



## An overview of the 2002 Cattle Industry Annual Convention and Trade Show.

by *Stephanie Veldman*

**T**he 2002 Cattle Industry Annual Convention and Trade Show in Denver, Colo., was host to more than 5,300 attendees from all aspects of the cattle industry, from cow-calf producers to packers and animal health representatives.

George W. Bush became the first U.S. president in the 104-year history of the convention to accept an invitation to speak.

For most convention attendees, waiting in line for up to two hours to pass through the security gates was well worth it.

President Bush stepped to the podium to address the group Feb. 8.

Bush outlined his plans for the new farm bill, emphasizing the importance of farm savings accounts, international trade and land conservation.

On the international trade front, Bush renewed his commitment to ensuring that beef producers have the opportunity to market U.S. beef to consumers around the world. "We want the people in China eating U.S. beef," Bush says.

In addition to voicing support for a

strong U.S. farm bill, Bush praised convention attendees and all ranchers across the country for their values of hard work, family and self-reliance. He pointed to recent victories by American ranchers, including this country's ability to keep foreign animal diseases out of U.S. cattle herds. He also spoke in favor of repealing the death tax.

"This visit from the president is icing on the cake for our industry's national convention," said Lynn Cornwell, 2001 National Cattlemen's Beef Association (NCBA) president. "Despite some difficult economic times, we have increased demand for beef, new marketing opportunities and a sense of pride in our industry and our nation."

### Addressing policy issues

While the presidential visit was the highlight of the convention for many who attended, several important issues were covered in both committee and board meetings.

Over the course of the four-day conference, issues such as government policy, research projects and animal diseases were discussed. NCBA members set policy for the organization while at the convention (see page 172).

"Our members did debate and establish policy on some key issues, such as the Johnson amendment and country-of-origin labeling. They came together to develop solutions, and it is important to note that our membership, through a democratic process, clearly recognized concerns and issues of its industry and wishes to resolve these issues without the interference of the government," says Terry Stokes, CEO of NCBA.

"I think the key to this convention was that our leadership from all over the country came together and engaged in a very mature, responsible decision-making process by people who have a real stake in the industry. These people know and understand the impact of legislation [that] could affect them in their business, and they realize the National Cattlemen's Beef Association's decisions will in fact make a difference," says Wythe Willey, 2002 NCBA president.

Although several committees had discussions on new policy, two of the topics that came under the hottest debate were the NCBA's stance on the Johnson amendment and whether mandatory country-of-origin labeling should be enforced.

### The Johnson amendment

One of the hottest topics of debate was the proposed farm bill amendment



PHOTOS BY BILL GROWIN

► Above: More than 5,000 members of the cattle industry gathered to hear President Bush speak. He became the first U.S. president in the 104-year history of the convention to accept the invitation.

► Right: "And make no mistake about it, this nation is being tested. You know, when the enemy hit us on September the 11th, they must have not figured out what we were all about," said President Bush. He later added, "Now what they're finding out is this great land is determined and patient and steadfast and strong to defend freedom."



by Sen. Tim Johnson (D-S.D.) that would restrict packers from owning or “controlling” livestock for more than 14 days prior to harvest.

NCBA’s policy has stood in opposition of this legislation, but in NCBA’s Cow-Calf/Stocker Council meeting on Feb. 6, an amendment was proposed that would have supported the Johnson amendment, reversing NCBA’s former policy.

The amendment then went to the Live-Cattle Marketing Committee, where it was defeated, and a new resolution was adopted that asked for a review on the Johnson amendment or any other legislation that would alter the current structure of the beef industry.

The Live-Cattle Marketing Committee concluded a day of open debate, where heated arguments took place between different sectors of the industry, by adopting a resolution from Montana producers advocating further evaluation of the subject. The committee rejected three alternate resolutions that were offered.

NCBA Vice President of Public Policy Chandler Keys had told the standing-room-only audience that neither Congress nor the U.S. Department of Agriculture (USDA) had held any hearings on the Johnson amendment, nor had any evaluations of unintended consequences for the beef industry been conducted.

Both the resolution that passed in the Cow-Calf/Stocker Council meeting and the resolution from the Live-Cattle Marketing Committee appeared before the NCBA board of directors and were debated before the final vote. NCBA’s directors voted in favor of keeping the current NCBA policy with the addition of the study.

“[This] was an issue that got much more serious discussion than I think the Senate gave it back here a month or two ago, and some of the problems were brought out — what would happen if all of a sudden you passed a bill that said ‘packers have to sell what feedlots they have,’” Willey says.

Some of the serious short-term problems that cattlemen would face, Willey adds, include feedlots being offered for sale, cattlemen losing a number of buyers, and the resulting decrease in demand and in price.

The resolution finally passed by the NCBA board calls for a study that consists of three parts. It says “Be it resolved that NCBA urges the U.S. Congress to not alter the current structure of our industry, but designate an oversight committee composed of all segments of the beef industry to:

“(1) Determine if current concentration of control or bargaining power within the



► Left: Susan Rhode (right), director of communications and public relations, hands out literature on the Angus Beef Record Service (BRS) at the American Angus Association and Certified Angus Beef LLC (CAB) booth at the trade show.

► Below: Ken Schmidt, former communications director of Harley-Davidson, told how the company restructured itself to reconnect with its customers and rebuild brand loyalty. He urged the beef industry to “make a different noise” to distinguish itself.

industry is an unfair practice, or will result in the severe disruption of some segments of the industry to the ultimate detriment of the entire industry.

