

Cattlemen Set Sail for San Diego

Highlights of the 2016 Cattle Industry Convention and NCBA Trade Show.

More than 6,700 cattlemen and women from across the country gathered in San Diego, Jan. 26-29 for the 2016 Cattle Industry Convention and National Cattlemen's Beef Association (NCBA) Trade Show. The event is the largest annual gathering of the beef industry.



The convention hosted cattle industry enthusiasts for a week of education, entertainment, committee meetings and policy development. The event included joint and individual meetings sponsored by five industry organizations: NCBA, the Cattlemen's Beef Promotion

& Research Board (CBB), the American National CattleWomen Inc. (ANCW), CattleFax and the National Cattlemen's Foundation (NCF).

"The convention and trade show is a great opportunity for cattle industry members to come together to network, create policy for the industry, and to have some fun," said 2015 NCBA President Philip Ellis.



The American Hereford Association (AHA) and Certified Hereford Beef (CHB®) LLC booth in San Diego provided a place for cattlemen and Hereford enthusiasts to visit with AHA staff about Hereford's advantages. Educational and promotional materials were available to cattlemen to pick up and learn more about how Hereford cattle can fit in their program.



In addition to attending a record-breaking trade show, cattlemen heard from keynote speaker Navy SEAL Rob O'Neill, who shared what he has learned during his more than 400 combat missions across four theaters of war, attended Cattlemen's College, participated in industry trend discussions and attended committee meetings to take part in grassroots policy development.

Leadership

Tracy Brunner, Kansas cattle producer, succeeded Philip Ellis as NCBA president and will lead the organization's policy work and oversee efforts undertaken as a contractor to the Beef Checkoff Program.

Brunner, a fourth-generation cattleman from Ramona, Kan., expressed optimism about the organization's momentum, saying he would continue to build on the organization's success of the prior year.

"The American beef industry is stronger than it has ever been," Brunner said. "We have the right people growing the right product in the right way. And, we have the right organizational culture and structure. We have promotion and advocacy, research and education. We have public policy efforts to ensure beef producers are represented in the halls of Congress and at the table as laws are made. We are committed to not only protecting and promoting the beef business of today, but even more importantly, the beef business of tomorrow. We have an exciting year ahead as international demand for American beef continues to rise and trade remains high priority. It's a great time to be in the beef business and a part of this great organization."

Craig Uden, Elwood, Neb., was voted the NCBA president-elect, and Kevin Kester, Parkfield, Calif., is the new NCBA vice president. Steve Hanson, Elsie, Neb., was elected chairman of the NCBA Federation

Division, and Jerry Effertz, Velva, North Dakota., is the new Federation vice chairman. The new NCBA Policy Division chairman is Jennifer Houston of Sweetwater, Tenn., and Joe Guild, Reno, Nev., is the new policy vice chairman.

Cattlemen's College

Two days of robust producer education set the tone for the Cattle Industry Convention Jan. 26-27. Designed specifically for cattlemen and women, Cattlemen's College, sponsored by Zoetis

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CattleFax predicts market shock is nearly over; turbulence still ahead

Insights into recent market price shocks and the potential for future turbulence were discussed with more than 2,000 beef producers at the CattleFax Outlook Session held during the Cattle Industry Convention.

The downward spiral from the late 2014 and early 2015 record-high cattle prices has been tough for many in the business, but CattleFax CEO Randy Blach said the steepest portion of the market correction has passed.

He explained that tighter protein supplies and stronger exports created the 'perfect storm' for the cattle market to reach the extreme highs. Animal health challenges limited poultry and pork production in 2014 — creating the tightest per capita U.S. net protein supply in the last 20 years.

"We are coming off historic highs in the cattle market, created by unique conditions in both the global and domestic protein markets," Blach said. "Dynamics, specifically larger protein supplies, led to a significant correction in price in 2015. A large portion of the market down trend is over now. However, the cycle shows prices continuing to trend lower in 2016, 2017 and 2018."

Analysts predicted the cattle feeder — after losing about \$200 per head in 2015 — will be slightly profitable this year. Stocker operators will experience tighter margins, and cow-calf producers will remain profitable. The team of economists expect fed cattle prices will average \$130 to \$135/cwt. in 2016.

"Cow-calf producers will still be profitable, but at substantially lower levels than the past two years," said Kevin Good, senior analyst and fed-cattle market specialist at CattleFax.

"We predict the cattle feeder will have tight margins for the year with potential for profitability by mid-year."

A two-year El Nino weather pattern has replenished moisture conditions across the country, specifically for the West Coast, which saw some relief recently.

The weather outlook appears favorable, especially moisture conditions for grasslands, according to the weather outlook from Art Douglas, Ph.D., professor emeritus at Creighton University.

"As we head into 2016, a split jet stream pattern will favor above-normal precipitation from California to the Southern Plains and the Southeast through March," Douglas said.

