



Beef Business

► A look at current events affecting the cattle industry

Roberts named NCBA CEO

NCBA has announced Forrest Roberts as its new chief executive officer (CEO). Roberts, 42, grew up on a family-owned, diversified livestock operation in Uvalde, Texas. He worked side-by-side with his family when the operation expanded to include a retail meat market for "locally grown, corn-fed" beef and pork. Forrest went on to earn a bachelor's degree in animal science from Texas A&M University and a master of business administration (MBA) from the University of North Carolina.

Roberts has held several marketing and sales positions in two animal health companies. He started with Upjohn Animal Health in 1992, and he remained with the company through its two mergers to Pharmacia Animal Health and later Pfizer Animal Health. In 2004, he left Pfizer to join Elanco Animal Health where he most recently served as the marketing manager for Elanco's Beef Business Unit.

The search for NCBA's next CEO was competitive, attracting more than 70 applicants. A 12-member producer committee reviewed the applicants, interviewed several candidates and selected two among the 70 for NCBA officers to consider.

Roberts also has served in several volunteer positions within NCBA. He was set to take over the role of CEO beginning Jan. 20 from Terry Stokes, who stepped down as NCBA CEO in September.

Economic effects on livestock market

The livestock and poultry markets in 2009 will continue to be driven by the broader economic conditions in the U.S. as well as the global effects of the U.S. financial crisis, experts at the Chicago Mercantile Exchange (CME) *Daily Livestock Report* have predicted.

The Jan. 6 report cited analysis conducted by two academic economists who studied the past 100 years of financial crises. Their analysis suggests that "asset market collapses are deep and prolonged," with real housing price declines averaging 35% over six years and equity price collapses averaging 55% during a downturn of about three and a half years. Unemployment rates rise an average 7 percentage points during the down phase of a cycle, according to the economists. This means, at the trough of the current cycle, this could equate to an unemployment rate of 11%, the report notes. This "will likely cause further pain not just for the restaurant

industry but the broader meat market, especially the beef industry," the report states.

The volatility of the currency market also has unknown potential effects on U.S. meat trade, according to the report.

COOL labels coming soon

Consumers soon will find country-of-origin labeling, or COOL, on many food products. Retailers currently are in a six-month grace period since the legislation went into effect at the end of September 2008, but by March the labels will begin appearing on beef, pork, lamb, chicken and goat meat, as well as perishable agricultural commodities, peanuts, ginseng and macadamia nuts, according to University of Kentucky (UK) Extension.

Labels can be posted either on the package or displayed on the meatcase in front of the individual commodities. Livestock producers must generate an affidavit detailing the birth location of each animal at each point of sale. The U.S. Department of Agriculture (USDA) estimates that the cost of implementation for the first year of the program will be \$2.5 billion. According to UK Extension, these costs will be covered partially by producers (\$376 million) and retailers (\$236 million), with the USDA funding the rest.

Mexico suspends, then allows meat imports

Mexico blocked meat imports late December from at least 30 U.S. processing plants in 14 states, according to the USDA and *The Associated Press* (AP).

A USDA spokesperson told AP Mexico had cited concerns about the general condition of meat products, sanitation issues and possible pathogen findings.

Some, however, questioned whether Mexico was motivated instead by its displeasure with the U.S. COOL law initiated this fall. Mexico joined Canada mid-December in filing a World Trade Organization (WTO) complaint against COOL, saying it was concerned about the law's effect on Mexican exports.

Mexico's ban on certain U.S. meat plants, however, proved to be short-term. Within days, the country reinstated most of the U.S. processing facilities. *Reuters* reported that markets rebounded as suspensions were lifted.

Tight feeder supplies expected in 2009

Cattle feeders' No. 1 concern during 2008 was feed inputs. Not any more, says Mike Sands, Informa Economics.

"I'd argue that the biggest challenges cattle feeders will face over the next few years are going to be sourcing feeder cattle and

U.S. cattle on feed down 6%

Cattle and calves on feed for harvest in the United States for feedlots with capacities of 1,000 or more head totaled 11.3 million head Dec. 1, 2008. The inventory was 6% below Dec. 1, 2007, figures and 5% below Dec. 1, 2006, figures.