“(2) If such conditions are found, devise voluntary or regulatory solutions, whereby these concentration effects or bargaining powers are optimally restrained or balanced in a manner that contributes to the long-term profitability of all segments of our industry, consistent with the applicable law;

“(3) Report their findings on solutions for congressional consideration within 270 days.

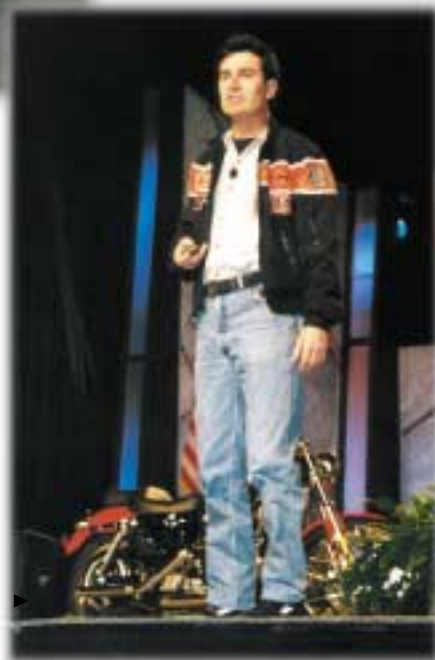
“As Wythe [Willey] mentioned, there are many unknown consequences to the Johnson amendment, a lot of ambiguity around the definition of control and a strong feeling by our membership that these things need to be more clearly defined and studied before any legislative or regulatory action is taken,” Stokes says.

### Country-of-origin labeling

After extensive debate, policy to urge and advance market-driven country-of-origin labeling for beef was adopted.

“The resolution of the debate on the issue of country-of-origin labeling is evidence that producer-directed policy development works,” says Chuck Lambert, NCBA Chief Economist and staff liaison to the International Markets Committee, where the policy was first developed. “NCBA’s members clearly indicated their desire to manage and control the labeling of beef — an industry-directed, market-driven approach to beef labeling is preferable to a government-mandated system.”

The issue surfaced in the form of several resolutions brought forward in the International Markets Committee and extensively debated at the NCBA board of



PHOTOS BY SHAUNA ROSE HERMEL

directors meeting and the Industry Stakeholders meeting. Substitute policy, including government directed and controlled, or mandatory country-of-origin labeling, was put before the board of directors and industry stakeholders.

Arguments supporting mandatory country-of-origin labeling included the consumers’ desire to know that the beef they are purchasing is from a U.S. producer.

The final vote was overwhelmingly in support of a labeling policy that allowed producers and the industry to work together to give consumers the information they desire when purchasing beef, but on a voluntary basis. It adds that the NCBA should “serve as a catalyst to facilitate and endorse a market-driven, voluntary USA beef labeling in the private sector for ‘born, raised and processed’ USA beef.”



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# PRESIDENT DISCUSSES AG POLICY

## President George W. Bush shares his commitment to providing a fair and economical farm bill.

**H**istory was made on Feb. 8, 2002, when President George W. Bush became the first president of the United States to accept the invitation to speak at the Cattle Industry Convention and Trade Show.

Bush outlined his commitment to a \$73.5 billion U.S. farm bill that he says is affordable, provides fair and expanded international trade, includes farm savings accounts for farming families and recognizes the role of farmers in land conservation. He also spoke candidly about the importance of

repealing the death tax to help make family farms affordable to the next generation and promised to do all he could to make sure that piece of legislation is passed.

Bush's remarks are presented in full on the White House Web site at [www.whitehouse.gov/news/releases/2002/02/20020208-1.html](http://www.whitehouse.gov/news/releases/2002/02/20020208-1.html). Following are excerpts that relate to the cattle industry.

### Remarks by the president

"I really appreciate my new hat

(presented by NCBA). I'm looking forward to wearing it in Crawford [Texas]. I don't get to spend enough time there but, when I do, I really enjoy being around the cows. I find it such a relaxing place, a place to stay in touch with what's important in life, and Laura and I love what we do. We love our new address, but I can assure you, when it's all over, we're going back to the ranch. ..."

"I appreciate being with people who love the land and appreciate open space. I realize there's nobody more central to the American experience than the cowboy. But cattle-raising is not only a big part of America's past; I view it as an incredibly important part of America's future.

"This nation has got to eat. It's in our national security interests that we be able to feed ourselves. Thank goodness we don't have to rely on somebody else's meat to make sure our people are healthy and well-fed."

### The budget

"I sent a budget to the U.S. Congress. ... It's a budget that increases our monies for security, significantly increases defense spending. Those who wear our uniform deserve the best, the best training, the best equipment, another pay raise. The price of freedom is high. The price of security is high. But this nation will pay it. ..."

"We're making sure our borders are more secure. We want to know who's coming in, and we want to know who's going out. We want to make sure that we do everything we can to be a hospitable nation. On the other hand, we want to make sure if people have overstayed their welcome that they're welcome to leave. ..."

"We're concerned about making sure our food supply is safe. We're investing in training and technology at the Department of Agriculture to detect biological and chemical weapons and agents. We're going to have an even swifter response to food contamination. We've tripled the amount of money in the budget to prepare America against the very worst. ..."

"And we're going to defeat the recession, too. I'm deeply concerned about those who lost their jobs as a result of September the 11th. [There are] a lot of people hurting in the country, and our government must respond.

