

# Cattle Industry Wrestles

## Members of NCBA delegation give their perspectives regarding Canada's BSE surveillance program; policy proposed to members.

by **Troy Smith**

**A**mong U.S. beef producers' concerns about resumption of cattle and beef trade with Canada is the fear that Canadian feedlots hold huge numbers of fed cattle. The U.S.-Canadian border has been closed since bovine spongiform encephalopathy (BSE) was detected in the western province of Alberta. Since then, three more BSE cases have been identified. All were associated with older animals originating in Canada.

Now, after Canada and the United States have taken steps to assess BSE prevalence, minimize risk of its spread, and assure beef safety, the U.S. Department of Agriculture (USDA) plans to reopen the border. The plan limits imports of live cattle to minimal-risk animals — those under 30 months of age.

Do built-up cattle supplies stand at the chute, ready for shipment to U.S. packers? Will they flood the market and drive prices down? Answers to these and other questions were sought by a delegation of U.S. producers that recently returned from a fact-finding mission in Canada.

They presented their findings during a

Beef Industry Issues Forum Feb. 3 at the 2005 Cattle Industry Annual Convention and Trade Show in San Antonio, Texas.

The nine-member delegation, appointed by the National Cattlemen's Beef Association (NCBA) Executive Committee, delivered its final report to association members during the Wednesday forum. The trade team visited Alberta, the top cattle-producing province, to evaluate Canada's immediate fed-cattle supply, expanded harvest capacity and export projections. The group also gained perspective regarding our northern neighbor's BSE surveillance program and feed manufacturer compliance with the ban on ingredients considered to increase the risk of spreading BSE.

"We saw no evidence of a wall of fed cattle ready to come [to the United States]," reported delegation member and North Dakota producer Gene Harris. "They will want to send feeder cattle — mostly from the light end of their 2004 calf crop. But delaying the border opening might see those go into [Canadian] feedlots and

create a wall of fed cattle by the time the border does open."

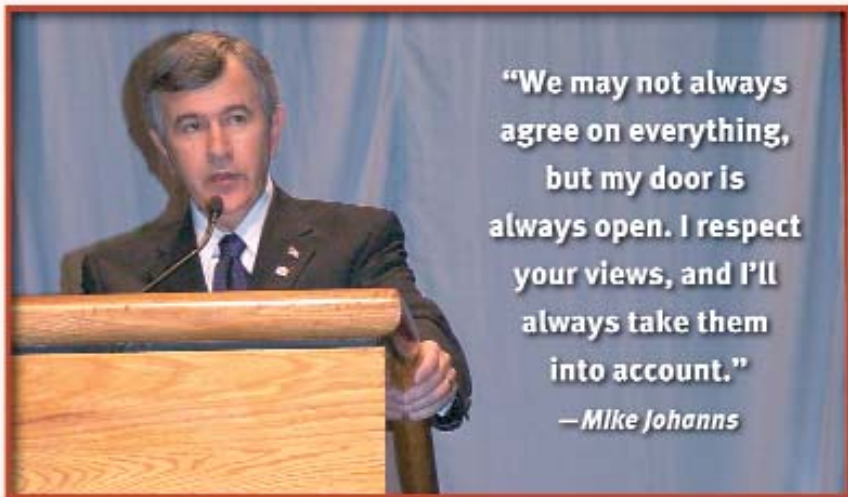
According to the delegation's report, the Canadian cattle inventory is current. Estimates indicate Alberta feedlots are at 65%-70% of capacity and could absorb 250,000-275,000 feeders in the short-term. The total feeder cattle and calf supply is estimated at 7.65 million head. The total number of cattle available for export is estimated at approximately 900,000 head, including 200,000-300,000 feeder cattle and 600,000-700,000 fed cattle.

Factors pointing toward moderate export levels include a 22% larger — and increasing — Canadian harvest capacity, lower cost of gain in Canada and continuing weakness of the U.S. dollar. Plans call for admission to the United States of only those cattle under 30 months of age, but it is estimated that only 50% of those will meet requirements for documentation and be eligible for export.

The delegation concluded that the Canadian feed industry appears to be in compliance with its feed ban. Considering the advanced age of the four BSE-positive animals found previously, delegation members said they see no reason to believe an increased risk is linked to the feed and rendering industry.

Since both countries imported cattle from the United Kingdom prior to the known BSE risk, and since implementation of safeguards in Canada closely paralleled those of the United States, there is cause to wonder why all North American BSE events involve Canadian-born cattle. Delegation member Tom Field of Colorado State University explained one difference between U.S. and Canadian feed bans.

