



Raising Beef in a First World Country: Science, Media and Politics

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Fundamentals for dealing with today's environment

"Facts do not cease to exist because they are ignored."

[Aldous Huxley](#)

"You can avoid reality, but you cannot avoid the consequences of avoiding reality."

[Ayn Rand](#)

Not an Option!



Productivity

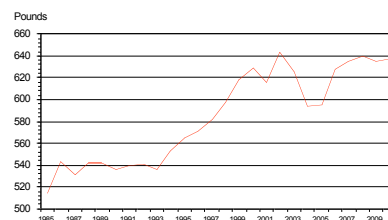


What have been our goals?

- Increase the volume of meat production
- Improve productivity per animal
- Improve the quality and value of beef

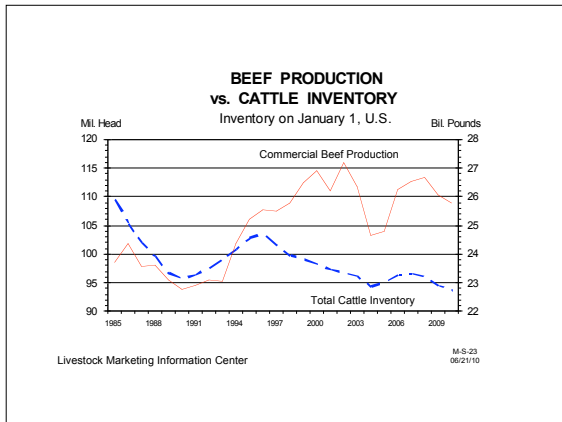


BEEF PRODUCTION PER COW
1984-2009 (Est.), Annual



Livestock Marketing Information Center

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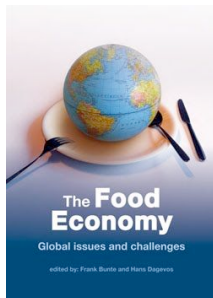


Per Animal Productivity

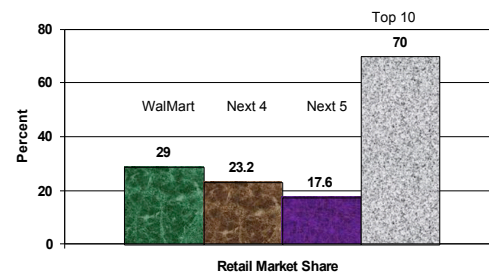
Is our ladder on
the wrong wall?
Have we climbed
one rung too
high?
Where should we
focus in the
future?



Industry Concentration



Concentration in Food Retailing



None of us can ignore these trends:

Cow-calf herds with **fewer than 50 head** account for **80% of enterprises** but only **28% of cow inventory**.


Cow-calf herds with **more than 100 head** account for **11% of the enterprises** but **nearly 50% of the cow herd**.

Less than 15% of cow-calf enterprises depend on cattle as their primary income source.

The Gravest Worry of our Industry:


- Since 1987, nearly 250,000 producers have exited the cattle business.
- Inventory is the lowest since WWII.
- The relatively high level of profitability from 1999-2008 did not reverse the exodus.

WHY?

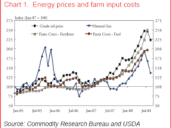


Drought

Regulation




Input costs




Source: Commodity Research Bureau and USDA

Media




Land Values

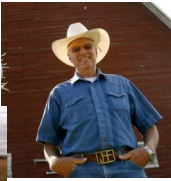


2007 Cropland Values by State
Dollars per Acre & Percent Change from 2000


Rural economies



Age of producer



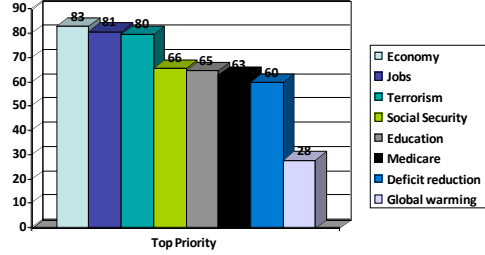
Consumers



What do they want?

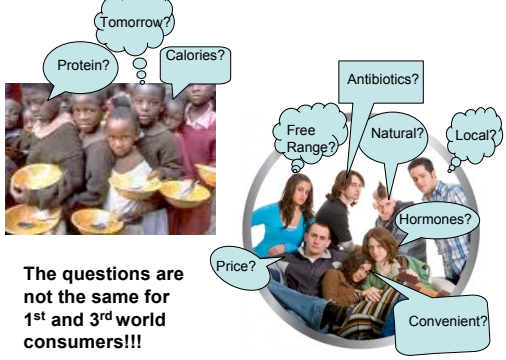


Percent Ranking Issue as Top Priority



Issue	Percent Ranking Issue as Top Priority
Economy	83
Jobs	81
Terrorism	80
Social Security	66
Education	65
Medicare	63
Deficit reduction	60
Global warming	28

Source: Pew Research Center, 2010



The questions are not the same for 1st and 3rd world consumers!!!

