



2006 CATTLE INDUSTRY ANNUAL CONVENTION & TRADE SHOW

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2006 NCBA OFFICERS

NCBA President: Mike John, Huntsville, Missouri

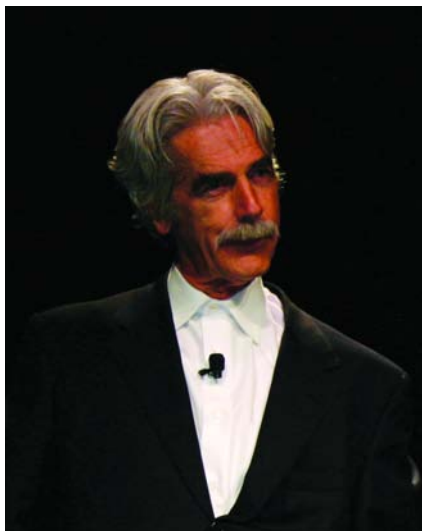
NCBA President-elect: John Queen, Waynesville, North Carolina

NCBA Vice President: Paul Hitch, Guymon, Oklahoma

NCBA Past President: Jim McAdams, Adkins, Texas

Chairman of NCBA Policy Division: Andy Groseta, Cottonwood, Arizona
Vice Chairman of NCBA Policy Division, Steve Fogelsong of Astoria, Illinois

Chairman of Federation Division: Larry Jones, Holcomb, Kansas
Vice Chairman of Federation Division, Gary Voogt, Marne, Michigan



MYSTERY GUEST – *Sam Elliott was the mystery guest at the opening general session of the National Cattlemen’s Beef convention held Feb. 1 to 4 in Denver, Colo. Elliott is the voice heard on the poplar “Beef, its what for dinner” commercials. Elliott made his film debut in “Butch Cassidy and the Sundance Kid” in 1969 and has appeared in numerous western films and TV shows over the year. (Journal photo by Kylene Orebaugh)*

Beef Industry begins herd expansion phase of cycle

By DOUG RICH

In a world that seems to be constantly changing there are still a few things that stay the same. One of these is the cyclical nature of the beef industry.

Look back as far as the cattle drive days of the old west and the up and down nature of the cattle industry is evident. After another year of record prices, U.S. beef producers are in the beginning stages of a downward trend.

According to the Cattle-Fax Market Outlook presented at the National Cattlemen's Beef Association annual convention held in Denver, Colo., Feb. 1 to 4, the herd rebuilding phase has begun. Cow slaughter is down 5 percent and heifer slaughter is down 17 percent. Those animals are going into the breeding herd. Beef cow numbers increased for the second consecutive year.

It has taken eight years to reach the low point of this cycle so the rebuilding phase will not happen over night, but cattlemen must begin planning for the inevitable. In the not too distant future the historic prices that U.S. cattlemen have been enjoying will start to come down. Cattle markets are operating at very high levels so it is not likely that this downward trend will come close to reaching historic lows.

This fact puts additional pressure on critical issues already facing the U.S. beef industry. The first of these issues is demand, domestically and overseas. To consume the extra tons of beef we will be producing for the next few years, beef producers will need to depend more and more on the 96 percent of the world's population that lives outside this country.

Export markets will become increasingly important as cow herd numbers begin to grow. Problems with the Japanese market continue and nobody knows when those issues will be resolved. Sound science does not seem to get much of a hearing in these situations. What Japan does has an impact on how other Asian nations receive our export message.

"This administration is committed to accomplishing free and open trade based upon scientifically sound and internationally recognized markets," U.S. Secretary of Agriculture Mike Johanns told NCBA members in Denver.

All of this puts additional pressure on the need to finalize a National Animal Identification System. Some of our major competitors in the export market, Australia and Canada, are using their identification systems and the trace back ability they have to reach new customers around the world. At one of the committee meetings during the convention a producer asked how much was the U.S. beef industry willing to give before it put an animal identification system in place. The answer was not much more.

When we closed the border with Canada they began building up their slaughter capacity and now that beef is looking for a market, an export market.

Domestically demand for beef has leveled off and this has many cattlemen wondering if this is the time to consider making changes to the structure of the beef checkoff program in this country. There was plenty of conversation about this topic at the NCBA convention.

