

# Cattle Producers Discuss

NCBA members addressed policy priorities at the 2014 Cattle Industry Summer Conference in

**O**ur policy committees are tasked with a broad spectrum of issues, with everything from environmental regulation to nutrition policy to trade barriers on the agenda,” said Bob McCan, National Cattlemen’s Beef Association (NCBA) president and Victoria, Texas, cattle producer. “Cattle producers gather from across the country to discuss the biggest issues facing the cattle industry right now and make specific decisions on how to move forward on these priorities.”

Along with revisions to current policies, NCBA members analyzed the overall state of the industry in one-on-one discussions with top government representatives, trade officials and other industry leaders.

“Right now, priority issues include the EPA’s proposed waters of the United States rule, tax reform and ongoing international trade issues,” said NCBA Vice President of Government Affairs Colin Woodall.

“We are engaged in a long list of policy priorities all year long. After the meetings in Denver, NCBA’s D.C. staff is headed back to Washington, ready to hit the ground running with the list of recommendations and policy updates.”

In the Property Rights and Environmental Management Committee, members passed a resolution to lead the development of a beef sustainability program, inclusive of the beef value chain and stakeholders, that addresses the continued advancement in areas such as economic viability, production efficiencies, animal care and handling, environmental conservation, human resources, and community support.

The Cattle Marketing and International Trade Policy passed a resolution for NCBA to support changes to Mandatory Price

Reporting. Accurate and detailed market information is imperative for sound decision making, and the directive calls for support of changes to ensure the data reflects the marketplace.

NCBA’s Cattle Health and Well-Being Committee passed policy regarding foreign animal diseases, which could cause a widespread quarantine and possible

massive depopulation of the U.S. cattle herd, thus compromising national security and jeopardizing the U.S. beef supply. As such, a resolution was passed to oppose the importation of live cattle, beef, and/or beef products into the U.S. from foreign countries with histories of significant chronic animal diseases and lack of strict animal disease control and eradication measures.

## Positive Market

‘Perfect storm’ points to rosy picture for cattle industry, according to CattleFax analyst.

The cattle industry is transitioning from the liquidation phase to the expansion phase in terms of cattle numbers, according to Kevin Good, senior market analyst for CattleFax. When combined with a very robust domestic and global demand for beef, it helps point to a rosy picture for the industry. Good made the remarks during a general session of the 2014 Cattle Industry Summer Conferences in Denver Aug. 1.

“It’s one for the ages,” Good said, referring to the cattle market. “It’s been a tremendous change from a year ago.”

Good said the industry is accelerating the rate of expansion, and “it’s a great opportunity to take advantage of the trend.” However, while the fundamentals are “friendly,” he said, “the market will have a correction.” That correction could be soon.

“Something needs to give. You have to be prepared for that ceiling,” he told the hundreds of cattle producers in attendance.

Good said a “perfect storm” was in place for the industry in terms of profitability. There’s a tighter animal supply in general, with the porcine epidemic diarrhea virus (PEDv) in the pork industry and hatchability and genetic issues in the poultry industry keeping pork and chicken supplies in check. With all animal protein supplies stable and prices increasing, beef is not that far out of line, he said.

Good said calves in 2014 are averaging \$2.40 per hundredweight (cwt.), while feeder

cattle are \$2 and fed cattle \$1.50. He said CattleFax expects prices should be stronger again on average in 2015, but larger supplies of beef by 2016 and larger total meat supplies will limit prices by then.

Lowering corn prices are giving the industry some relief. They are the lowest since 2010, and are expected to average in the \$4-per-bushel (bu.) range, and possibly in the upper \$3s, for the year. Production in 2014 is expected to be in the 14-billion-bu. range, he said.

Range conditions are the third best they have been in the past 20 years, Good said. El Niño has been moderately strong, and is also providing relief to much of the country devastated by drought. However, he said the industry is still in the midst of a 20-year drought, so producers should still be cautious about conditions for 2015, 2016 and 2017.