The Canadian protocol, he said, did not include a recall of previously manufactured feed, and limited feeding of products containing specific risk materials (SRMs) apparently occurred. In addition, Canada's rendering industry is more concentrated and formerly used low-temperature processes for the rendering of ruminant meat-and-bone meal. These variables may have contributed to an increased exposure rate.



# With Trade Issues

Field said the Canadian BSE surveillance program appears to be on track to meet its targets and provide a science-based assessment of disease prevalence.

By the time the border opens, the USDA Animal and Plant Health Inspection Service (APHIS) must specify procedures for movement of cattle. According to the delegation's report, details must address the critical question of how cattle age will be determined. The Canadian animal identification (ID) system provides for age determination. The bigger question is how to address age verification of U.S. feeder cattle that move to Canadian feedlots, then return to the United States for harvest.

## Johanns weighs in

U.S. Secretary of Agriculture Mike Johanns addressed a near-capacity crowd gathered at the convention Friday, Feb. 4. It was Johanns' first speech delivered outside Washington, D.C., since joining the Bush Cabinet.

"We may not always agree on everything," Johanns said. "But my door is always open. I respect your views, and I'll always take them into account."

Beef producers questioned Johanns about his stand on his predecessor's decision to accept imports of live cattle and beef from Canada. Beef producers have expressed concern because proposed import regulations did not exclude beef from animals older than 30 months.

"I have been asked repeatedly why the rule was crafted as it is," Johanns said. "I have concerns about it, and we will have to deal with that in advance of March 7."

That is the scheduled date for opening the border, and that date stands, Johanns stated. Just days following the convention, Johanns met with Canadian Agriculture Minister Andrew Mitchell. Upon their meeting, Johanns announced Feb. 9 his plans to delay the effective date for imports of beef from animals 30 months or older. The rest of the rule, he noted in a statement, will proceed as planned; however, during the convention, he promised to consider a report provided by the NCBA delegation. Assessments by two

USDA teams will provide additional information. Johanns said USDA would formulate a response well in advance of the opening date.

## Committee crafts directive

Discussion came to a head Friday afternoon during NCBA's Joint International Marketing Committee meeting. Several proposals addressing Canadian trade came from the floor, but members gave their approval to a directive forged by representatives of Montana, Iowa and California.

The directive would establish criteria that must be met before resuming trade with Canada. Eleven requirements are summarized as follows:

- 1) Prohibit importation of cattle and beef products from cattle that are more than 30 months of age.
- 2) Provide assurance that all Canadian BSE-prevention measures are functioning properly, including adherence to the ban on specified feed ingredients.
- 3) No feeder cattle may be imported until agreement is reached on harmonization of animal health standards — especially regarding blue tongue and anaplasmosis.
- 4) Movement of Canadian cattle to the United States must be managed to minimize market disruption.
- 5) Fed cattle must be certified as being younger than 30 months of age at the time of importation.
- 6) The use of fetal bovine serum from heifers imported for immediate slaughter must be banned.
- 7) USDA Quality and Yield Grades may not be applied to any imported beef product.
- 8) Canadian feeder cattle entering the United States must be identified with a "CAN" hot-iron brand and an ear tag. They must be shipped from the border in sealed trucks directly to an approved feedlot. They must be moved directly to harvest in sealed trucks and be



certified as younger than 30 months of age at the time of harvest.

- 9) Canadian feeder heifers imported to the United States must be spayed.
- 10) USDA must work with our primary trading partners to ensure expanded export access for the United States.
- 11) The administration must reach an agreement to re-establish beef and beef byproduct trade with Japan, Korea and Mexico, applying economic sanctions when necessary.

Also approved in committee to forward to the annual meeting was a new resolution calling for multilateral negotiation among BSE minimum-risk countries, including Canada, Japan, South Korea and Mexico, to harmonize trade standards. Another new resolution opposes any effort to label beef or beef products as "North American Beef" or use any similar language for the intent of grouping beef from any other country with that produced in the United States.

## Policy to be sent to membership for approval

The 11-point directive that ties the reopening of live cattle trade with Canada to other unresolved trade issues was passed with no further discussion during NCBA's annual meeting Saturday, Feb. 5.

The directive was passed unanimously by the Policy Division of the Board of Directors and was upheld in the Annual Membership Meeting. It was to be part of a mail ballot sent to all NCBA members Feb. 17. Members were asked to approve or reject all policy decisions passed at the convention. For the ballot to be valid, there must be a 20% return from four of NCBA's seven regions.



