

# NEWS & NOTES

## Interesting tidbits from around the industry

Compiled by Shauna Hermel, editor

### ▶▶▶ Kane Beef buyer to continue beef operations

The North Carolina real estate development firm that purchased Kane Beef in a court-approved bankruptcy auction announced plans to continue operations at the Corpus Christi, Texas, slaughterhouse.

In a statement, Charlotte, N.C.-based JDH Capital said it plans to make “meaningful investments in the processing plant and will continue to operate the business as a going concern.”

Kane filed for Chapter 11 bankruptcy protection in late January. The company said it had

between 100 and 199 creditors to repay with liabilities of between \$50 million and \$100 million.

In December, Kane had hired an investment bank to seek prospective buyers soon after the company had gone into receivership, citing more than \$40 million owed to Texas cattle suppliers. The company also was repaying a \$2.4 million water bill owed to the city since May of last year and hundreds of thousands in late taxes to Nueces County.

Editor's note: Reprinted with permission. Original article by Tom Johnston was published Feb. 11 on [www.meatingplace.com](http://www.meatingplace.com).

### AgResearch content delivery gets makeover

The Agricultural Research Service (ARS), USDA's chief scientific in-house research agency, on Feb. 11 announced *Tellus* will replace its legacy *AgResearch* magazine. The new online communications platform brings a fresh source of ag information to clients worldwide.

*Tellus* is Latin for earth, and its content is designed to

reach ARS customers wherever they are — whether in the United States or across the globe, on desktop or mobile. In addition to informative stories about ARS research, *Tellus* includes new products like featured photos, infographics, photo essays and



videos. Like ARS's mission, the site's content will cover a variety of topics from field to fork, ranging from human nutrition and food safety to crop and animal production.

ARS also announced a new email subscription service for *Tellus*, available at <http://bit.ly/2S3FMEJ>, that will make it easier to get custom content in subject areas that interest subscribers most.

Daily, ARS focuses on solutions to ag problems affecting America. Each dollar invested in ag research results in \$20 of economic impact.

Editor's note: This article provided by ARS was written by Sharon Durham. For more information see <https://tellus.ars.usda.gov/>.

### Still in a Cycle

*Industry expected to remain profitable with strong markets.*

The U.S. beef industry continues to experience the return to historical market cycles, according to CattleFax CEO Randy Blach, who provided a big-picture view and long-term trend outlook during the 2019 Cattle Industry Convention in New Orleans Jan. 30-Feb. 1.

“Our pipeline is full,” he said. “We’ve been running our packing plants at full capacity. Our feedyards are full. Our cow herd is up 3 million head, as well.”

Because of this, Blach predicts price spreads to narrow some over the course of the next few years due to cattle inventory numbers.

“My message to those of you in the cow-calf and stocking side is, no, it’s not a train wreck, but you need to be aware that we still have some cyclical price risk until these numbers peak and our production feeds into the early part of this next decade,” he said. “We think that it is going to occur in about 2021.”

Blach praised the industry for addressing consumer requests over the past two decades, leading to the strong demand experienced today.

“We’ve got a 50% increase in the quantity of Choice and Prime product we’re producing on an annual basis,” he said. With 1998 being the low-water mark for demand, Blach added, “We basically moved the Choice/Prime percentage from 50% to 55% [in 1998] to 80%.”

Data prove consumers responded to the higher-quality

by paying premiums for Choice and Prime beef.

“I think this tells a great story for our business: that we finally started listening to the consumer,” he said. “And the consumers rewarded us.”

Blach said his team sees cattle numbers growing gradually in the early part of the next decade.

“We’ll be looking at peak production in 2020-2021, and then we’ll start to see a gradual decline,” he said. “The packing segment is going to be in a strong leverage position. They’re going to continue to enjoy some very, very good margins here in 2019 and 2020.”

Blach said he believes the industry will continue to be profitable and does not expect a major liquidation phase as it moves into that time frame.

“We’re optimistic about that when we tell you we’re going to see a little more erosion in these calf prices as we go into the early part of the decade, but we’ve had a very good run,” he said. “When you just step back and think about it, I think it’s really a pretty good outlook when you think about where we are in the cycle and the growth that we’ve experienced. This demand situation, domestic and global demand growth, has been phenomenal.”

Editor's note: This article written by Angus Journal Editor Julie Mais is part of Angus Media's coverage of the 2019 Cattle Industry Convention. For additional articles, access the March *Angus Journal*, the February and March editions of the *Angus Beef Bulletin EXTRA* at [www.angusbeefbulletin.com/EXTRA](http://www.angusbeefbulletin.com/EXTRA), and *The Angus Report* at [www.angus.org](http://www.angus.org).

### ▶▶▶ Bohn named cattleman of the year

During the 49th Annual Stockmen's Dinner Feb. 28, the K-State Livestock & Meat Industry Council (LMIC) recognized Jerry Bohn as its 2019 Stockman of the Year.

Bohn, a native of Wabaunsee

County, Kan., graduated from Kansas State University in 1972 with a bachelor's degree in animal sciences and industry. While at K-State, he was a member of the

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1970 Wool Judging Team and the 1971 Livestock Judging Team.

