



February 6, 2009

NCBA Members Elect New Officers, Set 2009 Policy Directives

Members of the National Cattlemen's Beef Association (NCBA) held their board of directors meeting and annual membership meeting today as the 2009 Cattle Industry Annual Convention concluded in Phoenix. This year's convention and trade show was attended by approximately 5,300 people.

Gary Voogt of Mich. was officially elected to succeed Andy Groseta as NCBA president for the coming year.

Voogt praised members for a successful conference. "I'm so pleased with the high level of participation we've had this week," he said. "Our discussions have been extremely productive and will no doubt set us on a path for success in 2009 and beyond."

Cattle producer discussions during the convention resulted in a number of policy directives and recommendations for 2009.

In the area of Cattle Health and Well Being, members engaged in a productive conversation with the United States Department of Agriculture (USDA) Animal and Plant Health Inspection Service (APHIS) regarding an updated and workable approach to animal disease programs, particularly bovine tuberculosis and brucellosis. They also discussed the severe exacerbation of disposal issues producers are already experiencing due to the enhanced feed ban, months before it even goes into effect. Finally, members reaffirmed the industry's commitment to humane care and handling of cattle.

Federal Lands committee members resolved to encourage local, state, and federal agencies to consider livestock grazing as the first solution for fuel load reduction in order to reduce wildfire potential and improve livestock and wildlife habitat.

Agricultural Policy members resolved to oppose the Employee Free Choice Act and any other effort that would take away an employee's right to privacy. Specifically, the resolution expresses opposition to: allowing a Card Check system instead of secret ballot

voting to organize a union; forcing collective bargaining upon businesses and their employees; and requiring forced arbitration to determine wages and benefits without ratification vote by employees.

Also under agriculture policy, members voted to amend current policy with respect to the Beef Checkoff Program to allow promotion of U.S. beef and ensure the program remains fair, cost-efficient, and coordinated in order to achieve long range goals.

With regard to international markets policy, members resolved to increase the age restriction for trade with Japan from 20 months to 30 months. The current age restriction into Japan is limiting American producers to about 25% of our potential sales there, which means U.S. beef producers are still missing out on \$1 billion in exports annually.

All policies adopted are now subject to approval by more than 30,000 NCBA members nationwide. Convention results will become official after a mail-in ballot process concludes in March.

Members also voted on new officers for the upcoming year. In addition to Voogt's election as president, Steve Foglesong of Ill. was chosen as NCBA president-elect, and Bill Donald of Mont. was elected as NCBA's Vice President.

Newly-elected officials to the NCBA Executive Committee include: J.D. Alexander (Neb.), Chairman, Federation Division; Scott George (Wyo.), Vice Chairman, Federation Division; Eric Smith (Ala.), Chairman, Policy Division; Tracy Brunner (Kan.), Vice Chairman, Policy Division.

The following individuals were elected as Federation Division Representatives to the Beef Promotions Operating Committee: **David Dick (Mo.)**, Becky Walth (S.D.), Linda Joy Stovall (Texas), Tamara Ogilvie (N.M.), Craig Uden (Neb.), David Hamilton (Neb.), Helen Weise (Iowa), and Chuck Adami (Wis.).

NCBA members also honored two industry leaders who passed away in 2008, Lynn Cornwell and Steve Hailey. Their lives have touched many people in the beef industry, and they will be greatly missed by all who knew them.

Members bid farewell to Terry Stokes and celebrated his distinguished career as NCBA CEO. Stokes recently stepped down after 13 years of service, handing over the reigns to Forrest Roberts.

"While we will all miss Terry greatly, we're looking forward to a new and exciting chapter with Forrest at the helm," continued Groseta. "I'm confident that Forrest's wealth of experience, fresh ideas, and intense passion for the industry will raise this organization to even new heights."

Roberts laid out some of his priorities for the coming year, including his commitment to growing domestic beef demand, expanding access to foreign markets, and protecting the U.S. beef industry from actions that could impede a favorable business climate.

Voogt closed the convention with his outlook for 2009. "These are challenging times, but now is not the time to change course," he said. He cited recent successes, including a

6.7 percent increase in membership over the past year, as well as the approval by the Board of Directors of a new and improved governance structure for NCBA. "Our association is the oldest, largest, and most successful national organization of cattle producers. By continuing to speak with a unified voice and our mutual goal of increasing profitability, the U.S. beef industry is sure to continue prospering for years to come."

