



Beef Business

► A look at current issues affecting the cattle industry. Compiled by **Shelby Mettlen**, assistant editor

Record beef production for September

Commercial red meat production for the United States totaled 4.32 billion pounds (lb.) in September, up 4% from the 4.14 billion lb. produced in September 2015.

Beef production, at 2.18 billion lb., was 4% above the previous year. Cattle slaughter totaled 2.62 million head, up 6% from September 2015. The average live weight was down 12 lb. from the previous year, at 1,370 lb.

Pork production totaled 2.13 billion lb., up 4% from the previous year. Hog slaughter totaled 10.2 million head, up 5% from September 2015. The average live weight was unchanged from the previous year, at 280 lb.

Lamb and mutton production, at 12.0 million lb., was down 2% from September

2015. Sheep slaughter totaled 193,300 head, slightly above last year. The average live weight was 125 lb., down 3 lb. from September a year ago.

Source: *USDA National Agricultural Statistics Service.*

R-CALF USA presents priorities for new Congress

In a prepared statement presented in November during the 2018 Farm Bill listening session sponsored by Sen. Jon Tester (D-Mont.), R-CALF USA said the need for major change is urgent if Congress wants to prevent the U.S. cattle industry from going the way of the packer-controlled poultry, hog and sheep industries.

Bullard described the U.S. cattle industry as an industry where four of every 10

ranchers in business 30 years ago are gone today, where cattle supplies have shrunk to 70-year lows, where domestic production has shrunk to a 20-year low, and where the cattle cycle, which historically provides several years of strong prices, is now dysfunctional. He said cattle prices have been falling farther and faster than at any time in history, despite historically low supplies and strong beef demand.

Source: *R-CALF USA.*

Balance in beef profitability

Each segment of the beef industry brings with it certain challenges and opportunities, especially during times of unpredictable markets. Cattle feeders are perhaps most affected by swings in prices and input costs, and, according to AgResource Co. President Dan Basse, achieving profitability across the beef chain requires a certain balance from the cow-calf producer to the feeder and the packer.

“In the beef market we call it the barbell approach,” Basse said. “In other words, the cow-calf man on one end of the barbell has done very well for the last two or three years. In 2013, he made over \$500 a head, this year maybe \$100 a head. Then we have the packer, which today is making \$80 a head. In between those two segments of the industry is the feedlot. They’re looking at losses between \$50 to \$70 a head.”

Hear more from Basse in the Sept. 19, 2016 episode of *The Angus Report* available online at www.angus.org.

Source: *Adapted from The Angus Report.*

No-vote action on TPP a ‘significant victory’ for family farmers, ranchers

A staunch opponent of the Trans-Pacific Partnership (TPP) trade agreement, National Farmers Union (NFU) commended Congress for agreeing to forgo a last-minute vote and reexamine the trade agreement it considers deeply flawed. NFU President Roger Johnson released the following statement in response:

“We’ve been hearing for months the discontent family farmers and ranchers and American workers have with TPP, and I’m pleased that their concerns have been heard. Sending TPP back to the drawing board is recognition that past trade agreement

Fever ticks confirmed on a Live Oak County premises

The Texas Animal Health Commission (TAHC) confirmed the presence of cattle fever ticks on a Live Oak County premises on Nov. 30, 2016. The infested premises is located approximately 110 miles outside of the Permanent Fever Tick Quarantine Zone.

The fever ticks were discovered on a bull when evaluated by a local veterinarian and identified at the TAHC State-Federal Laboratory. The infested premises has been placed under quarantine, and all cattle on the premises have started treatment for fever ticks. TAHC is conducting an epidemiological investigation to determine the source of the fever ticks and trace outs from the premises.

A Control Purpose Quarantine Area (CPQA) has been established for systematic inspection of livestock and wildlife hosts in the portion of Live Oak County surrounding the infested premises. Producers located in the identified CPQA are being contacted by TAHC and USDA personnel.

Premises located within the CPQA are subject to movement restrictions, systematic inspections and potential treatment in accordance with the regulations in Title 4, Texas Administrative Code, Chapter 41 Fever Ticks.

With the addition of Live Oak County, there are now four CPQAs outside of the Permanent Fever Tick Quarantine Zone, located in Jim Wells, Kleberg and Willacy counties. At present, there are approximately 450,000 acres under various types of fever tick quarantine outside of the Permanent Quarantine Zone, including a Temporary Preventative Quarantine Zone in Cameron County.

