



# Boots on the Bay

*Highlights of the 2013 Cattle Industry Convention and NCBA Trade Show.*

**M**ore than 6,500 cattlemen and women traveled to the Sunshine State for the 2013 Cattle Industry Convention and NCBA Trade Show Feb. 6-9.

Cattle industry enthusiasts from across the country gathered in Tampa for a week of education, engagement and entertainment while also setting policy to guide legislative efforts for the coming year. The convention included joint and individual meetings sponsored 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).

## Leadership

Scott George, a dairy and beef producer from Cody, Wyo., was elected to succeed J.D. Alexander as NCBA president during the association's board of directors meeting on Saturday, Feb. 9.

The new NCBA president-elect is Bob McCan, of Victoria, Texas. Don Pemberton, Hopkinsville, Ky., is NCBA's new vice president. Hereford breeder Richard Gebhart,

of northeastern Oklahoma, was elected chairman of the NCBA federation division and Cevin Jones, of Idaho, is the federation division's vice chair. The new NCBA policy division chairman is Philip Ellis, of Bear Creek, Wyo., and Craig Uden, of Elwood, Neb., is the new policy vice chairman.

"It is a great honor to be elected to lead NCBA for the next year. The opportunities for U.S. cattlemen and women are boundless," George said. "NCBA represents such diversity in the cattle industry. It takes all of us working toward the goal of being successful and providing consumers with the world's safest, highest quality supply of beef."

In addition to electing the new officer team on the final day of the convention, 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, federal lands ranching, and more.

"I am looking forward to seeing what this year will bring for the cattle industry," George said. "There will always be challenges, from the drought which deeply affected so much of cattle country, to educating our elected officials and consumers about our industry, to continuing to ensure that beef remains an affordable, nutritious choice for



The American Hereford Association (AHA) and Certified Hereford Beef (CHB) LLC booth attracted trade show attendees in Tampa. Visitors picked up promotional materials and visited with AHA staff about the Hereford advantage.



Throughout the week, Craig Huffhines, AHA executive vice president, visited with producers as well as media about Hereford programs and activities.



Jack Holden of Holden Herefords, Valier, Mont., shared with Cattlemen's College attendees new technologies being used by Holden Herefords and other Hereford breeders.

families to put on their dinner tables. But like the challenges we've faced in our past, we will overcome hurdles, we will succeed and we will move our industry forward."

### Tuohys kick off convention

One highlight of the convention was the keynote address by Sean and Leigh Anne Tuohy during the opening general session on Feb. 6. The Tuohys, whose lives were first chronicled in the bestselling book and blockbuster movie "*The Blind Side*," shared with the audience their message of love, hope and the power of cheerful giving.

The Tuohys adopted Michael Oher, a teenager who, according to the family, was "going to fall through the cracks of society." Oher now plays for the Super Bowl XLVII champions, the Baltimore Ravens.



Hereford breeder Richard Gebhart was elected federation division chairman.

Stuart Varney, a veteran business journalist and host of "*Varney & Company*" on FOX Business Channel, spoke during General Session II on Feb. 7. Varney offered a positive take on the current economic situation and what it means for cattle producers and their businesses.

For more convention news and highlights, visit NCBA's website, [beefusa.org](http://beefusa.org) or the online meeting coverage site, [4cattlemen.com](http://4cattlemen.com). **HW**

## CattleFax outlook: Decline in beef supply, rising prices in 2013

Beef supply and demand, the U.S. economy, and other issues likely to shape the future were discussed during the CattleFax Annual Outlook Seminar during the 2013 Cattle Industry Convention.

Creighton University Professor Emeritus Art Douglas told attendees there is a chance some regions of the U.S. will see a return to more normal precipitation patterns during the upcoming spring and summer growing season. That was welcome news to participants, many of whom have been enduring an ongoing, multi-year drought, which has affected more than 70% of cattle country.

If precipitation returns to near-normal levels for the 2013 growing season, CattleFax predicts farmers in the U.S. will plant a record number of acres in both corn and soybeans. CattleFax Grain Market Analyst Chad Spearman told the audience that those record acres would lead to lower feed grain prices this year.

"If we see anything close to trend line yields, we'll see relief on the supply side and the result will be price relief, particularly in the second-half of 2013," said Spearman, who added that the additional moisture will help mitigate hay prices after harvest begins this summer.

"With a little help from Mother Nature, we will be in much better shape with regard to hay supply and prices during the second half of the year," he said.

Although input costs may provide relief, analyst Mike Murphy provided a note of caution, saying that a possible economic slowdown could put pressure on beef prices and demand among consumers. He projected that net income in the U.S. would be flat with incomes struggling to keep pace with inflation. However, he predicted beef exports would continue to provide support for prices.

"We expect to see an increase in exports, due in large part to an increase in shipments to Japan since that market recently opened to beef from cattle under 30 months of age," Murphy

said. "Imports will also be up substantially as well, due to tighter supplies in the U.S. at a time when we have strong demand for 90% lean trim."

Overall, CattleFax Senior Analyst Kevin Good predicted beef production in the U.S. will fall with per-capita supply declining 2.2%. However, he said the decrease will be partially offset by increasing carcass weights. CattleFax projects the wholesale beef demand index will decline by 1% due to a 1% decline in real income of consumers.

Good said he expects that there will be a shift in leverage with the loss of packing capacity in the U.S. after the closure of a southern Plains packing plant earlier this year.

"As a result of that decline in capacity, feedlots will get a smaller percentage of the wholesale value of beef," Good said. He added that CattleFax is projecting average prices will be higher for all classes of cattle during 2013 compared to the prior year.

Prices are expected to average \$126 compared to \$123 during 2012, an increase of 2.5%. Yearling prices are expected to average \$155, an increase of 5% from the 2012 average of \$147. According to Good, calf prices will average \$175, up 5% from last year's average of \$167.

"The cow-calf sector will remain in the driver's seat during 2013, particularly if they have feed," Good said.

CattleFax CEO Randy Blach summarized the year ahead by saying it will be a difficult year for margin operators in the cattle business. He emphasized the importance of risk management due to continued volatility and rising capital requirements. Packer margins, though, should see some improvement as the result of the decline in capacity, a trend that he expects to continue.

"Don't be surprised if we see the loss of another one or two plants before we're done with the consolidation phase," Blach said. Likewise, he said the industry can expect cattle feeding capacity to continue its decline due to the current market situation. **HW**