Released by NCBA on 1/31/09.

Also during the 2009 NCBA Convention long time Missouri Cattlemen's Association member Chuck Massengill of California, Missouri was named Region III Vice President for NCBA. Massengill will serve Minnesota, Wisconsin, Illinois, Iowa and Missouri.

COOL Final Rule Update

On January 20th, White House Chief of Staff Rahm Emanuel issued a memo to all Federal Departments to review all regulations put out by the Bush Administration that have yet to go into effect. A copy of Chief of Staff Emanuel's memo is attached.

We have confirmed that the final Country-of-Origin Labeling rule (COOL) will come under this review. As such, the implementation date of the final rule has been pushed back 60 days from the original date of March 16th, and it will more than likely be opened up for another comment period.

The implementation of COOL under the interim final rule of August 1, 2008, still stands and AMS continues with their 6 month education and implementation program. Many parties are still not happy with the changes found in the final COOL rule and it is not out of the question that the final rule could change during this additional Obama Administration review.

To keep from further complicating this issue, NCBA will not release an analysis of the final rule until this additional rule review and comment period are finished. This is in hopes of not confusing the marketplace, especially since it could all change again.

NCBA remains in support of a voluntary COOL program, but will urge Secretary of Agriculture Vilsack and the Obama Administration to expedite their review and not change the final rule. We will keep you posted as the review unfolds.

In the meantime, should you have any questions or need additional information, please do not hesitate to contact me, Elizabeth Bostdorff, at 202 879 9128 or ebostdorff@beef.org.

Released by NCBA on 1/23/09.

Census of Agriculture Shows Growing Diversity

The number of farms in the United States has grown 4 percent and the operators of those farms have become more diverse in the past five years, according to results of the 2007 Census of Agriculture released this week by the U.S. Department of Agriculture's National Agriculture Statistics Service.

The 2007 census counted 2,204,792 farms in the United States, a net increase of 75,810 farms. Nearly 300,000 new farms have begun operation since the last census in 2002. Compared to all farms nationwide, these new farms tend to have more diversified production, fewer acres, lower sales and younger operators who also work off-farm.

In the past five years, U.S. farm operators have become more demographically diverse. The 2007 census counted nearly 30 percent more women as principal farm operators. The count of Hispanic operators grew 10 percent, and the counts of American Indian, Asian and Black farm operators increased as well.

"Through the census, we're able to take the aspects of agriculture that make it most unique - the numbers and the people - and incorporate them into the most accurate profile possible of U.S. agriculture," said Secretary Tom Vilsack.

"The Census of Agriculture is far more than a tally of numbers. It's a reflection of the people - and their livelihoods - behind those numbers."

The latest census figures show a continuation in the trend toward more small and very large farms and fewer mid-sized operations. Between 2002 and 2007, the number of farms with sales of less than \$2,500 increased by 74,000. The number of farms with sales of more than \$500,000 grew by 46,000 during the same period.

Census results show that the majority of U.S. farms are smaller operations. More than 36 percent are classified as residential/lifestyle farms, with sales of less than \$250,000 and operators with a primary occupation other than farming. Another 21 percent are retirement farms, which have sales of less than \$250,000 and operators who reported they are retired.


In addition to looking at farm numbers, operator demographics and economic aspects of farming, the Census of Agriculture delves into numerous other areas, including organic, value-added and specialty production, all of which are on the rise.

The 2007 census found that 57 percent of all farmers have Internet access, up from 50 percent in 2002. For the first time, in 2007, the census also looked at high-speed Internet access. Of those producers accessing the Internet, 58 percent reported having a high-speed connection.

Other "firsts" in the 2007 census include questions about on-farm energy generation, community-supported agriculture arrangements and historic barns.

The Census of Agriculture, conducted every five years, is a complete count of the nation's farms and ranches and the people who operate them. It provides the only source of uniform, comprehensive agricultural data for every county in the nation.

Released by Drovers on 2/5/09.



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MCA Expands Membership Benefits with APEX Financial

MCA has recently increased membership benefits by partnering with APEX Financial. Programs provided for membership through APEX are:

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- Agri-Plan

For more information contact Rick Henderson at (573) 876-6011.