“When producers observe ticks on their livestock, it is imperative that they contact their local TAHC Livestock Inspector or region office, USDA Inspector, private veterinarian, or local AgriLife Extension office to arrange for collection and submission of tick samples to the TAHC laboratory in Austin, TX,” said Andy Schwartz, TAHC executive director. “This will help ensure the parasites are not cattle fever ticks.”

Cattle Fever ticks, known scientifically as *Rhipicephalus* (formerly *Boophilus*) *annulatus* and *R. microplus*, are a significant threat to the United States cattle industry. These ticks are capable of carrying the protozoa, or microscopic parasites, *Babesia bovis* or *B. bigemina*, which cause the disease commonly known as cattle fever. The *Babesia* organism attacks and destroys red blood cells, causing acute anemia, high fever, and enlargement of the spleen and liver, ultimately resulting in death for up to 90% of susceptible naive cattle.

For more information about cattle fever ticks visit http://www.tahc.texas.gov/news/brochures/TAHCBrochure_FeverTick.pdf.

Source: *TAHC*

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frameworks are not working for our nation's family farmers and ranchers, rural communities, and consumers.

"This trade agreement would have done very little, if anything, to lessen the impact of our vast trade deficit, provide actionable oversight of unfair market practices such as currency manipulation, or protect American jobs. Congress can now focus on ensuring our trade negotiators promote fair and competitive trade that benefits U.S. family farmers and ranchers and manufacturers who rely on access to competitive markets around the world.

"We look forward to working with the new administration and the next Congress to promote fair trade solutions that work for American agriculture and the U.S. economy."

Source: NFU.

Long-distance transportation

Long-distance transportation is a facet of the beef industry, and it can be a stressful event for cattle. Karen Schwartzkopf-Genswein, researcher at the Lethbridge Research and Development Centre for

Agriculture and Agri-Food Canada, shared highlights of eight years of research on long-distance transportation to attendees of the fifth International Symposium on Beef Cattle Welfare in Manhattan, Kan., June 8-10.

There are many potential stressors in transportation — handling, novel environments, auction, commingling, restrictions of feed and water, environmental condition on the trailer, loading density, energy used to maintain balance during the trip, transport duration and potential for injury.

In each study, cattle were assessed non-invasively on both behavior and physiology, she noted.

"For every 1° Celsius (33.8° Fahrenheit) rise in ambient temperature, shrink increased 0.04%," Schwartzkopf-Genswein noted.

Source: Adapted from an article by Kasey Brown, Angus Media.

Corn contaminated with smut can still create quality silage

With wet conditions across much of the United States, producers should be on the lookout for corn smut. The good news is that affected crops can still be used for silage with a careful inoculant choice and close monitoring.

"While producers may see a drop in corn

yields due to smut contamination, the crop is still valuable and can be successfully ensiled," says Renato Schmidt, forage products specialist, Lallemand Animal Nutrition. "The fungus that causes smut does not itself produce toxins, and studies in sheep have shown it does not affect feed intake."

Corn smut is caused by the growth of *Ustilago maydis*, which thrives in conditions of high humidity, poor pollination or damage from insects or equipment. Once the plant is infested, the fungi's cells divide quickly and expand. This leads to large gray galls that contain black spores, typically on the corn ear tip.

The resulting galls decrease grain yield anywhere from 9% to 40%. When fed, *Ustilago maydis* can affect feed efficiency. Feed digestibility also can be reduced when infestation levels reach 50% or greater.

Source: Lallemand Animal Nutrition.

Support for rural cooperatives

Agriculture Secretary Tom Vilsack Oct. 3, 2016, announced that USDA is awarding 29 grants totaling \$5.8 million to help rural cooperatives create jobs and support business expansion. The funds are being provided through the Rural Cooperative Development Grant (RCDG) program, which helps fund nonprofit groups, such as rural cooperative development centers and higher education institutions.

Development centers can use RCDG funds for feasibility studies, strategic planning, leadership and operations training, and business plan development. Recipients are required to contribute matching funds that equal 25% of total project costs.

Sam Ridders, Administrator of USDA's Rural Business-Cooperative Service, announced the 29 awardees on Vilsack's behalf during a visit to the Ohio Cooperative Development Center (OCDC) at Ohio State University's South Centers campus in Piketon.

Source: USDA.

Department of Livestock keeps watchful eye on Canadian tuberculosis cases

The Montana Department of Livestock (MDOL) is actively monitoring the bovine tuberculosis (TB) investigation in Canada. In late September, the Canadian Food Inspection Agency (CFIA) initiated an epidemiological investigation after bovine TB was detected in a Canadian cow at a U.S. slaughter facility.