"I appreciate the fact that the Senate passed a bill to extend the unemployment benefits for those who have lost their work, and the House has already done so. It makes a lot of sense for the government to respond in that kind of way. But the people in America who have lost their jobs, they don't want an unemployment check for the long run. They want a paycheck. And the best



PHOTOS BY BILL CRONIN

► President George W. Bush told cattlemen that the message has been heard "loud and clear" of the need to permanently repeal the death tax so that cattlemen can pass their assets from one generation to the next.

thing Congress needs to do is ask this question: How do we create more jobs? How do we invigorate the private sector to create more jobs so people can find work?

“We also want to invigorate the job-creating mechanisms of the United States of America so that people have jobs so they can put food on the table. We can't let politics dominate Washington, D.C. We need to set aside our parties and focus on what's right for the country.”

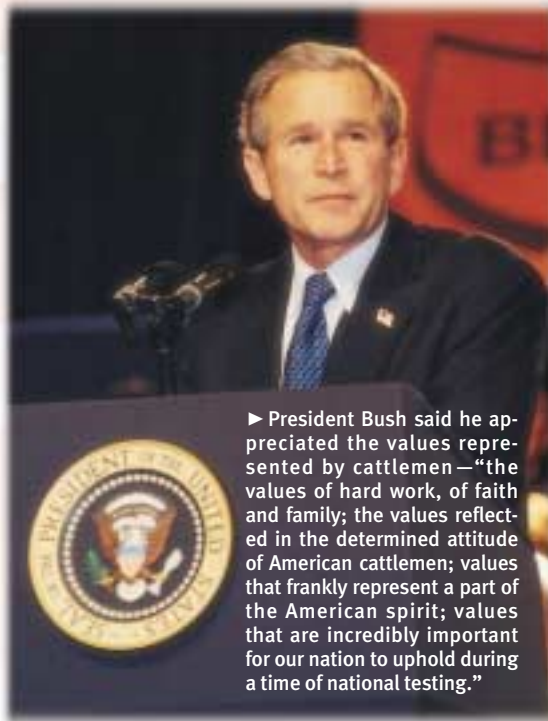
### The ag sector

“And part of making sure we've got a healthy economic outlook is to have a healthy agricultural sector. Our farm economy, our ranchers and farmers, provide an incredible part of the nation's economic vitality. ... \$1.3 trillion of our economy came from farmers and ranchers and all the people associated with helping people raise crops and raise beef. And so we've got to make sure that our farm economy is strong.

“The farm economy employs nearly 24 million people. That's a lot. And, therefore, when we work on the farm bill in Washington, we must understand that we've got to have a good bill that not only enhances our nation's security by making sure we've got ample food, but that we, by having good farm policy, good agriculture policy, we can help create jobs all across America. ...

“First, I want farm policy that is generous in our appropriations and affordable. Now, we've agreed that our farm bill should cost \$73.5 billion over the next decade. My administration will honor that agreement. ... What we want is to make sure that when the bill is passed, that the \$73 billion is spent evenly, or relatively evenly, over the decade. In other words, to put it bluntly, what we don't want to do is overpromise to farmers, and under-perform. What we don't want to do is use the taxpayer's money to try to cobble together a loose coalition to get votes early on, which will ultimately hurt the agricultural sector of the United States of America.

“A good farm bill must provide a safety net for farmers, without encouraging overproduction and thereby depressing prices. By setting loan rates too high, we could easily worsen a problem that loan rates were supposed to correct. I favor farm policies that strengthen the farm economy over the long run — policies that promote independence. But what I don't want to do is to provide incentives into the marketplace that will hurt farmers. And so we've got to have good loan policy. ...



► President Bush said he appreciated the values represented by cattlemen — “the values of hard work, of faith and family; the values reflected in the determined attitude of American cattlemen; values that frankly represent a part of the American spirit; values that are incredibly important for our nation to uphold during a time of national testing.”

“I want a farm bill that supports trade. Oh, I know there's a lot of controversy around America on trade. Let me tell you how I look at it. Our ranchers and farmers are the best in the world at what they do. ... And if that's the case, it seems logical to me that we want more opportunity to sell that which we're best at [producing] all around the world. We want people in China eating U.S. beef. ...

“There's huge amounts of opportunity for American farmers and ranchers in that vast market. There's been some discussions about world trade, and look at the record: the United States stood strong when it came to protecting the agriculture interests. We want to open up markets, and at the same time, we want to make sure others open up their markets for us, and to make sure that we open up markets in places like Europe for America's healthy beef.

“You can help by making sure the Senate hears that message, that the Senate passes a trade promotion bill which gives me the authority to work hard to open up markets all around the world for those who work hard. I need that authority. It's good for America [for me] to have that authority. It's also going to be good for the world, because America's great producers will help feed the hungry.

“I also want to make sure the good farm bill establishes farm savings accounts to help farmers and ranchers manage risks that you run. I understand how risky agriculture can be. It wouldn't be so risky if we could control the weather. ...

“And there's a risk of price, and the cycles

make it difficult. But I think the federal government can help mitigate the cycles by giving farmers and ranchers the opportunities to establish what we call farm savings accounts, or ranch savings accounts. We'll give you a chance to insure against risk. It makes a lot of sense. ...

“A good bill finally will offer incentives for good conservation practices. ... Every day is Earth Day for people who rely upon the land to make a living. The best conservation practices happen because somebody realizes that it's in their benefit, their own economic interests, to practice good conservation. ...”