Tough times, but future opportunities

It's no secret that times are tough in all sectors of the beef industry, but producers who take steps to manage risk should be well positioned when markets eventually improve. In their annual outlook conference last week, CattleFax analysts said that with a slowing economy and consumers keeping a closer eye on their spending, some of the dynamics in the beef industry are shifting in 2009. Producers face softer beef demand to start 2009, but that could change if the financial markets begin to stabilize. Consumers are eating

more meals at home and fewer at nicer restaurants, resulting in lower values for higher priced middle meats, while the chuck and round are claiming a larger share of carcass value compared to a year ago. Overall cattle supplies are expected to decline again in 2009, while global demand for beef continues to grow. Once the economy turns around and demand improves, prices should improve significantly.

With a slowing economy and consumers keeping a closer eye on their spending, some of the dynamics in the beef industry are shifting in 2009. Cattlemen attending the annual CattleFax Outlook Seminar in Phoenix heard that cattlemen face softer beef demand to start 2009, but that could change if the financial markets begin to stabilize. CattleFax is a Denver-based market analysis and information firm. For information about CattleFax services, call (303) 694-0323.

As in previous years where market volatility was prevalent, risk management will be an important strategy this year. "Know basis," said Randy Blach, executive vice president for CattleFax. "It needs to become second nature. We've got to learn to understand risk."

Consumers are making more meals at home and eating out less at nicer restaurants. That has lowered the value of the higher priced middle meats like the rib and loin. At the same time, the chuck and round are claiming a larger share of carcass value (21 percent vs. 19 percent) compared to a year ago.

Overall, cattle supplies are expected to decline in 2009, following a 1.5 percent dip in 2008. Beef cow numbers have declined 600,000 head to 31.9 million in response to drought in some areas and marginal profitability elsewhere. Beef cow slaughter is projected to be at a liquidation pace in 2009. As a result, the calf crop for 2009 and 2010 is projected to shrink 2 percent.

A decline in cattle inventory means a smaller beef supply, and that could bump beef imports to 2.7 billion pounds for 2009, also encouraged by a stronger dollar that makes the U.S. market more attractive than it was a year ago. Supplies of competing meats also are projected to be lower in 2009, marking the first time in decades that all the major protein supplies have declined. This is happening partly as a result of higher feeding costs in the livestock industry.

Even with softening domestic demand for beef, worldwide demand for protein is increasing, says Brett Stuart, a CattleFax analyst specializing in exports. While the credit crunch will limit exports to some top markets, U.S. beef exports should post some growth, led by gains in the South Korean market, as Mexico continues to be the No. 1 export destination for U.S. beef. For the year, CattleFax projects that beef exports will reach 2.3 billion pounds. That figure, taken with net imports, represents an improvement in the beef trade gap, as U.S. exports continue to rebuild from the 2003 BSE incident.

Increased production costs for corn, estimated to be as much as 30 to 40 percent more than 2008, will impact planting decisions. The current crop is forecast at 12.5 billion bushels, and increased production is needed to meet ethanol demands, although that market is softening. U.S. and world stock levels remain historically low, which tends to support prices.

"You better have a disciplined approach to how you manage risk or you will not like the

results," Blach said.

Over the last two years the average price of a bushel of corn has increased \$2.70. CattleFax projects that the overall U.S. price for a bushel of corn in 2009 will be lower than 2008, \$4.25 vs. \$5.30.

"Economic conditions and credit availability, especially in foreign markets, are going to affect us a lot this year," Blach says. "We'll get through this and those who do a better job of managing their risk will get through a little better than the rest of us."

Released by Drovers on 2/5/09.

Young Cattlemen's College- February 24 & 25

Missouri Cattlemen's Association annual Young Cattlemen's College will be held February 24 and 25 at the Missouri Cattle Industry Headquarters in Columbia, Missouri.

As in previous years each county may select one producer to attend. The event is limited to the first 25 registered.

This year's YCC is packed full with sessions on how to better your county organization and how to be successful in the industry. From media training to meeting with your legislator the two-day college is full of useful and informative sessions. Don't miss out, register NOW!

