

Future Forecast

Industry leaders share their insight for the beef industry climate in the year ahead.

by **KINDRA GORDON**

The year 2012 certainly served up some challenging circumstances for the beef industry — one of the worst droughts in history for the Midwest; a shrinking cow herd inventory; the lean, finely textured beef (pink slime) debacle; and continued market volatility.

As the industry embarks on a new year, what lessons should beef producers take with them? Several industry leaders shared their insight to provide a forecast for 2013.

Adapting to volatility

“The resilient nature of those in agriculture, especially cattle producers, is without question. However, in today’s climate, that is no longer enough,” says Chad Zehnder, a cattle consultant with Purina Animal Nutrition in Stanchfield, Minn.

Zehnder notes that Mother Nature, markets, media and government agencies continue to throw curveballs at our industry, and this year has further confirmed that volatility and change is now the norm.

As a result, he says, “We all need to increase our flexibility and willingness to think and act outside the box. We must adapt technology, increase marketing efforts, and manage with precision through science-based management. Decisions must be economically wise and, while they can be made with emotion, they can no longer be driven by emotion alone. There is tremendous opportunity in our industry; however, those operating with a business-as-usual mentality will likely not realize these opportunities.”

Jason Ahola, an associate professor of beef production systems at Colorado State University offers similar advice to producers for future success in the industry. Ahola advises, “It’s important to think forward to challenges we will face, and to change management strategies now to proactively prepare for them.”

As examples, he points out that corn and hay are no longer cheap. They’ve more than tripled in value from just five years ago; consumers are very concerned about animal welfare and well-being; and some niche markets are becoming a large part of the overall market. He suggests the industry needs to evaluate — and find ways to adapt — to these changes.

Drought and weeds

Because drought and grazing weakened most perennial pasture plants, grass stands and plant vigor have been reduced, and opportunities for weeds to invade are great. Thus, Bruce Anderson,





proven genetics will also evolve. This is where AI will win.”

Shaping the industry for the future

“Anyone interested in the beef industry needs to stay on top of this ever-changing industry and start taking an active role in our state and national cattlemen’s organization

that best represents our views on the industry,” says Scott Ressler, who has a dual role as rancher and environmental services director for the North Dakota Stockmen’s Association.

Ressler adds, “We must also start monitoring and engaging in social media and be prepared to respond to negative publicity. It’s important to let the general public know what, why and how we do the things we do on a daily basis in order to provide consumers a

safe, nutritious, wholesome product that fits any lifestyle.”

CSU’s Ahola concludes, “Consumers want to know more about how their food is produced, including how cattle are raised. If the beef industry doesn’t proactively tell this story in a transparent manner, then others will tell this story for them — probably not in an accurate manner.”



Extension forage specialist with the University of Nebraska, says, “The worst may be still to come.”

He advises that recovery of grazing capacity might be slow, and producers need to be vigilant in observation and anticipation of weed outbreaks, as well as be prepared with all the tools at their disposal — like herbicides, mowing and grazing management — to deal with these challenges as timely as possible.

Surviving media storms

What should the beef industry do when the media attacks agriculture, such as in the “pink slime” case? Dean Gorder, executive director of the North Dakota Trade Office, shares this insight: “Once a story breaks, there’s no turning back. The only resource you have as a producer or industry is to focus on an educational campaign and rely on the organizations that represent you to get the facts and press releases out to mitigate it. You can’t prevent the cycle once it’s started.”

The future of animal breeding

As vice president of beef genetics programs for Select Sires, Aaron Arnett is dedicated to enhancing the genetics — and the end beef product — produced in the beef industry. Arnett believes the use of DNA technology, particularly in the quest for efficiency, will continue to evolve and enhance the beef industry’s ability to propagate superior animals for traits of economic importance. He says the challenge will continue to be to use common sense to balance selection pressure and achieve the most profitable outcome.

Not surprisingly, he is also bullish on artificial insemination (AI) becoming more commonplace, but he admits it will be a slow process during the next 10-15 years. In the short term, he sees the high cost of natural-service sires helping enhance the adoption of AI in trade for needing fewer turnout bulls.

Looking long term, he says, “In my opinion, the rapidly growing global population coupled with strong export demand for U.S. beef will favor strong commodity cattle prices in the foreseeable future. However, as beef markets evolve to reward a more differentiated product (i.e., more marbling, breed of animal, consistent tenderness, age-verified, etc.) the value of unfailing, repeatable and