### Fighting evil

“And so [we], as a nation, are dealing with some tough times. But I've never been more confident or optimistic. I think it's because I know the true strength of the country, and the true strength of the country is our citizens. We're a land of strong, hard-working, compassionate people.

“I'm asked all the time, what can I do to help in the war against terror? Well, you've probably figured it out by now that I don't see many shades of gray in the war on terror. Either you're with us, or you're against us. ...

“And if you're interested in fighting evil, do some good. And by that, I mean show some compassion to a neighbor in need. You know, when people walk across the street to help a shut-in, they're doing some good. When people take time to mentor a child, that's doing some good. ...

“My call to America is to help somebody in need. Many of you in this audience have probably either been or are on your school boards. It's a job tougher than being president; I understand that. But by helping your public schools, or helping any school, it's helping fight evil with good. By being active citizens in your church or your synagogue or ... your mosque, and adhering to the admonition to love a neighbor just like you'd like to be loved yourself; that's how we can stand up. It is the momentum of millions of acts of kindness that take place all across America. That's how we stand up to evil.

“And if any country can do it, it is this country, because this is a nation that is loving and strong, compassionate, God-fearing — a nation that will not relent when it comes to our most precious value, and that value is freedom.

“Thanks for having me, and may God bless America.”



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# NEW POLICIES APPROVED ON WIDE RANGE OF ISSUES

**N**ew policies to support and advance beef industry initiatives in the areas of agriculture policy, cattle health and well-being, federal lands, cattle marketing, property rights, international markets and science and technology were adopted during the National Cattlemen's Beef Association (NCBA) meeting at the 2002 Cattle Industry Annual Convention and Trade Show in Denver, Colo. The new policies will provide direction for NCBA staff and leaders between national meetings.

## **Agriculture Policy Committee**

Members voted in new policy on government water rights purchase, risk management and forage crop storage structures.

- ▶ The government water rights purchase policy states that NCBA will "vigorously oppose any legislation that attempts to move water use away from the land or place water rights within federal government jurisdiction."
- ▶ In the area of risk management, NCBA decided to support and, where necessary, enhance and expand a pilot program for rangeland and pasture in Montana. The committee also agreed to "pursue changes to the program to ensure that accurate information regarding loss verification is released in a timely manner."
- ▶ On the issue of forage crop storage structures, they determined that "the U.S. Department of Agriculture (USDA) should extend the low or interest-free loan program currently in place for commodity (grain) storage facilities to livestock forage crop storage structures."

## **Cattle Health and Well-Being Committee**

Producers developed policy to study and recommend an animal identification (ID) system, with the ultimate objectives being the complete eradication of brucellosis and tuberculosis; protection against the reemergence of these diseases; effective monitoring and tracking of the emergence of foreign or emerging animal disease; and responding to diseases appropriately and expeditiously.

## **Federal Lands Committee**

NCBA members developed policy urging the reinstatement of grazing advisory boards by the Department of Interior; urging the Department of Interior to suspend the Bureau of Land Management's (BLM) standards and guidelines program and to replace it with an evaluation program that requires the use of accurate and precise data collected from real-world studies, with permittees using the best available science to evaluate conditions and determine long-term cause and effect.

## **International Markets Committee**

Policy was adopted supporting producer-directed, market-driven, voluntary country-of-origin labeling. The committee policy also supports the recommendations of the Country-of-Origin Labeling Working Group.

## **Live-Cattle Marketing Committee**

Producers developed policy on protecting beef industry profitability and animal ID standards. The profitability policy acknowledges the importance of a free-market system and establishes policy to urge

Congress to designate an oversight committee composed of all segments of the beef industry to:

1. Determine if current concentration of the control or bargaining power within the industry is an unfair practice or will result in the severe disruption of some segments of the industry to the ultimate detriment of the entire industry.
2. If such conditions are found, devise voluntary or regulatory solutions whereby these concentration effects or bargaining powers are optimally restrained or balanced in a manner that contributes to the long-term profitability of all segments of our industry, consistent with applicable law.
3. Report its findings on solutions for congressional consideration within 270 days.

The animal ID policy adopted by this committee supports NCBA's Cattle Identification Standards dated January 2002 and the enactment of those standards for the advancement of the beef industry.

## **Property Rights and Environmental Management Committee**

Committee members established policy on alternative technologies for feedlots. The new policy, in response to the Environmental Protection Agency's (EPA) proposed animal feeding operations/concentrated animal feeding operations (AFO/CAFO) rule, directs NCBA to "intensify its dialogue with federal officials and agency personnel to provide science-based research on alternative technologies so that the use of those technologies can be accepted within the scope of National Pollutant Discharge Elimination System (NPDES) permits for feedlots."

## **Science and Technology Committee**

Policy was developed on chronic wasting disease (CWD). The policy supports government and university research on CWD, funding for research and research facilities, efforts to stop the spread of CWD and the monitoring of herds in CWD areas.

## **DIRECTIVES AND RECOMMENDATIONS**

Committee directives and recommendations include:

- ▶ From the Cattle Health and Well-Being Committee, a directive to establish and support state Johnne's disease programs that increase producer participation and improve Johnne's disease prevention-management programs.