However, a recent survey of beef producers by the Cattlemen's Beef Board showed approval of the checkoff remains high. According to the survey 73 percent of beef producers approve of the Beef Checkoff. "Beef producers continue to see that the Beef Checkoff Program provides a good value for the money invested in it," said Alan Svajgr, Beef Board chairman.

In response to these issues NCBA announced a new beef industry long range plan during their annual convention and trade show. Their vision is a beef industry that is profitable, growing and sustainable for future generations.

Future generations that also will have to make a living in a cyclical industry. ■





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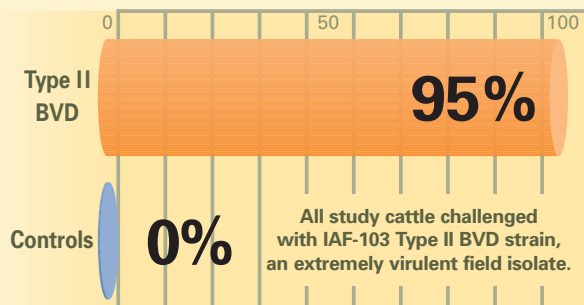
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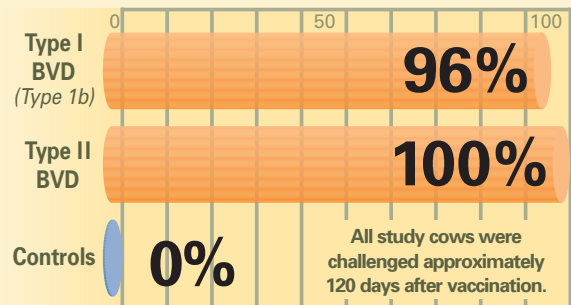
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The Beef Industry

LONG RANGE PLAN

By KYLENE OREBAUGH

10 by 2010. That was the catch phrase at the announcement of the National Cattlemen's Beef Association's Beef Industry Long Range Plan, at the group's annual convention.

The plan, with hopes of securing the U.S. beef a spot as the world's most preferred protein, has four priorities.

1. Creating value through beef production.**2. Creating growth through consumer markets.****3. Creating sustainability through a favorable U.S. business climate.****4. Creating opportunity through global competitiveness.**

Designed by the Industry Long Range Planning Group, each priority has a desired outcome, a given, and a way to reach each goal. The group calls for success against domestic and international competition. On the domestic side planners want beef demand to increase by 10 percent by 2010 and to establish a consumer satisfaction index by the end of 2006 and set a target for 2010. To succeed against international competition, an increase in U.S. beef exports from 1 billion pounds in 2005 to 3 billion pounds by 2010, as well as improving the balance of trade by becoming a net exporter in terms of value by 2010.

Dee Lacey, group chair of the long range planning group, told listeners to be observant.

"As you look at this plan, its not a single plan for a single organization, but a plan for multiple organizations," Lacey said. "It's success is interdependent upon one another. It's a plan for all of us."

In order for cattle producers to be profitable and sustainable in the markets and the industry, members of the long range planning group, explained the need for the plan.

"We had to spell it out, and have clear objectives and goals," Troy Marshall, a committee member said. "They are pretty lofty goals, but we can achieve them."

1. Creating value through increased beef production.

According to the plan, a productive beef industry that creates profit opportunities for every segment and produces beef products that meet consumers' needs of flavor safety, healthfulness, consistency, convenience and value. It's a given that there will be age/process/source verification, and in the plan it calls for there to be continued creation of opportunities for beef producers to receive value from their ability to verify product or production methods. Also with this objective, the plan outlines the need for new frontiers in the following areas.

—Accessible information. This way producers can have access too, and in turn make knowledge driven choices. Producer education also falls in this category.

—Opportunity for all. Creating an outlet for all industry segments to grow and to let the next generation carry on the business, farm or ranch. In



ULTIMATE GOAL—Two beef industry long range plan committee members look on as Donald Brown of Texas speaks to attendees during one of five forum sessions at the NCBA Cattle Industry Convention, Feb. 2, in Denver, Colo. (Journal photo by Kylene Orebaugh.)

this area, production models; motivational, informational and creative tools will help provide value for beef and byproducts; creation of successful generational transfer, and the permanent elimination of estate taxes.

