



Cattlemen Saddle Up

Highlights of the 2010 Cattle Industry Convention and NCBA Trade Show.

More than 6,000 cattle industry members descended on San Antonio, Texas, for the 2010 Cattle Industry Convention and National Cattlemen's Beef Association (NCBA) Trade Show, which began Jan. 27. The event is the largest of its kind in the cattle industry and includes the annual meetings of NCBA, the Cattlemen's Beef Board, American National CattleWomen, Cattle-Fax and the National Cattlemen's Foundation.

"This is an important time for the future of the beef industry," Gary Voogt, NCBA president, told thousands of producers attending the opening general session. "Our business and our way of life are under attack.

"Our committees will be addressing this and other problems this week as we work toward a unified plan to make the business profitable and sustainable again," he told attendees. "The buck stops with you. Get after it."

Chairman of the Cattlemen's Beef Board Lucinda Williams said that the industry needs the beef checkoff system and it needs it to be responsive to everyone in it.

She said the industry needs to listen to its customers and it needs to be proactive. "Changes are coming down the pipe that will make us less profitable unless we do something about it now," she said.

She explained that most consumers are three generations away from being close to agriculture, and she said that the industry needs to actively

engage consumers in production to show them how food is produced and how farmers and cattlemen care for animals and the environment.

However, she added that the consumer will not initially embrace the message and the funding and attacks from anti-meat groups will continue. She said consumers are funding organizations that have an agenda to see the end of animal agriculture.

"There are too many people out there for us to tackle alone. We need to strengthen our links with other agriculture groups," she said.

Keynote speaker at the opening session was Chris Gardner, author of the book "The Pursuit of Happyness" and inspiration for the 2006 blockbuster movie of the same name starring Will Smith. "The Pursuit of Happyness" chronicles a compelling rags-to-riches story that found Gardner homeless and trying to raise his son 20 years ago. He landed a trainee position at Dean Witter Reynolds in 1981 and worked his way up, becoming a top earner at Bear Stearns & Co. and starting his own brokerage firm, Gardner Rich LLC in Chicago.

The convention concluded Jan. 30 with the NCBA board of directors meeting and the NCBA annual membership meeting. During the meetings, members voted on leadership and policies to ensure the organization's success in 2010.

Steve Foglesong, owner of Black Gold Ranch in Illinois, was officially elected

to succeed Gary Voogt as NCBA's new president. Foglesong encouraged NCBA members to join him in leading this great industry — and the association — to an even stronger future by getting engaged in the issues and telling their story to the public, as well as lawmakers in Washington, D.C.

"Our industry has a great story to tell," Foglesong said. "Our numbers may be small, but when each of us engages and makes our voice heard, we are a force to be reckoned with."

In a landmark vote, the board approved a new organization structure, as presented by the governance task force. This board action puts in motion the creation of a new governance structure, which would feature a smaller board of directors and a new House of Delegates that would include the organization's state affiliates, state beef councils, industry/breed organizations and product/allied industry councils. The Federation of State Beef Councils would be housed within the House of Delegates and would continue to conduct its federation duties as specified in the Beef Promotion and Research Act & Order.

Specifics of the recommendations include:

- A board of directors that has 29 members, 26 of whom are elected by the House of Delegates. The board, which has legal and fiduciary responsibility for the organization;
- A House of Delegates with a total of 250 votes. Of those votes 106 would go to state beef councils, 106 to state affiliates and 38 to industry and breed organizations, as well as the allied industry/product council;
- The Federation of State Beef Councils within the House of Delegates that elects a chair and vice chair and the eight other members to the Beef Promotion Operating Committee;
- Committees approved by that board that would make proposals to the House of Delegates. These

The American Hereford Association (AHA) and Certified Hereford Beef (CHB) LLC booth attracted trade show attendees in San Antonio. 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.



committees would be comprised of NCBA members, members of member organizations and/or invited guests.

The NCBA board also demonstrated confidence in NCBA by voting unanimously to approve a dues increase to help ensure the organization is on sound financial footing. Dues now start at \$100 for cow-calf members. Feeder assessments increased from 10 cents to 12.5 cents per head. Earlier in the week, the Allied Industry Council also expressed its support of NCBA by voting to increase its member dues from \$17,500 to \$25,000.

In addition to structural changes, members approved a number of policy recommendations to guide NCBA efforts in Washington, D.C., in 2010.

