



Beef Business

► A look at current issues affecting the cattle industry

Senate passes immigration reform bill

By a vote of 68 to 32 on June 27, the full U.S. Senate passed their comprehensive Immigration and Border Security Bill, S. 744.

“Border security and immigration have been one of our top priorities as set by our members in 2013. I am pleased to see that the Senate has continued the conversation on this important issue that affects all Americans, but especially rural Americans and our members who live and ranch along our borders,” said National Cattlemen’s Beef Association (NCBA) President Scott George, a cattle and dairy producer from Cody, Wyo.

“A strong year-round workforce is paramount to the success of the cattle industry. Cattlemen depend on a legal and stable workforce year-round. We recognize that the first step in ensuring the success of our workforce is securing and maintaining our borders. The conversations taking place on the Hill right now are keeping these issues front and center and we truly appreciate those efforts.”

Other organizations, including the American Farm Bureau Federation (AFBF), soon issued their own statements regarding the bill.

“The Senate’s passage today of a balanced immigration reform bill that includes a fair and workable farm labor provision is welcomed by America’s farmers and ranchers,” said AFBF President Bob Stallman. “A comprehensive agricultural labor plan that works for all sectors of agriculture and across all regions of our nation is long overdue. We commend the Senate for addressing this very important issue, which will help ensure the continued success of agriculture in our nation.

“America’s farmers and ranchers depend on the workers who show up every day to tend crops and raise livestock,” he continued. “The Senate-passed bill will help ensure an adequate supply of farm labor. It also provides increased surveillance of high-risk areas along our borders. One of the best ways to improve border security is to create a legal, workable way for farm workers to enter our country. With less time and resources wasted locking up lettuce harvesters, the focus can shift to where it properly belongs — keeping those with criminal intentions out of our country.”

National Farmers Union (NFU) President Roger Johnson also issued a statement in response to the Senate’s vote.

“I am very pleased by the Senate’s action on immigration reform today,” he commented. “S. 744 includes important provisions that will bring greater stability to the farm workforce and provide a practical, legal means for immigrants to work in agriculture. It also allows for peace of mind for all parties in agriculture to know that a more easy-to-use and effective system will be enacted. I look forward to continuing to work with the House of Representatives to pass immigration legislation that achieves many of these same ends.”

— Adapted from a release by
NCBA, AFBF and NFU.
June 28 Angus Daily

Weather Challenges Reflected in June WASDE Report

The June World Agricultural Supply and Demand Estimates (WASDE) report released June 12 by the USDA reflects the slow corn planting season across much of the Corn Belt due to snow, rain and cool weather, according to analysis by the AFBF.

Ninety-five percent of this year’s corn crop was planted as of June 9 (only 92% in Iowa), but later-planted corn faces the risk of pollination during seasonally warmer temperatures and drier weather expected in late July, which could reduce the yield. June’s WASDE report projected 156.5 bushels (bu.) per acre for 2013, down 1.5 bu. per acre from May.

Although reduced by 135 million bu. to slightly above 14 billion bu., corn production, if realized, would still be record-setting. The report also reduced projected corn use by 70 million bu.

AFBF economist Todd Davis said the WASDE report still predicts ending stocks to build significantly over the 2012-13 marketing year levels.

“June’s WASDE projects corn stocks are greater than the pre-report estimates, which reflects negatively on the corn market,” said Davis. “The projected increase in stocks will cause marketing-year prices to drastically fall to \$4.80 per bushel for the 2013-14 marketing year compared to \$6.95 per bushel in the 2012-13 year.”

The report showed no change in planted or harvested acres for corn or soybeans as the World Agricultural Outlook Board, who publishes the WASDE, waits for the release of the acreage survey, on June 28.

“Trade projections are that about 2 million acres will not be planted to corn this year due to the late season rains and unusually cold weather,” said Davis. “Instead, it is expected that soybean planted acres will increase as farmers plant the crop instead of late-planted corn.”

U.S. soybean ending stocks are also still expected to more than double, from 125 million bu. in the 2012-13 marketing year to 265 million bu. in 2013-14. The increase will drop the 2013-14 projected soybean price to \$10.80 per bu., down from \$14.35 in the 2012-13 marketing year.

Davis said the weather will keep the market captivated during the next three months in an attempt to better understand what proportion of the corn crop was planted later than normal and is at risk of pollinating during adverse conditions.