—Critical links in the chain. Cow-calf producers are a critical part of the foundation of the beef value chain, as are retailers. Beef needs to increase its presence at the point of sale and on the menus.

2. Creating growth through consumer markets.

At this point in the plan, a growth industry is one that capitalizes on U.S. and international opportunities and achieves increasing beef demand, consumer satisfaction and enhanced carcass value. Producers should demand growth, promote and defend the image of beef and beef production, and help to engage retailers and foodservice operators as partners in creating a preference for beef.

New frontiers are needed in the following areas:

—Beef's uniqueness: New opportunities need to be identified to create differentiation and relevance of the U.S. beef supply. This includes banking on beef's already strong demand, consumer passion for beef, unique nutrient profile, premier protein source and the global uniqueness of grain-fed beef and other products.

—Market-by market product strategy: According to the plan, carcass value can be enhanced by matching the correct beef product or byproduct with the correct market opportunity (U.S. or international).

—Consumer trends: Capitalize on domestic and international trends of consumers. This includes taking into account changing demographics and preferences and the emerging middle class with more income and wants for high quality protein sources.

3. Creating sustainability through a favorable U.S. business climate.

The desired income for this objective, a beef industry that operates in a favorable U.S. business climate that continues to give support to beef production and consumption, can be accomplished with the help of the following givens:

—Proactive government policy.

—Free enterprise.

The plan calls for the use of political clout. This includes the use and networking to increase impact on government policy decisions. It also calls for industry advocacy, which would foster understanding around key policy issues and involve the industry when its time to make a decision. The industry also needs to tell the production story. This means, relate what the industry does to produce beef that preserves the environment, respects cattle welfare and ensures beef safety—this should help counteract activist's misinformed attacks on beef production. Finally, according to the plan, the final stage of this goal is to have a proper crisis management and preparedness plan. A partnership between the government and the industry needs to be formed, which could respond and prevent an industry crisis.

4. Creating opportunity through global competitiveness.

The desired outcome for this priority, a globally competitive industry that has greater access to international markets, has to take into account the following things:

—Managed trade: This would ensure that the government has the highest priority in mind for trade matters and works aggressively to get global market access and accountability with trade partners. This also includes policing trade agreements and re-opening markets.

—Animal ID: Launch an industry-led national animal



Larger herd, bigger supplies will put pressure on prices

By DOUG RICH

"The smallest supplies and numbers are behind us," said Randy Blach Executive Vice President of Cattle-Fax, at their market outlook seminar during the National Cattlemen's Beef Association annual meeting.

In response to record-high calf prices cow-calf producers continued to expand the cow herd in 2005. Total cattle numbers increased almost 2 percent in 2005 for a total of 97.1 million head on Jan. 1. Beef cow numbers rose for the second year in a row to a total of 33.25 million head. This is the largest beef cow herd since 2002.

Mike Miller, Director of Research and Development at Cattle-Fax, said cow slaughter was down 5.7 percent or 300,000 head in 2005 and heifer slaughter was down 17 percent or nearly 600,000 head last year. "We are seeing some herd re-building taking place," he said.

According to Cattle-Fax, total cattle numbers are expected to increase by more than 5 million head by 2009.

Together Canada and the U.S. have 38.7 million beef cows. This is the largest combined beef cow herd since 1997. U.S. feeder cattle and calf imports from Canada are expected to be 350,000 to 400,000 head in 2006.

At the same time there will be bigger overall beef supplies the next few years, according to Miller. Net beef supplies are expected to grow over the next ten years. This puts added pressure on the need to maintain export markets for U.S. beef products.

The net U.S. beef supply in 2005 was one of the largest on record and it is expected to grow by 200 to 300 million pounds this year. Fed cattle slaughter is expected to increase by 850,000 head in 2006 due to larger on-feed numbers.

Miller said per capita beef consumption should level out over the next few years and retail prices will be relatively flat.

All of these factors will begin to put pressure on prices in 2006. There will be smaller operating margins for cattle feeders, stocker operators, backgrounders and cow-calf producers due to larger supplies.

