

# Cattlemen Mosey on Down to Music City

## Highlights of the 2017 Cattle Industry Convention and NCBA Trade Show.

A record-shattering 9,300 cattlemen and women met in Nashville, Tenn., Feb. 1-3 for the 2017 Cattle Industry Convention and National Cattlemen's Beef Association (NCBA) Trade Show — the largest annual gathering of the beef industry.

The convention hosted cattle-industry enthusiasts for a week of education, committee meetings, policy development and entertainment.

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.

"The Convention and NCBA Trade Show is the beef industry's largest gathering of the year, and it's a great opportunity for everybody in the industry to network, set

public policy for 2017, and learn about all the new technology and science that's improving the quality and safety of American-produced beef every day," says 2016 NCBA President Tracy Brunner.

In addition to attending a 353-exhibitor trade show showcasing the industry's latest products and technology, cattlemen heard from Dr. Beck Weathers, who in 1996 barely survived one of the most violent and deadly storms ever to strike Mt. Everest and served as the inspiration for the major motion picture "Everest."

Cattlemen also listened to Dana Perino, who was the press secretary for President George W. Bush for seven years and is now a panelist on "The Five," which airs daily on the Fox News Channel. Her exposure to the Washington scene brought an insider's knowledge to the new administration. Perino said the

recent presidential election was unique. The odds of getting an inside straight are 254 to 1, she told the audience, and those are the kind of odds Trump beat to win the presidency. "It was a hard hand to play, and he played it perfectly," she said. While Hillary Clinton won the popular vote, she didn't win the states she needed, including Pennsylvania, Michigan and Wisconsin.

According to Perino, cattle producers should work to make sure they "get in front of the administration as much as possible" on things like trade. She suggested giving away the upper hand in trade to China through destruction of the TPP (Trans Pacific Partnership) was not a good idea, but "he (Trump) can change his mind."

### Hereford on hand

The American Hereford Association (AHA) and Certified Hereford Beef

## Commodity price stabilization expected in 2017

After a volatile year, stability is returning to global commodity markets, at least for the time being, said CattleFax CEO Randy Blach on Feb. 2 during the CattleFax Outlook Session at the 2017 Cattle Industry Convention and NCBA Trade Show in Nashville, Tenn.

"After the ag market shocks of the past year and an approximate correction of 50% in all commodity markets, prices are beginning to stabilize," Blach says. "That doesn't mean that we're past this, or that prices have bottomed, but on a global basis, we're not likely to see as much volatility during the year ahead."

He says the industry is continuing to become more current in its marketing and cattle feeders are seeing a return to profitability, the first step in helping to stabilize prices for cow-calf and stocker operations.

Blach says that in the near-term, capacity is going to continue to be a significant issue for packing companies in both the beef and pork sectors. A shortage of available labor and an increase in protein production in beef, pork and poultry will continue to keep the packing sector in the driver's seat during the year ahead.

"With limited processing capacity, the leverage shift in the marketplace will continue toward the packing, retail and foodservice segments for the time being," Blach says.

During 2017 and beyond, margins are likely to tighten for cow-calf producers with more stability but also an expectation for lower highs and lower lows. CattleFax analysts note the cow-calf sector will shift focus to finding efficiencies, reducing cow costs and improving productivity to remain profitable. Analysts estimated 2017 price expectations for 550 lb. steers at \$150 per hundredweight (cwt.) with a range of \$130-170/cwt. while 750 lb. steers will average \$130/cwt. with a range from \$120-140 during the year ahead.

Blach reports the historical cattle cycle remains intact, although the price break experienced in 2016 was the fastest and deepest of any in recent history.

"Even with the rapid growth in the U.S. cow herd, numbers are expected to continue higher for the next two-to-three years," says CattleFax Senior Analyst Kevin Good. "Absolute price lows likely will



(CHB®) LLC booth in Nashville represented the Hereford breed by providing a place for cattlemen and Hereford enthusiasts to visit with AHA and CHB staff about Hereford's important role in the beef industry.