In the next 50 years we must feed the equivalent of two more Chinas – what would Borlaug tell us?



The freedom of choice and the law of unintended consequences:

“...the world has the technology to feed, on a sustainable basis, ten billion people. The pertinent question today is whether farmers and ranchers will be permitted to use this technology.”

Norman Borlaug, 2000

In defense of choice

In the wake of the multiple pressures and challenges confronting the beef industry our goal must be to defend the opportunity for both producers and consumers to choose from a variety of production systems and products.

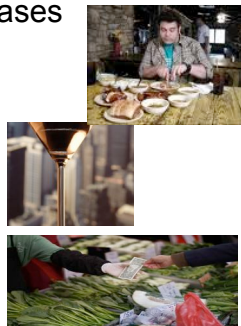


Dominant Factors Affecting Food Purchases

Factor	% of Consumers
Taste	75
Quality	73
Price	70

Consumers from the U.S., United Kingdom, Germany, Argentina, China

Source: Ketchum, 2008



If you were CEO of a global food company.....

What would you focus on?	% of global consumers:
Improve human nutrition	65
Improve food safety	64
Make foods that taste great	52



Where is the mindset?

- 17 % want to know more about food production processes.
- 7 % are worried about industry practices.
- 5 % was lifestyle foods – vegan, free range, certified humane, etc.
- 3% regularly buy organic foods – 25% can afford to consider organic foods.

Simmons, 2010

Trends Confronting the Food System

“Private foundations, environmental, and public health groups, chefs, media, and the marketplace call for change in the name of healthier consumers, healthier farm animals, and a healthier planet.”

California Institute of Food and Agricultural Resources



Trends Confronting the Food System

Consumer demand centers on:

- **Transparency**
- **Authenticity**
- **Healthfulness of product AND PROCESS**
- **Experience**

California Institute of Food and Agricultural Resources

40% of consumers who have limited their consumption over the past six months expressed that concerns about “factory farming methods in the beef industry” played a role in their decision.



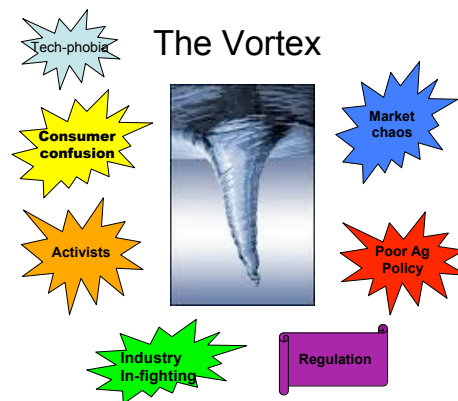
Emerging consumer.....

- More mindful about desires versus necessities;
- More vigilant about spending;
- More prone to make trade-offs to save money.

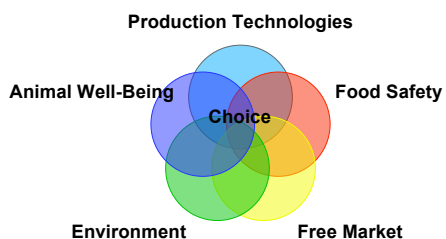


Food Foresight, 2009

The Vortex



Regulatory Issues



The Animal Well-Being Issue is Framed by a Wide Spectrum of Viewpoints



Handling cattle....

"A lot of those Western plays are unreal. They're running their horses all of the time, here and yonder. The old cowhand didn't do that, unless it was necessary to run a cow or after some animal. He didn't just race his horse everywhere he would go.

A lot of them drive their cattle too fast on the screen. They're either trotting them or running them as fast as they can go...."

"That's NOT the way we handled cattle, or the way they are handled today on the ranches. They're handled quiet."

Source: Texas Cowboy: The Oral Memoirs of Roland A Warnock And His Life On The Texas Frontier by Kirby F. Warnock. Roland Warnock cowboied some of the largest ranches of the Rio Grande Valley and the Big Bend Country from 1910 to 1918.



Professional Stockmanship – the marriage of art and science

- Examine attitudes
- Evaluate processes and facilities (calving, branding, weaning, handling, transporting, processing, and marketing)
- Train family, employees, day help
- Communicate expectations
- Measure performance
- Seek improvement



Who Benefits from Good Stockmanship?

