



Beef Talk

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The Future of Beef: global competitiveness

In this series of articles on the future of beef (see other articles at www.beeftalk.com), we still are pondering the future of the beef cow and visiting and revisiting old and new thoughts. If one references the world production of beef, our beef production is just one piece of a very big picture.

In planning for the future of beef, the planning process must include the rest of the world, which presents a very complex and sometimes volatile picture. The world really is a very large structure that likes to cover itself with forage. The forage will vary from region to region, but forage is a word that brings smiles to cows. Cows love forage and will consume forage in any part of the world that will produce it. Therefore, there is an ever-increasing capacity for the world to produce beef, particularly once a region's infrastructure is put in place to produce and market beef.

We need to understand the world and respond to it. "The Global Competitiveness of the North American Livestock Industry" is an article written by Flynn Adcock and his

associates. The article was published in the American Agricultural Economics Association's online *Choices* magazine (www.choicesmagazine.org/2006-3/animal/2006-3-animal.pdf).

According to the article, the three global forces that affect us are "animal disease outbreaks and discoveries, income growth in developing economies, and trade liberalizations."

These forces all have faces that are hard to decipher, and their respective expressions can have many forms. Sometimes, the energy or desire to go there evades us. In fact, many times, it is easier to retreat, but we cannot.

The table has turned

For decades, those involved in U.S. agriculture were comforted with the concept that they were feeding the world. Yes, such thoughts felt good. As a rancher or farmer, produce from the very ground we stood on was helping people in many parts of the world. These were parts of the world that we would never see. Those thoughts went beyond market value,

beyond the need to make a profit and beyond one's need for material things.

However, the tables have turned. There are people in other parts of the world having the same thoughts. As they ponder their daily work, they, too, envision the food that they produce reaching many people throughout the world. Their reasoning may be the same as ours, which is reaching out to feed the world.

However, in many cases, as is true at home, the expansion of trade brings home dollars that help sustain local communities and those involved in agriculture. Our diminishing cow herd certainly does not mean that the beef industry is not busy growing in far-off places, such as Brazil, Australia, China, Argentina and the European Union.

It's a competitive global business. Efficient production systems that control costs and sell product profitably will supply the world's craving for beef. Like it or not, those days of growing local agricultural produce for a local market are diminishing. There will be local niche markets that step up to meet selective opportunities, but in the larger picture, agricultural produce will follow defined retail outlets that match available products with consumer desires.

Competing in a global system

The bottom of the profit equation always will have efficiency embedded in the equation. Modern retail outlets are no different. The retail supply will come from those who can meet consistent specifications on a daily basis.

The point being, as beef producers, we produce beef. We rely on domestic demand and the rest of the world to sell that beef. The rest of the world has beef producers just like us who have the same expectations.

As far as the future of our beef industry goes, the world has changed. We fed the world, we educated the world, and so the world and the people in it changed. They don't really need us, but we need them. In reality, the growing world demand for beef needs all of us. Our marketing creativity,

flexibility and competitive beef products certainly will keep us in the running. We just need to keep enough cows around to stay in the game.

May you find all your ear tags.

Your comments are always welcome at www.beeftalk.com. For more information, contact the North Dakota Beef Cattle Improvement Association (NDBCIA) Office, 1041 State Ave., Dickinson, ND 58601, or go to www.chaps2000.com on the Internet.

