



Live Cattle Marketing Committee

by **Troy Smith**

DENVER, CO (Feb. 3, 2006) — The Live Cattle Marketing Committee meeting was largely informational. Members heard reports on beef export verification and instrument carcass grading from U.S. Department of Agriculture (USDA) official Barry Carpenter.

Elements for beef export verification vary with the country of destination, Carpenter said. In general, they require source and age verification plus a varying array of additional requirements. Japan's program is the most stringent, requiring that beef come from cattle harvested at no more than 20 months of age.

For producers to be in compliance with any country's program, they must have auditable records documenting birth date, transfers of ownership, transfers of information between buyer and seller.

"They must be able to show definitive traceability," Carpenter explained. "It takes cooperation among industry segments to meet requirements and document all procedures by producers and processors. Everyone must do their part to build and maintain market confidence."

Carpenter said development of technology to augment subjective carcass yield and quality grading practices was initiated in the 1970s, but meaningful advancements did not come for nearly 20 years. Some packers have been using image analysis instruments in-house for several years, in addition to USDA graders. While USDA has established standards for instrument-based yield grades, the agency is in the process of validating standards for marbling. Once that is completed, Carpenter said, he expects more widespread application of the technology.

Market analyst James Robb, of the Colorado-based Livestock Market Information Center, offered an update on the current status of mandatory price reporting. To lend transparency to markets, packers were obligated, by law, to report prices paid for fed cattle and wholesale beef prices, beginning in 2001. The law expired in 2004, but a one-year extension kept mandatory reporting in force through 2005.

Though strictly voluntary at present, many packers have continued to submit price information. Robb recommended prodding Congress to reinstate mandatory reporting.

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“Mandatory price reporting created a breakout of data we never had before, including cutout values for different quality grades. It reveals the differentiation in value between different parts of the carcass — middle meats versus the end meats,” Robb said.

“We need a long-term extension. Five years is logical. Currently, with voluntary reporting, the system is at risk,” adds Robb.

Live Cattle Marketing Committee members brought forth

a resolution calling for reinstatement of mandatory price reporting with full funding. The resolution also called for increased penalties for chronic late reporting. Another resolution urged USDA to adopt image analysis technology to improve the objectivity of beef carcass yield and quality grade determination. Members also passed a resolution favoring increasing livestock truckload limits from 80,000 pounds to 90,000 pounds.



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