

Lifelong Learning

Educational forums during October's American Hereford Association (AHA) Annual Membership Meeting and Conference in Kansas City, Mo., provided members and guests a mix of inspiration, business insight and critical thought.

Grit is Future Critical

“Think about where you grew up and then be thankful that God gave that to you because it probably set your mind differently than so many people,” said Tom Field, Paul Engler chair of agribusiness at the University of Nebraska-Lincoln. “If you live in an agricultural world, you get a chance to see horizons that the average person doesn’t get a chance to see.”

Such a view fosters what Field terms an abundance mindset; for example, being able to see past a drought rather than focus on it. Scarcity thinkers only stare at the parched ground in front of them.

“You are abundance thinkers,” Field said. “You have always been abundance thinkers because you don’t know another way.”

Coming out of the pandemic, when some hunkered in place and others kept going, he believes having and creating an abundance mindset will say much about the future of the United States.

Sociologists use the term VUCA to describe the environment, according to Field. VUCA stands for volatile, uncertain times filled with chaos and ambiguity. Pointing to the National Junior Hereford Association board members in attendance, he continued, “They have never lived during a time that wasn’t a VUCA time. They’ve lived with uncertainty their entire lives.” Like their parents, though, they have an abundance mindset.

That takes grit.

“Grit is the dogged pursuit of what we care deeply about, that with meaning and purpose,” Field explained, sharing a



dictionary definition. “Not everybody in the world has grit. Our job as blue collar professionals is to absolutely advocate for the demonstration and creation of grit in the next generation, for if we fail this, the republic will fail.”

Taking next steps

The AHA Board of Directors selected Field and Kevin Ochsner, Agcellerate president, to facilitate the organization’s next strategic planning process.

“You’re undertaking a strategic initiative as an organization, and as you think about that, it’s important to remember this quote from management consultant, Tom Peters: From innovation to execution and customer connections, our internal barriers, not our competitor’s cleverness, are the principle impediments to superior performance” Field said.

“We want to grow a business. We don’t ignore the competition,

but it’s our own mindset that separates us from growth and stagnation. Talent is part of the foundation. You can’t ignore some level of skill and ability, but at the end of the day, success comes from one thing — the ability to stick with the process, stick with the fight, do the work when it’s easy and when it’s hard.”

Field shared one more thing that should hearten Hereford breeders.

“At a time when resilience is going to matter more in biology than it has for a long time, you happen to have a genetic base of resilient biology, and the industry is going to need it, in my opinion,” Field said.

Quality bar rising

Domestic beef demand is the strongest it has been in three decades. Beef gained about 2% market share per year for the last two decades. U.S. beef exports through September 2021 were on a record pace in terms of volume and value.

Kevin Good, CattleFax analyst and vice president of industry relations, said this is all a result of listening to the consumer.

“Think about grade, think about consistency. They are the driving points,” Good explained. “Today, we have a much better product than we had in the past and our customers are rewarding us with more dollars.”

For perspective, 72.7% of all beef cattle graded Choice in 2020 and 10.2% graded Prime, according to USDA’s Estimated National Grading Summary. Just 10 years earlier, 60.1% were Choice and 3.4% were Prime. Through October this year, 72.6% were Choice and 10.1% were Prime.



Tom Field, Paul Engler chair of agribusiness at the University of Nebraska-Lincoln.



Scott Bennett, director of congressional relations for the American Farm Bureau Federation.

Whether regarded as the proverbial chicken or egg, Good pointed out carcass quality increased as the industry applied premiums and discounts in order to get what consumers wanted.

“About 70% of the [fed] cattle we sell in the U.S. today are sold on a grid or formula, so cattle are rewarded once the hide is taken off,” Good explained. “Plainer, poorer cattle that used to be par are now at a discount. The premium has gone away for middle-of-the-road cattle. You still have very distinct premiums for the top end.”

Good expects the quality grade trend to continue.

“There will be a time when we produce 20-30% prime in the national herd, and it’s not that far away,” Good predicted. “As we think about what our customer is demanding, let’s remember that last year, with COVID, we couldn’t sell Prime through restaurants, it

went through retail. Every major retail chain in the U.S. now has a premium product offering. Consumers want it, so we’re going to have to provide it.”

Good also shared price expectations for 2022, as cow numbers and fed cattle supplies decline and more

leverage returns to producers. CattleFax projects calves to average \$200/cwt., compared to \$170 this year; yearlings to average \$165, compared to \$140 this year; fed steers to average \$135, compared to \$121 this year.