For more information please contact Lesley Snodgrass at (573) 499-9162 or by email at lesley@mocattle.com.

40th Monett Cattlemen's Conference

The 40th Annual Monett Beef Cattlemen's Conference will be March 3 at the National Guard Armory in Monett. The doors open for registration and trade show visiting at 3:30 p.m. Educational presentations begin at 4 p.m.

The leadoff speaker is Leslie Carroll, University of Missouri Extension, associate in information technology from Nevada. Her topic is Technology On The Farm. She will discuss how rural residents can find the best deals on connecting to the internet and how to effectively use the information they receive.

Dr. Bryon Wiegand, associate professor of animal science at the University of Missouri will clear up some of the mystery behind the various brands and quality grades of beef that confront shoppers in the meat case.

Shortly before the supper break, Steve Willard, Willow Springs, president of the Missouri Cattlemen's Association will visit with the audience about current activities of the MCA.

The supper will be the traditional blended chili from 20 different Southwest Missouri Cattlemen's kitchens that has the finishing touches put on it by Dr. Charles and Gwen

Dake.

At 7 p.m. the presentations resume with Joe Horner, beef economist with the University's Commercial Agriculture program takes a look at how cow-calf operations compare to the stocker enterprise now and in the future.

Concluding the agenda will be Peter Zimmel with the University of Missouri's Food and Agriculture Policy Research Institute. He will review the various county beef reference farms in Missouri and see how they stack up against other enterprises here and across the United States.


The program will conclude at 8:30 p.m.

The conference had its origin in 1970 as a spin-off of the Ozark Beef Cow-Calf Program which served a 44-county area of south Missouri. The goal was to improve the beef cattle industry in this part of the state. Producers liked the first conference and extension, the Monett Chamber of Commerce and the local cattlemen's association have guided the conference since then.

Topics addressed in 1970 were: futures trading; cattle theft; producers panel on forage production; beef performance testing and a review of the Ozark Cow-Calf Program.

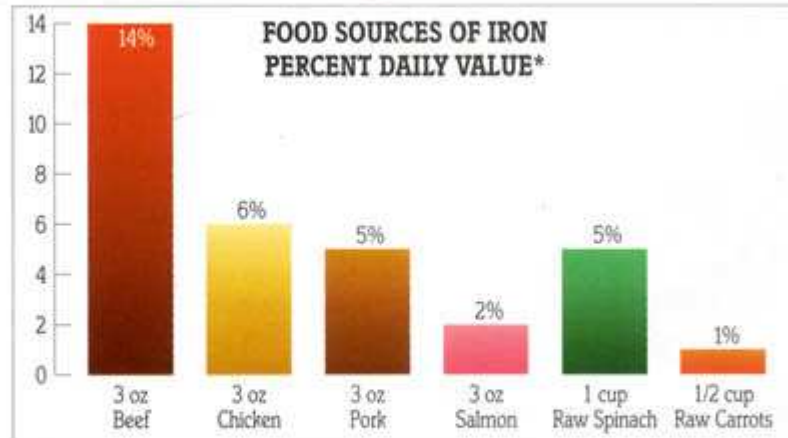
The conference is free and advance registration is not required. More details are available from the Monett Chamber of Commerce 417-235-7919, the Lawrence county extension center 417-466-3102 or you may visit <http://extension.missouri.edu/lawrence> for program schedule.

Released by Eldon Cole (University of Missouri- Extension) on 2/3/09.





Checking in on the Checkoff



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Macon County Cattlemen's to Host Texas Hold 'Em Tournament

The Macon County Cattlemen's Association will hold their annual Scholarship Banquet on Saturday, February 21 starting at 6:30 pm at the Macon County Fairgrounds. The banquet will include a Prime Rib Dinner and a Texas Hold 'Em Tournament. To date over \$52,000 have been awarded in scholarships to area students.

Dinner tickets are \$15 each and seating is limited. Advance tickets are available at Lolli Livestock Market or any Macon County Cattleman member.

For more information contact Jerry Beckley at (660) 651-3641 or jbeckley@sydenstrickers.com.

MJCA to Host Missouri Beef Leadership Conference

The Missouri Junior Cattlemen's Association will be hosting the first Missouri Beef Leadership Conference "Show Me Beef Leadership" on June 4th through 6th in Columbia, Missouri. The conference will have a leadership and industry focus and will be open to teens entering the 8th grade through 12th grade.