Fed cattle prices will be slightly lower in 2006 averaging in the \$85 to \$87 range. Feeder cattle prices will be \$2 to \$4 lower averaging \$106 to \$108 in 2006. Miller said feeder cattle will not be as seasonal as the fed cattle market in 2006. Calf prices could

range from \$115 to \$135 with an average price of \$125 this year.

Cattlemen can expect a good year in 2006 on average but prices will be more volatile.

In his long-term outlook Randy Blach said cattle prices have peaked for this cycle. He expects the market to trend lower through the end of this decade. "We are through the best of the news, but we have moved to a new higher trading range," he said.

The higher trading range depends on a strong domestic demand and our ability to maintain and open new export markets.

Trends that Blach said will continue are fewer cow-calf operations with less than 100 head, more operations with 100 to 199 head, more operations with more than 200 head, fewer cattle sold in the cash market with more trading on a beef value basis and widening price spreads.

According to Cattle-Fax there is a \$25 to \$30 price spread on calves in the same weight class in any region of the country. These price spreads can be traced to natural beef programs, source and age verified programs, pre-conditioning programs and performance history. The top 25 feeding companies feed 46 percent of the cattle today and that is expected to increase to over 50 percent by the year 2010.

Blach said animal identification and verification are here and the U.S. will need to adapt to these changes to compete in the world market.

Drought, bird flu, cheap poultry and pork, market volatility, margins shifts, and export markets, and influx of capital into the markets could be the wild cards in the beef industry over the next few years. For example 32 percent of the U.S. cow herd is in Missouri, Arkansas, Oklahoma, and Texas. A region that has been hit hard by drought in recent years.

Dr. Art Douglas of Creighton University said the precipitation outlook for the spring shows deteriorating moisture conditions through the Southwest. He said the spring and summer forecast for the range country of the Southwest and Southern Plains indicates a poor grass season.

Dr. Douglas said the weather in 2006 will look a lot like the weather pattern in 1967.

It looks like 2006 will be a transition year for the beef industry as the production cycle enters a new phase. ■

identification system in 2006 and work to have 100 percent adoption by 2007. Producers would be provided with the correct tools and information to meet this goal.

—Herd health: In this aspect, existing diseases and protection of the U.S. cowherd will continue to be addressed. It will be necessary that the government has the necessary funding and tools to prevent or address health issues.

—Regain lost ground: Re-open export markets and surpass previous export levels.

—Government involvement: According to the plan, government regulations should not unnecessarily create a competitive disadvantage for the U.S. beef industry in the global marketplace.

Global trade needs to take into account that there will be a need for a comprehensive trade strategy. This strategy needs to be based on the industry's competitive advantage (high quality grain-fed beef in various cuts and large volumes); global market opportunities; and competition. Trade information is also important as producers need to know how important global trade is to the value of U.S. beef and cattle.

The long range plan was approved by both the NCBA and the Cattlemen's Beef Board at the conclusion of the convention. Newly elected NCBA president, Mike John, called the plan a road map.

"If we meet the goals outlined in this new plan, I have no doubt that our industry will remain privately held," John said. "I want you to know as your president, I will be your advocate. I will advocate your policies and programs that you (NCBA members) create." ■

Secretary Johanns refers to OIG report as a clean audit

By DOUG RICH

The Japanese market headed the list of questions asked of U.S. Secretary of Agriculture Mike Johanns following his presentation at the National Cattlemen's Beef Association Convention on Feb. 3.

Johanns defended the USDA inspectors at the plant involved in the shipment of meat to Japan which resulted in the border being closed again, saying they witnessed no violation whatsoever. He said part of the problem might have been that there are different methods for removing the spinal cord.

"In Japan the spinal cord is removed before the carcass is split," Johanns said. "As you know in the U.S. we sometimes follow a different procedure. Because the spinal cord is still intact when we split the carcass in the midline it's possible that a perfectly safe and accepted procedure not only here but elsewhere might have been viewed by them in a very confused way." He stressed that all methods in the U.S. are safe and inspectors are at the plants to verify this.

Last year NCBA members passed a resolution which called for sanctions against Japan if necessary. Johanns was asked if the administration was willing to call for sanctions to remedy the situation with Japan.