Placements in feedlots during November totaled 2.02 million head, 5% below 2007 figures but 7% above 2006 figures. Net placements were 1.95 million head.

Marketings of fed cattle during November totaled 1.58 million head, 9% below 2007 figures and 12% below 2006 figures. This is the second-lowest fed-cattle marketings for the month of November since the series began in 1996.

Other disappearance totaled 67,000 head during November, 18% above 2007 figures but 19% below 2006 figures.

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

	No. of head (1,000 head)			2008 as % of	
	2006	2007	2008	2006	2007
On feed Nov. 1 ^a	11,969	11,769	10,972	92	93
Placed on feed during Nov.	1,884	2,125	2,015	107	95
Fed cattle marketed during Nov.	1,797	1,738	1,575	88	91
Other disappearance during Nov. ^b	83	57	67	81	118
On feed Dec. 1	11,973	12,099	11,345	95	94

^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.

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economically utilizing excess feedlot capacity,” he told producers at Feeding Quality Forums in North Platte, Neb., and Amarillo, Texas. “Typically, changes in profitability have about a two-year lag effect in the size of the cow herd, so the slowdown in returns in 2007 and 2008 will continue to impact the size of the beef cow herd as we go into 2009 and 2010.”

However, the economics favor higher retail beef prices and strong beef demand, despite the U.S. recession and worldwide economic slowdown, he predicted. Beef consumption will get smaller, but mainly because we’re going to produce less, he added.

Online copies of the event presentation can be found at www.cabpartners.com/events/past_events/index.php.

GIPSA proposes regulations

The USDA Grain Inspection, Packers and Stockyards Administration (GIPSA) proposed amendments to regulations under the Packers and Stockyards (P&S) Act regarding the registration of market agencies and dealers. Under the proposed rule,

persons registered as dealers or market agencies under the P&S Act would be registered for five-year terms. Upon expiration of the five-year term, registrants would be required to renew their registration. Under the proposed regulation, a registration that is not renewed in a timely manner would expire after five years.

The proposed rule will allow GIPSA to maintain more accurate records and be more effective and efficient in enforcing the P&S Act, according to USDA.

Food prices to remain high

As commodity, oil and gasoline prices began leveling off this fall, food prices remained high, according to UK Extension.

“Historically, retail food prices are ‘sticky,’ ” says Larry Jones, agricultural economist with the UK College of Agriculture. “What that means is that retail prices increase very slowly as commodity prices go up; but, at the same time, retail prices are very slow to decline once commodity prices go down.”

Jones said U.S. retail food prices in 2008 increased at the fastest rate in nearly 30 years. Many analysts believe when all is said and done, the Consumer Price Index for food will have increased close to 7% in 2008, with a similar outcome in 2009.

Funding for anti-meat groups increases

Donations to anti-meat animal rights groups increased 11% during 2007, the latest period for which statistics are available, according to the Animal Agriculture Alliance (AAA).

The Alliance reports the trend likely carried through to 2008 as activist groups raised funds to provide support for California’s Proposition 2, undercover video operations, legislative initiatives and legal actions.

Contributions to People for the Ethical Treatment of Animals (PETA) and its subsidiaries grew 11%, and donations to the World Society for the Protection of Animals rose 80% compared to the previous year. The Humane Society of the United States (HSUS), the largest activist group in the U.S., reportedly collected about the same amount of money in 2007, \$130 million, as during the previous year, the Alliance reports.

Alliance research showed total donations to the most significant domestic and international animal extremist groups reached \$330 million in 2007. By comparison, the beef checkoff program collects about \$75 million annually to fund a wide variety of demand-building projects.

Washington Watch

Vilsack, Salazar appointed to office

President Barack Obama appointed former Iowa Gov. Tom Vilsack as U.S. Secretary of Agriculture after Vilsack had served two terms as governor. During that time, the 58-year-old Vilsack was a strong supporter of ag biotechnology and renewable fuels. He also worked toward strict regulation of confined animal feeding facilities, particularly hog operations. Vilsack is an attorney.

