

2007 Cattle Industry Annual Convention & Trade Show

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Familiar Discussions

Mandatory price reporting, packer ownership bans and the Farm Bill headline Live Cattle Marketing Committee agenda.

by **Troy Smith**

NASHVILLE, TENN. (Feb. 2) — Few new issues faced members of the Live Cattle Marketing Committee, so much of the Friday afternoon meeting's discussion had an all-too-familiar tone. Members were advised regarding which ongoing issues were likely to demand attention during the coming year.

A U.S. Department of Agriculture (USDA) Market Reporting Service representative offered an update on mandatory price reporting. While the program is not up for renewal until 2010, it is not too soon for committee members to start preparing input to the process, members were told.

Issues Working Group chairman and Nebraska producer John Maddux said proposed legislation intended to prohibit captive supplies of cattle by packers is sure to be brought before Congress again. The National Cattlemen's Beef Association (NCBA) opposed the previous attempt to ban packer ownership and control of cattle,

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citing unintended consequences for producer-packer alliances and various contractual relationships that could have put branded products, as well as natural and organic beef programs, at risk.

"It looks like we're under the gun again," Maddux said. "In my opinion, it's imperative that proponents be required to document how such relationships and contracts are detrimental to the marketplace."

Members were warned that only seven of 25 lawmakers on the House of

Representatives Agriculture Committee have previous experience in fashioning a Farm Bill. Stronger support for NCBA positions is expected on the Senate side, but the Association must work at shaping opinions in the House.

Cattle-Fax research analyst Brett Stuart addressed committee members regarding key export markets. The buying power of its emerging middle class is making Mexico one of the most stable, long-term markets for U.S. beef. The 15% annual growth rate of Mexico's purchases equates to a doubling of total volume every five years.

Stuart said the European Union's (EU) beef production deficit and its negative perception of South American beef present an opportunity for the U.S. Other growing markets include Egypt and Russia, but improved access to Japan remains critical to maintaining and growing total beef demand.

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