Staff promoted The Hereford Advantage program and shared with commercial cattlemen how Hereford traits can improve their bottom line. CHB LLC staff highlighted the superior taste and consistency of CHB and directed attendees to local restaurants which serve the product.

### Leadership

Nebraska cattleman Craig Uden succeeded Tracy Brunner as the organization's new president and will lead the organization's policy work and oversee efforts as a contractor to the Beef Checkoff Program.

Uden, a fourth-generation cattleman from Elwood, Neb., says he is proud to lead the organization.

"It is an honor to be selected to lead the industry that my family has worked in for four generations," Uden says. "We have a great opportunity in the coming year and sharing our story on Capitol Hill and around the country is going to be top priority."

Uden is a partner in Darr Feedlot Inc., a commercial cattle



The AHA and CHB LLC booth in Nashville provided a place for cattlemen and Hereford breeders to visit with AHA staff about the Hereford advantage.

feeding operation in central Nebraska. Uden and his wife, Terri, also own and manage a commercial cow-calf operation.

Kevin Kester of Parkfield, Calif., was voted to serve as the NCBA president-elect. Jennifer Houston of Sweetwater, Tenn., will serve as vice president. Jerry Effertz of Velva, N.D., is the new Federation chairman, and the new Federation vice chair is Dawn Caldwell of Edgar, Neb. The new NCBA Policy Division chairman is Joe Guild, Reno, Nev., and Jerry Bohn of Pratt, Kan., is the new policy vice chairman.

"The coming year is going to be a huge one for the cattle

and beef industry from a policy standpoint," Uden says. "We are facing unprecedented change in Washington D.C., and we're going to work tirelessly to make sure our producers' voices are heard in Washington on important issues like tax reform, regulatory relief and international trade."

### Cattlemen's College

Education was the focus for the first days of the 2017 Cattle Industry Convention and NCBA Trade Show, with more than 1,250 cattlemen and women on hand for the 24th edition of Cattlemen's College, sponsored

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not be realized until that period of increasing cow herd numbers is behind us."

Good echoes the expectation for prices to stabilize during 2017, making price and production risk management an easier task for producers. He says fed steer prices will average \$110/cwt. with a range of \$98-\$124/cwt. and the composite Choice cutout will trade from \$168 to \$204/cwt. with a 2017 average price of \$185/cwt. for the year. Grain prices have also stabilized and corn is projected to trade from \$2.90-\$3.95 per bushel with an average of \$3.45 per bushel.

Meteorologist Art Douglas, professor emeritus at Creighton University, says the signs of a return to El Nino conditions are already becoming apparent in the Pacific Ocean, which bodes well for portions of the country.

"The upcoming spring forecast calls for improved moisture from Texas to Minnesota and this will be an ideal setup for spring wheat. The drought in the Southeast will be retracting in the spring while a drier spring weather pattern is forecast for the northern Rockies. Persistent high pressure ridging will keep the western

third of the country warmer than normal in the spring and the dry areas of the far Southeast will also be warmer than normal," Douglas says. "Temperatures will be cooler than normal through the Corn Belt in the spring and with wet weather forecast for the western Corn Belt, there could be problems with field work and spring planting."

He says the upcoming summer is expected to follow the typical pattern observed with developing El Nino events.

"Midwest summer temperatures will be near to slightly below normal. A persistent trough of low pressure is forecast to persist through the Mississippi Valley through the summer and this will favor cooler than normal temperatures in the plains and above normal precipitation from the Gulf Coast to the mid-Mississippi Valley and Ohio Valley as well as the Southeast," Douglas says. "The summer monsoon in the Southwest is likely to be weak as the monsoon high pressure struggles to become established in the plains. The Northwest is expected to have a warmer- and drier-than-normal summer due to persistent high pressure ridging." **HW**

by Zoetis Animal Health. The event has become the gold standard for educational seminars with more than 15 educational sessions focused on providing opportunities for participants to improve the profitability, productivity and, ultimately, the sustainability of their farms and ranches.