"We always hesitate to do sanctions and here is why," said Johanns. "Sanctions tend to breed a response. That response tends to breed yet another reaction and back and forth and back and forth. I believe that when we have our report done and we put our recommendations out there I am really confident that we can ask Japan to come back and work with us and get through this quickly."

In his presentation Johanns said USDA is conducting a very thorough investigation into the situation that led to the most recent closing of the Japanese market. He said they want to find out what happened and to see the course of action to make sure that it does not happen again.

"Along with other measures I've announced 12 steps to strengthen our system and assure compliance," he said. "It is very possible that after the investigation we may identify some additional things that we want to do. We don't intend to sacrifice thoroughness for speed in our investigation. We will move rapidly as we can, but when we are done we want to be able to say it was thorough."

Not all of the news concerning beef exports was bad news. Johanns said Hong Kong, Singapore, South Korea, and Taiwan have resumed trade in various beef products. On Feb. 2, Mexico opened their market to bone-in beef.

"The world is showing confidence in the safety and the quality of our beef products," Johanns said. "And I promise you that USDA will work to keep that confidence in the safety of our products and our scrupulous attention to our agreements that we have with various customers around the world."

As it pertains to a safe food supply, Johanns mentioned the Office of the Inspector General's (OIG) report. The work on this report began two years ago and is not specifically related to the recent situation with the shipment of veal to Japan. The OIG report concluded that there is no evidence that specified risk material entered the food supply but it did recommend that USDA improve documentation and tracking of the work being done.

"We agree and we have already done so," said Johanns. "The report also recommends that we proceed with due caution in drawing conclusions based upon the enhanced surveillance efforts and ensure that our conclusions are not overstated," he said.

"Given the magnitude of the report, we are very pleased to report to you that it reflects what we describe as a clean audit," said Johanns. At a news conference following his presentation to NCBA members, Johanns

was questioned by a reporter from a Japanese television station about what he meant by a clean audit. He said this meant that USDA had received the report and reached an agreement with the Inspector General's recommendations.

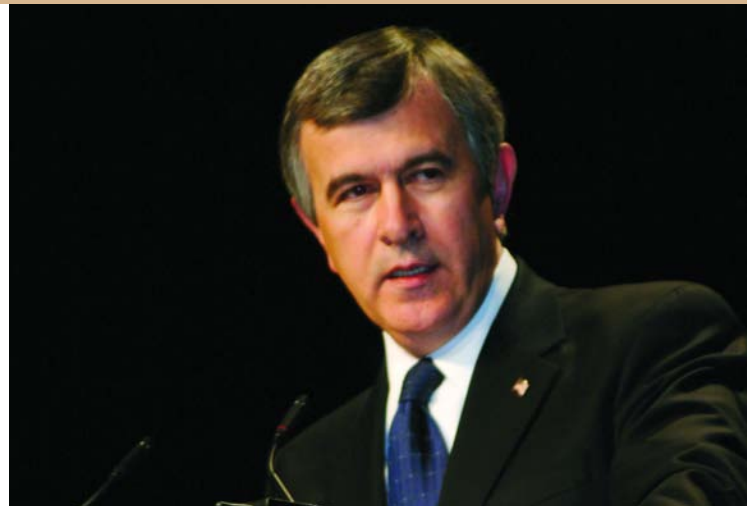
Johanns said that no date had been set for ending the BSE enhanced surveillance program. On average they are testing 1,000 high-risk cattle per day for BSE. Only one in more than 600,000 animals tested has come up with a positive test result.

Work on the National Animal Identification System (NAIS) continues. USDA originally proposed a system that would require raw data to be stored in a single database. There was concern by several groups about sharing a single database. APHIS then proposed a system with multiple private databases which would provide USDA with a portal for accessing information when it was needed.

"Under this proposal you the industry would continue to own and have control over the animal movement data," said Johanns. "But through agreements established between private entities and the USDA we would be able to access those pieces of information that are necessary in the event we would need to do something like complete an investigation. This system provides the flexibility that so many have requested and I might add allows for a robust private sector."

