



Beef Business

► A look at current events affecting the cattle industry

Japan-U.S. beef negotiations advance

During a two-day March visit to Japan by a U.S. technical team, the two countries reached "some consensus" on corrective measures the U.S. will implement to prevent a recurrence of cases of ineligible beef exports, *Kyodo News* reported.

The United States agreed to require further training of American workers handling beef exports to Japan. Additionally, U.S. beef processors must undergo new audits by the U.S. Department of Agriculture (USDA) and additional scrutiny by Japanese officials before the United States can resume beef exports to Japan, USDA Undersecretary for Marketing and Regulatory Programs Charles Lambert said in a Senate agriculture appropriations committee hearing, *meatingplace.com* reported.

Lambert told senators that USDA is assembling a checklist of beef production safety steps it promised Japan it would employ as a condition of resuming trade. Once the checklist is complete, USDA will re-audit U.S. facilities approved to export beef to Japan. The next step, Lambert said, will be for a Japanese delegation to come and inspect the facilities.

Neither country indicated a timeline for Japan to lift its reinstated ban on U.S. beef.

USDA provides wildfire relief

Unusually dry conditions, along with high winds, dry grass and brush, caused extreme fire conditions that burned more than 1 million acres in Texas and Oklahoma in March. Many livestock producers lost a large portion of rangeland, pastureland and fences, in addition to an estimated 10,000 head of cattle.

Agriculture Secretary Mike Johanns announced that ag producers in six Oklahoma counties and 27 north Texas counties affected by the wildfires could move cattle to Conservation Reserve Program (CRP) acreage and remove grass, without facing charges for grazing value or the baled value of removed forage.

Johanns also announced that \$8.134 million in Emergency Conservation Program (ECP) funds would be available to ag producers in 16 Texas counties affected by the wildfires.

This ECP funding was to enable producers to remove debris from farmland, restore fences and conservation structures, provide

water for livestock, and grade and shape farmland damaged by natural disaster. Producers were eligible to receive cost-share assistance up to 75% of the cost of approved practices.

Japan discovers first BSE case in a beef animal

Japanese officials confirmed mid-March the country's first case of bovine spongiform encephalopathy (BSE) in a beef cow, according to *meatingplace.com*. The infected animal, a nonambulatory 14-year-old cow from the southern prefecture of Nagasaki, was suspected of having the disease after giving birth and later tested positive.

This announcement marked the 24th confirmed case of BSE in Japan. However, all previous cases involved dairy cattle aged 1 to 9 years old, *Kyodo News Service* quoted ministry officials as saying.

Since its first BSE case was discovered in 2001, Japan has enforced a ruminant-to-ruminant feed ban and tests every domestically harvested cow intended for the meat market.

BSE confirmed in Alabama beef cow

The USDA has confirmed that an Alabama beef cow tested positive for BSE. The animal did not enter the animal or human food chains.

John Clifford, USDA Veterinary Services (VS), said that including this animal, only two high-risk animals have tested positive for BSE as part of the United States' enhanced surveillance program.

After exhuming the animal's body from the Alabama farm, USDA officials confirmed through dentition that the animal was at least 10 years old, *meatingplace.com* reported.

"This would indicate that this animal would have been born prior to the implementation of the Food and Drug Administration's (FDA's) 1997 feed ban," Clifford said. Older animals are more likely to have been exposed to contaminated feed circulating before the FDA's 1997 ban on ruminant-to-ruminant feeding practices, which scientific research has indicated is the most likely route for BSE transmission.

The *meatingplace.com* article reported that the age of the animal is important because some trading partners, notably South Korea, could cut off beef trade if a case of BSE is discovered in an animal born after the United States' ruminant-to-ruminant feed ban.

"Though the nature and extent of maintenance surveillance has not yet been finalized, the incidence of BSE in this country remains extremely low, and our interlocking safeguards are working to protect both

U.S. cattle on feed up 8%

Cattle and calves on feed for harvest in the United States for feedlots with capacities of 1,000 or more head totaled 12 million head March 1. The inventory was 8% above the same time last year and 9% above March 1, 2004, figures. This is the highest March inventory since the series began in 1996.

Placements in feedlots during February totaled 1.60 million, 5% above 2005 figures, but 1% below 2004 figures. Net placements were 1.53 million head.

Marketings of fed cattle during February totaled 1.61 million, down 1% from 2005 figures and 5% below 2004 figures. This is the lowest fed-cattle marketings for February since the series began. Other disappearance totaled 73,000 head during February, 5% below 2005 figures, but 6% above 2004 figures.

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

	No. of head (1,000 head)			2006 as % of	
	2004	2005	2006	2004	2005
On feed Feb. 1 ^a	11,138	11,342	12,110	109	107
Placed on feed during Feb.	1,612	1,523	1,598	99	105
Fed cattle marketed during Feb.	1,694	1,634	1,612	95	99
Other disappearance during Feb. ^b	69	77	73	106	95
On feed March 1 ^a	10,987	11,154	12,023	109	108

^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.

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human and animal health,” Clifford said. “We remain very confident in the safety of U.S. beef.”

BSE declines worldwide

A report released by the Food and Agriculture Organization (FAO) of the United Nations (UN) says that cases of BSE are declining worldwide, according to the American Meat Institute (AMI). The FAO report indicated that the rate of reported cases has dropped 50% each year throughout the past three years.