Registration will open March 1st and is limited to the first 60 applicants.

If your business or county organization is interested in help sponsoring this youth event

please contact Rachel Bartholomew at (573) 499-9162 Ext. 235 or by email at rachel@mocattle.com.

Be watching for more information and registration on the MCA website www.mocattle.com.

Halstrom Delivers Exporter Perspective at Cattle Industry Convention

2009 offers potential for prosperity and peril

While U.S. beef exports in 2008 exceeded the expectations of many, 2009 could provide even more drama, with the potential for significant improvements as well as the risk of major setbacks, according to one industry leader.

U.S. Meat Export Federation (USMEF) past chairman Dan Halstrom offered his assessment of the global business climate to cattle producers attending the 2009 Cattle Industry Convention and Trade Show in Phoenix. Halstrom, the senior vice president for international sales at JBS, told members of the Joint International Markets Committee that 2008 was a strong year for U.S. beef exports, even though global economic volatility made the final months of the year very challenging.

"The first eight months of 2008 were like a dream, where all the stars were aligned for success," he said. "But during the last four months of the year, I was more of a credit manager than a sales manager."

Looking ahead, Halstrom identified South Korea, Japan, Canada and Mexico as the foreign markets holding the highest priority for JBS, primarily because the stability and reliability these markets offer during times of very tight credit. He specifically singled out Japan as having the largest potential for growth if the pool of cattle eligible for export to that nation could be expanded from 20 months of age to 30 months.

"People are estimating that a 30-month age limit in Japan could be worth \$80 to \$90 per head in incremental value for cattle producers," Halstrom said. "But I think it could even exceed \$100 if we can get variety meats included. Japan really wants U.S. beef, but we don't have enough cattle that qualify. It's a situation that Australia has really been taking advantage of."

While the U.S. government has been seeking approval for beef from cattle of all ages, industry experts believe that expanding the age limit to 30 months could restore as much as 95 percent of the U.S. export business.

Halstrom cautioned cattlemen not to assume that a 30-month age limit would eliminate the need for age verification. He said retailers in Japan are likely to continue to require age verification, even if the age limit is expanded to include the majority of fed cattle.

On the risk side of the spectrum for 2009, Halstrom expressed great concern over potential interruptions in trade with Canada and Mexico because of their importance to U.S. exporters. Both Canada and Mexico have raised issues regarding the United States' implementation of Country of Origin Labeling (COOL).

"It is estimated that the loss of the NAFTA markets would cost cattle producers \$50 to \$60 per head," Halstrom said, "but I think it would be quite a bit more than that because

of all the end cuts and variety meats we would have to absorb into the domestic market."

Halstrom noted that despite the severe economic downturn, U.S. beef exports through the first 11 months of 2008 increased 29 percent in volume and 40 percent in value over the same period in 2007. When all 2008 results are final, beef exports will total well over 2 billion pounds and more than \$3.5 billion in value. Both the per-head export premium for cattle and the percent of total U.S. beef production exported are approaching the pre-BSE peaks achieved in 2003.

He cited four major challenges the beef industry must overcome in order to maximize export growth in 2009: global liquidity; risk related to specific markets; a strong U.S. dollar; and shifts in demand toward lower-cost cuts and proteins.

"At JBS, we expect to grow our U.S. beef exports in excess of the industry forecast of 6 percent, but this will require a change in the way we do business," Halstrom said. "We need to manage our risk carefully, and focus on stable markets and affordable cuts. Opportunities are there, but if we don't take advantage of them, other countries and other proteins will."

Later in the Joint International Markets Committee meeting, the committee formally addressed the age limit on beef exports to Japan by unanimously passing a resolution brought forward by representatives of the Nebraska Cattlemen. The resolution urged U.S. negotiators to pursue Japan's approval of a 30-month age limit as an incremental step toward restoring full access to the market. The following day, the resolution was approved by members of the National Cattlemen's Beef Association (NCBA) at its annual meeting. The directive will become official association policy if it is approved by a majority of NCBA members through a mail-in ballot process that concludes in mid-March.

Released by U.S. Meat Export Federation 2/2/09.

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