"In the Corn Belt, spring will be wetter-than-normal, which will be accompanied by slower spring warming. Delays in fieldwork and planting dates are likely to result."

Analysts predicted \$294 per head added value from exports for 2016, a \$66 drop per head from 2014 values. This decrease in export potential is caused by a combination of a stronger U.S. dollar, a slowdown in global markets and challenges with market access.

China and other global markets are still the biggest opportunities for U.S. beef, but trade restrictions will continue to limit potential in the year ahead.

Beef imports are predicted to be down 8% due to the combination of lower trim prices and increasing domestic cow slaughter. The United States is in a rebuilding stage, and females are being held back for the cow herd. Analysts predict the U.S. cow herd will grow another 600,000 head in 2016, following a 1.1 million head increase in 2015. **HW**

Animal Health, is known as one of the most thorough and beneficial educational events in the country.

Celebrating its 23rd year, the event brought in a remarkable crowd with more than 900 attendees.

“This educational program provides an impressive diversity of topics to beef producers,” said Josh White, NCBA executive director of producer education. “We have producers speaking to producers about real life ranch issues, industry partners presenting consumer expectations and academic leaders providing the latest findings in cattle research. The best of the best in the cattle industry are selected to speak at Cattlemen’s College to help producers propel the beef industry forward.”

A ‘Whole Herd Makeover’ discussion kicked off the event Tuesday night, highlighting

perspectives about what the U.S. cow herd should look like in the future. Five industry experts — Tom Field, Ph.D.; David Daley, Ph.D.; Patsy Houghton, Ph.D.; Tom Brink; and Don Schiefelbein — shared their perspectives about what the cattle herd should look like in the next five years. These influential speakers commented on genetics, land prices, health protocols and beef marketing.

Cattlemen’s College reconvened again Wednesday morning with a keynote address from Robert Fraley, Ph.D., executive vice president with Monsanto, who is a respected leader in agriculture biotechnology.

Fraley spoke frankly about how the agriculture industry will use technology to feed more than 9.5 billion people by 2050, with two times the food demand by that time.

“We will have to produce more and waste less to get there,” Fraley said. “I absolutely believe that we have the tools and technology to do that.”

This year represents the 20th anniversary of the introduction of GMOs, which were first used in agriculture in 1996. There are about 30 countries growing 450 million acres of GMO food; there have been more than 4 billion acres of GMO crops over the last 20 years, according to Fraley.

Fraley said there remains skepticism among some consumers about the use of science in agriculture. “There is clearly a gap between what science can do and what consumers are comfortable with,” he said.

Throughout the day, attendees chose from a total of 18 classes within the topics of Healthy Cattle — Healthy Ranch, Advances in Cattle Nutrition, Industry Hot Topics, Your Business — Our Industry, Evolving Beef Production and Creating the Future.

The range of informative, hands-on workshops was created for cattle operations of every size and sector. Cattlemen and women of all age groups were in attendance, but young beef producers especially made a strong showing.

“We had more than 140 collegiate students pre-register to attend Cattlemen’s College this year,” said White. “As we think about the future of our industry it is encouraging to see young people keen to learn and get involved. Students absorb a lot of high-quality education over several days, as well as make important connections in the industry.”

Audio presentations from the 2016 Cattlemen’s College will be available online following the Cattle Industry Convention and NCBA Trade Show. Cattlemen and women who were unable to attend the event in San Diego can take advantage of this online option at Beefusa.org. **HW**

BQA free certification period announced

During the annual Cattle Industry Convention, Boehringer Ingelheim Vetmedica, Inc. (BIVI), announced a Beef Quality Assurance (BQA) free-certification period — from now through April 15. Beef producers can take advantage of free BQA certification online courtesy of BIVI and the BQA program, which is funded by the beef checkoff. Cattlemen can register and complete the certification at their own convenience.

BIVI will underwrite the \$25-\$50 online training fee for every person completing BQA training through April 15. Visit BQA.org to take advantage of the open certification period.

In addition, anyone who becomes certified during this period is eligible to win a pair of Roper boots, courtesy of BIVI.

The BQA program is important to the cattle industry because it is a consumer-friendly story that producers can tell, helping the producers to talk about using BQA Best Management Practices for producing a safe and high quality beef product.

The BQA training modules are customized to fit the specific needs of each segment of the cattle industry — cow-calf, stocker, feedyard and dairy operations. The program covers best management practices such as proper handling and administration of animal health products, reducing injection site blemishes, and using low stress cattle-handling principles.

Beyond reinforcing industry best practices for cattle production, obtaining certification can be a useful tool in an ever-changing landscape where consumers want to be assured they are receiving a product raised in ways that align with BQA.

For more information about your beef checkoff investment, visit MyBeefCheckoff.com. **HW**

