

Beef Industry Organizations Host Summer Conference, Set Policy

The 2006 Cattle Industry Summer Conference took place in Reno, Nev., welcoming about 900 cattlemen from across the nation. The conference was hosted by the National Cattlemen's Beef Association (NCBA), the Cattlemen's Beef Board (CBB), American National CattleWomen Inc. (ANCW), the National Cattlemen's Foundation (NCF) and Cattle-Fax.

Market, checkoff overview

The opening general session featured a cattle market overview and analysis from Randy Blach, executive vice president of Cattle-Fax. Based in Centennial, Colo., Cattle-Fax provides cattle and beef industry statistics, forecasts and economic analyses.

Blach provided cattlemen with a presentation that he termed a "report card" for the first half of 2006. He said that while the past six months have seen a great deal of volatility, cattle production, harvest and prices have, on average, closely matched forecasts. Blach said prices were softer than expected through March and April, but a solid recovery has brought average prices for the year back in line with projections.

Blach said drought and other factors have slowed, but not ended, the nation's cattle herd expansion. Heifer placements in feedlots are down, indicating a trend toward breeding stock replacement. Cow harvest has increased, mainly due to drought conditions in some regions and the fact that cow harvest was low in 2005.

Turning to beef demand, Blach pointed out that even with retail prices slightly down from a year ago, domestic expenditures are still at a record high, averaging \$75 more per person than in 2000. Blach said strong demand has been absolutely critical to the recent period of profitability.

"This is a take-home message that I really want to emphasize," he said. "We just couldn't have drawn it up any better."

He added that even though domestic beef demand has been solid, regaining key export markets remains a critical issue for the U.S. cattle industry. The trade picture has already improved, as beef imports are down 7% from 2005 and exports are up by 75%. Just in the first half of 2006, this shift in net trade has been worth \$3 per hundredweight (cwt.) on fed cattle.

"That's the difference between a market low of \$75 and a market low of \$78," Blach said. "But it's still very important to get major markets back like Japan and South Korea. We're still losing \$2 billion to \$2.5 billion (annually) when these markets are closed."

CBB Chairman Jay O'Brien highlighted several accomplishments of the National Beef Checkoff Program, now in its 20th year. He said checkoff-funded research has fostered new product development and allowed the beef industry to share valuable information and findings with consumers.

O'Brien also surprised the audience with a segment from NBC's "Today Show," which had aired nationally just moments earlier. The footage featured noted chef Richard Chamberlain, co-author of the checkoff-funded *Healthy Beef Cookbook*, demonstrating innovative cooking methods for lean beef and discussing the culinary and nutritional attributes of beef.

O'Brien said the *Healthy Beef Cookbook*, created in cooperation with the American Dietetic Association (ADA), has been a tremendous success for the Beef Checkoff Program. With the "Today Show" being the

nation's highest-rated morning television program, he said the segment serves as a proud example of even better publicity and exposure than the industry can purchase through advertising.

Additional beef industry issues forums were conducted on the recent Beef Quality Audit (BQA), market research efforts funded by the Beef Checkoff Program, and the effect of futures trading on the cattle market.

Key policy issues

NCBA members also addressed current policy priorities, passing new resolutions and directives to make amendments to the 2006 policy agenda.

The official NCBA Policy Book is a detailed, almost 200-page compilation of policy priorities on more than 50 cattle industry issues.

"Our policy committees tackle an incredible amount of issues, with everything from the farm bill to nutrition policy to trade barriers to death taxes on the agenda," says

Andy Groseta, chairman of NCBA's public policy group and an Arizona cattle producer. "Fellow members come from across the nation to hash out the biggest issues that are hitting the cattle industry right now and make some specific decisions on how to move forward on these priorities."

This summer, 11 interim resolutions, directives and recommendations were approved by the NCBA Board of Directors. Along with new edits to policies, NCBA members analyzed the overall state of the industry in one-on-one discussions with top government representatives, trade officials and other industry leaders.

"Right now, priority issues include the 2007 Farm Bill, environmental policy issues, the death tax and ongoing international trade issues," says NCBA Vice President of Government Affairs Jay Truitt.

"We are actively involved in pushing a huge list of policy priorities all year



long,” Groseta says. “After the meetings in Reno, NCBA’s D.C. staff is already back in Washington, hitting the ground running with the list of recommendations and policy updates.”

The following addendums were made to NCBA policy this summer and will serve as interim policy until reviewed and voted on by NCBA members at the 2007 Cattle Industry Annual Convention, scheduled for Jan. 31-Feb. 3 in Nashville, Tenn. The full NCBA 2006 policy agenda can be found online at www.beefusa.org.

Property rights and environmental management. Members passed a resolution that NCBA will seek regulations and legislation to clarify federal wetlands and non-navigable waters jurisdiction consistent with recent Supreme Court decisions.

Agriculture policy. Cattle producers passed a directive outlining NCBA’s guiding principles and priorities in the 2007 Farm Bill, including specific priorities for natural resources and conservation, marketing, commodity programs, nutrition, credit, trade, research, energy, disaster assistance, animal activism, animal identification and animal health policy.

NCBA officers are directed to establish a task force to address immediate needs of livestock producers following natural

disasters to facilitate cattle-specific emergency needs and coordinate interagency activities to respond to the industry in a timely manner.

Members passed a resolution supporting updating the Commercial Motor Vehicle Safety Act to standardize requirements and reduce the burden of regulations on vehicles used for transporting cattle and farm equipment.

International markets. NCBA members passed a resolution supporting retaliatory measures against nations who close their borders to U.S. beef due to unscientific food safety concerns, administrative errors, or a single shipment of beef not meeting agreed upon requirements.

NCBA members passed a resolution instructing staff to work to require U.S. troops worldwide to be supplied with U.S.-processed beef.

Tax and credit issues. NCBA approved a resolution aimed at relieving the death tax burden from thousands of America’s farmers and ranchers. While NCBA still supports full and permanent repeal of the death tax, cattlemen in attendance approved a directive providing NCBA with the flexibility to support a compromise measure, if it is the only option for reducing the uncertainty surrounding the current death tax timetable.

Members passed a resolution supporting changes to the IRS Code section 1031 g (1) to: (1) increase the reporting deadline on replacement properties from 45 to 180 days, (2) increase the limit of replacement properties from three to six, and (3) increase the amount of time a taxpayer has to receive exchanged property from 180 to 365 days.

A resolution was passed directing NCBA to work to exempt income received as rent on agricultural property from Social Security taxation.

Product enhancement. NCBA members passed a resolution to work to secure a permanent commitment of annual funding for specific research by the National Beef Cattle Evaluation Consortium (NBCEC), including research on data management, database preservation, DNA inclusion in genetic evaluation, application of multi-breed capacities for genetic evaluation programs, enhancement of the scope of international evaluation, development of new traits for evaluation, new methods to enhance accuracy and productivity of evaluations, and user-friendly software.



Editor’s Note: *This article was adapted from news releases provided by the NCBA. For more information, visit www.beefusa.org.*