- You
- Your people
- Your cattle
- Your customer
- Your consumer



NCBA's
**Stockmanship
& Stewardship**
TOUR

For more information:

www.bqa.org

Click on Stockmanship and Stewardship

tfield@beef.org

Cost share program



Government Intrusion into Free Markets

- GIPSA will require that all marketing contracts be posted for public review and GIPSA review of "fairness." This takes away the basic American business tenet of a willing buyer and willing seller engaging in a private business transaction. The cattle community has worked hard to put in place marketing alliances and alternative marketing arrangements to better serve the demands of our consumers while getting paid for the value being put on our cattle. This would severely hinder, if not destroy, those programs.
- Persons wanting to file a lawsuit under the Packers and Stockyards Act would no longer have to show competitive injury. This would open the door for massive numbers of frivolous lawsuits being filed. This is also contrary recent rulings by two different courts.
- GIPSA considers marketing arrangements based on volume or premiums for quality as potentially showing "undue preference." This is another hit to producers' ability to enter into a marketing arrangement.

Environment

- Clear Water Act – redefinition of the waters of the United States to extend federal control over all waters
- Dust and particulate concentrations resulting from normal farming and ranching operations
- Ammonia and GHG
- Cap and Trade

Production Technologies

FDA guidance document released this week:

Medically important antimicrobial drugs for production purposes is not in the interest of protecting and promoting public health.

Medically important antimicrobials should be limited to those uses that include veterinary oversight or consultation.

So what do we do?



Option 1: It's NOT My Job!

Option 2: Take Ownership



Assess



Create Vision

Examine Prevailing attitudes and core values

Why are we here?

What legacy will we create?

Assess.

Craftsman?

Technician?

Evaluate



Take a hard look.....processes and protocols (calving, processing, weaning, transport, handling) that affect profitability, well being of people and livestock, and health of resources.

Thoughtful, intentional, in line with core values, demonstrate pride of ownership!

Commitment

The inspiration can be found in our past.



Communicate



Partners

- Profits and longevity are partner dependent.
- Join and become active in your local and state cattlemen's organizations.
- Find partners outside our industry.



Educate

...can analyze and compare the mix of activities performed in terms of the extent a **knowledge** base for proprietary knowledge has evolved peers as a means of understanding competitive

Educate

Learn the facts about your contribution to the community, landscape, animal well being, economy, consumers, food system.



Engage People – tell your story



Engagement in the discussion that occurs in social and traditional media, the political and regulatory arena, in classrooms, boardrooms, and family rooms is our responsibility!



The defeat at Dunkirk



Visit to the Pub



Realignment of the command structure



What is that man supposed to do?



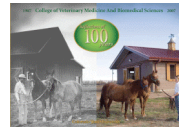
He is there to hold the horses!



Barry was right.....

“The truth is that our finest moments are most likely to occur when we are feeling deeply uncomfortable, unhappy, or unfulfilled. For it is only in such moments, propelled by our discomfort, that we are likely to step out of our ruts and start searching for different ways or truer answers.”

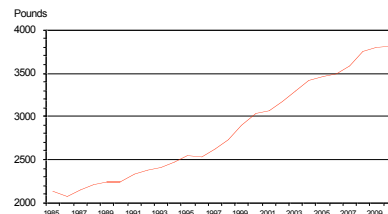
M. Scott Peck



The truth of the matter is that you always know the right thing to do. The hard part is doing it. H Norman Swarczopf

