

# 2007 Cattle Industry Annual Convention & Trade Show

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## Issues Forum Tackles Ethanol

Speakers address how the ethanol industry is affecting the cattle industry now and how it might affect the industry in the future.

by **Mathew Elliott**

NASHVILLE, TENN. (Feb. 1, 2007) — Ethanol is here, Keith Hansen, Hereford, Texas, told attendees at Thursday's Issues Forum addressing "Bio-Energy's Impact on the Beef Industry." The consulting nutritionist and vice president of XF Enterprises encouraged participants to accept the fact ethanol is here to stay and to look for ways to make ethanol work for the beef industry.

Ethanol is going to produce valuable products the cattle industry can take advantage of, Hansen said. The key is to find the ethanol plants that are producing an ethanol coproduct as opposed to the ethanol plants that are producing ethanol byproducts.

The difference, he explained, is that an ethanol coproduct is controlled. The nutrient value will be the same in everything that comes from the plant. Unfortunately, the nutrient value will differ from plant to plant. Ethanol byproducts will vary greatly in nutrient value even from the same plant.

Products that can be useful to the beef industry include corn distillers' grains with solubles, corn distillers' grains, corn oil and low-fat corn distillers' grains.

The problem will be the above-mentioned differences between ethanol plants when producing the coproducts, Hansen said.

There could be differences in levels of protein, energy (fat, starch and structural carbohydrates) and minerals, especially phosphorus and sulfur.

Bill Holbrook, ProExporter Network, said his goal was to take a complicated issue and not make it any more complicated. He said the hype and press might have gotten a little out of control for the industry.

"There's no doubt that the expansion rate is rapid," Holbrook said. "The magnitude of this expansion needs to be studied to make sure all of the plants are really going up. All it takes to say that a plant is being built is a little dirt to have been moved."

It was discussed that the corn supply will not be able to sustain demand given the projected acreage to be planted and the price. "I don't believe that the supply and demand will be able to handle some of the change," he said. "The key factor here is going to be the cost of crude oil, and that is out of our hands."

Gregg Doud, chief economist for NCBA, explained NCBA had no official position on ethanol yet. He mentioned that if NCBA members wanted to change that, the convention was the time to establish policy.

Doud said subsidies such as blender's credits and import tariffs were things to watch. "As we grow, we need to make sure

that we have the corn to keep a reliable supply," he said. "What will happen if or when we can't grow that much corn?"

Doud concluded his part of the forum by addressing some of the new issues in biofuels such as cellulosic energy and soy diesel. These new products can be scary, he said, but they must be dealt with in the future.

After the speakers finished their formal presentations, members of the audience were given the opportunity to ask questions about biofuel issues.

The presenters made their comments Feb. 1 during the Issues Forums sponsored by Pfizer Animal Health during the 2007 Cattle Industry Annual Convention and NCBA Trade Show. Each forum was repeated three times, allowing cattlemen to attend a session for three of the five topics presented. Audios and summaries of all five sessions will be available in the [www.4cattlemen.com](http://www.4cattlemen.com) newsroom.



**Editor's Note:** The February Angus Journal, which was themed "Feeding and Feedstuffs," contained several articles related to corn coproducts and the effects of the biofuel industry on the beef industry. You can access the articles online at [www.angusjournal.com](http://www.angusjournal.com).



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