— Source: AFBF.

Grazing Improvement Act passes House Natural Resources Committee

The House of Representatives Committee on Natural Resources advanced the Grazing Improvement Act (H.R. 657) June 12 on a bipartisan vote of 27-15. The legislation, which seeks to improve the livestock grazing permitting processes on lands managed by the Bureau of Land Management (BLM) and the U.S. Forest Service (USFS), will now go to the full House for consideration.

H.R. 657 was introduced in February by Rep. Raúl Labrador (R-Idaho) as companion legislation to S. 258 in the Senate, also introduced in February by Sen. John Barrasso (R-Wyo.). Dustin Van Liew, Public Lands Council (PLC) executive director and director of Federal Lands for National Cattlemen’s Beef Association (NCBA), said the Grazing Improvement Act will contribute greatly to providing a stable business environment to federal lands ranchers who face increasing uncertainty as to the future of their livestock grazing permits.

The legislation proposes to increase the term of grazing permits from 10 to 20 years, so that the burdens of National

Environmental Policy Act (NEPA) review of expired permits will be reduced, thereby giving ranchers increased certainty that they may continue grazing and their operations will remain viable. Among other provisions to reduce the NEPA burden, the bill also proposes to codify longstanding appropriations language that would allow grazing to continue under existing terms and conditions while the NEPA backlog is being addressed.

“We greatly appreciate the leadership of Rep. Labrador and Natural Resources Committee Chairman Hastings for their leadership on this important issue,” Van Liew said. “Ranchers can no longer afford the incredible regulatory and litigious environment created by excessive application of NEPA. If we lose ranchers, we lose the stewards of the land, job providers in the West, and a crucial part of American livestock production. Like last year, we look forward to passage through the House this session.”

During the committee’s consideration of the bill, two amendments were offered. An amendment by Labrador, which passed, would exempt range improvements from excessive and unnecessary environmental review and clarify the intent of Congress with regard to who may appeal agency grazing decisions. Van Liew said the amendment will prevent radical environmental groups from abusing the current appeals system, and further reduce the NEPA burden. He said this amendment is especially important at a time when wildfire has ravaged hundreds of miles of fence and many range improvements crucial to the proper care of livestock and the range.

An amendment introduced by Rep. Raúl Grijalva (D-Ariz.), which would have imposed an arbitrary 74% increase of the federal lands grazing fee on ranchers, failed. The amendment’s alleged purpose was to “offset the increased cost of administering the livestock grazing program.” However, Van Liew asserted that this fee increase would likely decrease revenue to the government by forcing ranchers out of business. He added that the “increased cost” Grijalva mentions is due to overregulation and predatory litigation by radical anti-grazing groups.

— Source: *Public Lands Council*.

AVMA report proposes revamping the association’s governance structure

The Executive Board of the American Veterinary Medical Association (AVMA) has made available to membership a detailed report that examines the association’s current governance structure and makes recommendations for a proposed system

Breeders throw birthday bash for Earl Marshall

The Botna Valley Angus and Denison Angus associations will host a 100-Year Anniversary Celebration to honor Earl Marshall, dubbed “the king of sires.” Born Sept. 4, 1913, the legendary Earl Marshall is in the majority of the pedigrees in the American Angus Herd Book.

Festivities will begin at 9 a.m. with recognition of Iowa’s pioneer breeders. Several Iowa herds have been in existence for 100 years or more.

The man who bred Earl Marshall, W.A. McHenry, a Civil War veteran, will be honored with a performance by Civil War re-enactors. The day’s events will include tours of the McHenry House, the beautifully restored mansion built by W.A. and Mary McHenry in 1885, and more.

The Man, The Bull, The Legacy, a history book featuring the story of Earl Marshall and the history of Angus cattle in America, will be introduced and will be for sale.

The event will take place at Denison, Iowa, in the heart of Earl Marshall country. A female sale featuring Earl Marshall breeding will precede the event, beginning at 6 p.m. Sept. 3 at the Crawford County Fairgrounds at Denison.

For more information contact Ardyce O’Neill at 712-644-2062 or Steve Burress at 712-648-2398

that will be more nimble and provide for greater member involvement in association activities. The report by the Task Force on Governance and Member Participation is the result of more than a year of extensive internal and external research on issues facing the association and other similar professional organizations across the United States. It took into consideration hundreds of comments made by AVMA members.

