



Beef Business

► A look at current events affecting the cattle industry

Focus group discusses issues

The first-ever Commercial Programs Focus Group gathered at the American Angus Association Sept. 6, in Saint Joseph, Mo., to discuss issues ranging from the use of technology to crossbreeding. The six-member panel represented a broad cross-section of commercial cow-calf production.

The cattlemen discussed the lack of accurate data available to compare production and performance traits in the commercial beef sector, as well as the Angus breed's ability to improve consistency in crossbreeding. The panel challenged the Board of Directors to pursue evaluation tools to improve the accuracy of selection in diverse genetic and geographic environments. Panelists also challenged the Association to continue research to develop tools to predict longevity and improve udder quality.

According to a release, the Association will use the information to help determine future programs and research to better assist beef producers and provide the necessary

evaluation tools to make genetic improvements.

USDA extends emergency grazing

Agriculture Secretary Mike Johanns has extended the window for emergency livestock grazing on Conservation Reserve Program (CRP) acres for farmers and ranchers who have been affected by drought in 30 states. The traditional deadline for emergency grazing on CRP acres was Sept. 30.

Although the grazing deadline has passed for some states, remaining eligible states include Alabama, Arizona, Arkansas, Colorado, Florida, Georgia, Illinois, Kansas, Kentucky, Louisiana, Mississippi, Missouri, Nebraska, Nevada, New Mexico, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Utah and Wyoming.

State Farm Service Agency (FSA) committees and the U.S. Department of Agriculture's (USDA's) Natural Resources Conservation Service (NRCS) state technical committees must agree on the need for the emergency grazing extensions before they

are finalized. Once approved, producers in the 30 states may graze on CRP land until the following dates:

Nov. 10 — Colorado, Illinois, Kansas, Kentucky, Nebraska, Missouri, Nevada, Utah and Wyoming;

Nov. 30 — Alabama, Arizona, Arkansas, Florida, Georgia, Louisiana, Mississippi, New Mexico, North Carolina, Oklahoma, South Carolina, Tennessee and Texas.

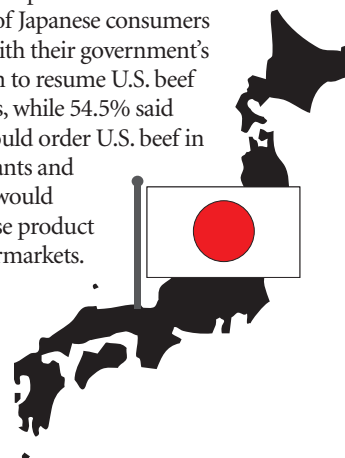
Emergency haying of CRP acreage in these states ended Sept. 30. For more information about emergency grazing or USDA disaster assistance, visit a USDA Service Center or go online at <http://disaster.fsa.usda.gov>.

Japan says 'No' to easing rule

Japan's new agriculture minister Toshikatsu Matsuoka told reporters in late September that he doesn't plan to ease the country's import rule on U.S. beef from 20-month-old animals to those 30 months and older, *Meatingplace.com* reports. Like former Minister Nakagawa, Matsuoka said the U.S. beef industry must first convince Japanese authorities it is capable of meeting current export regulations before they are eased.

Meanwhile, demand for U.S. beef is continuing to increase in Japan, the U.S. Meat Export Federation (USMEF) reported.

The country's fast-food chain Yoshinoya D&D Co., resumed serving its popular beef bowls in late September, and U.S. beef sales resumed in the Hokkaido supermarket chain, Cowboy. According to USMEF, a consumer tracking survey conducted the week of Sept. 11 shows more than 51.9% of Japanese consumers agree with their government's decision to resume U.S. beef imports, while 54.5% said they would order U.S. beef in restaurants and 50.5% would purchase product at supermarkets.



U.S. cattle on feed up 10%

Cattle and calves on feed for harvest in the United States for feedlots with capacities of 1,000 or more head totaled 11.0 million head Sept. 1. The inventory was 10% above the same time last year and 10% above Sept. 1, 2004, figures. This is the highest Sept. 1 inventory since the series began in 1996.

Placements in feedlots during August totaled 2.30 million, 15% more than 2005 figures and 9% above 2004. Net placements were 2.24 million head.