U.S. Sen. Ken Salazar of Colorado was named Secretary of the Interior. He will be responsible for grazing and energy exploration on public lands, among other things. Salazar comes from a ranching background and is a former Colorado attorney general, the National Cattlemen's Beef Association (NCBA) reports.

Industry Events

Ohio State workshop

February; Hillsboro, Albany

Ohio State University (OSU) Extension will offer a program series in February to aid

beef cattle producers in carefully managing their businesses while staying on the cutting edge of the industry.

"Managing Dynamic Change in the Beef Cattle Industry" will take place on consecutive Wednesdays and Thursdays during the month of February. The program will be hosted at two locations: Highland County Training and Employment Center in Hillsboro and Alexander High School in Albany. Each program will begin at 6 p.m.

OSU Extension, along with the Ohio Cattlemen's Association and the Southern Ohio Agricultural and Community Development Foundation, will host the program. Registration will be \$50 for the first person from a cattle operation and \$25 for each additional person from that same operation.

The program will guide participants through the process of gaining an understanding of today's beef cattle business; reviewing strategies that will optimize whole-herd profitability; and looking at the alternatives for buying, selling and merchandising cattle. The series will conclude with a look into planning for the future.

For more information visit <http://fairfield.osu.edu/ag/beef/beefNovr12.html> or contact OSU Extension educator John Grimes at 937-393-1918, OSU

Extension educator Rory Lewandowski at 740-593-8555, or the Ohio Cattlemen's Association at 614-873-6736.

Grass-fed beef conference

Feb. 5-7, Lexington, Ky.

The American Grassfed Association will host its sixth annual conference, titled "To Market to Market, Adding Value to Your Farm," Feb. 5-7 in Lexington, Ky. The keynote speaker will be author and sustainable agriculture advocate Wendell Berry. The conference is hosted in part by the UK College of Agriculture and the Kentucky Department of Agriculture.

UK College of Agriculture professionals will lead several conference sessions.

The conference is open to the public. Discounted rates are available. A detailed conference schedule, registration form and complete lodging information can be found on American Grassfed Association's web site, <http://www.americangrassfed.org>.

Sustainable ag conference

Feb. 10-12, Richland, Wash.

A conference to plan a sustainable future for farmers, ranchers and rural communities

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in the Pacific Northwest is scheduled for Feb. 10-12 at the Shilo Inn in Richland, Wash.

Participants will review their experiences with sustainability, highlight lessons learned, and craft a plan to sustain Pacific Northwest agriculture and rural communities.

The conference is co-sponsored by Washington State University (WSU) Extension, the WSU Center for Sustaining Agriculture and Natural Resources BIOAg Program, the Kittitas County Conservation District, the Washington Sustainable Food & Farming Network, Rural Roots, Managing Change Northwest, NU View Evaluation & Learning, the Pacific Northwest Direct Seed Association and Solar \$.

Contact Don Nelson at nelsond@wsu.edu or 509-335-2922; or Doug Warnock at dwarnock@charter.net or 509-525-3389 for more information. Early registration is encouraged.

Stocker/Backgrounder Conference

Feb. 19, Harrisonville, Mo.

A one-day institute for stocker and backgrounder operators from Missouri and neighboring states is set for Feb. 19 at the Harrisonville Community Center, 2400 Jefferson Parkway, Harrisonville, Mo.

By presenting the latest research and state-of-the-art practices, the conference can provide participants with tools to improve the efficiency and profitability of their operations, said Craig Payne, beef veterinarian with the University of Missouri (MU) Commercial Agriculture Program.

Beef specialists, nutritionists, economists

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and veterinarians are among scheduled speakers who will cover such topics as: garnering profit from calves, nutritional management for cattle, disease dynamics and reducing disease challenges, and treatment protocols for bovine respiratory disease (BRD).

Highlighting the institute will be Tom Gallery of the Gallery Ranch in Dewey, Okla., which won the 2007 National Stocker Award in the backgrounding/drylot division. Gallery will discuss his operation with an emphasis on how alliance-formation and real-time data management played a role in the success of his ranch.