The Task Force, formed by the AVMA Executive Board as a result of a House of Delegates resolution at its 2011 regular annual session, was charged with reviewing and evaluating the association’s governance system and determining if the current system is optimal to meet the future needs of the membership, association and profession. Using AVMA’s *20/20 Vision Commission Report* as the basis for the creation of an evolved organizational structure and governance process, the task force sought to propose a governance model that will:

- ▶ be more responsive to membership needs;
- ▶ provide better value on investment;
- ▶ serve members and the profession more efficiently and effectively;
- ▶ be nimble enough to meet future governance challenges; and
- ▶ provide volunteer opportunities that are rewarding.

In its newly released report, the task force outlines a revamped governance structure for the AVMA that includes:

- ▶ **A board of directors**, which will act as one body with management responsibility, policy authority and fiduciary duty, in conjunction with Illinois state law.
- ▶ **Advisory councils**, which will support AVMA’s core strategic areas, including economics and practice, animal welfare and ethics, education, governmental and

external relations, scientific activities, and membership and governance.

- ▶ **A volunteer resources committee** (VRC), which will be responsible for identifying and recruiting the best candidates for various volunteer leadership positions.
- ▶ **A veterinary issues forum** (VIF), which will bring together key stakeholders, including state and allied veterinary associations, to solicit feedback and identify strategic issues where AVMA can strengthen and enhance the future of the veterinary profession.

“Reflecting on AVMA’s rich 150-year history, I can’t help but be amazed at the number of advances in global veterinary medicine, technology, communication, business operations, and human capital over this time,” said AVMA President Douglas Aspros. “It’s because of AVMA’s ability to adapt to those changes that that has allowed us to remain one of the world’s leading veterinary associations. Now, we face another pivotal fork-in-the-road where we must decide whether to embrace a new governance structure, one that can evolve with society and the changing face and needs of our members. I applaud the Task Force for developing a deep understanding of the challenges facing professional associations today and thank them for their dedication in proposing a model that will ensure AVMA can continue leading in the future.”

“At AVMA, I continue to be pleasantly surprised by the number of members who are actively seeking ways to get more involved in their association. Whether it is through conducting research to help inform future policy, engaging with stakeholders and others in-person and online to discuss current issues, or serving in working groups or in leadership positions — there is just no way

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to describe the depth of the dedication that AVMA members exhibit for the veterinary profession and the association,” said Ralph Johnson, chair of the TFGMP. “The Task Force’s proposed governance model builds on the foundation laid by previous leaders and visionaries, who established and grew the AVMA into the prestigious organization it is today, by providing a means to help AVMA operate more efficiently and by building in opportunities for increased member engagement and growth that are more in tune with how our society functions today. I am confident that this new model will help AVMA to be more nimble and transparent as it moves forward.”

The Executive Board will form a new Governance Engagement Team (GET), which will be comprised of AVMA volunteer leaders and members, who will lead the next phase of the project by discussing the report during the July House of Delegates meeting in Chicago. The team will solicit feedback about the proposed structure from AVMA members, the House of Delegates, and councils and committees at large, adjust the model as needed, and submit a final governance proposal to the Executive Board.

The report can be found on AVMA’s website, available at <http://bit.ly/18MylJg>.

— Source: AVMA.

NCBA, PLC call for full delisting of wolves nationwide

The NCBA and the PLC expressed support for the June 7 proposal by the U.S. Fish and Wildlife Service (FWS) to remove the gray wolf from the list of threatened and endangered species. The livestock associations added, however, that Mexican

wolves in the Southwest should also be delisted. In their announcement, FWS stated the Mexican wolf will remain on the list of endangered species.

The wolf, placed on the list of endangered species under the Endangered Species Act (ESA) more than three decades ago, has far surpassed FWS recovery goals across the country, said NCBA President and Wyoming rancher Scott George. He added that, unlike most other species listed under the ESA, wolves pose a serious threat to wildlife, humans and private property, especially livestock.

“It’s time to turn management over to the states,” said George. “Wolf depredation of livestock is increasing to untenable levels in areas where wolves are still protected. We were given relief in Wyoming when it was finally delisted here. It’s only fair to allow all producers across the country that same relief.”

