



# Beef Business

► A look at current events affecting the cattle industry

## BSE case confirmed in Alberta

The Canadian Food Inspection Agency (CFIA) confirmed bovine spongiform encephalopathy (BSE) in a 6-year-old beef cow from Alberta mid-August. No part of the animal's carcass entered the human food or animal feed systems, the CFIA reported.

At press time, the animal's birth farm had been identified, and an investigation was under way. The CFIA was tracing the animal's herdmates at the time of birth and examining possible sources of infection. The age and location of the infected animal are consistent with previous cases detected in Canada.

Canada remains a controlled risk country for BSE, as recognized by the World Organization for Animal Health (OIE). Accordingly, this case should not affect exports of Canadian cattle or beef, CFIA noted.

## Checkoff revitalizes BSE web site

In an effort to provide the latest facts about BSE, the beef checkoff-funded web site, [www.bseinfo.org](http://www.bseinfo.org), recently was overhauled to include new and updated content and an easy-to-search web structure.

A highlight of the site is the Scientific Resource, which was reviewed by nine leading international experts in BSE and related diseases.

In addition, the revised web site now contains updated BSE basics; information about BSE in the news; beef industry statements; answers to frequently asked questions and beef industry facts. Visit the revised site at [www.bseinfo.org](http://www.bseinfo.org). For more information about checkoff-funded programs, visit [www.mybeefcheckoff.com](http://www.mybeefcheckoff.com).

## Market affects planting decisions

Initial 2009 planting intentions suggest high costs and uncertain prices are affecting early decisions for next year's crops.

The soaring cost of growing corn is causing farmers to rethink whether they'll plant more in 2009, according to a new survey by *Farm Futures* magazine. While a big crop should again be needed to meet strong demand, *Farm Futures'* first survey of 2009 acreage indicates producers may not increase corn acres next spring, instead boosting ground planted to soybeans, which are cheaper to grow. The *Farm Futures* survey

puts 2009 corn acres at 87 million, unchanged from the latest U.S. Department of Agriculture (USDA) estimate of 2008 seedings.

"Anecdotal reports from farmers indicate they're very concerned about the financial risk of growing corn next year, due to rising production costs," says *Farm Futures* Senior Editor Bryce Knorr, who directs the research. "Our survey would seem to suggest that 2009 crop corn prices must rise to attract the acres needed to meet demand."

*Farm Futures* surveyed 701 growers by e-mail from July 25 to Aug. 5. More information is available at [www.farmprogressshow.com](http://www.farmprogressshow.com).

## FSIS launches new assessments

The USDA Food Safety and Inspection Service (FSIS) is rolling out a new methodology of conducting food safety assessments at 5,300 meat processing plants, according to *Meatingplace.com*. The new assessments are aimed at improving the consistency of inspections and documenting findings.

Under the new program, those plants can expect a random food safety assessment at least once every four years, creating a set cycle for all plants. *Meatingplace.com* reports a new set of questions will also "provide a structure by which enforcement, investigations and analysis officers can better collect data for input in a database."

## Canadian processor linked to listeriosis

Public health officials in Canada confirmed late August that an outbreak of listeriosis that killed four people and sickened more than 20 is linked to meat products recalled by Toronto-based processor Maple Leaf Foods, *Meatingplace.com* reports.

Maple Leaf also expanded its recall to include all products manufactured at its Bortor Road facility in Toronto, and said it estimates the cost of the recall to be approximately \$20 million (Canadian).

According to *Meatingplace.com*, officials are investigating more than two dozen additional cases of listeriosis, and they expect more cases to appear during the next several weeks.

## U.S. cattle on feed down 4%

Cattle and calves on feed for harvest in the United States for feedlots with capacities of 1,000 or more head totaled 9.87 million head Aug. 1, 2008. The inventory was 4% below Aug. 1, 2007, figures and 9% below Aug. 1, 2006, figures.

Placements in feedlots during July totaled 1.66 million, 2% above 2007 figures but 15% below 2006 figures. Net placements were 1.62 million head. This is the second-lowest placements for the month of July since the series began in 1996.

Marketings of fed cattle during July totaled 2.04 million, 2% above 2007 figures and 5% above 2006 figures.

Other disappearance totaled 45,000 head during July, 26% below 2007 figures and 22% below 2006 figures.

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

	No. of head (1,000 head)			2008 as % of	
	2006	2007	2008	2006	2007
On feed July 1 <sup>a</sup>	10,872	10,737	10,295	95	96
Placed on feed during July	1,958	1,622	1,661	85	102
Fed cattle marketed during July	1,950	1,999	2,042	105	102
Other disappearance during July <sup>b</sup>	58	61	45	78	74
On feed Aug. 1 <sup>a</sup>	10,822	10,299	9,869	91	96

<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.