Marketings of fed cattle during August totaled 2.08 million, 2% above 2005 and 8% above 2004 figures. Other disappearance totaled 59,000 head during August, 11% above 2005 figures, and 5% above 2004.

Table 1: No. of cattle on feed, placements, marketings and other disappearance, 1,000+-head-capacity U.S. feedlots, Aug. 1, 2004-2006

	No. of head (1,000 head)			2006 as % of	
	2004	2005	2006	2004	2005
On feed Aug. 1 ^a	9,868	10,093	10,822	110	107
Placed on feed during Aug.	2,102	1,993	2,300	109	115
Fed cattle marketed during Aug.	1,926	2,033	2,077	108	102
Other disappearance during Aug. ^b	56	53	59	105	111
On feed Sept. 1 ^a	9,988	10,000	10,986	110	110

^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.

Study suggests CWD spread through saliva, blood

Colorado State University (CSU)-led research shows for the first time that chronic wasting disease (CWD) may spread through saliva and blood of infected deer, posing new possibilities that the disease may spread by blood-sucking insects or social contact between animals.

According to CSU, the study reinforces that no tissue from an infected animal can be considered free of prions, the disease-causing agent.

The research, released in the Oct. 6 edition of *Science*, tested the blood, saliva, feces and urine of deer infected with CWD to determine ways the disease may be transmitted from animal to animal. Although the 18-month study focused on deer, CWD also affects elk and moose.

CSU scientists first discovered the disease in deer in northeastern Colorado and southeastern Wyoming in the 1960s. Related diseases belong to the family of transmissible spongiform encephalopathies (TSEs) and include bovine spongiform encephalopathy (BSE) and scrapie, which affects sheep.

CWD now has been detected in deer in 14 states and two Canadian provinces. CWD is contagious to a higher degree among deer, elk and moose than other TSEs.

A seven-year, \$8 million grant from the National Institutes of Health's National Institute of Allergy and Infectious Disease supported the research.

Cattle protozoa affects antibiotic resistance

Agricultural Research Service (ARS) scientists in Ames, Iowa, discovered that protozoa found in the gastrointestinal tract of cattle can facilitate the transfer of antibiotics.

Veterinary medical officer Steven Carlson at ARS' National Animal Disease Center (NADC) in Ames has documented the role rumen protozoa play in transferring this resistance within cattle. Carlson and colleagues have identified and described the transfer of resistance to ceftriaxone, an antibiotic used to treat pneumonia, from gastrointestinal tract bacteria to rumen-dwelling salmonella that are sensitive to the antibiotic.

Last year, an ARS study revealed, for the first time, that disease-causing bacteria can strengthen from interaction with protozoa that are naturally inside animals.

In that work, an antibiotic-resistant strain of salmonella became especially virulent when tucked within rumen protozoa. That discovery suggests that naturally occurring digestive tract protozoa may be a place

where dangerous bacteria can lurk and develop.

Read more about the latest work at the Ames center and other ARS research in the October 2006 issue of *Agricultural Research* magazine, available online at www.ars.usda.gov/is/AR/archive/oct06/meat1006.htm.

Texas deemed TB-free

Texas ranchers achieved a four-year-old objective Oct. 3, when USDA announced the state had regained cattle tuberculosis (TB)-free status.

This valuable status was lost in 2002 after two TB-infected cattle herds were detected in Texas. Since September 2003, more than 335,000 cows in Texas' 818 dairies, and nearly 129,000 beef cattle in 2,014 of the state's seedstock or purebred herds have been tested for cattle TB in a bid to ensure that all TB infection has been detected and eliminated, and that effective disease surveillance has been implemented.

Bob Hillman, Texas state veterinarian, said achieving TB-free status enables Texas-origin cattle to be transported to events in the state without a TB test.

USDA regulations also allow the 150,000 or so breeding and dairy cattle moved from Texas to other states each year to be shipped without a TB test.

Hillman, who heads the Texas Animal Health Commission (TAHC), the state's livestock and regulatory health agency, cautioned ranchers and accredited veterinary practitioners to check with states of destination prior to shipping cattle, as it will take time for animal health officials to update regulations recognizing the state's TB-free status. Also, because states are at liberty to impose rules beyond USDA standards, he said some states will keep TB testing requirements "on the books." Cattle moved interstate from TB-free states for feeding purposes have not been required to have a TB test.