The Secretary said a national animal identification system is needed to protect exports and to protect the future of the beef industry in this country. He added that countries like Australia are aggressively marketing their animal traceability to gain a competitive advantage over U.S. beef products. ■

"Given the magnitude of the report, we are very pleased to report to you that it reflects what we describe as a clean audit." - U.S. Secretary of Ag Mike Johanns



SECRETARY MIKE JOHANNS - U.S. Secretary of Agriculture Mike Johanns, speaking at the National Cattlemen's Beef Association annual convention, described the recent OIG report as a clean audit. This means that USDA reached agreement with the Inspector General's recommendations and were prepared to act on them. (Journal photo Kylene Orebaugh.)

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1. "2003 Equine WNV Outlook for the United States,"
USDA APHIS Info Sheet, published June 2003.

2. Data on file, Fort Dodge Animal Health.

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USAIO could provide animal movement, ID solution

By KYLENE OREBAUGH

Animal identification has been a hot topic recently, and 2006 is no different. Cattlemen at the National Cattlemen's Beef Association's annual convention in Denver, Colo., Feb. 1 to 4, learned something new about animal identification.

During the convention, a beef industry issues forum educated producers about the new United States Animal Identification Organization or USAIO. The organization is a non-profit entity that aims to provide for the collection and storage of animal movement data. The structure of USAIO allows animal health authorities to have access to information in the event of an animal health outbreak, as well as guarding this information with confidentiality and integrity.

Information about the new organization was released in January, and the board of directors held its first meeting Jan. 10. The board of directors will be expanded as various industry groups formally adopt the USAIO as their database repository for animal movement data needed for the National Animal Identification System. Initial directors are:

—Charles Miller, Nicholasville, Ky., cow-calf producer;

—Rick Stott, Boise, Idaho, beef producer;

—Lance Kuck, Bassett, Neb., bison producer

Miller, USAIO chairman, sees a need for the system, and hopes it will foster a number of things.

"There is a need for a central, industry driven animal identification system," Miller said. "Once this is in place, we can continue to be more competitive globally."

With the USAIO system in place, consumers and global buyers of U.S. beef would have more confidence in the industry. This confidence could lead to a world-wide acceptance."

One industry, the bison industry, has already jumped on board with the USAIO. Kuck representing the National Bison Association, said NAB believes in the system, as it would be key if a bison-related animal health issue would happen to occur.

"Bison diseases are largely unknown. The theory out there is bison absorb proteins differently than cattle, and may not be as susceptible to BSE (bovine spongiform encephalopathy)," Kuck said. "Once (USAIO) gets going, it will be the best option for bison if we have a disease issue."

Kuck said the bison industry is happy to be involved in such a project.

Several pilot projects have helped USAIO get their feet wet, and evaluate what data was actually necessary to be collected. Jim Akers of the University of Kentucky and the

Kentucky Beef Network believes there are only four pieces of information necessarily needed to collect. They include the following:

—Ear tag (number identification);

—Date animal arrived (or birthdate in some cases);

—Location number;

—Type of event (animal moved to another location, animal sold; animal harvested).

Akers said the main goal is to prove where the animal is and has been.

"We just want to capture the activity out there," he said

And the information capture proves to make the industry more reliable.

"It provides an opportunity to get all the credible players out there," he said. "It's important to remember why we've initiated this process."

Akers also challenged producers.

"I challenge all of you to step up to the plate and to move the ball down the field," Akers said.

When the program was released, NCBA President, Jim McAdams, was proud his organization stepped up to the plate.

"We've overcome a lot of obstacles, not to mention critics. But while others only talk about the issue, NCBA rose to the challenge and provided a solution. Our members can all be proud of that," McAdams said. "We understand U.S. cattlemen need an animal ID solution today—not several years down the road." ■



STEPPING UP—Lance Kuck, a Bassett, Neb., bison producer speaks on behalf of the National Bison Association's role in the United States Animal Identification Organization. (Journal photo by Kylene Orebaugh.)

NCBA PRESIDENT

New NCBA president supports goals adopted in long range plan

By DOUG RICH

Jim McAdams began his term as National Cattlemen's Beef Association (NCBA) president last year by encouraging the membership to "Cowboy Up." This year Mike John, Huntsville, Mo., began his term by telling the membership to "Get 'er Done."

"We are experiencing unprecedented change in the beef industry," said John, "We can either direct it or let it direct us. I believe this change offers opportunity and if we embrace it we can also work proactively to manage it to our benefit."