# Forums Tackle Industry

Cattlemen received updates on beef industry issues and had opportunities to discuss challenges during the Beef Industry Issues Forums Thursday, Feb. 3, at the 2005 Cattle Industry Annual Convention and Trade Show in San Antonio, Texas. Each forum was presented three times to allow cattlemen to hear different sessions. Among the choices were nutrition, beef safety, key consumer markets, a legislative and regulatory outlook, and international trade. For information on the international trade session, see “Cattle Industry Wrestles With Trade Issues,” on page 298. Highlights of the other sessions follow. Audio files from some of these sessions are available online via the “General Sessions” page at [www.4cattlemen.com](http://www.4cattlemen.com). The site is sponsored by Boehringer Ingelheim Vetmedica, Inc., and features coverage by Angus Productions Inc. (API) staff.

## Industry experts address beef safety issues

A variety of animal and human health issues must be considered when referring to today’s quickly changing beef safety landscape, experts agreed at the Beef Industry Issues Forum on beef safety.

Guy Loneragan, assistant professor of beef cattle health management at West Texas A&M University, said despite many successes in animal disease prevention and decreased product contamination, reducing human illnesses associated with pathogens will still require some work — much of which involves preharvest interventions to combat harmful organisms.

Technologies like name-brand vaccines and hide-washing cabinets have helped dramatically reduce bacteria like *E. coli* O157:H7. In fact, Loneragan said the incidence of the bacteria has dropped dramatically — from a high of 2.7 reported cases per 100,000 people in 1996 to 1.1 cases per 100,000 people in 2003.

Several products have shown promise in producing similar results, he said; however, regulatory issues have slowed progress.

Once innovative technologies are approved, Loneragan expects them to be implemented at packer and processing facilities, 35 of which process 95% of carcasses.

Don Knowles, U.S. Department of Agriculture (USDA) Agricultural Research Service (ARS) animal research unit, gave a brief risk assessment regarding bovine spongiform encephalopathy (BSE), as well as

research updates and identification of different BSE strains.

“There are three things to know about infectious disease — how it’s transmitted, how it’s transmitted and how it’s transmitted,” he told the audience.

Fortunately, Knowles pointed out, BSE isn’t transmitted from cow to cow, but rather through feedstuffs. “If there’s a bright light in the story, this is it — that transmission isn’t contagious from animal to animal.

“There was some data years ago . . . that suggested cow-to-calf transmission, but that data hasn’t held up,” he said. “There’s no data indicating cow-to-calf transmission other than recycled protein.” Plus, as specified risk materials (SRMs) are continually banned from more feeding programs throughout the world, BSE becomes increasingly contained.

An important aspect of the research process involves close vigilance of different BSE strains to ensure that strains aren’t changing and, therefore, differing in transmission route. So far, he reported, research evidence hasn’t indicated any change, but researchers will continue to monitor BSE conditions.

Terry McElwain with the College of Veterinary Medicine at Washington State University explained the processes of USDA testing programs, beginning at the state level. McElwain helps test approximately 10% of samples in the nation’s total BSE testing surveillance program, which has tested



Don Knowles

more than 213,000 samples as of Jan. 30. The program’s goal, he reported, is to test 268,000 animals in the target population in a 12- to 18-month period.

—by Crystal Albers

## Legislative and regulatory outlook

Jay Truitt, vice president of government affairs for the National Cattlemen’s Beef Association (NCBA), led an issues forum on legislative and regulatory actions facing the beef industry in 2005. In the forum, Truitt demonstrated where there might be opportunities for cattlemen to gain momentum and where strong defense will be needed.

Truitt began by listing the government personnel with whom NCBA would be working during the 109th Congress. He expressed optimism when mentioning Secretary of Agriculture Mike Johanns, who was sworn in Jan. 21. Truitt named the chairmen and ranking members of the House and Senate committees and subcommittees affecting elements of the beef industry and noted whether NCBA had worked with each before.

Truitt presented a list of issues facing the beef industry in 2005, emphasizing the importance of food safety measures and reopening export markets. He stressed that even though opening the beef market to areas such as Panama and Bahrain may not seem important, such actions will “open up markets that result in other markets opening up to [to the U.S. beef industry].”

Truitt discussed a variety of environmental issues that would affect cattle producers and feeders, including wilderness and air quality legislation. He stressed a need to use available resources to protect the business climate. Food regulatory issues were also of concern, especially involving the USDA and meat recall rules, nutrition labeling, foreign inspection regulations, and modernizing food standards and ante- and postmortem inspections.

Truitt encouraged members to contact NCBA with any concerns unique to their situations or regions.

—by Brooke Byrd

# Issues

## Nutrition update

Eating beef is an excellent, nutrient-rich way to maintain health, said three presenters at the Beef Industry Issues Forum on nutrition. Eric Hentges, executive director for the USDA Center for Nutrition Policy and Promotion; Bill Layden, executive vice president and U.S. director of food and nutrition practice, Edelman Public Relations; and Susan Borra, executive vice president for the International Food Informational Council Foundation, examined the effects of the newly revised *Dietary Guidelines for Americans 2005*, as well as what they mean for the future of the beef industry.