In the area of federal lands, property rights and land management, members approved policy calling for reform of the Equal Access to Justice Act (EAJA). While EAJA was established by Congress to ensure that individuals, small businesses or public-interest groups with limited financial resources could seek judicial recourse from unreasonable government actions, a lack of federal oversight has allowed the Act to be abused, particularly by environmental-activist organizations that often target farmers and ranchers under the guise of "public interest." In a six-year period, non-profit environmental groups have filed more than 1,500 lawsuits, and, in turn, the federal government has paid out billions in taxpayer dollars in settlements and legal fees under EAJA and other fee-shifting statutes in cases against the U.S. government.

Also with regards to federal lands, members approved policy to address the growing problem of wild horse and burro overpopulation, which has contributed to range degradation and reductions in biodiversity and livestock productivity. The policy calls for a comprehensive program — including fertility control, sex ratios and other humane means of herd reduction — in accordance with the management options authorized to be used by the Bureau of Land Management.

With regard to international markets, members passed policy calling on NCBA to urge Congress to immediately ratify

the Korea-U.S. Free Trade Agreement (KORUS FTA) — one of the most important bilateral trade agreements in the history of the U.S. beef industry. According to South Korean Economic Minister Choi, who addressed attendees at the week's economic markets committee meeting, U.S. competitors such as Australia are well on their way to finalizing free-trade agreements with Korea, putting U.S. competitiveness at risk for years to come.

In the area of cattle health, NCBA will pursue priorities and strategies regarding both the modification of the National Brucellosis Eradication Program and the eradication of brucellosis from the Greater Yellowstone Area. New policy also directs NCBA to work to maintain producers' ability to keep their cattle healthy through the use of approved antibiotics.

At press time all policies adopted were subject to approval by more than 30,000 NCBA members nationwide. Convention results became official after a mail-in ballot process concluded in March.

In other news former NCBA Vice President Bill Donald of Montana was confirmed as the new president-elect, and former Federation Division Chairman J.D. Alexander of Nebraska was elected to succeed Donald as vice president.

Foglesong ended the convention with his outlook for 2010. Despite the very real challenges facing the industry — including an over-reaching federal government and increasing attacks by activist groups — he said he's optimistic about the year ahead.

"We have a nation of bright and professional agriculturalists who are ready to meet demand when it rebounds. And we have a noble profession: feeding people here at home and around the world. This is a job and a lifestyle to be proud of and fight for so we can turn a strong industry and industry association over to our next generation."

For more convention news, visit NCBA's Web site, www.beefusa.org and the online meeting coverage site, www.4cattlemen.com. **HW**

Cattle supply decline to continue in 2010

Cattle supplies in 2010 should decline another 1 to 1.5% in 2010, Randy Blach, Cattle-Fax chief operating officer, told attendees of the 2010 Cattle Industry Convention in San Antonio, Texas. At the same time, beef demand will continue to be impacted by a weak economy and high unemployment.

Nevertheless, 2010 overall "should be a better year for the beef industry," said Blach, with beef exports expected to rise and fed cattle slaughter totals expected to decrease. "Demand remains the biggest challenge for the beef industry in 2010," Blach said. "Though the supply situation is very bullish, demand must stabilize in order for prices to turn significantly higher."

Fed cattle slaughter totals are expected to be down 2% in 2010, and cow slaughter totals should decline by nearly 9%. Average carcass weights are forecast to increase slightly, and beef production is projected to be down 2.8%. Per capita net beef supplies are expected to be down 4% due to an expected increase in beef exports and smaller beef production.

In 2010, U.S. beef exports are forecast to increase to South Korea and, to a lesser extent, Japan and Vietnam. U.S. beef exports in 2010 are expected to rise by about 8% compared to 2009.

In terms of feedgrains, total U.S. corn production could decrease, as U.S. corn supplies are record large at an estimated 14.83 billion bushels for the 2009-10 marketing year. U.S. soybean supplies are up more than 10% compared to last year — the second highest level on record — while soybean acreage is expected to be near 79 million acres.

Spot corn futures prices are forecast to average near \$3.75/bu in 2010, near steady with 2009, and the combination of bumper corn and soybean crops, as well as the sharp decline in winter wheat acreage, has lessened the need for an acreage battle this spring. **HW**