Exports are increasing, and will continue to be a key component of producer profitability, according to Good. The China market (including Taiwan and Hong Kong) has become the top importer of beef in the world, and will continue to be a critical export market for beef-producing countries in the future. Good said about 17%-18% of a beef animal’s value is exported in beef, variety meats and hides, and producers should recognize the importance of this income source.

“We are living in extraordinary times,” Good said, “and prices are going to be



## Denver, passing new resolutions and directives for the 2014 Policy Agenda.

Further, NCBA urges USDA to include U.S. cattle industry stakeholders in any negotiations with foreign countries relating to efforts that may affect the health of the U.S. cattle industry and provide the U.S. cattle industry opportunities to comment on new procedures for developing risk analyses for any foreign country with significant chronic animal disease issues wishing to export live

cattle, beef, and/or beef products into the United States.

USDA protocols should be substantiated by sound, scientific evidence and animal health-related regulations should not be used as non-tariff trade barriers.

All of these policies from the committees were passed by the full NCBA board of directors.

The official NCBA Policy Book is a detailed compilation of policy priorities on cattle industry issues. The full NCBA 2014 Policy Agenda can be found online at [www.beefusa.org](http://www.beefusa.org).



**Editor's Note:** This release is from NCBA.

# Outlook

**“We are living in extraordinary times, and prices are going to be continually strong over the next couple of years.”**

— **Kevin Good**

continually strong over the next couple of years.” Still, he urged producers in the audience to exercise caution. “It’s easy to be optimistic today,” he said, “but markets don’t go up forever.”

General session II led off Day 2 of the Summer Conference, which included meetings of the National Cattlemen’s Beef Association (NCBA), Cattlemen’s Beef Board, American National CattleWomen and National Cattlemen’s Foundation. Among the purposes of the yearly conference is to create a framework for checkoff and policy efforts on behalf of U.S. cattle producers for the 2015 fiscal year, which for NCBA and the Cattlemen’s Beef Board begins Oct. 1.

Joint committees and subcommittees continued meeting Friday to develop proposals for 2015 checkoff-funded research, education and promotion programs. Also on Friday, NCBA policy committees met to determine priorities and discuss strategies for 2015.



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## Cattle Operations Honored for Stewardship Efforts

Seven cattle operations were recognized July 31 as regional winners of the 2014 regional Environmental Stewardship Award Program (ESAP). The awards, announced during the 2014 Cattle Industry Summer Conference, honor the industry’s best land stewards.

The 2014 regional winners are:

- ▶ Conlan Ranches California/True Grass Farms, Valley Ford, Calif.;
- ▶ Rock Hills Ranch, Lowry, S.D.;
- ▶ Wineinger-Davis Ranch, Colo.;
- ▶ Rocosa Ridge Ranch, Bosque County, Texas;
- ▶ Nichols Farms Ltd., Bridgewater, Iowa;
- ▶ Sherwood Acres Farm, LaGrange, Ky.; and
- ▶ Two Rivers Ranch, Thonotosassa, Fla.

“The cattlemen and women of this country take seriously their responsibility to the environment. Each of these award recipients serves as a shining example of how the beef industry is working to preserve open space and leave the land better than they found it,” said National Cattlemen’s Beef Association (NCBA) President Bob McCan. “The ESAP award serves as a showcase for the practices used by farmers and ranchers to improve air, land and water quality. Those practices, in turn benefit the land, improve fish and wildlife habitat and serve as an outstanding example to their fellow producers.”

The work by cattlemen and women to protect their natural resources helps to improve the environmental sustainability of the beef industry. Those efforts also help this year’s regional winners improve the land for future generations, a goal shared by each of these operations.

The seven regional winners will now compete for the national ESAP award, which will be announced during the 2015 Cattle Industry Annual Convention & NCBA Trade Show in San Antonio, Texas.

The awards, now in their 24th year, were developed to recognize beef producers for their efforts to implement practices that improve the environmental sustainability of their operations. The ESAP award is sponsored by Dow AgroSciences, the USDA Natural Resources Conservation Service (NRCS), the U.S. Fish and Wildlife Service (USFWS), NCBA and the National Cattlemen’s Foundation (NCF).



**Editor's Note:** This article was provided by NCBA.