Keeping herds free of cattle TB is now the key, Hillman said. He urged cattle producers to take precautions. Hillman advises producers not to commingle Mexican feeder cattle with Texas cattle on pastures or in grower lots, and to ensure that Mexican roping cattle or rodeo steers are held separately from Texas cattle.

FS to amend prairie dog management

Ranchers in parts of Nebraska and South Dakota may get some help with prairie dog management, according to the National Cattlemen's Beef Association (NCBA).

According to the article, the Forest Service (FS) plans to complete an analysis and environmental impact statement (EIS) by Oct. 1, 2007, aimed at enhancing management of prairie dog populations to better protect land and resources. The amended forest and grasslands plans will allow greater latitude to manage prairie dogs on the Buffalo Gap, Oglala, and Fort Pierre National Grasslands.

The actions from this EIS are aimed at further reducing conflicts with adjacent landowners and improving habitat conditions on national grasslands in South Dakota and Nebraska, NCBA reports.

Meat-grading fees increase

Hourly fees charged for voluntary federal meat grading and certification services performed by the Meat Grading and Certification (MGC) Branch of the Agricultural Marketing Service (AMS) have been increased, according to the American Meat Institute (AMI).

The adjustment reflects the increased cost of providing service and ensures that the MGC Branch operates on a financially self-supporting basis, AMI stated. The adjusted fees go into effect Oct. 1.

Smithfield purchases Premium Standard Farms

Smithfield Foods is paying a 13% premium to purchase Kansas City, Mo.-based Premium Standard Farms for about \$810 million in cash, stock and \$117 million of assumed debt, according to *Meatingplace.com*.

The deal is expected to close in early 2007, and, according to the article, Smithfield doesn't expect to close any Premium Standard plants or to significantly reduce workforces.

Meanwhile, the National Farmers Union (NFU) has requested a Department of Justice investigation and analysis of the purchase. NFU said the move would put both consumers and independent livestock producers at a disadvantage by increasing concentration in the livestock industry, while lessening competition.

NFU President Tom Buis said the matter also involves the cattle industry.

"Both Smithfield and Premium Standard Farms also have extraordinary market influence via multiple relationships in the beef industry," Buis said. "I am convinced that any fair analysis and investigation of these business links will reveal that the proposed sale raises, at the very least, serious concerns about added concentration in the beef and pork industries."

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Final farm bill analysis released

Secretary Johanns released a comprehensive analysis in mid-September of key factors that will affect future growth in U.S. agriculture: international trade, research and development, protection of agriculture from pests and diseases, and challenges in preparing the next generation of farmers.

The analysis highlights opportunities to improve global competitiveness, make research and agriculture protection programs more effective, and facilitate the transition of farms to the farmers of tomorrow.

Titled "Strengthening the Foundation for Future Growth in U.S. Agriculture," this is the fifth and final in a series of analysis papers related to production agriculture. As with the four papers before it, the paper was written by USDA economists. It is not intended to recommend policy, but rather to provide a thorough analysis of the state of U.S. agriculture and to present issues and alternatives for public consideration.

All of the analysis papers are available at www.usda.gov/farmbill.

DCP sign-up begins

Secretary Johanns announced that enrollment for the 2007 Direct and Counter-cyclical Payment Program (DCP) was to begin Oct. 1. Sign-up continues until June 1, 2007. Johanns encouraged farmers to sign up for the program through the online DCP sign-up service.

Following the June 1, 2007, deadline, USDA will accept late applications through Sept. 30, 2007, with a \$100 late fee. While DCP participants must sign DCP contracts annually, producers can choose not to participate in the program in any given year.

Producers can visit any USDA Service Center or their administratively assigned center, to complete their 2007 DCP contract. Additionally, sign-up can be done online, allowing producers to choose payment options, assign crop shares, and sign and submit their contracts from any computer with internet access.

The electronic service is available by going to www.fsa.usda.gov/FSA/webapp?area=online&subject=landing&topic=dcp and clicking on "Access eDCP Service." To access the service, producers must have an active USDA eAuthentication Level 2 account, which requires filling out an online registration form at www.eauth.egov.usda.gov followed by a visit to the local USDA Service Center for identity verification.