- ▶ From the Live-Cattle Marketing Committee, a recommendation to have NCBA, in conjunction with state beef councils, pursue development of a plan to encourage retailers to move more beef in times of unusual market conditions.
- ▶ From the Property Rights and Environmental Management Committee, a directive to request that \$500,000 be appropriated to Wildlife Services in Minnesota, Wisconsin and Michigan for removing depredating wolves and a directive to make Federal Endangered Species Act reforms a top priority. The second directive is to be accomplished through coalition building, media outreach and grassroots campaigns.
- ▶ From the Science and Technology Committee, a directive to have NCBA staff develop biosecurity guidelines for cattle producers.

For complete copies of any or all of the

policies, directives and recommendations passed at the NCBA Annual Convention, please contact NCBA at (303) 694-0305.

#### **NCBA names officers, new president**

Wythe Willey, a cattle producer from Cedar Rapids, Iowa, was installed as the new president of the NCBA. Willey says his goal is to enhance the strength of the organization over the next year by encouraging all segments of the industry to join forces.

Eric Davis, Bruneau, Idaho, was elected NCBA president-elect. Davis previously served the organization as vice president. Elected vice president was Jan Lyons of Manhattan, Kan.

Elected chairman of the NCBA Federation Division was Van Amundson of North Dakota, while Bob Schmidt, Tennessee, was elected vice chairman.

Colorado's Don Anderson was elected chairman of the Policy Division, and Jim McAdams of Texas was elected vice chairman.

#### **CBB announces new executive committee**

The Cattlemen's Beef Board (CBB) installed as chairman Dee Lacey, a cow-calf producer from Paso Robles, Calif., at its executive meeting on Feb. 9. Lacey held the position of vice chairman in 2001.

Elected as the new vice chairman was Andy Tucker of the Tuckaway Ranch in Rockledge, Fla. Tucker was appointed to the board in 1999.

Nelson Curry, a purebred cow-calf/stocker operator from Paris, Ky., was installed as the 2002 secretary-treasurer.

Newly elected Executive Committee members are Lacey; Tucker; Curry; Dave Batemen, Illinois; Laurie Bryant, importer; Joan Harder, Washington; David McCracken, Nebraska; Pat McDowell, Texas; Kay Richardson, Florida; John Roberts, Vermont; and Gary Sharp, South Dakota.



## **ANCW celebrates 50 years**

The American National CattleWomen (ANCW) celebrated its 50th anniversary this past year. To conclude their celebration of 50 years of dedication to the beef industry, the women conducted an awards ceremony and banquet Feb. 7 at the Cattle Industry Convention and Trade Show in Denver, Colo.

#### **Outstanding CattleWoman of the Year named**

Dianne Kirkbride of Cheyenne, Wyo., was named the Outstanding CattleWoman of the Year. Kirkbride has served in all offices for the Laramie County CowBelles and Wyoming CattleWomen, including president. She also has been very active on the national level, serving on the National Beef Cook-Off® Committee for six years, including two as chairwoman.

She was chairwoman of the Beef Promotion Committee and was instrumental in starting the Beef Demonstration Project with checkoff funding. Promotional workshops seem to be Kirkbride's forte, as the ones she has put together have drawn a crowd every time.

Dianne and her husband, Jon, work for Harding and Kirkbride Livestock, which is a family-owned and -operated commercial cow-calf and yearling operation that was founded in 1916.

The CattleWoman of the Year Award is given to a CattleWoman who has excelled at continued beef promotion on the local, state and national level, while contributing dedication, commitment and support to the ANCW.

#### **Introducing ANCW's new president**

Vicki Wilkinson of Chino Valley, Ariz., was installed as ANCW's 51st president.

Helping the ANCW remain a viable, healthy and productive organization will be Vicki's goal. Her actions to that end will include streamlining committees, developing a workable method of retaining membership, creating awareness of ANCW's long-range plan and assisting in developing fund-raising and sponsorship goals for the organization. Vicki notes, "We must meet the needs of our members if we are to remain the women's voice for the beef cattle industry."

Vicki brings years of commitment to the beef industry at the county, state and national levels.

Vicki and her husband, Jay, are currently the sole owners and operators of Running W Ranch located in Chino Valley, Ariz., with a 90-head purebred Hereford cow-calf stocker operation, along with remaining interest in Point of Rocks Ranch, a ranch that has been owned and operated by the Wilkinson family for three generations.

#### **ANCW new executive committee**

The American National CattleWomen's new executive committee includes **Vicki Wilkinson**, Chino Valley, Ariz., president; **Patti Townsend**, Roswell, N.M., president elect; **Susie Magnuson**, Eaton, Colo., vice president; **Judy LaGrone**, Texarkana, Ark., past president; **Bonnie Bargstedt**, Albany, N.Y., Region I; **Cindy Pate**, Montgomery, Ala., Region II; **Judy Tollefsrud**, Spring Grove, Minn., Region III; **Wendy Pettz**, Huntsville, Ark., Region IV; **Leslie Hendry**, Lysite, Wyo., Region V; **Fita Witte**, Stanley, N.M., Region VI; **Nancy Stirling Neuhauser**, Midland, S.D., Region VII.



# WINNERS RIDE FOR THE BRAND

## Producers and industry leaders were recognized at the 2002 Cattle Industry Annual Convention and Trade Show.

### Scholarships awarded

Sixteen students pursuing careers in the beef industry were awarded \$1,250 scholarships provided by the Chicago Mercantile Exchange Inc. (CME) and the National Cattlemen's Foundation (NCF). The CME has sponsored this scholarship program for 12 years.

