

TICKET TO RIDE

Highlights of the 2012 Cattle Industry Convention and NCBA Trade Show.

Hereford breeder Richard Gebhart was elected federation division vice chair.



Angie Stump Denton, AHA communications director and *Hereford World* editor, was honored with the 2011 Excellence in Communication and Public Relations award for a breed affiliate at the 2012 Cattle Industry Convention in Nashville Feb. 1.

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Cattle industry enthusiasts gathered in Nashville, Tenn., Feb. 1-4 to discuss industry issues, attend educational workshops, visit with others from across the country and set policy to guide legislative efforts for the coming year at the 114th annual Cattle Industry Convention and National Cattlemen's Beef Association (NCBA) Trade Show.

A record 8,216 attended the event, which eclipsed the old record of just less than 7,000 set at NCBA's 1998 centennial celebration. The convention included joint and individual meetings by five industry organizations: National Cattlemen's Beef Association (NCBA), Cattlemen's Beef Promotion & Research Board (CBB), American National CattleWomen Inc. (ANCW), CattleFax and the National Cattlemen's Foundation (NCF).

During the convention, Nebraska cattleman J.D. Alexander was named 2012 NCBA president. Elected NCBA president-elect was Scott George, a second-generation

Wyoming farmer. Also elected to NCBA posts at the meeting were Bob McCan, Texas, vice president; Craig Uden, Nebraska, federation division chair; Richard Gebhart, Oklahoma, federation division vice chair; Don Pemberton, Missouri, policy division chair; and Phil Ellis, Wyoming, policy division vice chair.

Alexander said the turnout at convention was representative of the enthusiasm in the industry. "There was a lot of optimism and positive energy at this convention," he said. "We saw a lot of ranchers and farmers — both young and old — looking to the future and the possibilities it holds. We've got a lot of momentum in this industry and in NCBA."

During the second general session, Alexander painted a picture of regulatory chaos in Washington, D.C., but pointed to grassroots advocacy as the primary reason the cattle industry has been able to "weather the storm."

"Because of the partnership between our state affiliates and your national organization, we managed to prevent ourselves from being the main course at the big government café," Alexander explained. "This partnership — this grassroots policy process — is the shining star of this industry. You have a voice and it is being heard loud and clear."

Alexander used the slew of regulations from the Environmental Protection Agency; the U.S. Department of Agriculture's Grain Inspection, Packers and Stockyard Administration's proposed rule on livestock marketing; and the Department of Transportation's proposed rule, which would have required cattlemen to acquire commercial driver's licenses, as examples of cattlemen's successful pushback of burdensome regulations. Alexander said NCBA will continue pushing for practical legislation and a commonsense approach to regulations. He called the estate tax his top policy priority as the 2012 NCBA president.



Junior Hereford member Kendall Garrell, Petersburg, Tenn., won the 11-14 age division with her speech about animal welfare in the beef industry during the Cattle Industry Convention.

“I pledge to you that my top priority as your president is to do all I can to build beef demand and producer profitability. This can only be accomplished if we are allowed to operate without government intervention and, most importantly, if decisions are made to ensure future generations are able to take over our family businesses,” Alexander said. “The death tax is the biggest deterrent to young people returning to the cattle business. What we need now are jobs, a stable economy and food for a growing global population. Leaving the next generation to choose between a life they love or the inability to pay the estate tax is not something we will tolerate.”

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



The American Hereford Association (AHA) and Certified Hereford Beef (CHB) LLC booth attracted trade show attendees in Nashville. Kaycee Hoffman, owner of Bar None Hat Co., Thedford, Neb., offered attendees hat shaping and cleaning while AHA staff visited with them about the value of Hereford genetics.

CattleFax Outlook: Tighter Cattle Supplies, Record Exports in 2012

As cattle supplies remain tight and global demand intensifies, profitability for cattle ranchers will continue in the year ahead, CattleFax analysts told cattlemen during the 2012 Cattle Industry Convention and NCBA Trade Show in Nashville, Tenn. The Annual CattleFax Outlook Seminar highlighted the market factors that are setting the stage for beef supply, demand and prices in 2012 and beyond.

“The economic signals are in place for restocking to begin this year,” said CattleFax Chief Executive Officer Randy Blach. “All we need now is a little encouragement from Mother Nature.”

Despite shifting drought conditions, Blach told the audience he expects cattle inventory numbers will decline slightly in 2012 and reach a low point in 2013 before increasing in 2014 and beyond. Although herd growth may remain elusive, an increase in average carcass weights will partially offset the decline in inventory numbers.

The decline in cattle numbers means prices can be expected to move higher in 2012. Tight supplies of cattle and beef will be compounded by continued growth in the export markets with expanded access into Japan and continued increases in the volume and value of beef being sold into export channels, according to Blach.

He said Japan won't be the only export market to see significant growth during 2012. In fact, U.S. beef exports, which set records in 2011, will likely set new highs in 2012 as a result of strong overall global demand and continued weakness in the U.S. dollar.

In 2012 CattleFax looks for steer and heifer slaughter to be down 1.5% (around 400,000 head) due to a smaller calf crop and

the start of heifer retention. Beef production in 2011 was about even with the previous year, but 2012 production is projected to be down 1.5% due to reduced total cattle slaughter.

Blach emphasized the statistic that by the year 2050 the world's population will be 9 billion people and asked, “Who's going to feed them?”

He added, “You see the opportunity. We're going to have to get better and have more productivity.”

Blach made the following points that will be crucial to the U.S. beef industry in the years to come:

- We have to continue to grow international markets for U.S. beef and have access.
- We have to get used to higher costs all the way through the system.
- We have to adjust to volatile markets.

He re-emphasized that it's not the same business it was 10 years ago and pointed out that weekly price changes can be as much as \$50 per head when the volatility in cattle and corn markets is combined. As well, he reported, it takes 60% more capital to operate in 2012 than in 2009.

While managing volatility is a challenge, Blach said he anticipates the price outlook to be favorable for the beef industry. Feeder price projections for the year ahead are in the \$157-\$161 per hundredweight (cwt.) range. Fed cattle are anticipated to be \$130-\$134 per cwt.

Blach concluded by encouraging producers to manage their risk. “Manage for margin,” he said. “Don't guess the markets. It's a great time to be in agriculture, but you must adapt to a global market environment.” **HW**