## **\$87.5M dedicated for flood, drought repair**

Agriculture Secretary Ed Schafer announced Aug. 21 that farmers and ranchers will receive USDA funding to repair land damage created by natural disasters in 34 states since September 2007. Producers will use the \$87.5 million in Emergency Conservation Program (ECP) funding for removal of farmland debris, restoring fences and repairing conservation structures that were caused or damaged by floods, and for carrying out emergency water conservation measures in response to severe drought.

Farm Service Agency (FSA) county committees determine land eligibility based on on-site inspections of damage, taking into account the type and extent of damage.

The states and estimated dollar amounts for ECP funding are available at [www.fsa.usda.gov/Internet/FSA\\_File/ecpcountries.pdf](http://www.fsa.usda.gov/Internet/FSA_File/ecpcountries.pdf). A national map with a visual depiction of the affected counties and disaster types is available at [www.fsa.usda.gov/Internet/FSA\\_File/ecpmap.pdf](http://www.fsa.usda.gov/Internet/FSA_File/ecpmap.pdf).

## **Pork company uses DNA traceback**

Nature's Premium Brand, an all-natural fresh pork provider, announced Aug. 19 it will use DNA to trace an animal back to the farm where it was raised. Nature's Premium reported it will use IdentiGEN's DNA TraceBack® system, a USDA Process Verified Program (PVP).

According to a Nature's Premium release, the company's pork packages will carry IdentiGEN's DNA TraceBack seal at the meatcase in stores nationwide.

The company began conducting internal trials of the DNA TraceBack system with IdentiGEN's U.S. lab in Lawrence, Kan., in May.

## **S. Korea to inspect U.S. facilities**

South Korean officials announced mid-August their plans to send inspectors to U.S. facilities to ensure that export-eligible processing facilities are meeting the requirements of a bilateral beef trade pact, *Meatingplace.com* reports.

"They are to check if the facilities can safely remove SRMs (specified risk materials) and properly control the age of animals that can be slaughtered for export to South Korea," a South Korean official told *Yonhap News*.

## **USDA, Iowa State develop rapid test for SRMs**

*The New York Times* reported Aug. 12 that researchers with the USDA and Iowa State University (ISU) have developed an

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experimental method to detect brain and spinal tissue in beef.

The fluorescence-based method was reported in the *Journal of Agricultural and Food Chemistry* and was devised by Jacob Petrich and colleagues.

The system is built upon the fact that nervous system tissues contain high concentrations of a compound, lipofuscin, which fluoresces when exposed to light, *The New York Times* reported. "By analyzing the fluorescence with a spectrometer, the method can detect even small amounts of nervous system tissue on a carcass."

### Whole Foods recalls beef on *E. coli* scare

At press time, Whole Foods Market had recalled much of its ground beef following a rash of *E. coli* illnesses in Massachusetts linked to a Nebraska facility that produced beef for the company.

On Aug. 8, Omaha, Neb.,-based Nebraska Beef announced it would recall 1.2 million pounds (lb.) of beef following an investigation by state health departments, the Centers for Disease Control and Prevention (CDC) and the USDA identifying 31 cases of contamination in 12 states and Canada, according to *Reuters*.

The processing facility had reportedly been in hot water with USDA in recent months, forcing the recall of 5.3 million lb. of beef in July due to illnesses. The *Washington Post* reported Aug. 10 that Whole Foods' beef came from Coleman Natural Foods, which had reportedly processed product at Nebraska Beef without Whole Foods' knowledge.

Company officials were looking into the matter, according to the article.

### USDA report helps small-scale producers with marketplace

USDA's Agricultural Marketing Service (AMS) released a report Aug. 8 focused on helping small- and medium-sized farmers take advantage of the shifts in today's retail food marketplace.

Titled "Supply Chain Basics: The Dynamics of Change in the U.S. Food Marketing Environment," the report examines the changes in the retail marketing environment, especially as it affects the relationship between grocery stores and their vendors.

"Supply Chain Basics: The Dynamics of Change in the U.S. Food Marketing Environment" is available online at [www.ams.usda.gov/markingservicespublications](http://www.ams.usda.gov/markingservicespublications).

### EPA refuses to waive renewable fuel standards mandate

The Environmental Protection Agency (EPA) has denied a petition filed by the State of Texas to reduce the Renewable Fuels Standard (RFS) mandate for feedgrain-based ethanol, the National Cattlemen's Beef Association (NCBA) reported early August.

EPA Administrator Stephen Johnson stated that the RFS mandate did not cause "severe economic harm" and, therefore, should not be waived.

According to NCBA, Texas Gov. Rick Perry filed the waiver petition in early May, citing the effect of high corn costs on the livestock industry.

As a result of the Energy Independence and Security Act of 2007, the mandate for ethanol production will rise from 9 billion gallons (gal.) to 11.1 billion gal. in 2009, NCBA reports.