NCBA members adopted a new long range plan at their annual meeting this year. The four priorities outlined in this plan are to create value through beef production; create growth through consumer markets; create sustainability through a favorable business climate and; to create opportunity through global competitiveness.

"The newly adopted long range plan provides our road map," said John. "If we meet the goals outlined in this new plan, I have no doubt that our industry will remain privately held."

John takes over the leadership position on the 10-year anniversary of the merger between National Cattlemen's Association and the National Livestock and Meat Board that formed the NCBA and the 20-year anniversary of the Beef Checkoff. During the convention there was a lot of talk about making

changes to the Checkoff program.

In an interview prior to the NCBA Convention John noted that since the \$1 per head beef checkoff began it has lost 45 percent of its value due to the erosion in the value of the dollar. In that same time



■ **Mike John**

period there has been a 25 percent increase in the demand for beef.

"Without that demand where would we have been when the borders closed," said John. "I am in favor of enhancing the checkoff."

The new NCBA president said there are basically two ways to change the checkoff program and those are through a referendum or through legislation. "Individual producers designed the first checkoff and

any new checkoff program will be designed with producer input," he said.

John joined the Missouri Cattlemen's Association in the 1980s and served as president of that organization in 1996. At the national level he has served on the food policy committee, the agricultural policy committee, two years as vice-chairman and two years as chairman of the NCBA membership committee. In 2004 he was elected as a vice-president of NCBA. Since then he has served as chairman of the NCBA Animal Identification Commission.

He and his family own a 400-head cow-calf operation in central Missouri. His cattle business includes retained ownership and heifer development. Since January 2005 John has been manager of the MFA Health Track Program in Missouri. Through this program 225,000 feeder cattle have been source verified. Mike John and his wife, Dara, have three children Hunter, Hayley, and Payden.

"I have absolute faith in the direction you have set for us and that it is in the best interest of all cattlemen because you search for the truth," John told NCBA members. "My ultimate goal as president is to earn from each of you that same level of faith." ■

Forums help NCBA members get informed

By KYLENE OREBAUGH

Attendees at the 2006 Cattle Industry Convention were updated about various issues at the Beef Industry Issues Forum, Feb. 2. Five breakout sessions were held.

Beef Industry Long Range Plan 2010—Introduced at the Opening General Session earlier in the day, the long range plan session allowed producers to get a more in-depth feel for the new plan, as well as discuss questions directly with the planning group. The mission, priorities, and expected results were evaluated at this meeting.

Instrument Grading: A Technology Whose Time Has Come—At this meeting attendees learned about what the U.S. Department of Agriculture and the NCBA is doing to develop a plan which should lead to the beginning of instrument validation protocols and instrument grading systems. New technologies were also presented.

National Animal Movement Database—Members were introduced to the newly formed U.S. Animal Identification Organization or USAIO. The USAIO believes in the need for a central, industry-driven animal ID system in order to be competitive in the global market. A system like this should give consumers confidence in U.S. beef and eventual global acceptance of the product.

2007 Farm Bill: What You Need to Know—Former USDA Chief of Staff and Deputy Assistant Secretary for Economics during the Reagan administration, Randy Russell, provided producers with an in-depth look at what will influence the implementation and inception of a farm bill in 2007. One point Russell made was that a deficit will have a major impact on the farm bill in 2007, unlike 2002 when there was a budget surplus. He also warned that members need to be aware of where the farm bill money is being allocated.

NCBA POLICIES

Policy making process helps direct NCBA efforts

By KYLENE OREBAUGH

Policy starts with the members, and at the National Cattlemen's Beef Association's 2006 Cattle Industry Annual Convention, members had a chance to let their voices be heard.

During committee meetings held at the convention, policy resolutions were evaluated, discussed and sent on to the NCBA resolutions committee, where once complete, the resolutions went before the general membership at the closing session of the convention, Feb. 4.

"These resolutions were passed by the policy division board, and come through committee, followed up the policy making process," Jim McAdams, 2005 NCBA president said. "After they pass this body they will be sent to you in a mail-out ballot, where you will have an opportunity to review them, then vote on them and mail them back in."

McAdams said members have 30 days to return their votes.

"So, we urge you to review these when they are mailed to you, and we hope you take your time when you review them," he said.

