

Follow Me to Tennessee

Highlights of the 2014 Cattle Industry Convention and NCBA Trade Show.

A record-setting number of more than 8,200 cattlemen and women gathered in Nashville, Tenn., Feb. 3-7 for the 2014 Cattle Industry Convention and National Cattlemen's Beef Association (NCBA) Trade Show.

Cattle industry enthusiasts from across the country joined together for a week of education and entertainment while also

setting policy to guide legislative efforts for the coming year. The convention included joint and

individual meetings

sponsored by

five industry

organizations:

NCBA, Cattlemen's

Beef Promotion

& Research Board

(CBB), American National

CattleWomen Inc. (ANCW),

CattleFax and the National

Cattlemen's Foundation (NCF).



This year's convention participants heard from industry leaders, gathered insight on industry trends, met with their fellow cattlemen and women, and enjoyed a night at the Grand Ole Opry in the heart of Nashville.

The NCBA Trade Show was the largest ever this year with more than 300 exhibitors. New to the trade show this year were two education areas on the showroom floor with a demonstration area for live animals and a learning lounge for classroom-style presentations.

Leadership

Bob McCan, Victoria, Texas, succeeded Scott George as NCBA president during the association's board of directors meeting.

McCan encouraged NCBA members to join him in leading this great industry — and the association — to an even stronger future.

“It is a great honor to be elected to lead NCBA for the next year. A strong future lies ahead of us with endless opportunities for U.S. cattlemen and women,” McCan said. “There are many issues that need

our attention, and my goal is to bring unity to our efforts to address them. In addition, I look forward to meeting cattlemen throughout the country to hear their concerns and work to make our industry as successful as it can be.”

The new NCBA president-elect is Philip Ellis of Wyoming. Tracy Brunner of Kansas is NCBA's new vice president. Cevin Jones of Idaho was elected chairman of the NCBA Federation Division and Jennifer Houston of Tennessee is the Federation Division's vice chair. The new NCBA Policy Division chairman is Craig Uden of Nebraska, and Kevin Kester of California is the new policy vice chairman.



The American Hereford Association (AHA) and Certified Hereford Beef (CHB) LLC booth attracted trade show attendees in Nashville. Visitors picked up promotional materials and visited with AHA staff about the Hereford advantage.

Hereford breeder Richard Gebhart of Beacon Hill Ranch, Langley, Okla., was appointed treasurer of the NCBA. The appointment was made by NCBA President Bob McCan



Richard Gebhart

at the NCBA annual meeting on Feb. 7. Gebhart operates his family owned Beacon Hill Ranch, which has been in operation since 1909. He is a fourth-generation Hereford breeder and former

recipient of the Golden Hereford Breeder Award.

In addition to his ranching operation, Gebhart is a professor of operations management and a director of assessment in the business college at the University of Tulsa (TU). He is

continued on page 56...

CattleFax outlook: Blach shares vision for 2020

Cattlemen and women gathered on Feb. 5 during the Cattle Industry Convention to hear CattleFax market analysts' projections for the year ahead. Creighton University Professor Emeritus Art Douglas told the audience he expects improved moisture conditions in the majority of the U.S., including improvements in the drought-affected areas of the West Coast.

As precipitation returns to more normal levels for the 2014 growing season, CattleFax predicts farmers in the U.S. should grow an adequate corn crop to build the carryover supply. The improved corn supplies should assure lower corn/input costs over the next 12-24 months, according to CattleFax Grain Market Analyst Mike Murphy.

"The lower input cost will have a direct correlation to improved feeder cattle and calf values in 2014, and with continued help from Mother Nature, we will be in better shape with regard to hay supply and prices moving forward," Murphy said.

Global Market Specialist Brett Stuart indicated that beef exports are expected to be near even in 2014 with record high prices being the limiting factor. At the same time, expectations are for beef imports to be near even, despite the need for 90% trim due to the expected lower non-fed slaughter rates in the U.S. The driving factor for stagnant imports is the growth of China's demand for global beef, which will continue to divert beef from Australia into the China market and away from the U.S. market.

CattleFax Senior Analyst Kevin Good indicated the combination of improved moisture conditions resulting in lower input costs and record high calf values should lead to beef cow herd expansion beginning in 2014.

Beef production in the U.S. will fall, with per capita supply declining 4.5%. However, he said the pork and poultry supplies are expected to increase, leaving total meat supplies near even. CattleFax projects the Retail Beef Demand Index will improve by 1% due to continued modest economic growth.

"As we think about our consumers today, not only domestically but globally, they're a lot more diverse than they have been in the past," Good said. "We've got different customers with different preferences and different pocketbooks."

Good said because of the continued tighter feeder cattle supply, the margin segments of the beef production system, both feedyards and packers, will struggle with excess capacity. Look for continued closure of both packing and feeding entities over the next 12-24 months.

Prices are expected to average \$135 compared to \$126 during 2013, an increase of 7%. Yearling prices are expected to

average \$168, an increase of 13% from the 2013 average of \$146. According to Good, calf prices will average \$193, up 13% from last year's average of \$168.

"After years of tightening supplies, the cow-calf sector will again remain in the driver's seat during 2014," Good said.

CattleFax CEO Randy Blach summarized the year ahead by saying almost all segments of the production chain will be profitable, although margin operators will continue to face challenges over the next few years.

Blach remains optimistic for the long-term cattle industry as the profit incentives will result in a larger U.S. cattle herd over the next five years, creating business opportunities for those willing to adapt to a dynamic and changing business environment.

"You can start to see the globalization of the protein markets from the 1990s on," Blach said. "We have the most efficient production system in the world and we are the largest exporter of protein onto the global market."