Each scholarship winner wrote a 750-word essay that identified key issues confronting the beef industry and suggested possible ways of dealing with those issues.

The overall scholarship winner, **Ryan Sweeney**, was awarded an all-expense-paid trip to the 2002 Cattle Industry Convention, and his essay will be printed in a 2002 issue of the *National Cattlemen* magazine. The title of his essay is, "Beef Cattle Production: Is It an Art, or Is It Science?"

Sweeney attends Michigan State University with a dual major in animal science and agribusiness management. He serves as the vice chairman of the National Junior Angus Association (NJAA) Board of Directors.

Another 15 scholarship recipients also received \$1,250 scholarships: **Amanda Hopkins**, Utah State University; **Stephanie Wellert**, Arizona State University; **Judith Heronema**, Oklahoma State University; **Allison Meyer**, Michigan State University; **Aaron Baker**, University of Missouri-Columbia; **Carrie Howard**, University of Phoenix; **Caroline Maiben**, Purdue University; **Lacey Robinson**, Black Hawk East Community College; **Ruth Housebright**, Carlinville High School; **Jennifer Broz**, University of Nebraska-Lincoln; **Jeff Meister**, University of Nebraska-Lincoln; **Amanda Miller**, Virginia Tech; **Alaina Burt**, University of Minnesota-

Crookston; **Beth Ludlum**, Kansas State University; and **Jessica Scrimger**, North Branch High School.

### W.D. Farr receives first-ever Swan Leadership Award

William D. Farr of Greeley, Colo., has received the beef industry's first-ever Swan Leadership Award. Farr was recognized for a lifetime of industry leadership at a ceremony on Feb. 9. Farr, 91, has worked for more than 70 years in the livestock industry. He is considered a true pioneer in the cattle-feeding business and was a patriarch of a family cattle-feeding enterprise known internationally and recognized for many years as one of the most technically advanced in the world.

"Mr. Farr has led an incredible life of leadership, and we can't thank him enough for that," said Glasgow, Mont., beef producer Lynn Cornwell, former president of the National Cattlemen's Beef Association (NCBA). "He has never said no to a request for his guidance, and the cattle industry — and all of agriculture — has been a huge beneficiary of this dedication.

"W.D. Farr and the entire Farr family have always been known for their innovations, keen business sense, and vision for the cattle industry," Cornwell said. "More importantly, they helped the industry move from one era to the next."

Farr has been president of the American National Cattlemen's Association, chairman of the NCF, a director of the National Live Stock and Meat Board and a founding director of the Colorado Cattle Feeders Association.

The Swan Leadership Award was developed by NCBA in cooperation with the

Idaho Cattle Association to honor individuals who have exemplified the same spirit of commitment and leadership as the Swan family of Idaho and Utah. Bill and George Swan both served in numerous beef industry leadership positions throughout their lives — Bill was president of the National Cattlemen's Association (NCA) in 1981, and his son George was president of NCBA in 1999.

### National Environmental Honor awarded to Iowa farm family

The Petty family of Iowa River Ranch is the recipient of the 2001 NCBA National Environmental Stewardship Award. David, Diane and Dresden Petty, operators of the Iowa River Ranch in Union, Iowa, were presented the award at the Cattle Industry Annual Convention and Trade Show.

"Cattlemen are the original stewards of the environment," Cornwell said. "The Petty family is an outstanding example of how cattle producers can give back to their environment. The Iowa River Ranch is a perfect example of ranchers conserving the land while also making a profit."

Sponsored by Dow AgroSciences, the Environmental Stewardship Award Program recognizes cattle producers who use innovative practices to protect and enhance natural resources while maintaining or increasing the profitability of their business.

Recipients are selected by a committee of representatives from various university faculties, federal and state government agencies, and conservation and other environmental organizations.

The Petty family maintains a 2,931-acre farm in north central Iowa. In addition to their primary source of income, a cow-calf operation, they have 1,300 acres allotted for soybean and corn production as well as several hundred acres of Conservation Reserve Program (CRP) and Forest Reserve lands.

"On our farm, to reduce erosion, little or no plowing is done; to reduce the use of equipment, cows do the majority of the harvesting of forages grown on the land and manure from the feedlot is used on crop ground to decrease fertilizer costs," said Diane Petty. The family has also created over 13 miles of terraces to save topsoil.

To help water the cattle, the ranch has one lake and four ponds that average 38 inches (in.) of rainfall captured per year. In another pasture, David Petty has drilled a new well and will eventually have 6,000 feet (ft.) of watering pipe below the ground. This creates six different watering locations for the cattle.

## Rob Brown receives 2002 Vision Award

Every industry needs its innovators — its original thinkers — individuals whose creativity and imagination inspire others and improve the world around them. The beef industry enjoys a wealth of these people, and one of them is Rob Brown of Throckmorton, Texas.

“Rob Brown, over the course of his career in the livestock industry, has truly demonstrated vision, leadership and excellence. Those are some of the reasons he was chosen as the 2002 winner of the Vision® Award,” says Jeff Baxter, marketing manager for Intervet Inc., the sponsor of the award, which is administered by the NCF.

As an industry leader for more than 20 years, Rob Brown has given of his time to the industry through numerous organizations. He served as a director to the NCA, where he was a member of its Executive Committee, and chairman of the Membership Committee and the Purebred Council. He also initiated fund-raising activities that helped offset the cost of the building that housed the NCA, and then NCBA, until the offices were moved late last year. He was instrumental in creating the Young Cattlemen’s Conference (YCC) leadership program.

