



# For Granted

► by **Eric Grant**, Angus Productions Inc. Creative Media manager

## The Golden Age

*Looking back, it's amazing how much the world has changed since Randy Blach left his boyhood home in Yuma, Colo. Back then, there were no cell phones, no Internet, no 24-hour news cycle and no consumer, animal or environmental activists to worry about. Places like China, Europe and the Middle East were places on a map, not the key markets for U.S. ag products they are today.*

### Finding a niche

Blach, who was the eighth of nine children, knew he had to find a niche to remain relevant on his family's diversified farming and ranching operation.

So he attended college to gain an education in marketing and economics.

But as trails often do, this one took a twist, and Randy found himself in Denver, working for Cattle-Fax, where management recognized his natural feel for economics and his sixth sense for understanding the behaviors of the marketplace.

"I fell in love with the markets, the challenge that they offered, and I've been at Cattle-Fax ever since," remarks Blach, who in 2001 became the *third* chief executive officer (CEO) in the organization's history.

Many consider Cattle-Fax — which celebrates its 40th anniversary this year and claims the largest private database in the country — the industry's leading markets-information center.

Its team of market analysts collects, analyzes and distributes information to its members and helps them make good marketing decisions.

### Globalization

Everything is changing, however, and Blach and everyone else in U.S. agriculture find themselves struggling with understanding the new world order.

Gone are the days of predictable cattle cycles, the seven- to 10-year swings in profit and loss, the comforts of the local auction barn being the sole arbiter of information to producers.

The forces of globalization — the rise of China and India as both consumers and producers of goods, the worldwide energy shortage, and the current crisis in the financial markets — have changed the production landscape for producers around the world.

But it's not all bad news; in fact, these changes are good news for U.S. producers who are willing to go after them.

"The globalization of our market is not just about beef," Blach says. "It's pork. It's poultry. It's grain. It's understanding how all of these things come together to impact the market that we deal with. It's realizing that this is a much more complex and dynamic business than it was five or 10 years ago. We're no longer producing beef for 300 million people in the United States. Instead, the marketplace is worldwide with billions of potential consumers."

In 2008 alone, the U.S. will export 10

billion pounds (lb.) of beef, pork and poultry.

"That's a 10-billion-pound surplus that we rely on foreign consumers to buy," Blach says. "We're a major player in the worldwide market, and we can become even more dominant if we continue to have access to these markets."

Currently, U.S. producers are exporting 20% of the pork and poultry and 7%-8% of the beef they produce.

"It's very possible that over the next four or five years that beef producers could see that percentage increase to 15% of total beef production," he says.

### Opportunities in challenges

Blach believes that — despite the sharp increases in production costs for feed, fuel and fertilizer in recent years — that U.S. agriculture has entered a "Golden Age."

"Yes, we have challenges," he explains. "But as we become more global in our outlook and we see how many consumers that we can serve outside our borders, it creates more and more opportunities for every producer across the country. There are so many opportunities to differentiate yourself in the marketplace, so many opportunities to brand your product if you're willing to align yourself with others in this business and make the necessary adjustments to produce the products they want."

In the end, Blach expects the effects of globalization to continue to reshape rural America.

"We will see larger, better capitalized and more coordinated production systems that will continue to create more opportunities and value around the world for U.S. producers," he says.

"The opportunity to assist fellow producers in navigating their way through these changing times is really the fun part for me," adds Blach, whose thoughts return to his family's farm just about every day.

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**Editor's Note:** "For Granted" is a monthly column written for the Angus Journal by Angus Productions Inc. Creative Media Manager Eric Grant. The column focuses on marketing beef, the beef industry and seedstock in particular — aspects of the business that are often taken for granted as day-to-day tasks take center stage.