



Rocky Mountain Round-Up

Highlights of the 2011 Cattle Industry Convention and NCBA Trade Show.



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

More than 5,000 cattle industry members were in Denver Feb. 2-5 for the 2011 Cattle Industry Convention and National Cattlemen's Beef Association (NCBA) Trade Show. The event is the largest of its kind and includes the annual meeting of NCBA, Cattlemen's Beef Board, American National CattleWomen, Cattle-Fax and National Cattlemen's Foundation.

The blizzard that hit many regions of the U.S. that week and freezing temperatures didn't keep cattle producers away. "It was as cold as 25 below zero this week. Kansas City, Dallas, Oklahoma City, Tulsa, O'Hare, and many other airports were shut down, trying to keep cattlemen from attending," said Marvin Kokes, NCBA vice

president of association marketing. "But the education, engagement and entertainment of the 2011 Cattle Industry Convention and NCBA Trade Show proved to overpower what the snow and the cold could dish out."

NCBA President Steve Foglesong encouraged the attendees at the opening general session on Wednesday to serve as a united front for the industry.

"This week we've got opportunities to stand tall. We need to agree to disagree and move on. Let's put together a plan and move this industry down the road," he said.

Highlighting the opening session was Richard Picciotto, the highest ranking New York City firefighter to survive the

September 11, 2001, terrorist attacks. He was in the North Tower assisting with evacuation when it collapsed around him.

Picciotto said he learned three lessons that day: 1) You have to remember priorities in your life. "Any time there's a tragedy, you get very focused. Embrace what is important, and don't lose sight of it," he explained. 2) This country needs to stay united. "We need to agree to disagree. There is no room for picking sides in organizations or politics. We need to try to fix what we can; we can't let our minor differences divide us," he said. 3) "Faith, hope and charity are what got me through this," Picciotto said, and added, "That's what we do in this country is help those in need. Let's not forget that."

Another highlight of the convention was Karl Rove's keynote address during the second general session on Thursday. Rove is the former senior advisor and White House chief of staff for President George W. Bush. He currently serves as a Fox News contributor and writes a weekly opinion column for the *Wall Street Journal*. During the speech, Rove challenged NCBA members to "get involved and stay involved" and to contribute to the

Hereford breeder elected to beef promotion operating committee

The Cattlemen's Beef Board seated new members and elected 2011 officers, as well as members of its executive committee and the beef promotion operating committee, during its annual meeting in Denver Feb. 5. Hereford breeder Richard Gebhart, Claremore, Okla., was one of 10 representatives elected to the beef promotion operating committee, which decides on the final national checkoff program plan each year. **HW**



NCBA Political Action Committee (PAC) to help elect members of Congress who support the beef cattle industry.

The convention wrapped up Saturday with the NCBA board of directors' and membership meetings. Bill Donald, third generation Melville, Mont., rancher, was officially elected to succeed Steve Foglesong as NCBA president during the association's board of directors' meeting.

J.D. Alexander, Pilger, Neb., was elected as NCBA president-elect, and Scott George, Cody, Wyo., is the new NCBA vice president. David Dick, Sedalia, Mo., was elected chairman of the NCBA Federation Division, and Craig Uden, Cozad, Neb., is the new federation vice chairman. The new NCBA Policy Division chairman is Bob McCann of Victoria, Texas, and Don Pemberton of Hopkinsville, Ky., is the new policy vice chairman.

CBB directors seated Arkansas cattleman Tom Jones as chairman; Wesley Grau of New Mexico as vice chairman; and Weldon Wynn, also from Arkansas, as secretary-treasurer.

In addition to electing the new officer team, NCBA members also voted on new and expiring policy issues, including resolutions on cattle health and well-being, food safety, immigration, cattle marketing and trade, and federal lands ranching.

During the annual board meeting, NCBA members approved a beef industry statement of principles. The statement was developed as part of a checkoff funded issues management project and includes the following principles: preserving the environment, protecting our livestock, providing quality food for consumers, enhancing food safety, investing in our communities, embracing innovation, and creating a sustainable future.

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

Outlook suggests tight global supplies, higher prices and herd stabilization

Beef industry economists reported on the 2011 beef industry outlook during the CattleFax seminar on Friday morning. CattleFax predicts strong cattle prices will continue into the foreseeable future, with prices on all classes of cattle at record high levels in 2011 and 2012.

Brett Stuart, CattleFax market analyst, said global beef demand is increasing alongside tighter world beef supplies. "2011 will be the fourth consecutive year of global beef production declines," said Stuart. "This will not correct quickly. We will see very tight supplies moving forward."

A major contributing factor to increasing demand comes from outside U.S. borders. Stuart said business in the international marketplace is growing quickly as improvements to infrastructure and logistics are made. Beef exports are witnessing substantial growth with 75% of all U.S. beef exports going to Mexico, Canada, South Korea, Japan and Vietnam.

"Korea is very aggressively buying beef from the United States," said Stuart, adding that the foot and mouth disease issue is causing substantial reductions in Korea's domestic meat supplies. "Last week we had outstanding sales to Korea at 24,000 tons, which is up from 9,000 tons a year ago."

Stuart projects the increasing demand from outside the U.S. will continue the upward trend. He suggested an 8% to 10% increase in U.S. beef exports in 2011 compared to last year. He said it could even surpass his expectation.

"I am not saying exports will be up 18% (from 2010), but I'm not saying they won't be," he said.

Kevin Good, market analyst for CattleFax, said 2011 will be another year of tighter supplies and a "very mild" cow herd reduction. He added that stabilization is also in sight, projecting the early half of the year will bring continued reduction but suggested the decline will simmer in the latter half of 2011. The smaller herd is a "double-edged sword," according to Good.

"Demand will be a notch better this year. Total domestic supplies will be lower this year than last. I am very bullish on price, which is good. But we have to start

retaining heifers and rebuilding the cow herd to meet this demand and compete globally," Good said.

The industry experts offered a sense of cautious optimism. Basically, supplies are tight, global demand is up, live cattle prices are good for U.S. cattlemen and women, and 2011 will be the year of stabilizing the cow herd.

"We're going to see some real profitability over the next several years," CattleFax Chief Operating Officer Randy Blach said. "The payday is just beginning."

Here are some highlights from the *CattleFax Outlook 2011 Executive Summary*:

Cattle supplies

- Total cattle numbers are down 1.4% for 2011 and another 1% to 1.5% decline is expected by 2012.
- Reduced slaughter levels of fed steers, heifers and cows are expected to result in a 373 million lb. (-1.4%) reduction in beef production despite a moderate increase in average carcass weights.
- Reduced beef production and increased exports are expected to drive 2011 per capita net beef supplies lower for the fifth consecutive year.

Beef demand

- Domestic beef demand is expected to be steady to slightly better during the next two years.
- Higher fed-cattle prices will result in higher retail prices and could influence menu prices.
- Retail beef prices are expected to be less competitive compared to pork and especially chicken in 2011.

Cattle and beef prices

- Record-high prices are forecasted for all classes of cattle in 2011 with continued increases in 2012.
- Fed-cattle values are expected to average near \$103 per hundredweight (cwt.) in 2011 with higher prices again in 2012.
- Feeder-cattle values are projected to average near \$118 per cwt. and calf values are projected near \$138 per cwt.
- Cull cow values will also experience an increase, averaging near \$65 per cwt. **HW**