In 2005, 474 animals died of BSE around the world, compared with 878 in 2004, 1,646 in 2003 and several tens of thousands in 1992, according to data collected by the World Animal Health Organization (OIE).

In the report, FAO emphasized the importance of using a scientific approach to detect and control the disease to ensure that it is eradicated in affected countries and kept out of unaffected ones.

U.S. imports more Canadian cattle, less beef

Since the U.S. border reopened to Canadian feeder and slaughter cattle last July, live cattle imports have increased as expected. Strong U.S. prices have continued to attract cattle into the U.S., and U.S. beef imports from Canada have been below last year, *Drovers* magazine reported in a late-March *Drovers* Alert.

According to preliminary weekly data from the USDA, U.S. feeder cattle imports from Canada averaged about 10,000 head in February — nearly double the weekly average of 5,700 head per week in 2003, the alert said.

A recent Canadian cattle-on-feed report corroborates that Canadian feeders have opted to send their feeder cattle to the U.S., the alert noted. The Canadian report showed the total on-feed inventory as of March 1 was 3% below 2005's report.

Slaughter cattle imports this year during February were nearly double the per-week average for the 2000-2004 period, the alert continued. At the same time, weekly Canadian cattle harvest has been well below 2005's numbers, down 11% in January and 3% in February. At mid-March, U.S. weekly imports of Canadian slaughter cattle were slightly more than 17,000 head.

Red meat production increases

Red meat production for the U.S. totaled 45.8 billion pounds (lb.) in 2005, slightly higher than in 2004, the National Agricultural Statistics Service (NASS)

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reported. Red meat includes beef, veal, pork, lamb and mutton.

Beef production totaled 24.8 billion lb., slightly higher than the previous year, NASS reported. Veal production totaled 165 million lb., down 6% from last year, setting a new record low. Pork production, at 20.7 billion lb., was slightly higher than last year, setting a new record high. Lamb and mutton production set a new record low, at 191 million lb., 4% below the previous record low set last year.

Live weights continued to increase for commercially harvested cattle and calves. The average live cattle weight increased 16 lb. from a year ago, while the average live calf weight increased 23 lb. from a year ago, according to the NASS report.

Consolidation in cattle-harvesting facilities also increased. There were 806 plants harvesting under federal inspection as of Jan. 1, 2006, compared with 826 plants last year, the NASS report said. The 13 largest plants harvested nearly 54% of the total cattle harvested.

Beef checkoff partners with Quiznos

Promotion of a new prime rib sandwich is the focus of a joint effort between the beef checkoff and Quiznos Sub, according to a release from the National Cattlemen's Beef Association (NCBA).

The cooperative promotion is funded partly through the \$1 per head checkoff. The beef checkoff logo will appear on promotional materials — such as table tents, store posters, national television and Web site mentions — that include checkoff funding.

The Prime Rib Sub is the only sandwich

offering from a national quick-service restaurant chain to feature prime rib, according to the NCBA release.

Gray wolf management may improve

The U.S. Fish and Wildlife Service (FWS) has proposed removing the gray wolf in the Western Great Lakes region from the federal list of threatened and endangered species, according to a NCBA release. The proposal would allow state and local cooperation to manage the gray wolf population in Michigan, Minnesota and Wisconsin, and in parts of Illinois, Indiana, Iowa, North Dakota, South Dakota and Ohio.

Active wolf management is a priority for ranchers, the NCBA release said. Wisconsin cattle producers reported 68 verified wolf complaints in 2005, compared to only two in 1995. Wolves can kill livestock, causing direct

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losses to ranchers. They also affect herd behavior, requiring ranchers to devote extra time and labor to protect livestock. Additionally, wolves are carriers of neosporosis, a parasitic disease that causes abortions and neurological damage in cattle.

Industry Events



TAMU Beef 101

May 16-18, College Station, Texas

Texas A&M University (TAMU) Meat Science Extension will host a three-day intensive, hands-on program at the TAMU Department of Animal Science facilities in College Station.

Tuesday, the workshop introduces how cattle are raised, fed and handled, before it moves into carcass grading and premium programs. Wednesday, producers will break into small teams to cut an entire side of beef into component parts. Beef anatomy, beef cut identification, and component-part yields and values will be discussed during the daylong laboratory activity. Thursday will focus on beef palatability, and participants will sample various cuts to demonstrate how cut, meat grade and technologies can affect consumers' beef eating experience.

A detailed program and printable registration form can be found on the TAMU Meat Science homepage at <http://meat.tamu.edu>. Another Beef 101 session will be held June 12-14.



USMEF meetings

May 24-26, Las Vegas, Nev.

The U.S. Meat Export Federation (USMEF) will hold its Board of Directors Meeting & International Buyers Conference at the JW Marriot Resort & Spa in Las Vegas.

The conference will provide a unique opportunity for members and international buyers to participate together in sessions that show why U.S. meat should be on the world's table. Value cuts will be discussed, and chefs will demonstrate recipes to show the cuts' versatility. A Product Showcase Exhibit & Reception will also take place.

A registration brochure can be downloaded at www.usmef.org/home/files/registrationbrochure.pdf.