Registration begins at 9:30 a.m., with welcome and introductions at 10 a.m. Cost for the one-day conference is \$50. For more information, contact Craig Payne at 573-882-8236 or payneca@missouri.edu. To register, contact Christine Pickett at 573-882-4349 or pickettc@umsystem.edu.

Ag Profitability Conferences

Feb. 26, 27; Goodland, Garden City, Kan.

To help Kansas agricultural producers keep informed of trends, opportunities and challenges, Kansas State University (K-State) Research and Extension will host two more Ag Profitability conferences.

Programs vary somewhat at each location, but they will cover such topics as grain market situation and outlook; bio-energy trends and economic impact; cattle outlook; land ownership; 2008 Farm Bill; crop insurance changes, land lease arrangements;

affordability of technology; fertilizer profitability; labor efficiency; managing risk using *AgManager.info*; fertilizer prices/breakeven; and more.

The dates and locations are:

- ▶ Feb. 26 — Goodland — Specific location to be announced.
- ▶ Feb. 27 — Garden City — K-State S.W. Research-Extension Center, 4500 E. Mary St.

For more detailed information about registration and the topics, visit www.agmanager.info/events/ or call 785-532-1504.

NIAA Annual Meeting

March 31-April 1, Louisville, Ky.

The dates, location and theme for the 2009 National Institute for Animal Agriculture (NIAA) annual meeting have been set, and individuals involved in animal agriculture — the beef, dairy, swine, sheep, goat, equine and poultry industries — are encouraged to attend and participate in the two-day event at the Galt House Hotel and Suites in Louisville, Ky.

Themed, “The Changing Face of Animal Agriculture,” the NIAA annual meeting is meant to bring together all of animal agriculture and those involved in animal agriculture, Michele Vise-Brown, NIAA chief executive officer (CEO), said.

Robert Fourdraine, NIAA annual meeting planning group chair, says this year’s annual meeting theme was selected because animal agriculture is changing, and all of animal agriculture should understand those changes.

“Cognizant of this objective, NIAA will tackle three key needs at its 2009 annual meeting,” Fourdraine said. “We’ll look at the need for us to understand today’s changing

environment and the 'why' behind the changing environment, the need to develop relevant messages for our diverse audiences and the need to unite and take a proactive approach to foster consumer trust."

Committee sessions will follow the opening general session.

Registration for the two-day event is \$450, with a \$50 discount if you register before Feb. 20. Additional discounts are available to NIAA full members and affiliate members along with a New Member incentive. To learn more or to register, visit www.animalagriculture.org or call 270-782-9798.

2009 BIF symposium

April 30-May 3, Sacramento, Calif.

Sacramento, Calif., will provide the backdrop for the 2009 Beef Improvement Federation (BIF) Annual Research Symposium and Annual Meeting April 30-May 3. The California Cattlemen's Association and the California Beef Cattle Improvement Association will host the event, themed "Beef Rush '09."

The on-site registration booth opens at 10 a.m. Wednesday, April 29.

Events Thursday include the East Tour, the opening reception and the biennial National Association of Animal Breeders (NAAB) Symposium.

Spouses can participate in the "Sacramento Highlights" tour Friday as meeting attendees attend the general sessions in the morning, the awards luncheon featuring seedstock producers of the year, and committee meetings in the afternoon. Friday evening features a reception and winetasting followed by dinner at the California Railroad Museum.

Saturday morning's general sessions will be followed by presentation of BIF awards, including the commercial producer of the year awards. The meeting portion of Beef Rush '09 will wrap up with committee meetings Saturday afternoon. Participants can stay Sunday for the West Tour.

General meeting registration is \$295 if received by April 28 and includes all sessions, breakfasts, noon meals/receptions, the railroad dinner and proceedings. Spouse registration is \$250, and student registration is \$90 if received by April 28. Tours are an additional fee of \$70 each. Single-day and single-event registrations are also available.

The Sheraton Grand Hotel at 1230 J St. in Sacramento will serve as the headquarters hotel. Book your reservation before April 3 to receive the group rate of \$139.99 per night. The hotel phone number is 916-447-1700.

Visit www.bifconference.com for more information.