Hentges examined the guidelines in detail, noting that they contain science-based nutritional advice to promote health and prevent chronic disease. He explained how the guidelines were formed, then delved more deeply into the information within the guidelines.



**Eric Hentges**

He stressed three points contained throughout the guidelines, including the following:

- ▶ make smart choices from every food group,
- ▶ find a balance between food and physical activity, and
- ▶ get the most nutrition from one's calories (make nutrient-dense choices).

He also noted the effects beef producers can have on changing the minds of consumers and convincing them to eat beef products. "Food producers have a powerful impact," he said.

Layden explained how the value of beef can be directly applied to the guidelines. "Beef is one of nature's most naturally nutrient-rich foods," he said. He reviewed some of the issues that most affect today's consumers, such as product labels and marketing to children. He also noted that as the dietary guidelines have an effect on what people eat, the revised food pyramid,

when released, "will have a lasting, generational impact on millions of Americans."

Borra detailed trends in areas of specific nutrient concerns in order to better understand the consumer. Pointing out charts that say fewer people indicate they are eating less red meat, she said, "The investment you all have made in consumer education ... is really paying off."

She showed video clips of interviews where people expressed their concerns with eating healthily. She emphasized that more attention must be paid to consumers' behavior and desires.

"There's a problem and an issue," she said, "so how do we dissect it and look at it more?"

— by Brooke Byrd

## Key consumer markets

The "baby boom" generation is aging, Hispanics represent a rapidly growing segment of the population, and children exert an increasing influence on family food-buying decisions. These trends may represent new marketing opportunities for the beef industry. How the changing U.S. population might affect beef merchandising efforts was explored during a Beef Industry Issues Forum that explained what motivates consumers in these potentially key markets.

Baby Boomers, most of whom were born during the decade following World War II, represent the largest generation in American history. The 69 million Boomers alive today have been a main influence both socially and economically. They still are. But the early rebellious nature that defined this generation has evolved into an appreciation for moral values.

In general, they are more highly educated and affluent than preceding generations. But they may be less affluent than expected as they cope with later retirement. They have a growing appreciation for comfort foods, but when considering how to reach this important segment of consumers, the beef industry will want to remember that value will be



increasingly important to Boomers.

Ranking behind Mexico, the United States is now home to the second-largest Hispanic population in the world, and that population is booming. One out of every seven U.S. residents is Hispanic. Seventy-four percent of them immigrated to this country, seeking to improve their economic situation or fleeing political oppression. They like living in the United States, but cling to their ethnic cultures.

Most Hispanics are family-oriented, and food is important — an essential part of routine family gatherings and festivities. They tend to view cooking as a way to pass traditions across generations. Generally, Hispanics are gaining buying power. They spend an estimated \$55 million annually for food.

The beef industry should be aware that Hispanics are beef-friendly. Beef purchases represent about \$326 per person annually. They favor beef cuts and variety meats that fit their cultural cuisine. They prefer to shop in traditional Hispanic stores offering ethnic products. As a food that enhances meal enjoyment, fresh beef fits their style.

A segment of the population that cannot be overlooked is children. The youth market is huge. Today's youngsters usually have their own money to spend and clear ideas about what they want. As this market evolves, it will be important to understand how youth think and what drives their behavior. They are driven largely by emotion and have considerable influence in family decisions about what and where a family chooses to eat. The youth of today are the adult consumers of tomorrow. Perceptions about foods, including beef, will color their future buying decisions.

— by Troy Smith



# Tough Issues, Reverent

## Cattle producers attend the 2005 Cattle Industry Annual Convention for discussion, education and awards.

Approximately 6,500 cattlemen from across the nation gathered in San Antonio, Texas, for the 2005 Cattle Industry Annual Convention & Trade Show — an event featuring meetings by the National Cattlemen's Beef Association (NCBA), the Cattlemen's Beef Promotion & Research Board (CBB), the American National CattleWomen (ANCW), National Cattlemen's Foundation (NCF) and Cattle-Fax. At the top of the agenda for every attendee was the U.S. Department of Agriculture's (USDA's) plans to open live cattle and beef trade, with few exceptions, from Canada. National animal identification (ID), trade barriers, market forecasts, animal health and beef safety concerns were among other hot topics discussed during the four-day event, which featured the Cattlemen's College® committee and council meetings, industry forums, panels, lectures and, finally, award ceremonies.

The business portion of the convention concluded Saturday, Feb. 5, with the NCBA Annual Membership Meeting, where decisions were made and policy set for the future of the industry. The meeting also

served as an avenue for honoring industry leaders.