USDA announces economic development funds

Agriculture Deputy Secretary Chuck Conner announced Sept. 20 that \$15.4 million in loan and grant funds will be



provided to business councils, economic development agencies and cooperatives in 15 states to spur business growth.

The funds are expected to create or save an estimated 4,700 jobs.

The loans and grants are being provided under the USDA Rural Economic Development and Intermediary Relending programs. A total of 30 loans and grants will be provided to applicants in states including Alabama, Colorado, Iowa, Kentucky, Mississippi, Michigan, Montana, North Carolina, New Hampshire, Oklahoma, South Carolina, South Dakota, Texas, Washington and Wisconsin. A complete list of loan recipients is available at www.rurdev.usda.gov.

APHIS institutes voluntary bird flu program

The Animal and Plant Health Inspection Service (APHIS) is instituting a voluntary program for the control of the H5:H7 subtypes of low-pathogenic avian influenza (AI) in commercial



poultry, AMI reports.

The new program also provides payment of indemnity for costs associated with eradication of the subtypes of low-pathogenic avian influenza in poultry, which can mutate into highly pathogenic avian influenza. This interim rule was effective on Sept. 26. Comments received on or before Nov. 27 will be considered by the agency, according to AMI.

Economic effects of pest control

Agriculture Secretary Mike Johanns announced Oct. 6 that universities in seven states will receive \$1.1 million to study the economic implications of preventing, controlling or eradicating invasive pests and diseases.

The research is aimed at identifying effective strategies for preventing the

introduction of invasive species and managing their presence, Johanns said.

The agreements will provide funding to the University of Toledo, Toledo, Ohio; University of Montana, Missoula, Mont.; Texas A&M University, College Station, Texas; University of Arizona, Tucson, Ariz.; Washington State University, Pullman, Wash.; Michigan State University, East Lansing, Mich.; and the University of Minnesota, Saint Paul, Minn.

These research projects are competitively awarded by the Program of Research on the Economics of Invasive Species Management (PREISM), administered by USDA's Economic Research Service (ERS). The studies will provide analytically based principles, guidelines and criteria for invasive species policy and program decision-making, as well as the economic information, modeling systems or other tools that support decision-making. More information about these projects is available at www.ers.usda.gov/briefing/invasivespecies.

Washington Watch**MPR approved by Senate**

The U.S. Senate has passed legislation that will effectively reauthorize Mandatory Price Reporting (MPR) for four more years, through Sept. 30, 2010.

The legislation, which passed the U.S. House of Representatives last year, requires meat packers to report to AMS daily price and volume information on negotiated and non-negotiated purchases of cattle and boxed beef sales. According to NCBA, companies are also required to report beef exports and imports. The MPR law expired Sept. 30, 2005, after the Senate was initially unable to agree to the bill passed by the House.

See "Senate Passes MPR Bill," page 266, for further information. Mandatory price reports are available online at the AMS web site, at www.ams.usda.gov/LSMNpubs/index.htm.

**House passes immigration measures**

The House of Representatives passed three measures addressing immigration policy, according to AMI.

AMI reports the "Community Protection Act of 2006," passed by a vote of 328 to 95. The bill would restore the Secretary of

Homeland Security's authority to detain dangerous aliens, to ensure the removal of deportable criminal aliens, and to combat alien gang crime.

The "Immigration Law Enforcement Act of 2006," passed by a vote of 277 to 140, affirms the authority of state and local law enforcement to assist in the enforcement of immigration laws, to provide for effective prosecution of alien smugglers, and to reform immigration litigation procedures.

The "Border Tunnel Prevention Act of 2006," passed by a vote of 422 to 0, according to AMI. The bill prohibits the unauthorized construction, financing or permitting the construction or use of a tunnel or subterranean passageway between the United States and another country.

Industry Events



Women in Agriculture Conference

Nov. 1-3, Louisville, Ky.

The Kentucky Women in Agriculture will host its seventh conference, themed "Rooted in Tradition — Exploring the Future," at the Clarion Hotel and Conference Center in Louisville.

Two preconference workshops, focused on small-scale producer business planning and sustainable ag programs, will kick off the event. The conference will begin Nov. 2 with three sets of concurrent sessions throughout the day in tracks titled heritage, agritourism, farm safety and security, and telling your story. Roundtable discussion and meals are planned.



