the

United States of BSE." The groups urged Vilsack to carry out his congressional mandate by rescinding the OTM Rule.

The groups state also that Vilsack's position is directly contradicted by his agency's own risk assessment model that predicts that under the OTM Rule, the U.S. "will introduce 19 BSE-infected cattle from Canada over the course of 20 years," and two U.S. cattle would become infected. In addition, the groups state that USDA "estimates the cost to U.S. cattle producers,

for the privilege of being exposed to a heightened risk for BSE from Canadian cattle and beef, would be over \$66 million per year (or approx. \$1.3 million each week), for which no compensation can be obtained from anyone."

Cattle tuberculosis confirmed in South Dakota

A Yankton County, S.D., cattle herd has been found positive for bovine tuberculosis (TB) after a 3-year-old cow from the herd was confirmed to be infected with the disease.

State Veterinarian Dustin Oedekoven said the herd has been quarantined for additional testing.

Herds that have had contact with the affected herd, or purchased animals from that herd, are being tested by state and federal animal health officials. The positive test presents no risk to food safety.

Oedekoven said South Dakota remains a TB Accredited Free state and has had that status since 1982. The finding of a single affected beef herd will not automatically affect the TB status of the entire state.

NCBA denounces Taiwan beef trade restrictions

The National Cattlemen's Beef Association (NCBA) is extremely disappointed that Taiwan has reversed its decision on a carefully negotiated science-based bilateral beef trade protocol. Despite a recent agreement to allow a full reopening of the Taiwan market to U.S. beef, Taiwanese lawmakers announced that additional restrictions would be placed on U.S. beef imports due to alleged safety concerns.

After two years of negotiations, the U.S. and Taiwan reached an agreement, finalized in October, which would have brought Taiwan into compliance with science-based World Organization for Animal Health (OIE) guidelines, thus allowing imports of U.S. beef and beef products from cattle of all ages. Taiwan appears to have disregarded sound science and ignored the agreement by placing additional restrictions on beef and beef product sales to Taiwan.

The U.S. has exported record sales to Taiwan over the last three years, with beef exports valued at \$101 million in 2006; \$107 million in 2007; and \$128 million in 2008. The industry is on pace to set a record for the fourth year in a row in 2009, with \$114 million in beef sales through October.