During the Annual Membership Meeting, Clint Peck from *BEEF* magazine recognized former NCBA president Jan Lyons with the 2004 Trailblazer Award. He described her as "someone who absolutely cannot receive enough recognition from beef cattle producers across the United States," and said that in a year of many tough challenges, she performed very well.

Lyons accepted the award, she said, on behalf of the entire beef industry. "Nothing great is ever accomplished alone," she said, noting that a team of cattlemen from across the country worked together to handle recent controversies.

"We had an industry that was coordinated, unified and took our message to the country," she said. However, "our work is not done. We still have a lot ahead of us."

The regional winners of the Environmental Stewardship Award Program (ESAP) were also recognized. Winning the national title was the Florida-based Williamson Cattle Co. Frank "Sonny" W. Williamson Jr. and Frank "Wes" Williamson III accepted the award as a video was shown of their Okeechobee ranch and orchard. Formed in the 1940s, Williamson Cattle Co. focuses on protecting the water, wetlands and lakes running through its property. Lyons thanked the cattlemen for showing the world how farmers and ranchers are truly stewards of the land.

Jim McAdams, the new NCBA president, then introduced NCBA Chief Executive Officer (CEO) Terry Stokes, who spoke about Lyons' accomplishments for the entire cattle industry throughout 2004. Receiving a standing ovation

from the crowd, Lyons introduced and thanked her family members for their support, then stressed the importance of producers working together to fulfill their goals. "With challenges come many opportunities," she said. "NCBA has met the challenges."

McAdams then recognized his own family and spoke about the challenges



► Former NCBA President Jan Lyons accepts the 2004 Trailblazer Award.

## Cattle-Fax outlook

The preceding two years brought record-high prices and unmatched profitability to the beef industry — despite challenges presented by bovine spongiform encephalopathy (BSE) and the loss of major export markets. But what can producers expect during 2005 and beyond? Cattle-Fax market analysts say prices for all classes of cattle, wholesale beef and beef cut values are less likely to reach the peaks exhibited last year. Still, prices should remain strong.

"From an overall price standpoint, we have seen the highs for this cycle," says Cattle-Fax Executive Vice President Randy Blach. "I look for level to slightly declining prices."

The grain production outlook appears favorable for the cattle industry. Forecasters expect an increase in acreage planted to corn, boosting the nation's total to 83 million acres. The primary factor driving this growth is increased use of corn in ethanol production. Assuming favorable growing conditions, a record crop of nearly 11 billion bushels (bu.) is possible. Current stocks represent a cushion going into the 2005 growing season, which should limit price rallies. Corn prices are expected to average almost \$1.80 per bu. in 2005, ranging from \$1.60 to \$2.00 per bu.

Reviewing cattle inventories, analysts say cycle lows were recorded in early 2004. The nation's beef cow herd increased by about 195,000 head during 2004, totaling 33.1 million head by January 2005. The eight-year cow liquidation has ended, cow harvest has declined, and heifer retention is increasing. Compared to a year ago, feedlot placement of heifers has dropped by 3%. As herd expansion continues during the next several years, heifers are expected to represent 30%-32% of total feedlot placements. The tally of replacement heifers is predicted to be 500,000 head larger by 2009, and total beef cow numbers are expected to increase by more than 1.5 million head.

At the first of the year, U.S. feeder cattle and calf supplies outside of feedlots totaled 27.9 million head — up by 2% from a year earlier. Assuming the border is reopened in March, imports of feeder cattle and calves from Canada could number nearly 400,000 head during 2005. During the border closure, imports from Mexico climbed to a record 1.35 million head in 2004. With the reopening of the Canadian border, and as domestic feeder cattle and calf supplies have grown by about 500,000 head, import numbers from Mexico

# Honors

facing the beef industry. "We're on a pretty tough trail ... and we're going to need more help," he said. "We're all going to have to cowboy up."

He encouraged trust and faith in his fellow cattlemen and stressed the importance of building consumer demand and holding down costs to make beef production profitable for all involved. He also expressed his belief and commitment to NCBA as an organization dedicated to the democratic process, free enterprise and limited government. Finally, he said, only everyone working together can achieve results. "If we'll cowboy up together, nothing will keep us from success."

## Texas producer receives Vision Award

Jim Schwertner of Capital Land and Livestock in Schwertner, Texas, was honored with the national Beef Industry Vision Award, presented by the NCF. The award, sponsored by Ford Motor Co., was also presented Saturday.

The Vision Award was established to recognize the best beef innovator of the year. Nominees were evaluated on the basis of effective use of technology, effects on production

costs, ingenuity of implementation, innovative marketing, effect on the industry and optimum resource management.