According to FWS, the proposal to delist the gray wolf comes after a “comprehensive review confirmed its successful recovery following management actions undertaken by federal, state and local partners.” However, FWS added that it intends to maintain protection status and expand recovery efforts for the Mexican wolf in the Southwest.

PLC President Brice Lee, a rancher from Colorado, said that wolves in the Southwest have also recovered and do not warrant federal protection.

“The wolf population in Arizona and New Mexico has almost doubled in the last three years, thanks to the work of the state fish and game departments,” Lee said. “We feel that at a certain point, it’s possible to over-study and over-capture these animals. It’s time to stop with these government studies and allow them to be truly wild, while the state departments continue their successful management.”

Lee stated that the FWS does not have the resources to continue managing the wolf as endangered, let alone compensate ranchers for their losses. Studies have shown, he said, that for every confirmed kill of livestock there are seven to eight that go unconfirmed.

“We appreciate FWS’ recognition that the gray wolf is recovered,” George stated. “But it’s also time to end the unwarranted listing of Mexican wolf. Wolf depredation threatens ranchers’ livelihoods and rural communities, as well as the economies relying on a profitable agricultural industry.”

— Source: NCBA.

Response to Canadian government’s proposed retaliation for mCOOL

On June 7 the Canadian government released a statement in response to the submission of the amended rule on mandatory country-of-origin labeling (mCOOL) to the World Trade Organization (WTO).

“Cattlemen and women have long known mCOOL not only violates our international trade obligations, but also that it provides no value to the consumer,” said NCBA President Scott George. “It is a failed experiment in boosting beef demand and a tremendously successful experiment in creating a trade barrier.

“NCBA does not oppose voluntary country-of-origin labeling, but it is a marketing tool not a food safety program,” he continued. “As a marketing tool, it needs to be run by beef producers and processors, not codified into law or administered by the United States Department of Agriculture. mCOOL is not market- or consumer-driven, and it does not fit within our international trading obligations.”

Canada’s government has stated that they are ready to proceed with the next phase of the WTO dispute settlement process on the amended mCOOL rule and has set a list of products for possible retaliatory tariffs. The list includes beef, pork and chicken in addition to a wide range of grains, fruits and dairy products.

“This list of products brings home the real-world consequences of the USDA’s adherence to mCOOL,” said George. “Our members have warned both the USDA and members of Congress that should this program continue, there will be a true cost to not only cattle and pork producers but to many other segments of the U.S. economy as well. This is too high a price to pay for a program that has proven it has no value.”

— Source: NCBA.

Congress reauthorizes the Animal Drug User Fee Act

The Animal Drug User Fee Act (ADUFA) passed the House of Representatives June 3 with a vote of 390-12. With the passage of ADUFA the previous month in the Senate, the legislation, which authorizes the Food and Drug Administration (FDA) to collect fees for certain animal drug applications, now heads to the White House for the President’s signature.

Reauthorization of ADUFA is one of the NCBA’s top policy priorities. NCBA President Scott George said passage of ADUFA is important because new animal health



PHOTO BY GARY KRAMER [PUBLIC DOMAIN], VIA WIKIMEDIA COMMONS

technologies allow cattle producers and veterinarians to prevent, control and treat diseases to maintain a healthy herd.

“Raising healthy cattle is of utmost importance to cattlemen and women, and it is important for producers and the veterinarians they work with to have the ability to best manage herd health and produce safe, nutritious beef,” said George. “The reauthorization of ADUFA will provide resources for the FDA to conduct timely and thorough reviews of new animal drugs for safety and effectiveness.”

— Source: NCBA.

Beef Board Budget for 2014 approved

National checkoff leaders approved a Cattlemen’s Beef Board (CBB) budget of about \$40.7 million for fiscal year (FY) 2014, reflecting a 5.6% decrease from the FY 2013 amended budget.

The CBB Budget Committee, the Operating Committee, and the CBB Executive Committee each reviewed their respective portions of the proposed budget during separate conference calls June 4. The budget is based on projected beef checkoff assessment revenues of \$39 million in the coming year, down slightly from 2013. In addition, it incorporates an estimated \$1.7 million in FY 2013 funds returned from programs coming in under budget for the current year, plus funds that the Operating Committee decided last September to carry over from FY 2013 revenues to counter the revenue decline expected in FY 2014.

