



# Deep in the Heart

Highlights from the 2020 Cattle Industry Convention and NCBA Trade Show.

by *Diane Meyer*

More than 8,000 cattlemen, industry partners and stakeholders traveled to the heart of Texas for the 2020 Cattle Industry Convention and National Cattlemen's Beef Association (NCBA) Trade Show in San Antonio Feb. 5-7. Within the 7.7-acre trade show floor, attendees interacted with hundreds of trade show vendors and took part in an educational learning lounge, policy roundtables, live cattle handling demonstrations and horse health sessions.

More than 1,000 cattlemen and women took advantage of educational opportunities at the 27th annual Cattlemen's College, which featured 18 sessions covering hot topics in the areas of business management, bull management, herd health, genetic selection, nutrition management and consumer-driven beef trends.

During Wednesday's opening ceremony, U.S. Department of Agriculture Secretary Sonny Perdue joined 2019 NCBA President Jennifer Houston to discuss American beef production.

"Japan's a big deal, they are a huge consumer and a huge lover of our U.S. Beef. What we have done with Japan, obviously, is open that market up again in a bilateral relationship," Secretary Perdue says. "We were excited about getting beef back into China. I think we will see that market grow with the Phase One agreement, and the big deal there is we have those non-tariff barriers on beef removed."

Astronaut and retired U.S. Navy Capt. Scott Kelly recounted his record-breaking year in space aboard the International Space Station. Sharing his inspiring perspective of life beyond Earth, Kelly says the biggest lesson he learned on his 143-million-mile journey is, "If we can dream it, we can do it. If we have a goal and a plan, if we're willing to take risks — at times even willing to fail — if we focus on things we can control and ignore what we can't, if we test the status quo and we work as a team — because teamwork makes the dream work — we can choose to do the hard things, and if we do that then the sky is definitely not the limit."



## CattleFax 2020 Industry Outlook

CattleFax Vice President of Industry Relations Kevin Good reported a growing demand for U.S. beef in the coming year due largely in part to new trade opportunities. As more cattle reach the supply chain, harvest will increase in 2020 and larger carcass weights will push beef production to a record-high 27.7 billion pounds.

"With strong demand for U.S. beef at home and rising demand overseas, the modest increases in supply will be more than offset by a growing consumer appetite for our product," Good says.

After a 5-year expansion, beef heifer retention and cow culling rates have leveled — the U.S. beef cow inventory as of Jan. 1 is 31.3 million head. Supply for feedyard inventories is expected to drop slightly in 2020 since feeder cattle and calf supply outside feedyards is down 0.4% from 2019, sitting at 26.4 million head as of Jan 1. Increases in beef exports and decreases in beef imports will result in per capita beef supplies increasing 0.4 pounds from last year to 58.4 pounds.

Domestically, total beef expenditures increased 4% in 2019 to \$111 billion and are expected to exceed \$113 billion this year. Consumer demand for beef is supported by higher quality beef production, as Prime and Choice quality grades represented 80% of all fed beef production in 2020.

Globally, the "Phase One" of the China and U.S. trade deal opens the door to substantial increases in exports the next few years. U.S. beef exports are predicted to increase 5% to 3.2 billion pounds in 2020, while imports will decrease 5% to 2.9 billion pounds.

Art Douglas, Ph.D., Creighton University professor emeritus, presented the extended range weather outlook. After five years of El Nino, there will be a shift to a La Nina weather system by summer. This shift will result in drier climates throughout most of the U.S. and will influence

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drought conditions in the Southwest and the Plains. The shift toward La Nina will also help normal precipitation levels return to the southern and northwest regions of Australia, as well as ease drought conditions in Brazil.

### Directors elected

Fifth-generation Florida rancher Marty Smith was elected president of the NCBA. He replaces Jennifer Houston of Sweetwater, Tenn., 2019 NCBA president.

Smith operates Smith Brothers-Wacahoota, LLC, a cow-calf operation in central Florida, which has been in continuous operation since 1852. It retains ownership through feedlots in Texas, Kansas and Iowa.

“It’s a tremendous honor to lead the oldest and largest national organization representing America’s cattle producers,” Smith says. “We have a great product with a great story, and I’m looking forward to helping tell that story without apology during the year ahead as President of NCBA.”

Smith was formally elected at a meeting of NCBA’s board of directors, who also set the rest of the officer team for the coming year. Jerry Bohn of Kansas was named president-elect, Don Schiefelbein of Minnesota was elected vice president and Todd Wilkinson of South Dakota was elected chair of the NCBA Policy Division, while Wyoming rancher Mark Eisele was elected policy vice chair. Buck Wehrbein of Nebraska was elected chair of the NCBA Federation Division and Scott McGregor of Iowa was elected vice chair.



### Hereford highlights

“Come Home to Hereford” lit up the trade show floor at booth #1550, where American Hereford Association (AHA) staff interacted with convention-goers to discuss the benefits of Hereford genetics. A delicious sampling of Certified Hereford Beef® prime rib was served during the opening trade show reception.

The AHA hosted a media briefing Thursday to highlight upcoming opportunities in 2020. Staff from the Red Angus Association of America (RAAA) joined the briefing to discuss the interest and progress in the Premium Red Baldy program. Tom Brink, RAAA CEO, shared the program is providing an added level of documentation which cattle feeders and buyers desire.

Doug Stanton, vice president of sales and business development at IMI Global, was also on hand to highlight the changes to the Hereford Advantage program, noting more than 3,000 head have been enrolled.

Jack Ward, AHA executive vice president, announced two new exciting partnerships.

AHA fieldstaff are now working with S= Cattle, owned and operated by Nolan Stone, to provide producers with additional marketing outlets for their feeder cattle.

Additionally, the AHA is excited to announce a new partnership with Merck Animal Health to educate members and cattle producers on the value of a proper health program to help feeder cattle succeed.

Join the team next year in Nashville, Tenn., Feb. 3-5 for the 2021 Cattle Industry Convention and NCBA Trade Show. **HW**

## CattleFax 2020 price outlook and watch list

The following information was provided by CattleFax at the Global Protein and Grain Outlook Seminar at the 2020 Cattle Industry Convention and National Cattlemen’s Beef Association Trade Show in San Antonio Feb. 6.

### Price outlook 2020

- All fresh retail: \$5.87 per pound, up \$0.05
- Composite cutout: \$222 per hundredweight (cwt.), up \$3
- Fed steer: \$120 per cwt., up \$3
- 750-pound steer: \$150 per cwt., up \$6
- 550-pound steer: \$170 per cwt., up \$6
- Utility cows: \$60 per cwt., up \$5
- Bred cows: \$1,500 per head, steady

### Beef industry watch list

- **Farming margins** — Operations have experienced tighter margins, on average, the last several years. Global trade is needed to counter large domestic supplies.

- **Trade** — Agreements with Japan, Mexico, Canada and China have progressed. China has committed to increase purchases of U.S. agricultural products by \$19.5 billion over the next two years.
- **Economy** — U.S. unemployment remains historically low and disposable income continues to increase. Real gross domestic product is expected to grow between 2.0 to 2.5% in 2020.
- **Food trends** — Consumers want to know the products they purchase are environmentally responsible, economically viable and socially acceptable. As millennials and members of generation Z become the largest U.S. consumer demographics, cattle producers need to be more comfortable discussing beef production in these terms. **HW**

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