Policy wrangling

Scott Bennett, director of congressional relations for the American Farm Bureau Federation

Packing capacity

“Pre-COVID, we had a just-in-time meat supply chain,” Bennett said, explaining packing plants chugged at full capacity, harvest animals left for slaughter as quick as they were ready, and meat left the plants and entered the supply chain immediately.

“After seeing some grocery store shelves empty in April and May of 2020, seeing part of the supply chain just jam up, I think the general public is wanting to go to a just-in-case meat supply chain,” Bennett said. He explained that’s the impetus behind consumer and lawmaker interest in developing small, regional packing capacity.

Price discovery

Bennett noted heightened interest in cattle markets by Congress and producers. Plenty of that was driven by the eye-popping price difference between wholesale beef prices and fed cattle prices.

AFBF is currently the only producer trade association in Washington, D.C., that supports some form of mandatory minimum cash fed cattle trade, in order to increase price discovery. However, Bennett pointed out it would not necessarily be the silver bullet many want.

“Increased price discovery doesn’t necessarily mean higher prices. In fact, it could be the reverse,” Bennett said. “It could lower prices for producers.”

On a related note, Bennett emphasized the need for Congress to reauthorize

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(AFBF) shared insights on several producer-relevant issues lawmakers are addressing. Some issues stem directly from the pandemic, while others continue their long-time simmer. These are some insights he shared.



Kevin Good, CattleFax analyst and vice president of industry relations.



Scott Nordstrom, DVM, Merck Animal Health director of new product development.

Livestock Mandatory Reporting, which mandates public price reporting.

Gene editing

“I’m sure it’s alarming to a lot of folks. My family [Knoll Crest Farm] has had Hereford cattle since 1944. The reason we are in the business is that generation after generation we selectively breed those cattle to become better, and it takes time,” Bennett explained.

Now, technology enables making immediate changes like polling horned cattle or making black ones red. Less talked about gene edits include such things as making cattle resistant to specific diseases or more adapted to specific climates.

So far, U.S. laws mostly prohibit gene-editing technology, so developers are going to other countries.

“American Farm Bureau, with other trade associations, is working vehemently with USDA and FDA to try to come up with some kind of regulatory protocol that makes sense, that actually encourages development of this technology,” Bennett explained. “Even though you may disagree with the potential it has, it’s much better to have it in our own backyard than in another country where we don’t have the ability to control the outcomes.”

Building calf immunity

“The ability to prevent or, in some cases, cure disease by turning on the immune system is really an

incredible opportunity,” Scott Nordstrom, DVM, Merck Animal Health director of new product development, said.

Along with some insightful vaccine history, Nordstrom shared specifics about the role of mucosal immunology in young calves.

Calf and mucosal immunology

“Almost from the moment of conception, a calf has an innate immune system. It recognizes foreign pathogens, though it may not yet be able to produce antibodies,” Nordstrom explained. “Around the second trimester, the calf is starting to develop a specific acquired immune system, meaning it will see a foreign pathogen, it will create antibodies, it will create cell-mediated immunity and it will be able to expel the pathogen.”

Once born, Nordstrom said the single most important thing for the immune system of the calf is to make sure it receives colostrum. But, colostrum poses a challenge to vaccination.

“When we give a traditional subcutaneous vaccine, calves typically do not respond well because those circulating antibodies they’ve gotten from the colostrum will bind the antigen and prevent it from providing the full and robust immune response,” Nordstrom explained. “The other problem is that antibodies wane at different levels.”

For instance, he said protective bovine respiratory syncytial virus (BRSV) antibodies last a short time, while protective antibodies for infectious bovine rhinotracheitis (IBR) and bovine viral diarrhea (BVD) can last six or seven months.

Those are reasons Merck Animal Health continues to research mucosal immunology and develop mucosal vaccines. In simple terms, equate “mucosal” with the skin’s surface, as well as the surfaces of the respiratory and gastrointestinal tracts. The mucosal system contains cells that react uniquely to pathogens.

“If I give a vaccine intranasally, I produce IgA [Immunoglobulin A], which is an antibody that coats the mucosal surfaces. If I give the same vaccine subcutaneously, the only thing I get is IgG [Immunoglobulin G], which circulates,” Nordstrom explained. “If you use an intranasal vaccine, it stimulates the IgA, which binds the pathogen at the surface. It also creates memory and IgG, so if the pathogen does breach the surface it gets bound up by the circulating IgG.”

According to Nordstrom, the advantages of intranasal vaccines are that they are needle-free, they appear to be less objectionable to young calves, they create a comparable immune response, and they provide better response in the face of maternal antibodies than most subcutaneous antigens, with the exception of BVD. **HW**