While Schwertner's company is well-known in cattle feeding circles, he also is involved with stocker cattle and is one of the largest livestock dealers in the United States. However, his involvement in developing industry-leading programs such as the Vac 45 program known as Schwertner Select, Beef Advantage and Consolidated Beef Producers has left a particularly indelible mark on the cattle industry.

Other regional winners of the vision



► Regional winners of NCF's Beef Industry Vision Award include Angus breeders (third and fourth, from left) Ruth and David Gust of Circle A Ranch, Iberia, Mo.

are expected to drop to about 1.3 million head during 2005.

At 27 million head, the total 2004 steer and heifer harvest was the smallest since 1993. The total for 2005 is expected to reach almost 28 million head. By 2009, steer and heifer harvest is expected to increase by about one million head due to herd expansion and growing supplies of feeder cattle and calves.

Analysts noted how beef demand in the United States has improved consistently during the last several years. More beef was sold despite higher retail prices. However, 2004 brought the second-largest domestic beef supply in history, and record-breaking supplies [25.7 to 25.8 billion pounds (lb.)] are predicted for 2005. And, while demand is predicted to be similar to that of 2005, additional growth may be limited.

The forecast calls for steer and heifer harvest to increase by about 850,000 head, with most of the increase coming in the second half of 2005. Average steer carcass weights are predicted to increase by nearly 10 lb. compared to 2004 weights. The incentive to feed to heavier weights is significant, analysts say, due to low cost of gains relative to fed-cattle prices. Net beef supplies will be about 2% greater.

Assuming world markets are reopened to U.S. beef exports, 2005 fed-cattle prices should range from highs in the low \$90s to late summer lows in the mid \$70s. The Choice fed-steer price is expected to average about \$84. Producers are warned to look for volatile price swings.

Prices for 750-lb. feeder steers should remain strong, ranging from \$1.00 to \$1.15 per hundredweight (cwt.), and averaging about \$1.02 during the next couple of years. Calf prices should remain at comfortable levels, following seasonal patterns. The market for 550-lb. calves should top \$1.30 this spring and bring \$1.15 to \$1.20 in the fall. Prices for bred cows are expected to be strong in 2005, with a small decline in cull cow price. Weigh-up cows may bring around \$50, compared to last year's \$52.

"Cow-calf producers will generate the most consistent and positive returns during the next two to three years," Blach states. "Cattle feeder, backgrounder and stocker margins are expected to narrow. More attention to managing price risk and protecting equity is advisable."

— by Troy Smith



award included Circle A Ranch, Iberia, Mo.; RCMR Inc., Kim, Colo.; and DC Cattle Co., Globe, Ariz.

## Texas student wins top scholarship

Twenty outstanding students pursuing careers in the beef industry have each been awarded a \$1,500 scholarship provided by the Chicago Mercantile Exchange Inc. (CME) and the NCF. The CME has sponsored the scholarship program for 15 years.

Each scholarship winner wrote a 750-word essay that identified key issues confronting the beef industry and suggested possible ways of dealing with those issues.

The overall scholarship winner, Kari Bailes, was awarded an all-expense-paid trip to the convention, where she presented a portion of her essay during the NCBA Awards Program Lunch Feb. 5. In addition, her essay will be printed in a 2005 issue of the *National Cattlemen* magazine.

Bailes is a senior at Shepherd High School in Shepherd, Texas, and will be

CONTINUED ON PAGE 304

► The American Angus Association presented information on its programs and services during a "Tools for Success" meeting Feb. 4 in San Antonio. Pictured are Bill Bowman (upper left), vice president of information and data programs; Sally Northcutt (lower left), director of genetic research; and Richard Tokach, Association Board Member.



attending Texas A&M University in fall 2005.

The other 19 scholarship recipients were Casey Adams, Ault, Colo., Eaton High School; Jenna Bormann, Charlotte, Iowa, Drake University; Sarah Bradbury, Huntsville, Texas, Trinity University; Brooks Butler, Foxfield, Colo., Grandview High School; Kelsey Frasier, Limon, Colo., Kansas State University (K-State); Jessie Geib, DeSmet, S.D., South Dakota State University; Sara Hunter, Goodell, Iowa, Iowa State University (ISU); Tyler Kimmel, Stoneham, Colo., Prairie High School; Lesley Kirschten Baker, Mont.,

Baker High School; Landi McFarland, Ellston, Iowa, ISU; Emilie Miller, Womelsdorf, Pa., K-State; Katlin Mulvaney, Opelika, Ala., New Life Christian Academy; Davena Norris, Mesilla Park, N.M., New Mexico State University; Wrex Phipps, Kearney, Neb., Colorado State University (CSU); Toby Pollock, Berthoud, Colo., CSU; Jeana Sankey, Council Grove, Kan., Oklahoma State University; Austin Sexten, Washington Court House, Ohio, University of Kentucky; Audrey Young, Erie, Kan., K-State; and Jason Zwilling, Viola, Ill., Sherrard High School.