“The focus of Cattlemen’s College is to provide real-world solutions and ideas that participants can take home and apply to their operations. The information that panelists are providing at this year’s event will provide ideas that can be applied right away,” said Josh White, NCBA executive director of producer education. “We have an impressive array of speakers representing every segment of the beef community. With five different educational tracks, participants can focus on their specific areas of interest. From changing consumer attitudes to topics focused on succession planning and specific animal management information, each session was developed to help move our industry ahead.”

The Cattlemen’s College event began Tuesday afternoon, Jan. 31, with two sessions, “Turning Loss into Gain: Managing Risk to Improve Fertility,” featuring Alison Van Eenennaam, Ph.D., and Megan Rolf, Ph.D., who presented new research on cow herd fertility



AHA Director of Breed Improvement and Chief Operating Officer Shane Bedwell taught the course “Reducing lameness and improving cattle structure through genetics and management” at Cattlemen’s College. See Page 36 for a complete summary.

and its impact on profitability and a concurrent session featuring Kent Andersen, Ph.D., who examined the use of genetic tools for building more productive cow herds and adding value to feeder and fed cattle.

The next morning, Cameron Bruett, head of corporate affairs for JBS USA, spoke to a packed room about the changing consumer expectations for beef. He emphasized the need for every segment of the beef supply chain to better understand its customers in order to meet the needs of a changing industry. He also emphasized the significant challenges posed by competing proteins, an uncertain political

environment and its impact on labor in the United States.

“Today, it’s very difficult to find someone to work in a packing plant,” Bruett says. “Much of our labor force is comprised of first-generation immigrants and they’re great people, but we still face significant turnover and unplanned absenteeism among our work force, and that makes it difficult to run a business. Ultimately, it makes it difficult to get our product out the door. That impacts the cattlemen and women who depend on the packers to supply beef to the consumers. The bottleneck in our industry isn’t in the number of animals any more. The bottleneck is a labor shortage in the plant, and it’s a major problem.”

Bruett, who has played key roles in the beef sustainability movement, also spent time defining beef sustainability and illustrating the importance and benefits of the industry’s path of continuous improvement.

“There are a lot of labels out there, but those labels aren’t about sustainability,” Bruett says. “Those labels are about a production practice, but sustainability is much more than any single production practice. In order to evaluate the sustainability of the product, the profitability, social and environmental aspects must be considered equally. Something may be good for the environment, but if it’s not also profitable, then it’s not sustainable.

“There’s a great deal of concern that there’s going to be a mandate about practices, but that’s not what sustainability is about; it’s about the end product. If that product is profitable, contributes to the social landscape and has positive environmental benefits, then it becomes sustainable,” Bruett says.

Presentations from the 2017 Cattlemen’s College will be available online after Feb. 17. Cattlemen and women who were unable to attend the event in Nashville can take advantage of this online option at [beefusa.org](http://beefusa.org). **HW**

## Hereford highlights local restaurants serving CHB

During the 2017 Cattle Industry Convention and NCBA Trade Show, AHA and CHB LLC staff directed attendees to local restaurants serving CHB.

One restaurant on that list, Jimmy Kelly’s, is a Nashville icon. Owner Mike Kelly’s grandfather started the restaurant in 1934, and Kelly says through the years it has stayed true to its steakhouse roots. Housed in a Southern mansion, the 83-year-old restaurant serves CHB.

“We picked up a few CHB products about 8 years ago and were pleasantly surprised,” Kelly says. “For about 7 years we’ve had a completely Hereford beef program.”

Kelly says what stood out most to him is the above-average consistency CHB offered.

“I can’t take a bite out of every steak we serve,” he says. “The only way you can stay in the restaurant business is to have a high-quality, consistent product — it’s rule number one. I felt like [CHB] was above average and had a consistently exceptionable flavor profile. It is noticeably different.” **HW**



PHOTO COURTESY OF JIMMY KELLY’S