As approved, the budget for the fiscal year running Oct. 1, 2013-Sept. 30, 2014, includes more than \$37.9 million for the Operating Committee — made up of 10 Beef Board members and 10 directors of the Federation of State Beef Councils — to assign for funding of national checkoff work plans from promotion, research, consumer information, industry information, foreign marketing and producer communications budget categories of the CBB budget. It also incorporates \$2.8 million to fund a CBB administration and USDA oversight budget approved by the Executive Committee, as well as program development and evaluation expenses approved by the Operating Committee.

Individual joint program committees and subcommittees were to review preliminary work plans during conference calls in coming weeks. They will meet in Denver Aug. 7-10 to prepare recommendations and priorities for specific work plans to submit to the Operating Committee, which will consider those work plans for funding with the FY14 budget during its meeting Sept. 24-25.

The 2014 budget recommendation still must be approved by the full Beef Board, which administers the National Beef Checkoff Program, and by USDA.

— Source: CBB.

A new look at ag lending conditions

With today’s volatile commodity market and questions surrounding the quality of credit for various agricultural sectors, information about the current and future state of agricultural financial conditions is in high demand by those interested in and following agriculture.

However, information about these evolving conditions is somewhat limited, especially on the short- and long-term outlook. To track and forecast these credit condition developments, ag economists at K-State have created the K-State Agricultural Lender Survey.

“A recurring question asked by farmers is, ‘what does the future hold for agricultural credit conditions?’” said Allen Featherstone, professor of ag economics and program director of the Master in Agribusiness degree at K-State. “We set out to find answers to this and other questions for the agricultural lending industry, by working with our industry partners and other colleagues at K-State to conduct this survey.”

The purpose of the K-State Agricultural Lender Survey is to provide a broader overview of all agricultural lenders as well as answer questions about the evolution of agricultural credit conditions. While information about agricultural financial conditions does exist, most of it is from the commercial bankers’ viewpoint and limited information is available on expectations or forecasts of the short- and long-term evolution of credit conditions. Ultimately, the survey should help producers, agribusinesses and lenders make more informed and sound financial decisions.

While the March 2013 survey results provide many insights into agricultural credit trends, one really stands out: Competition for ag loans is rising. One respondent went as far as to say, “Competition is fierce for agricultural loans.”

This is especially relevant because the survey respondents stated that farm loan volumes rose and are expected to rise in the short-term. In addition, large lending institutions, those with more than \$50 million in agricultural loans, reported the largest gain in farm loan volumes, with the expectation for further increases in the near-term.

For more information about the outlook

for agricultural credit conditions, the K-State Agricultural Lender Survey can be found at www.agmanager.info/lenders.asp.

This survey was developed by K-State’s Department of Agricultural Economics’ Brady Brewer, doctoral candidate; Brian Briggeman, associate professor and director of the Arthur Capper Cooperative Center; Allen Featherstone; and Christine Wilson, professor and assistant dean, Academic Programs, for the College of Agriculture.

— Source: K-State Research & Extension.

Board of Animal Health confirms anthrax case

The Minnesota Board of Animal Health confirmed in early June that a 4-year-old cow in Pennington County died of anthrax earlier in the week. This is the first documented case of the disease in Minnesota since 2008.

The herd had not been vaccinated for the disease and was to remain under quarantine for 30 days after the last death.

Anthrax is a naturally occurring disease of both animals and humans caused by the bacteria *Bacillus anthracis*. All warm-blooded animals are susceptible to the disease, but cattle, sheep and goats are the most commonly affected. In rare cases, humans can contract anthrax after handling or eating infected products.

The Board recommends vaccination as an inexpensive way to protect animals from anthrax, said Board of Animal Health Senior Veterinarian Linda Glaser. “It makes sense for producers in that area to consider vaccination.”

Grazing animals are most likely to become infected with the disease after periods of heavy rain, flooding or excavation. Cases usually occur in areas where animals have previously died of anthrax. Anthrax is not spread by animal-to-animal contact.

Any animal in northwestern Minnesota that dies suddenly of unknown causes should be treated as an anthrax suspect. Producers should contact their veterinarian immediately to collect blood samples for testing. Necropsies should not be performed on suspect carcasses as the procedure could result in contamination of surrounding soil. Suspect cases of anthrax must be reported to the Board at 651-296-2942.

For more information on anthrax, please visit the Board of Animal Health’s website at www.mn.gov/bah.

— Source: Minnesota Board of Animal Health.