### Max Deets Scholarship awarded

Alan Kelley, a cow-calf producer from Saint Cloud, Fla., has been named the recipient of the Max Deets Leadership Scholarship, presented by the NCF. Kelley received the award Saturday during the luncheon.

Developed in honor of Max Deets, a Beloit, Kan., cattleman and 1997 president of NCBA, the scholarship promotes industry leadership and further develops young industry visionaries by awarding an all-expense-paid trip to the annual convention, with a value up to \$1,000.

The recipient of the award is the Young Cattlemen's Conference (YCC) chairman. Annually, YCC participants select an individual who demonstrates outstanding leadership during the weeklong tour to serve as chairman of the conference the following year.

Kelley is a fifth-generation cattle producer who, after graduating from the University of Florida, joined his father in managing their 1,000-head-plus cow herd in central Florida. He has been focused on improving and expanding their cow herd, and developing additional enterprises to diversify the ranch's income. He is actively involved in the Florida Cattlemen's Association, and has served in several leadership positions locally and at the state level. He and his wife, Amanda, have two sons.

### Penn State University wins quiz bowl

Penn State University was named the national winner of the 2005 NCF National Collegiate Beef Quiz Bowl on Feb. 4. Teams earned the privilege of competing at the Cattle Industry Annual Convention and Trade Show by winning their sectional competition of the American Society of Animal Science (ASAS) Academic Quadrathlon.

Other teams competing in this year's event were North Dakota State University and Utah State University.

The members of this year's winning team are: Emily Cloninger, Katherine Logan, Megan Moody and Burke Neely. Their advisor is Daniel Kniffen.



### Officers present status of NAIS

Officers of the National Cattlemen's Beef Association (NCBA) gathered together at the NCBA Officers' Forum on Trade & Animal ID to update members on the status of the National Animal Identification System (NAIS) and what NCBA is doing to prepare the beef industry for its realities.

The officers used the general session at the 2005 Cattle Industry Annual Convention in San Antonio, Texas, Feb. 3 to address how the NAIS affects the beef industry. One of the central concerns throughout the forum was how the database of animal movement information would be maintained. Many members felt uncomfortable having the data in the hands of the U.S. Department of Agriculture (USDA), reasoning that as a government agency it would be subject to the Freedom of Information Act (FOIA).

Others voiced the concern that if the information was maintained privately, such as by a software company, it would be subject to buying and reselling in the case of a merger or if the company went out of business.

NCBA officers responded by saying they were working with USDA to develop a way for government personnel to use the data if necessary (as in cases of traceback for animal disease), yet still maintain the privacy of cattlemen. They noted that the identification (ID) database would most likely be maintained by a consortium of some kind.

Members noted concerns about who would foot the bill for the NAIS. Several suggested that a tax credit of some kind would be helpful. Others said a market-driven incentive was needed. NCBA President Jan Lyons said the organization is committed to preventing the cost from becoming overburdensome.

In response to some who questioned whether the NAIS was an undue burden forced upon cattlemen, Lyons said producers can treat it as a tool for their benefit, especially all the data that will be collected. "Age verification is going to be extremely important as we look to regain our export markets," Lyons said.

To listen to the session, visit the "General Sessions" link from [www.4cattlemen.com](http://www.4cattlemen.com).

— by Brooke Byrd

# U.S. Cattlemen Set Policy Initiatives



**W**ith international beef trade issues in the spotlight, cattle producers from across the country set a plethora of additional policy priorities and initiatives at the Cattle Industry Annual Convention and Trade Show in San Antonio, Feb 2-5, 2005. Members of the National Cattlemen's Beef Association (NCBA) brought policy renewals, resolutions, amendments and directives to the table. Following is a brief summary of some of the top initiatives passed and renewed.

## Policy defined

**Agriculture policy.** NCBA members amended and renewed policy regarding firearms regulations, federal mandate compensation, ag research funding and labor policies. New policy was recommended that NCBA encourage the Natural Resources Conservation Service (NRCS) to utilize Environmental Quality Incentives Program (EQIP) funds for herbicide application as a practice for the improvement of eligible rangeland.

**Beef safety.** Producers amended/renewed policies on *E. coli* research, imported meat inspection equivalency issues, the Food Safety and Inspection Service (FSIS) National Residue Monitoring Program and the domestic meat inspection system.