At the general membership meeting, the presented resolutions were passed by the membership present at the meeting, and several topics included the following:

-Horses: Horse harvesting and processing: NCBA opposes any horse harvesting and/or processing prevention act and any such legislation that would prohibit the harvest of horses for human consumption. Ethical and humane disposal of horses: NCBA also opposes legislation that could potentially hinder future efforts to dispose of horses.

-Animal ID: Identification of imported cattle: NCBA requests live cattle imported into the U.S. from another country be identified with permanent, visible identification utilizing the USDA-APHIS code to identify the country-of-origin; Also, cattle being imported in sealed vehicles directly to slaughter would be exempt from this ID.

-Superfund exemption for livestock manure: NCBA will work diligently to clarify that Congress never intended to regulate livestock manure under the Superfund laws.

Retail Marketing Strategies: What They Mean for Cattlemen—Retailers are implementing a number of new marketing strategies (i.e., branded, fresh beef, case-ready, enhanced products, ect.), at many national chain grocery stores. Retail marketing expert, Jack Allen, shared his observations, experiences and perspectives about retail beef marketing at this session.

Other issues brought up during the forums by producers in the form of questions and comments included:

—Beef checkoff funds and if the \$1 per head amount needs to be increased to keep up with the rest of the world. Several producers noted that Australia, a leader in animal ID and tracking, charges \$5/head for their checkoff.

—Inheritance or death tax.

—Country-of-origin labeling or COOL.

—Export markets, and the re-opening of the Japanese border to U.S. beef. ■



OFFICERS FORUM—Members of the NCBA officers team took time out of their meeting schedules during the 2006 Cattle Industry Convention to hold a question and answer session with attendees. 2006 NCBA President Mike John is pictured with the microphone. (Journal photo by Kylene Orebaugh.)

-Eminent domain: NCBA supports federal and state legislation to change the appraisal standards for federal and state appraisals to include fair market value based on highest economic value for compensation of taking private property.

-Grazing land conservation: NCBA shall work aggressively to accomplish the following:

—Educate the public regarding the benefits associated with grazing and rangeland agriculture;

—Streamline the process regarding consultations and other regulatory requirements to eliminate current disincentives to voluntary conservation efforts;

—Provide tax incentives and other benefits to those ranchers actively working to benefit the environment.

—To pursue the expansion of the use of safe harbor agreements, exclusion of critical habitat, and use of the 4(d) rule for the siting of further habitat and species.

NCBA shall work on a national level to partner with state affiliates, conservation, and agricultural organizations to achieve these goals.

-Bovine spongiform encephalopathy: BSE trade action: NCBA requests the administration pursue all available options, including trade action at the World Trade Organization or trade sanctions, to re-establish trade in beef and beef products with all countries based upon sound science and the OIE guidelines.

-Opening Canadian border to live cattle: NCBA supports USDA in its science-based approach to re-establishing cattle and beef trade with Canada while ensuring the protection of the U.S. consumer and the U.S. cattle herd.

NCBA urges USDA to develop a permanent identification system for the importation of live cattle from Canada that is maintainable through harvest.

NCBA urges USDA to develop an orderly market transition plan before additional beef and live cattle classes are eligible for import from Canada. ■

**Policy book will be available online at: <http://hill.beef.org>
Summary at: <http://hill.beef.org/2006potentialpolicy>**

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¹ Sarataphan, N. (1999) Effect of Dung Beetles on the Nematode Larvae Recovered from Cow Feces. Proceedings WAAVP p. 308.

² Thomas, M. Dung Beetle Benefits in the Pasture Ecosystem. Online article written for the National Center for Appropriate Technology, October 2001. www.attra.ncat.org.

³ Floate, K.D., D.D. Colwell and A.S. Fox. Reductions of non-pest insects in dung of cattle treated with endectocides: a comparison of four products. Bulletin of Entomological Research, February 2002.

⁴ Fincher, G.T., G.T. Wang. Injectable moxidectin for cattle: Effects on two species of dung-burying beetles. Southwestern Entomologist, Vol. 17, No. 4, December 1992, p. 303.

⁵ 112-day steer grazing study. Data on file, Fort Dodge Animal Health.

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