2006 BEEF Quality Summit

Nov. 14-15, Oklahoma City, Okla.

BEEF magazine will present a two-day program aimed at instructing attendees on how to make the most of industry trends and maximize profit on calves. Representatives from Wal-Mart and McDonald's will address consumer issues, and a panel of producers will discuss capturing the value from producing quality products.

Registration is \$195 per person, or \$170 for a second person, and includes the conference program, a tradeshow and meals.

Call 1-800-722-5334 or visit www.beefconference.com for full details or to register.



2006 Missouri Livestock Symposium

Dec. 1-2, Kirksville

The two-day event will take place at the Kirksville Middle School in Kirksville. The program will begin at 6 p.m., Friday, with a free beef dinner, followed by a presentation of the Northeast Missouri Livestock Person of the Year as well as a presentation by farm broadcaster Orion Samuelson. Saturday's schedule includes presentations and panel discussions separated into different tracks including beef cattle and agribusiness; beef cattle and stock dogs; equine; sheep and meat goats; forages; renewable resources; wildlife and conservation; and around the home.

There are no registration requirements or costs for the event; however, tickets to Saturday night's entertainment, presented by Baxter Black, are available for purchase at \$10 per person. Call (660) 665-9866 to reserve tickets.

Visit <http://missourilivestock.com> for further information.



Third National Conference on Grazing Lands

Dec. 10-13, Saint Louis, Mo.

The Grazing Lands Conservation Initiative (GLCI) will host the conference, designed to provide a forum for exchange of information, an opportunity to identify grazing land research and program needs, and a chance to see new products and learn about new services.

Presentations will focus on building partnerships among agricultural, grazing and urban communities; successful management technologies for grazing practices; economic, marketing and public policy implications; and optimizing grazing land health for environmental and social benefits.

More information and registration information is available at www.glci.org.



2007 Master Marketer program

January-February, 2007, Lubbock, Texas

The Texas Cooperative Extension is recruiting for its 2007 Master Marketer risk management education program at Lubbock. The in-depth, intensive program teaches participants how to identify and evaluate marketing opportunities, then design and follow through with sound marketing plans.

The 64-hour curriculum is offered in four, two-day sessions held every two weeks. The first of four sessions begins Jan. 3-4, 2007, and subsequent sessions are slated for

Jan. 17-18, Jan. 31-Feb. 1, and Feb. 14-15.

Registration is \$250 per person, payable to the Texas Extension Education Foundation. The registration deadline is Dec. 20, 2006. Those with an intermediate to advanced knowledge of marketing are encouraged to attend. Anyone not meeting such a description may attend a free futures and options leveling workshop set for Jan. 2 in Lubbock.

For further information visit <http://mastermarketer.tamu.edu> or call (806) 746-6101.



R-CALF USA National Convention

Jan. 17-20, 2007, Denver, Colo.

Ranchers-Cattlemen Action Legal Fund United Stockgrowers of America (R-CALF USA) will host its 2007 National Convention and Trade Show at the Doubletree Hotel in Denver.

For more information visit www.r-calfusa.com or call (406) 252-2516.



National Cowboy Poetry Gathering

Jan. 27-Feb. 3, 2007, Elko, Nev.

The weeklong annual celebration of life in the rural West will feature contemporary and traditional arts of western ranching culture, including poetry, music, stories, gear, film, photography and food. Produced by the Western Folklife Center, performances, workshops, ticketed shows and exhibits will present and preserve the contemporary and traditional arts created by people living close to the land.

Memberships to the center and tickets to shows can be purchased at 1-888-880-5885, Ext. 222, or online at www.westernfolklife.org. Three-day guest passes, if purchased by Dec. 21, are \$41; after Dec. 21, \$51. A one-day pass is \$18.



2007 Cattle Industry Annual Convention & Trade Show

Jan. 31-Feb. 3, 2007, Nashville, Tenn.

The meeting will feature joint and individual meetings by five industry organizations, including NCBA, CBB, American National CattleWomen Inc. (ANCW), Cattle-Fax and the National Cattlemen's Foundation (NCF).

Visit www.beefusa.org for additional details and schedule updates as they become available. If you have questions, call the NCBA Convention & Meetings Department at (303) 694-0305.