### Cattle prices to set records, economist says

Purdue University Extension Economist Chris Hurt predicts cattle prices should reach record highs beginning in the fourth quarter of 2008 and continue to set records in 2009 and 2010.

According to *Meatingplace.com*, Hurt's report suggests beef supplies will increase by 2% in the third quarter, then drop by 5% in the final quarter of 2008.

For 2009, Hurt says he expects more acres to be released from the Conservation Reserve Program (CRP) and returned to crop production, more haying and grazing allowed on CRP acres, and a leveling off of corn ethanol demand. Hurt also suggests an improvement in beef exports.

According to AFT, USDA programs proposed for cuts include:

- ▶ the Environmental Quality Incentives Program (EQIP);
- ▶ the Farmland Protection Program;
- ▶ the Chesapeake Bay Watershed Program;
- ▶ Section 32 funds to the Domestic Food Assistance Program;
- ▶ Specialty Crop Block Grants; and
- ▶ the Agricultural Management Assistance Program.

## Industry Events

### Beef Stocker Field Day

Oct. 2, Manhattan, Kan.

Thursday, Oct. 2, has been set for the Kansas State University (K-State) Beef Stocker Field Day 2008. The event, designed to give producers the latest practical information to help them adapt to recent changes in the beef industry, starts with registration at 9:30 a.m., with the program beginning at 10:15 a.m. at K-State's Beef Stocker Unit just west of Manhattan.

Wes Ishmael, of *BEEF* magazine, will give a presentation on "Key Findings From the National Stocker Survey" and Denny Hausmann of Alpharma Animal Health will speak on "Current Concepts in Medicated Feed Additives."

K-State researchers and Extension specialists will give presentations on numerous topics, including business decisions in the stocker segment; the importance of temperature when diagnosing sickness; stocker therapy; byproducts; implications of heavier cattle being fed for shorter days; injection considerations; cutting bulls, and more.

Information will be available regarding ultrasound applications for earlier detection of quality cattle; the latest innovation in data collection and scale head technology; and cattle handling facilities.

More information and registration forms are available by contacting Lois Schreiner in the K-State Department of Animal Sciences and Industry at 785-532-1267 or [lschrein@ksu.edu](mailto:lschrein@ksu.edu). Registration is also available online at [www.ksubeef.org](http://www.ksubeef.org).

### Wildcat Steer Futurity

Oct. 17, Manhattan, Kan.

The first-ever K-State Wildcat Steer Futurity has been announced, with nominations due Oct. 17.

The K-State Wildcat Steer Futurity is an educational feeding program that allows beef

## Washington Watch

### AFT asks Congress to retain Farm Bill funding

American Farmland Trust (AFT) has asked Congress to stick with 2008 Farm Bill funding following the President's proposal to cut several conservation, local foods and other agricultural programs in the 2009 federal budget.

Jon Scholl, AFT president, stated "Conservation programs are historically underfunded, and it would be a terrible shame to turn the clock back on the environmental gains that these programs provide."

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cattle producers to learn about the cattle feeding industry and provides producers with an information feedback system regarding the performance and carcass composition of their cattle.

For more information about the program or to receive a nomination form, contact Justin Waggoner at 620-275-9164 or [jwaggon@ksu.edu](mailto:jwaggon@ksu.edu); Karl Harborth at 620-431-1530 or [harborth@ksu.edu](mailto:harborth@ksu.edu); or Larry Hollis, K-State Extension beef veterinarian, at 785-532-1246 or [lhollis@ksu.edu](mailto:lhollis@ksu.edu).

### National Angus Conference & Tour

**Oct. 7-9, Oklahoma City, Okla.**

The National Angus Conference & Tour

(NAC&T) is set for Oct. 7-9 in Oklahoma City. The conference, “125 years — the Challenges of the Next Decade” will focus on production, marketing and performance. The Oklahoma Angus Association will host “An Angus Gathering,” a two-day tour of Angus operations, along with a museum and reining horse-training facility. Purina Mills LLC and Alpharma Animal Health are the major sponsors of this year’s event.

A slate of industry speakers will address the state of the beef industry, performance information, selection tools, branded beef programs and marketing. Speakers include John Lawrence, ISU; Mark Allan, U.S. Meat Animal Research Center (USMARC); William Herring, Smithfield Premium

Genetics Group; Paul Roach, Reasor’s Stores; and Rod Nulik, Purina Mills.

A marketing panel and two-day tour of scenic Oklahoma are also scheduled.

For further details, see the insert in the July *Angus Journal* or visit the conference web site at [www.nationalangusconference.com](http://www.nationalangusconference.com). For additional information, contact Shelia Stannard at [sstannard@angus.org](mailto:ssannard@angus.org) or Monica Jordan at [mjordan@angus.org](mailto:mjordan@angus.org), or call 816-383-5100.

Angus Productions Inc. (API) will provide online coverage of the event at [www.nationalangusconference.com](http://www.nationalangusconference.com).