According to Blach, the beef supply that Americans consume annually has decreased to less than 55 lb. compared to 95 lb. in the late 1990s.

The main driver of why markets change is supply. In 2014 retail and wholesale beef prices are expected to increase 7%, though per capita net beef supplies will drop 4% to 54 lb. per person.

However, in 2020, Blach predicted, global growth will continue, and global markets will add \$307 in value of beef, beef byproducts and hide exports per carcass, a strong increase from \$175 in 2003.

Currently, the U.S. is the largest beef producer in the world, but it needs herd expansion to retain that title. Blach said 27% of the meat — beef, pork and poultry — exported globally comes from the U.S.

In 2013 the U.S. exported 7.3 billion lb. of beef, and Blach predicted that by 2020 that number could increase to 12.2 billion lb.

To prepare for an increasingly global marketplace in 2020, Blach suggested the U.S. beef industry will 1) continue to consolidate, 2) expand the cow herd in the next one to four years, 3) increase capital requirements, 4) be prepared for more volatility, 5) increase risk management, and 6) enhance global market access and trade agreements to respond to increased global buying power.

Other countries need more of what we have, and now they have the income to pay for it, he explained. **HW**

...Follow Me to Tennessee continued from page 55

also a retired U.S. colonel and holds a law degree from TU, an MBA from Syracuse, a master's degree in agricultural economics/animal science from Mississippi State University and a bachelor's degree in political science from the University of Arkansas. Most recently, Gebhart served as chairman of NCBA's Federation Division. He has held numerous volunteer leadership positions with the Oklahoma Beef Council, the Oklahoma Hereford Association, the Rogers County Cattlemen's Association and NCBA.

In addition to the election of the new officer team on the final day of the convention, committees and the board of directors also voted on policy issues, including resolutions on cattle health and well-being, cattle marketing and

international trade, federal lands ranching, and more.

Cattlemen's College

The NCBA's Cattlemen's College kicked off Cattle Industry Convention activities on Feb. 3 and 4.

The 2014 edition of Cattlemen's College offered a wide range of informative, hands-on educational workshops designed for cattle operations of every size and sector.

Cattlemen's College participants heard from an outstanding lineup of industry experts during the course of two jam-packed days. On Monday, Feb. 3, participants heard from Arne Anderson, DVM, as he discussed the dos and don'ts of processing cattle through a chute, with emphasis placed on safety and efficiency for both the cowboys and the cattle.

Following this presentation, Jerry Lipsey and Kent Andersen, DVM, shifted focus to the selection of herd replacements. In his presentation, Lipsey demonstrated how to select replacement heifers for longevity, and Andersen discussed combining cowboy common sense for soundness and adaptability traits with the disciplined use of expected progeny differences (EPDs) for combinations of calving ease, growth, efficiency, and carcass and maternal traits in selecting replacement bulls.

Cattlemen's College classes started back up Tuesday with a keynote address by Bob Langert, who is the corporate vice president and leads corporate social responsibility and sustainability for McDonald's Corporation.

Langert shared McDonald's overall sustainable supply chain vision and beef's role in the company's plan. Langert also discussed how McDonald's is working with various stakeholders, including all parts of the value chain, to collaborate on social and environmental opportunities and challenges as sustainability in the industry continues to evolve.

"If we don't invest on sustainability, we're not going to have all the customers we want in the future," Langert said. "At McDonald's we know what we're good at, and we know what we're not good at. What we're good at is running restaurants, but we need to rely upon beef ranchers, processors, the industry to figure out what sustainability means. We're just one part of the spoke. That's what the global roundtable for sustainability is. Yeah, our voice is there, but so are all the others. Let's come up with a definition of beef sustainability for all of us that's based on science and going to help drive our businesses forward."

For more convention news and highlights, visit NCBA's website, beefusa.org, or the online meeting coverage site, 4cattlemen.com. **HW**

Free BQA certification for producers

Are you doing your part for the beef industry by earning your BQA certification? For a second year, the checkoff-funded Beef Quality Assurance (BQA) program is giving producers the chance to become certified for free thanks to a partnership with Boehringer Ingelheim Vetmedica Inc. (BIVI) and the Beef Cattle Institute (BCI) housed at Kansas State University.

The cost of BQA certification is normally \$25 to \$50; however, from Feb. 3 through April 15, 2014, BIVI will defray the cost of the certification or recertification, making it free. Visit www.bqa.org/team or www.BIVI-BQA.com to get started.

"BQA provides cattlemen with practical management tools they need to produce safe, high-quality beef for our consumers, says Ryan Ruppert, senior director of Beef Quality Assurance. "BQA also helps discover practices which can improve efficiency and, ultimately, profitability."

"One of the challenges that beef producers face is having all of their employees become BQA certified," says Dr. Jerry Woodruff, BIVI professional services veterinarian. "BIVI's partnership with BQA helps offset some of those expenses, and we encourage producers and their employees to use the online training programs."

The beef industry has embraced BQA because it is the right thing to do, and certification is the next step to show your commitment to producing the best beef possible. In 2013 more than 3,500 producers took advantage of BIVI's support of BQA online certification. BIVI sponsorship of the program again in 2014 demonstrates the company's commitment to improving the industry and to telling consumers about the sound production practices most cattlemen use every day.

The BQA online programs are customized for cow-calf, stocker, feedlot and dairy operations. Developed and managed by the independent BCI, these easy-to-use modules teach sound management techniques that can be applied to all producers' operations. The modules also help cattle operations tell their stories to consumers who might not understand all of the safety measures cattlemen take in producing the food on the table. **HW**