The R.A. Brown Ranch encompasses 81,000 acres in Texas and Colorado. Today, the ranch is recognized as a leader in innovative cattle breeding. The ranch keeps meticulous records on 1,000 head of registered cattle in eight breeds. It also tracks 1,500 head of commercial cattle, 40 American Quarter Horse broodmares and 50 working ranch horses. An average of 600 heifers, 400 bulls and 25 ranch horses are sold each year.

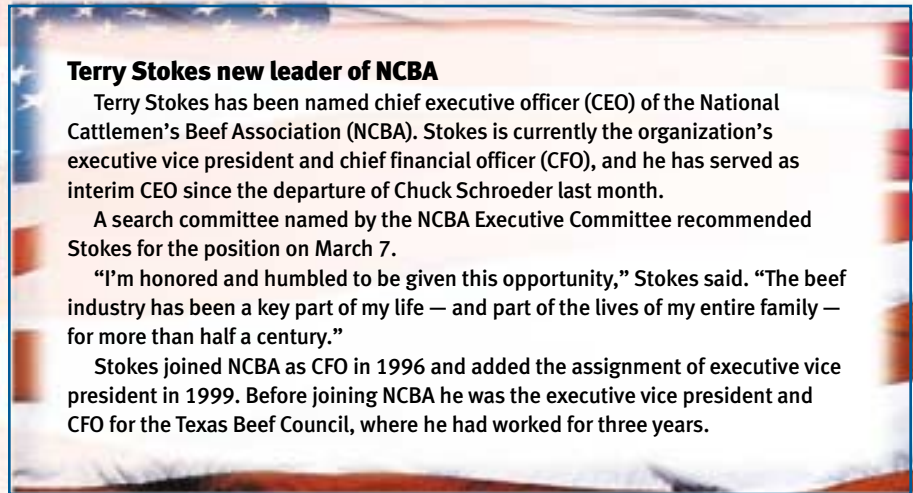
It was Brown’s vision that was one of the driving forces in one of the industry’s more recent success stories — Rancher’s Renaissance. It’s a producer cooperative, in which cattlemen partner with everyone in the production chain, right up to the retail case.

The goal is to produce a more consistent, quality beef product that is guaranteed to be tender. It is sold through Kroger stores under the Cattleman’s Collection label.

## Achievement award honors leader

The NCBA recognized industry leader John M. Bonner, beef marketing and training director for Land O’ Lakes Farmland, with its fifth annual Integrated Resource Management (IRM) Achievement Award.

IRM is a producer education program



## Terry Stokes new leader of NCBA

Terry Stokes has been named chief executive officer (CEO) of the National Cattlemen’s Beef Association (NCBA). Stokes is currently the organization’s executive vice president and chief financial officer (CFO), and he has served as interim CEO since the departure of Chuck Schroeder last month.

A search committee named by the NCBA Executive Committee recommended Stokes for the position on March 7.

“I’m honored and humbled to be given this opportunity,” Stokes said. “The beef industry has been a key part of my life — and part of the lives of my entire family — for more than half a century.”

Stokes joined NCBA as CFO in 1996 and added the assignment of executive vice president in 1999. Before joining NCBA he was the executive vice president and CFO for the Texas Beef Council, where he had worked for three years.

that is dedicated to improving the economic efficiency of cattle operations through effective resource management. The program is coordinated and conducted by NCBA in conjunction with state cattlemen’s associations and university Extension specialists.

“Bonner was recognized for his exceptional leadership and guidance in the development of IRM, the National IRM Coordinating Committee, and, in particular, for his hard work, dedication and incorporation of the IRM principles and concepts that have helped to make the program the success it is,” said Homer Buell, beef producer and IRM chairman, Rose, Neb.

“Members of an Idaho IRM team introduced me to the IRM Concept over 20 years ago. Since then I have been involved in IRM programs in a number of states,” said Bonner. “When asked ‘What is IRM?’ I answer that IRM as a process that focuses resourceful people on a problem that needs attention to improve beef production.”

NCBA will donate a \$1,000 scholarship in Bonner’s name to the university of his choice. Bonner has chosen to split the scholarship equally between Iowa State University, his alma mater, and the University of Idaho, for its outstanding leadership in promoting the IRM program.

## IRM “Tips for Profit” winners named

This year’s first-place winner in the IRM “Tips for Profit” contest was Greg Ritter, Glasgow, Ky. In second place was Dale Strickler, Concordia, Kan.; and in third place was Sparks Ranch, Ardmore, Okla.

The program is made possible through the sponsorship of Pennington Seeds working in partnership with the NCBA. It rewards cattle producers for their clever, innovative ideas that have enhanced the productivity or efficiency of their cattle

operation. NCBA’s IRM program coordinates the contest.

For his first-place win, Ritter received \$3,500 plus an all-expense paid trip to the NCBA annual meeting. Strickler received \$1,500 and Sparks, \$1,000.

“The contest uncovers some of the great management ideas being used by the most successful people in our industry,” said Homer Buell, IRM Subcommittee Chair, Rose, Neb. “Thanks to Pennington Seed, we’re able to motivate people to share their ideas and give others ideas for improving their own operations.”

## Texan elected president of Cattle-Fax

Jim McAdams, Lubbock, Tex., was elected president of Cattle-Fax during the organization’s annual meeting in Denver, Colo., Feb. 6.