**Cattle health.** Members passed renewed/amended policy on invasive animal pests permits, diseases and the inter-American highway, pesticides, federal funding priorities, stolen cattle, veterinarian training/collaboration, Plum Island Animal Disease Center funding, Greater Yellowstone brucellosis and tuberculosis regionalization, cryptosporidiosis, and the authority of the Animal and Plant Health Inspection Service (APHIS). A new resolution calls for legislation requesting confidentiality of producer information associated with a national animal identification (ID) system. NCBA staff was directed to support efforts to eradicate the Tropical Bont Tick from the Caribbean.

**Federal lands.** Producers passed/amended policy regarding grazing

permits, local compliance with Executive Order #12630, jurisdiction of the National Grasslands and rehabilitation of sagebrush habitat.

**International markets.** The International Markets Committee featured an 11-point directive regarding Canadian trade. In addition, producers passed or renewed policy regarding country-of-origin labeling; time restrictions on feeder cattle sent north; World Trade Organization (WTO) negotiations; the exportation of live cattle, semen and embryos; and the European Union (EU) hormone ban dispute. Numerous directives were passed that:

- ▶ support compensation paid by the EU regarding the WTO hormone case to the U.S. beef industry;
- ▶ support procedures regarding enhanced information request procedures, including birth certification, source verification and process verification, designed to increase the demand for U.S. beef as long as they are voluntary, market-driven processes and are not in conflict with current trade policy or domestic regulatory requirements;
- ▶ encourage the Bush Administration to continue its diligent negotiations with BSE minimum-risk countries and to organize a multilateral negotiation of countries to include government officials of Japan, Canada, Mexico and South Korea for the purposes of harmonizing trade standards at the earliest date possible; and
- ▶ work to defeat efforts to label beef and beef products as "North American Beef" or any similar language that has the intent of grouping other countries' beef with that from the United States.

**Cattle marketing.** NCBA renewed policy stating its opposition to federal legislation that would eliminate packer ownership/control of livestock. Also

renewed was policy opposing user fees for packers and stockyard administration activities and services.

**Nutrition and health policy.** Policy was renewed/amended regarding government beef purchases, U.S. Department of Agriculture (USDA) food consumption and nutrient intake data collection, use of the USDA national nutrient database for standard reference, imitation and substitute products, and the *Dietary Guidelines for Americans 2005*.

**Property rights/environmental management.** Policy was amended/renewed regarding livestock production and resource stewardship, natural resource inventories, USDA reorganization, relicensing of hydroelectric projects, invasive species, venue legislation, wetlands management, property rights protection legislation, indirect acquisition of land, information disclosure, military aviation training missions, the Convention on Biological Diversity, animal damage control, wolf recovery delisting, and dam breaching/ecology and land planning. NCBA staff was directed to work with the government to amend provisions in the Endangered Species Act (ESA) regarding frivolous lawsuits.

New policies were passed calling for:

- ▶ support of a fully funded Wildlife Habitat Incentives Program;
- ▶ support of legislation to "fast track" permits and give the NRCS, or others as appropriate, the authority to issue Black Vulture nuisance permits;
- ▶ support for an increase in Conservation Security Program (CSP) funding;

CONTINUED ON PAGE 343



## Policy Initiatives CONTINUED FROM PAGE 305

- ▶ increased prioritization of funding in the EQIP and the Wildlife Habitat Incentives Program over increased funding in the CSP;
- ▶ support of continued funding from federal agencies that will allow the National Center to continue in its valuable role of national scientific leadership and coordination;
- ▶ credible cost/benefit assessment to compare the cost of strict enforcement of environment laws or regulations against the actual value of environmental improvements;
- ▶ support of initiatives to increase annual national technical assistance funding to the USDA NRCS;
- ▶ custom operators to be permitted to participate in EQIP, and opposition to unreasonable penalties associated with cancellation of an EQIP contract; and
- ▶ the elimination of as many requirements for participation in all Farm Bill programs as is possible.

**Tax and credit.** Producers renewed/amended policy directives regarding amendments to U.S. Social Security laws, tax shelters and deferrals, limitations on special-use valuation for federal estate valuation purposes, abolition of the Alternative Minimum Tax, unemployment taxes, withholding of Social Security taxes and federal income taxes for employees, alternative minimum tax and income averaging, corporate structure for agriculture, deductible business expenses, conservation tax credit, double taxation, the federal budget, government subsidies, and the farm credit system. New policy was passed to work toward establishment of a tax credit for all industry segments participating in the National Animal Identification System (NAIS).

A mail ballot was to be distributed to all NCBA members Feb. 17, asking members to approve or reject all policy decisions passed at the convention. For the ballot to be valid, there must be a 20% return from four of NCBA's seven regions. For full documentation on all policy, visit [www.beefusa.org/documents/2005Resolutions.pdf](http://www.beefusa.org/documents/2005Resolutions.pdf), or <http://hill.beef.org>.



**Editor's Note:** *This article was adapted from a news release provided by NCBA.*