"We look forward to working with the new administration and the next Congress to promote fair trade solutions that work for American agriculture and the U.S. economy."

— Roger Johnson

As of Dec. 2, 2016, there were six confirmed cases of bovine TB in Canada, including the index animal detected at slaughter in the United States. Of the roughly 40 premises currently under quarantine, most are located in Southeast Alberta, with about five premises in Saskatchewan. MDOL has longstanding requirements that cattle coming from Canada need to be tested for TB prior to import.

“Despite what feels like close proximity of this incident, Montana cattle producers

remain safe,” said Montana State Veterinarian Marty Zaluski. “Canada’s vigorous response, combined with our requirement that Canadian cattle be TB-tested before entering Montana, keeps the risk low for ranchers in the state.”

Zaluski is not planning to place additional requirements on Canadian cattle coming to Montana at this time.

“I am closely monitoring CFIA’s efforts and am ready to act aggressively if needed,” said Zaluski.

Historically, MDOL has recognized the efforts of other state and provincial animal health officials to effectively deal with disease events, and expects the same in return.

CFIA policy requires that all positive animals and any animals exposed to positive animals be humanely destroyed. All exposed animals will be tested first, and those that test negative will be eligible to enter the food supply. At the time of this announcement, approximately 10,000 cattle were to be destroyed. The strain of TB identified in the index case closely resembles a strain associated with cattle in Central Mexico, suggesting that wildlife are an unlikely source.

The mission of the MDOL is to control and eradicate animal diseases, prevent the transmission of animal diseases to humans, and to protect the livestock industry from theft and predatory animals. For more information on the department, visit www.liv.mt.gov.

Source: Montana Department of Agriculture.

BLM releases flawed planning rule in the closing days of President’s term

On Dec. 1, 2016, the Bureau of Land Management (BLM) released a final version of BLM planning 2.0. Ethan Lane, executive director of the Public Lands Council (PLC) and National Cattlemen’s Beef Association (NCBA) federal lands said this process radically alters federal land management planning and moves the agency away from its mandate to manage for multiple use on federal lands.

“We are continuing to review how much, if any, our input has been incorporated into the final plan, but regardless, we object to the Administration moving forward in the final days of the President’s term with this hastily released regulation — particularly with one that will have such dramatic economic impact on Western states,” said Lane.

Of the final rule, Chairman-Elect of the Congressional Western Caucus, U.S. Congressman Paul A. Gosar said the following:

“Once again, the Obama Administration

believes that Washington knows best and continues to defy the principles of federalism, subjugating Americans to another erroneous rule and more government red tape that strips away the authority and expertise of local land managers. BLM 2.0 is a bureaucratic nightmare that will kill jobs and create unnecessary permitting delays. This fundamentally flawed regulation will also impose costly and duplicative mandates on job creators and local communities. Local planning decisions should be made by the experts on the ground at the local level, not Washington bureaucrats. The Congressional Western Caucus will work with the Trump Administration, Republican leadership and important industry groups like the Public Lands Council and the National Cattlemen’s Beef Association to scrap misguided directives imposed by Obama’s political hacks during their waning days.”

The BLM must scrap BLM 2.0 and go back to the drawing board, this time with real input from stakeholders across the West, Lane emphasized.

Source: NCBA.

National Slaughter Cattle Summary for the week ending Dec. 2

According to USDA Agricultural Marketing Service (AMS), trades in Texas and Kansas were selling \$5-\$6 higher than two weeks prior to the week ending Dec. 2, 2016. Live trades in Nebraska were \$5-\$6 higher, with dressed trades \$3-\$5 higher.

Boxed beef prices as of Friday afternoon, Dec. 2, averaged \$181.21, up \$6.23 from two weeks prior. The Choice-Select spread was \$17.02. Slaughter cattle on a national basis for negotiated cash trades through the afternoon of Dec. 2 totaled about 74,161 head. The previous week’s total head count was 120,381 head.

According to Midwest Direct Markets, on a live basis, steers and heifers were at \$114-\$115.50. On a dressed basis, steers and heifers ranged from \$173-\$175.

South Plains Direct Markets reported steers and heifers on a live basis selling at \$112-\$115.

Slaughter cows and bulls (Average Yielding Prices) were reported at \$1-\$3 higher. On Dec. 2, cutter-cow carcass cutout value was \$154.04, down \$4.01 from two Fridays prior.

For the full report, visit www.ams.usda.gov/lsmarketnews.

Source: USDA-Oklahoma Dept. of Ag Market News.

