

Full length version of articles abbreviated in TCFA *Newsletter* print edition.

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U.S. Bone-In Beef Makes Return To The South Korean Market

South Korean beef importer Nerp announced Tuesday that it will bring in 2.5 tons of U.S. bone-in beef this week—the first time in nearly five years that the product has been in Korea.

A Nerp official, quoted by *Reuters*, said, “We are planning to import a small amount this week by air freight to test consumer demand.” The response to this initial shipment of Creekstone Farms product may determine how soon U.S. beef with bones can re-establish itself with Korean customers.

As reported in last week’s *Newsletter*, sales of U.S. beef have gotten off to a good start in Korea since the recent resumption of beef trade.

NCBA Summer Conference

Beef producers should think globally when considering their future, a leading Washington, D.C. policy expert told cattle producers at the Cattle Industry Summer Conference in Denver Thursday. Jim Wiesemeyer, vice president for policy and trade issues for Informa Economics Inc., told about 700 producers at the opening session that exports are “going to be your margins in the future. That is your growth market.” He noted beef exports in May were up 32% over last year, and were the largest since 2003. The industry has momentum, he says, through the new managed trade agreement with South Korea. “Hopefully, Japan will come along,” he said.

Wiesemeyer said emerging markets and developing countries represent one of the bright spots for the cattle industry. Globally, those producing protein are definitely in a growth market, Wiesemeyer said. But he noted that the United States has not necessarily globalized itself. Failure to get more trade is a negative for beef producers, he said, and “that’s a challenge to your group.”

Also speaking at the opening session was Barry Flinchbaugh, professor of agriculture economics at Kansas State University. Flinchbaugh said producers should keep their sense of humor and reminded them that the economy has been in worse shape than it is now.

“Sure, we’ve got problems,” Flinchbaugh said. “But historically speaking, they’re relatively minor. And we have tools at our disposal that we didn’t have decades ago to handle this.” He said basic fundamentals in the economy are still solid, pointing out that in 1980 the interest rate was 22% and inflation was 13%, while today both are sitting around 5%.

“Frankly, it’s not the economy, it’s politics,” Flinchbaugh told the audience. “And we’re in the middle of silly season.”

More than 800 producers are attending the Cattle Industry Summer Conference, the industry’s mid-year meeting at which NCBA policy is reviewed and directed. In addition, at this meeting Beef Checkoff programs for fiscal year 2009, which begin Oct. 1, are reviewed by committees and recommended for funding.

New Policy On Recall Information

In future Class I meat and poultry recalls, the FSIS website will post a list of the retail stores that received the tainted product. The change in policy is scheduled to take effect next month. Currently, recall announcements include the name of the company recalling the meat, the reason for the recall, a description of the product, product codes and contact information for FSIS and the company involved. “The identity of retail stores with recalled meat and poultry from their suppliers has always been a missing piece of information for the public during a

recall,” said Agriculture Secretary Ed Schafer. Providing lists of affected retail outlets “will improve public health protection by better informing consumers,” he added. However, the list of retail outlets will not include distribution centers, institutions or restaurants since they prepare food for immediate consumption without packaging that is available to consumers. USDA says a Class I recall is one that involves a reasonable probability of serious health consequences or death for those with weakened immune systems.

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Exports Rising: USMEF reports beef exports (including variety meat) of 83,761 metric tons in May were the largest since December 2003. Beef shipments reached 78% of the May 2003 export volume and 97% of its value at nearly \$309 million. The January-May volume of 355,982 metric tons is 29% higher and the value (\$1.25 billion) is 39% higher than the same period last year.

For January-May 2008, U.S. beef exports (including variety meat) to Mexico were up 17% in volume to 163,271 metric tons and 18% in value to \$552.7 million. Other key U.S. beef export markets January-May included:

- Canada climbed 52% to 63,189 metric tons and 54% in value to \$289.2 million.
- Middle East imports of U.S. beef (including variety meat) were down 7%, but the region was still the third-largest market by volume—36,362 metric tons—and the value rose 31% to \$55.2 million.

Japan was up 58% to 24,193 metric tons and 53% in value to \$125.2 million.

The Texas A&M Beef Cattle Short Course is scheduled for Aug. 4-6 at Texas A&M University in College Station. The theme this year is “The New Era of High Input Costs.” Attendees will be able to earn numerous professional credits, including an opportunity to obtain a pesticide applicators’ license. Go to <http://animalscience.tamu.edu/ansc/BCSC/index.html> to register online. A late registration fee will apply after July 28.