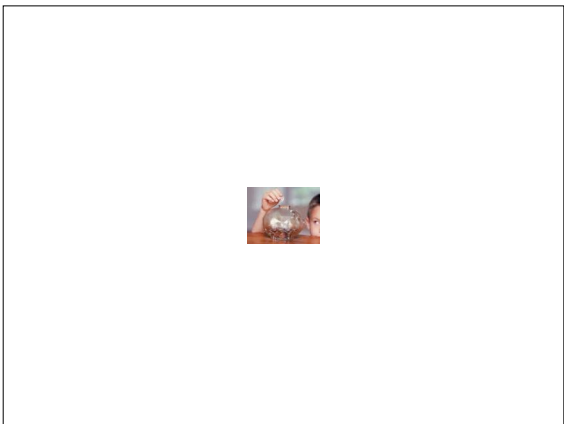
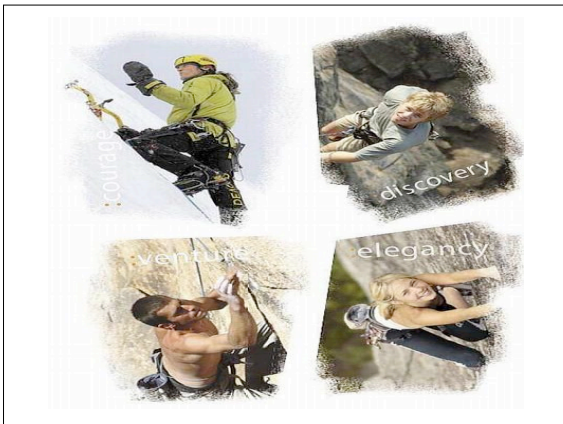
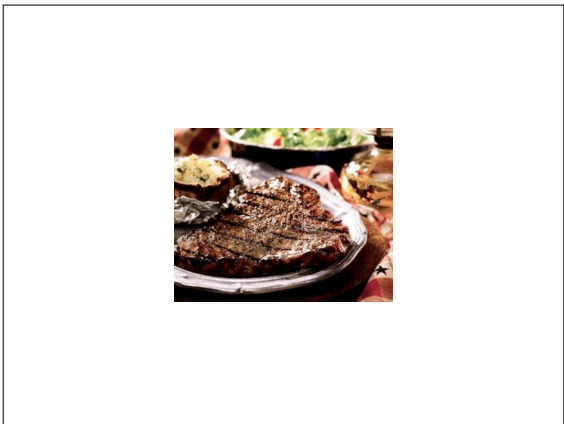
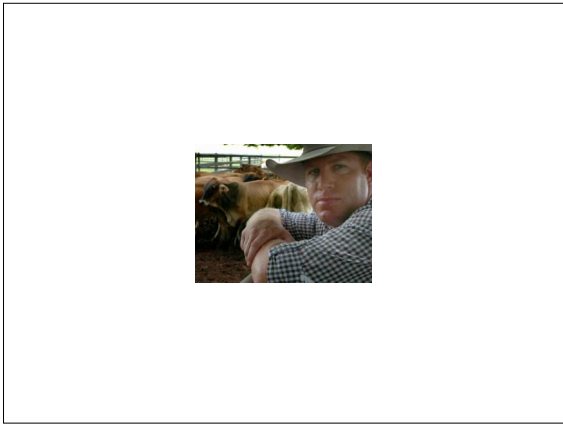
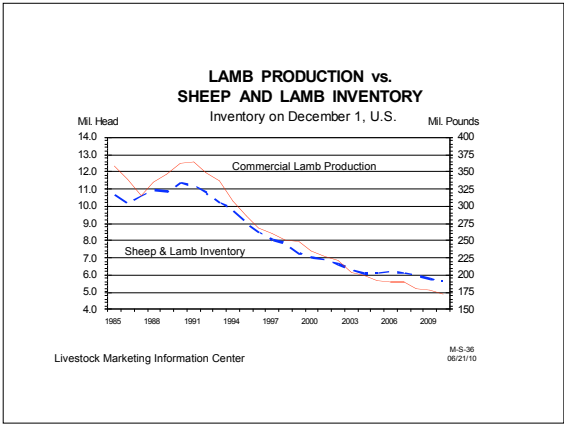


PORK PRODUCTION PER BREEDING HOG
1984-2009 (Est.), Annual



Livestock Marketing Information Center

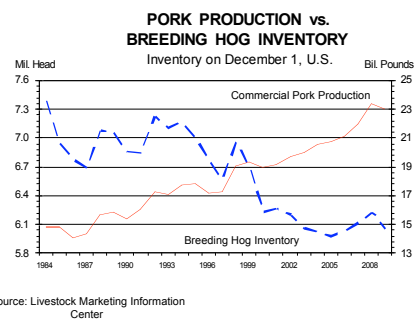
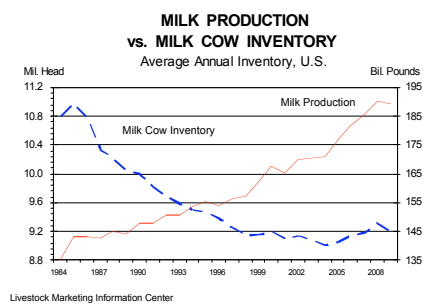
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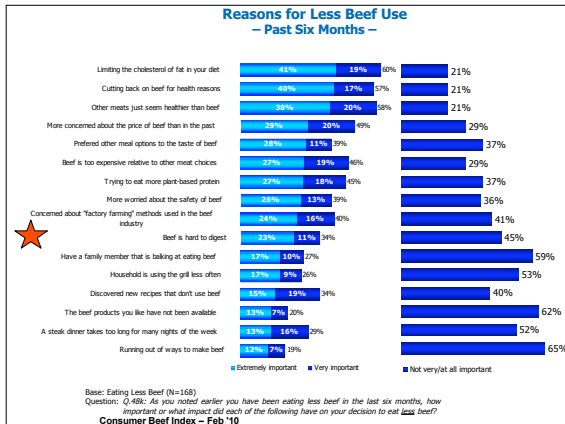


Quality



ARE WE
TRAINING
TOO MANY
SCIENTISTS?





Communicate the story



ACTION

“Somebody has got to do something and it is incredibly pathetic that it has to be us.”

Jerry Garcia, The Grateful Dead

- The accurate description of the problem is 90 percent of the solution.

Dr. Lori Hart Ebert