After graduation, Bohn worked for Hormel, entered the U.S. Army officer basic school, and then worked for Blackjack Feedyard. In 1975, he was hired by CattleFax as a



Jerry Bohn

market analyst, and during his tenure was promoted to director of market analysis. He left CattleFax in 1982 to join Pratt Feeders as feedlot manager. While under his management, Pratt Feeders expanded, acquiring several other feedlots.

Today Bohn continues as part owner of Pratt Feeders, retiring from his role as general manager after 34 years of service. He serves on the company's board of directors and manages the company's farming business while continuing to feed cattle in the feedlot.

In his nomination to the LMIC board, the Stockman of the Year Committee said Bohn is a K-State graduate who has provided visionary leadership roles in KLA, the National Cattlemen's Beef Association (NCBA), U.S. Premium Beef, LMIC, and others. As a volunteer, Jerry is calm and collected, and he emulates the image of "Stockman of the Year."

### ▶▶▶ NCBA elects leadership

Jennifer Houston of Sweetwater, Tenn., was named president of the NCBA at the organization's annual meeting in New Orleans, La., Feb. 2. Houston served as 2018 president-elect.

Houston and her husband, Mark, own and operate East Tennessee Auction Market in Sweetwater. She has been active in the beef industry for more than 30 years.

Elected NCBA president-elect was Marty Smith (Florida). Jerry Bohn (Kansas) was elected vice president. Don Schiefelbein (Minnesota) was elected chairman of the NCBA Policy Division and Todd Wilkinson (South Dakota) was elected vice chairman. Laurie Munns (Utah) was elected chair of the NCBA Federation Division and Buck Wehrbein (Nebraska) was elected vice chairman.

### ▶▶▶ Environmental stewards named

NCBA named Thunder View Farms, Grahamsville, N.Y., winner of the 2018 Environmental Stewardship Award Program (ESAP). The award was presented at the 2019 Cattle Industry Convention in New Orleans, La.

"Thunder View Farms is a leading example of the stewardship found in our industry and serves as inspiration for producers

### AGI launches research PAP EPD

On Feb. 1, Angus Genetics Inc. (AGI) launched a research expected progeny difference (EPD) for pulmonary arterial pressure (PAP). This research EPD stems from collaborative efforts between Colorado State University (CSU), the American Angus Association and AGI, combining data sets collected at

CSU, the Association and by veterinarian Tim Holt.

This latest EPD from AGI is a first of its kind for any breed association and will help producers identify cattle less susceptible to high-altitude disease (HAD). For more about this EPD, read this month's "Sorting Gate" on page 34.

everywhere," noted NCBA past president Kevin Kester.

Thunder View Farms originated in 1958 when Phil Coombe brought five registered Angus cows to the farm. Phil's brother Dick joined the operation soon after, and they have been running the operation together ever since. Today, the farm has more than 200 seedstock cows on 1,500 acres 100 miles north of New York City. It sits between two of the state's biggest reservoirs supplying drinking water to the 9 million people in the city. In the 1990s, New York City proposed tough watershed regulations that would have driven most farmers out of business, but the Coombe family, along with other families in the area, convinced officials that a way to keep land and water in pristine condition was to keep the land and forests in well-managed farms.

### ▶▶▶ BQA winners announced

NCBA, a contractor to the Beef Checkoff Program, announced the winners of its 2019 Beef Quality Assurance (BQA) Awards at the 2019 Cattle Industry Convention in New Orleans, La.

- ▶ Matador Cattle Co. won the cow-calf award. The operation raises more than 12,000 head on three ranches located in Kansas, Texas and Montana.
- ▶ Buffalo Feeders of Buffalo, Okla., won the feedyard award. Part of the Pratt Feeders Group, the feedlot is a 30,000-head custom feedyard that focuses on individual animal care.
- ▶ The Equity Cooperative Livestock Sales Association won the BQA marketer award. Serving Wisconsin producers since 1922, the co-op is the state's largest livestock marketer.
- ▶ Colorado State's Temple Grandin was named BQA Educator of the Year, recognizing her more than four decades of leadership in the effort for better treatment of livestock. |

### Cattlemen react to Senate passage of public lands package

Ethan Lane, senior executive director of the Public Lands Council (PLC) and NCBA Federal Lands, on Feb. 12 issued the following statement in response to the Senate's passage of S. 47, the *Natural Resources Management Act*.

"Ultimately, the biggest win in this package is simply its passage. Clearing the decks of so many local issues will free up natural resources policymakers on Capitol Hill to get back to the business of solving problems, rather than creating new ones. We look forward to working

with them to do just that.

"Cattle producers who read the public lands package passed by the Senate will see much good news. Between the creation of a public database for recipients of Equal Access to Justice (EAJA) funds, critical wilderness boundary adjustments, or the resolution of long-standing land and ownership disputes, the bill advances a number of public policy priorities for U.S. ranchers.

"Unfortunately, the bill also includes several provisions that are sure to leave rural communities

scratching their heads. The biggest question mark surrounds the Land and Water Conservation Fund (LWCF), which the Senate voted to permanently reauthorize with only minor progress toward providing states with their fair share of funding. In the absence of Congressional oversight, the LWCF looks set to become a slush fund used to prioritize recreation over other multiple uses of federal land. Our focus remains on ensuring rural communities that depend on grazing do not pay the price."

