

Turning

Ever wonder why the industry is the way it is? Look no further than many of the people and events that appear on this list.

Terminal markets. The construction of railroads in the late 1800s helped link homestead ranches and farms to markets in cities across the country. Cattle, sheep and hogs streamed into these “terminal” markets on boxcars, where they were sorted into pens and sold directly to packers and feeders.

These markets — which sprang up in cities like Denver, Colo.; Omaha, Neb.; Kansas City, Mo.; Saint Joseph, Mo.; Fort Worth, Texas; and Chicago, Ill. — reshaped the production of livestock from “subsistence” existence for farmers and ranchers into a viable nationwide industry.

Harvesting and processing facilities sprang up along the edges of these markets, shipping meat, hides and other products to eastern cities, heralding the beginning of corporate agriculture and consolidation of ag interests.

National Western Stock Show (NWSS). Celebrating its 101st anniversary in 2007, the NWSS enjoyed a humble but promising beginning on a hilltop above the Denver, Colo., stockyards. The first

show enjoyed the attendance of 15,000 stockmen visiting from Omaha, Kansas City, Chicago and some eastern

cities. The grand champion steer sold for 33¢ a pound, 23¢ over the market price. Streetcars, horse-drawn carriages and special trains from Union Depot delivered most of the public to the show, which offered free admission.

Today, the event draws more than 600,000 people each year from across the country and around the world. Top seedstock producers from every state in the union compete at the NWSS. And the event itself — perhaps the most important of its kind in North America — has permanently reshaped the way in which seedstock producers display and market their cattle.

Interstate highway system. The construction of the Interstate Highway system, begun in the 1950s by President

Eisenhower, brought easy access for farmers and ranchers everywhere to markets, processors and distributors.

Good roads meant ranchers, feeders and packers no longer had to ship their livestock to terminal markets by train — something that eventually doomed the terminal markets.

“The highway system was the demise of the big city stockyards and packing plants, and brought about the decentralization of meatpacking and direct fat cattle trade to the country,” says Dan Green, editor and publisher of *The Record Stockman*.

The Monfort family. The Monforts redefined modern agricultural and livestock production practices for good. In the 1930s, they pioneered controlled feeding of cattle in pens to maximize weight gain, control disease, and ensure a steady supply of animals for market. Finishing cattle for market in controlled feedlots revolutionized the cattle industry and laid the foundation for the West’s agri-business boom in the 1960s.

Continuously focused on lowering costs of production, the family entered the meatpacking business in the early 1960s. Their business grew exponentially until it became the second-largest meatpacking enterprise in the world in 1990. The Monforts pioneered the development of boxed beef, and they were leaders in value-based, carcass formula pricing systems in the 1990s.

Marketing practices. During the days of the terminal market, cattle were simply bought on location, then shipped directly to packinghouses or small feedlots, primarily in the Midwest, for finishing. The system had inherent inefficiencies, particularly because Corn Belt farmers, motivated by a need to feed corn rather than produce beef, tended to market overly fat cattle, says W.D. Farr, a founding father of modern cattle feeding and ag finance.

“We had a lot of people in the Corn Belt who simply bought cattle too high and then held onto them for too long,” Farr says. “If the fat cattle market went south, the farmers would freeze and hold onto them for another couple of months. The result was cattle that were too fat and too heavy. The penalties that went against these cattle were severe. That was a bad period for the cattle industry. We don’t do that anymore. We feed our cattle to a desirable end weight, shut our eyes and sell them. We’ve learned that you’ve got to have a lot of discipline.”

In the early 1990s, packers began buying cattle on formula-based pricing systems, which meant cattle producers could finally get paid for the quality of their carcasses, instead of just the weight of their live fed cattle. This helped propel the growth of the Angus breed, which leads the industry in traits for carcass and eating quality.



Point

People and events
reshaped the U.S. beef
industry for good.

by Eric Grant

Video and satellite sales. Every year, increasing numbers of cattle are bought and sold using video and satellite technology. It also means fewer cattle are being sold through traditional auction markets, and it allows producers to reduce some of their transportation and marketing costs because they can sell directly from the ranch.

“Superior Livestock’s Jim Odle and Western Video Market’s Pat Goggins pioneered the actual development and perfecting of the business,” Green says. “In terms of impact on the business, this is one of the biggest.”

Today, satellite sales feature everything from registered bull and heifer auctions — allowing producers to market their genetics to a nationwide (instead of regional) audience — to organic, natural and commodity feeder cattle and fed cattle.



Irrigation. When High Plains farmers and ranchers pioneered the development of irrigation in the 1940s and 1950s, high-quality corn could finally be grown in places like Texas, Colorado, Kansas



and Nebraska. Having abundant corn in relatively arid climates with mild winters meant cattle could be fed on a year-round basis, a revolutionary production practice for its time. It also helped propel the

shift away from feeding cattle in traditional Corn Belt areas, such as Iowa and Illinois.

“Great wealth and great numbers of cattle flowed into the High Plains as a result of improved irrigation practices,” Farr says. “It changed grain production and cattle feeding for good.”

Finance. The shift in cattle feeding to the High Plains reshaped ag finance as well. And access to reliable sources of capital in cities like Lubbock, Texas; Denver, Colo.; and Lincoln, Neb., propelled the growth of agribusiness and cattle feeding, particularly in Texas and Nebraska.

“As we became successful, we were able to convince the banks that this was a good business, and credit became available to farmers,” Farr says. “We developed a way of diverting money into the cattle industry, which was fundamental for this industry to grow.”

Temple Grandin. Fort Collins, Colo.-based Temple Grandin has changed animal-handling practices and facilities around the

world. Born with autism, Grandin overcame her disability to become the recognized leader in animal behavior, improving the way people interact with livestock.

Today, she claims some of the world’s largest restaurant chains, feedlots and packing plants as her clients. “As public scrutiny of animal-handling practices continues to heighten, no doubt Grandin will be front and center, helping the industry tackle some of its stickiest animal welfare issues,” Green says.

Universities and research. Research conducted by land-grant universities has reshaped and redefined livestock production on every level, from breeding and genetics, to nutrition and animal health, to meat processing and marketing.

These universities played a key “incubator” role for new businesses and new technologies. Perhaps more than anything else, ag universities have provided the worldwide livestock industry with a steady stream of highly trained young people to return to their farms or ranches, or join agribusinesses or public policy organizations.

Genetic evaluation. The advent of genetic evaluation and expected progeny differences (EPDs) in the 1970s and 1980s resulted in a profound shift in how producers make breeding decisions. Once dependent almost entirely on visual appraisal, seedstock and commercial producers alike are now able to compare the genetic strengths and weaknesses of specific animals against others. They are able to select for or against specific traits, ranging from birth and mature weights to intramuscular fat and milk.

The Certified Angus Beef® (CAB®) brand. Perhaps no other branded beef product has reshaped the way in which beef is marketed to consumers than CAB. Launched in the late 1970s, the Certified Angus Beef Program nearly failed, but by the early 1990s it had become the industry’s largest and most successful branded beef venture.



Since that time, more than 75 similar Angus-branded products have entered the marketplace, all touting the quality and consistency of Angus beef. The success of

Certified Angus Beef LLC (CAB) has changed America’s pastures, too, “blackening” the nation’s cow herd for good. In 1980, Angus cattle controlled about 25% of the U.S. cattle market. Today, research shows nearly 75% of all U.S. cattle producers use Angus genetics.

