

Improving Beef Industry Focus For Researchers, Community Leaders

WOOSTER, Ohio — A beef industry consortium representing five Mid west states is seeking to establish a more efficient regional beef production and marketing system by keeping producers informed of industry trends from calf conception to human consumption.

Researchers from Ohio State University, Purdue University, Michigan State University, University of Illinois and University of Kentucky have been awarded a \$2.5 million USDA grant to collaborate with state departments of agriculture, commodity organizations, and industry representatives.

Of that amount, \$174,893 has been awarded to Ohio State.

The goal of the project is to strengthen economic opportunities for beef producers by sharing production management practices and marketing and information technology within a fragmented industry.

"The beef industry is a challenge as it is very segmented," said Steve Loerch, Ohio Agricultural Research and Development Center researcher who is part of the consortium. "Producers can't control the

product from when it's conceived to when it's consumed. There is no power of consolidation and no mechanism exists that allows producers to make decisions on the end product."

Loerch said that unlike the poultry industry where producers maintain ownership of their product through the production process to consumer marketing, the beef industry lacks a method that allows producers to track animals through the production process, share information with other producers during this process, or study marketing trends that would make their product more profitable. There are several independently owned and operated segments in the beef industry, including seedstock, feedlot, processor, distributor, and retailer. As a result, an animal may change ownership several times during the production process.

This segmentation stems in part from economic changes in the beef industry over the past 20 years that has favored large operators. Since the late 1970s, the industry has been beef consumption across the U.S. steadily drop with small-to medium-sized producers from such states as Ohio, Michigan, Indiana, Kentucky and Illinois feeling the effects, as they have been unable to compete with larger conglomerates. According to the National Agricultural Statistics Services, since 1986, one out of every three cattle operations in the region has folded, thereby reducing the number of processors and limiting beef production and marketing in the area.

"We produce only three percent of the beef that is consumed in Ohio. This statistic, in fact, is true for the region as a whole," said Loerch, adding that there

Beef Demand On Upward Path

DENVER, Colo. — Demand for beef continues to show strength, according to preliminary Beef Demand Index figures and other research.

The preliminary figures show that demand increased 6.17 percent during the third quarter of 2000, as compared to the third quarter of 1999.

Other research confirms the positive news for beef. According to Cattle-Fax consumer expenditures on beef are expected to surpass \$53 billion in 2000 — the first time ever that annual expenditures for beef have exceeded \$50 billion. Total beef expenditures were about \$49.4 billion in 1999.

"These statistics are further evidence that our beef checkoff programs are on the right track," says Les McNeill, a beef producer from Panhandle, Tex., and chairman of the Beef Board.

are approximately 20,000 beef producers in Ohio with an average herd size of 15 head. He emphasized that keeping producers competitive in the industry would enable them to customize production on an individualized basis, thereby improving production efficiency and produce better quality animals.

Reaching that goal involves two objectives: developing an education and outreach effort with training and certification programs; and creating an electronic verification system to track cattle as they move through the industry.

Loerch said industry partnerships have already been established to focus on the outreach program. The verification system involves ear-tagging cattle with identification information that can be stored in a software program and accessed at any time during the production or marketing process.

"We want people at all stages of production to know what's going on all the time. The verification program tracks how the animal gets handled, how it goes through the process, what shots it needs to keep it healthy," said

Loerch. "Passing information through the marketing system back to producers enables us to find out which management system is most profitable in terms of efficiency, food safety and food quality."

The project, funded for three years, will initially involve 5,000 head of cattle, 1,000 head per state. By the third year, the participants hope to increase that number to 30,000 head throughout the five-state region.

Project participants intend to develop a viable economic model to study business relationships and profit sharing and focus on a unified regional animal health and quality assurance program. Such an effort would not only directly improve economic opportunities for beef producers, but also would indirectly benefit the regional economy. The National Cattlemen's Beef Association estimates that every dollar generated from beef sales results in \$4 contributed to the regional economy. So, for example, if weaned calves from the five-state regional herd of 2.5 million cattle were sold for \$400 each, \$4 billion would be generated for the area economy.



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HARRISBURG (Dauphin Co.) — "They ride into Harrisburg from across Pennsylvania for the 4-H Horse Show. Skill. Competition. Sportsmanship. And the 4-H'ers are all winners," said Sam Hayes, Pennsylvania secretary of agriculture.

From left, Morgan Lockwood, Armstrong County; Jamie Wemple, Montour County; Heather Wilson, Indiana County; Secretary Samuel E. Hayes Jr., secretary of agriculture; Ashlee Depp, Jefferson County; Kelly Portice, Warren County; and Jennifer Ray, Somerset County.

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