McAdams is assistant general manager of Spade Ranches, which operates six ranches in west Texas and eastern New Mexico. He has been with Spade Ranches since 1992.

A fourth-generation rancher, McAdams also is a partner in a family business, McAdams Cattle Co., Huntsville, Texas.

## Colorado State team wins quiz bowl

Colorado State University (CSU) students were the national winners of the 2002 NCF National Collegiate Beef Quiz Bowl on Feb. 6, in Denver, Colo. Teams earn the privilege of competing at the Cattle Industry Annual Convention and Trade Show by winning their sectional competition of the American Society of Animal Science Quadrathlon.

This year’s participating teams included the University of Kentucky, Penn State University, Kansas State University and CSU. Each of the National Collegiate Beef Quiz Bowl teams takes home \$2,500 to put toward agricultural programs at their school.



# CATTLE-FAX FORECAST

## Cattle-Fax predicts renewed profitability for producers in all segments.

*Forecast provided by Cattle-Fax to attendees of the 2002 Cattle Industry Convention and Trade Show in Denver, Colo.*

**T**otal cattle numbers continued to decline in 2001, limiting cattle and beef supplies. Stronger prices in 2001 were a result of smaller harvest totals, lower beef production, and tighter feeder-cattle and calf supplies, combined with improving beef demand.

The total cattle inventory on Jan. 1 was 96.7 million head, which was 573,000 head fewer than a year earlier. This is the sixth consecutive year of declining cattle numbers. The 2001 calf crop totaled 38.3 million head, down 350,000 head from 2000. Calf crop totals have now declined for seven consecutive years.

Continued drought over much of the cattle-producing area, as well as unfavorable economic conditions until 1999, fueled the decline. Cattle inventories should begin to grow during the next 12-24 months, provided Mother Nature cooperates so producers can begin restocking and expanding.

### Cattle on feed

The Jan. 1 number of cattle on feed was 13.9 million head, 2% less than last year's record total, and the third-largest since 1973. Placements of feeder cattle into feedlots during 2001 were lower in eight out of 12 months than in the previous year, primarily because of the extremely large placements the year earlier and concerns of high replacement costs and breakevens during the second half of the year. Smaller placements during the last five months of 2001 will lead to smaller available fed-cattle supplies through the first and second quarters of 2002. Prices are expected to rally in the spring, as cattle feeders are able to become

more current in their marketings and gain bargaining position.

Fed-cattle harvest for 2002 is expected to decline about 500,000 head (2%) to 28.5 million head, and beef production for the entire year is expected to fall below 2001 levels by about 2%, totaling 25.6 billion pounds (lb.). As feeder-cattle supplies tighten through the year, placements into feedlots will slow down, and cattle-on-feed numbers will begin to decline and drop below year-earlier levels. In addition, average harvest weights are expected to moderate during the year, as feedlots become current in their marketings.

Per-capita beef consumption will decline in 2002, for the third year in a row, since it is directly related to the supply of beef produced. Even though demand has improved during the past several years and is expected to remain strong, there will be less beef available to spread among a growing number of consumers. This trend will continue for the next several years until herd expansion gains enough momentum to grow feeder-cattle and calf supplies.

### Price predictions

During 2002, fed-cattle prices should average about \$72-\$73 per hundredweight (cwt.), slightly higher than the previous year.

Feeder steers weighing 750 lb. are expected to average about \$86 per cwt., down about \$1 per cwt. from 2001 due to losses incurred in feedlots during the second half of 2001 and early 2002. Steer calves weighing 500 lb. are expected to average about \$104 per cwt., about \$1.50 per cwt. lower than a year earlier.

Cattle feeders lost between \$15 and \$20 per head on average during 2001. This tremendous loss of equity will limit price increases for feeder cattle and calves through the first half of the year. Cattle feeders, stocker operators, backgrounders and cow-calf producers should all experience more consistent and positive profit margins during 2002. Market-cow and seedstock prices should be higher in 2002. The latter will depend, to a large degree, on range and pasture conditions.

### Other factors

Competitive meat supplies are expected to grow during 2002. Poultry supplies are expected to increase about 2%. Pork supplies will be slightly smaller during the first half of 2001, but will increase during the second half of the year and close 2002 with a production total near 2001 levels. Total meat production will be about 1% larger than 2000 levels. Increases in pork and poultry production will likely more than offset any declines in beef production.

Grain prices were relatively low in 2001 and are expected to remain low during 2002. There is always weather risk associated with corn prices, but current supply and demand forecasts indicate a fairly moderate year. Total corn acres planted are expected to increase, which should lead to a larger U.S. crop.

Exports of beef are expected to decline by 3%-5% in 2002 from 2001 levels. The continued fallout of the bovine spongiform encephalopathy (BSE) discovery in Japan will affect U.S. beef export tonnage at least through the first half of 2002. Imports will increase, due primarily to the higher prices for lean trimmings and a strong U.S. currency. Trimmings account for the majority of beef imported by the United States.

Beef demand is expected to rebound during the first half of the year as foodservice and export movement improves. Significant increases in retail featuring activity are also expected to aid beef demand. Solid demand, coupled with smaller available supplies, should mean steady to higher trending prices during the next two to three years.



**Editor's Note:** Cattle-Fax is a member-owned and member-directed market information, analysis, research and educational service organization, serving beef producers in all segments of the industry. A subsidiary, CF Resources, provides research services, educational programs and economic data for agribusiness companies serving the beef industry.