

Angus Producers Meet in Montana

September 15-17 • Bozeman, MT



Record crowd turns out for 2010 National Angus Conference.

Story & photos by **KINDRA GORDON**
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Angus producers turned out in record numbers Sept. 15-17 for the 2010 National Angus Conference & Tour (NAC&T) in Bozeman as cattlemen from 33 states and three countries met in Montana. More than 630 registered producers attended Wednesday's conference at the GranTree Inn, while ranches fed upward of 850 guests at individual tour stops.

The event was hosted by the American Angus Association and the South Montana Angus Association with sponsorship of Purina Mills LLC and Alpharma Animal

Health.

Conference speakers including Tracey Erickson, Chef John Doherty, Charlie Powell, Lee Dickerson and Randy Blach focused on the challenges and opportunities facing the cattle industry.

Vice president of marketing for Certified Angus Beef LLC (CAB), Erickson shared reasons for the *Certified Angus Beef*® (CAB®) brand's staying power — even during the recent financial recession. She shared the brand's marketing efforts and invited producers to join in the effort to make a personal connection with the consumer.

Doherty, former executive chef of New York City's famed Waldorf=Astoria, shared with producers how to elevate their businesses by leading rather than managing. He challenged producers to raise more



American Angus Association CEO Bryce Schumann addressed more than 850 cattlemen gathered at Van Dyke Angus Ranch, Manhattan, Mont.

CAB Prime product to keep it on the menu.

"Anyone today with access to electricity and the Internet can potentially impact your business faster than any news organization in history," said Charlie Powell, senior public information officer for Washington State University's College of Veterinary Medicine. Powell discussed why "social media" are today essential business communication tools.

Lee Dickerson of Purina Mills brought cattlemen a practical production message: Cow nutrition during the entire gestation cycle greatly influences calf fetal development and future health and performance of the calf. While nutrition discussions often focus on the last trimester, research in the field of epigenetics is showing the importance of cow nutrition throughout pregnancy to fetal health and lifetime production.

Cattle-Fax CEO Randy Blach ended the conference on a positive note. Providing an economic "state of the industry," Blach explained why he envisions some of the most profitable

times in history ahead, especially for cow-calf producers.

As many as 13 buses and an entourage of cars navigated the scenic Gallatin Valley around Bozeman to glimpse some of the area's premier Angus genetics. Stops included KG Ranch, Three Forks; Hyline Angus, Bozeman; Armstrong Angus Ranch, Cardwell; Wheeler Mountain Ranch, Whitehall; Split Diamond Ranch, Whitehall; Van Dyke Angus Ranch; Manhattan; the Montana State University Animal Bioscience Lab, Bozeman; Leachman Angus Ranch, Toston; and Sitz Angus Ranch, Harrison. In addition, several other producers displayed cattle at the scheduled stops.

Angus Productions Inc. (API) provides online coverage of the event at www.nationalangusconference.com. Visit the site for overviews of the tour stops; information about the speakers; summaries of the speaker presentations, along with audio and PowerPoints; photo galleries of the tour, and links to other online coverage of the event.

Further coverage, including videos, releases and individual interviews, is available on the Newsroom and Video pages of the Association website www.angus.org. Contact the Public Relations and Communications Department at 816-383-5100 or calbers@angus.org for footage or more information.

For more information about the conference or information about next year's conference in Georgia with the Georgia Angus Association, contact Shelia Stannard, director of activities and events for the American Angus Association, at 816-383-5100.



Above: Tour participants line up for breakfast at Hyline Angus, Bozeman, Mont.



Right: A record 630 Angus enthusiasts registered for the 2010 Angus Conference.

Following are summaries of a couple of the presentations during Wednesday's conference:

Sustained nutrition critical for fetal development, lifetime performance

Cow nutrition during the entire gestation cycle greatly influences calf fetal development and future health and performance of that calf, emphasized Purina's Lee Dickerson. Dickerson explained that fetal programming — which refers to maternal events during the development of the fetus — is a research area yielding a lot of new information with applications for the beef industry.

Specifically, Dickerson said, it is being realized that environmental factors like inadequate fetal nutrition can cause an organism's genes to express themselves differently — even though the genes themselves don't change. In research terms, this is called epigenetics.

Moreover, the epigenetic changes brought about during fetal programming are not limited to the fetal period. As an example of this, human research studies are showing that children who had inadequate nutrition as a fetus developed lifetime health problems, such as diabetes, hypertension, glucose intolerance, renal failure and cardiovascular disease. The studies also show that an increased risk for these health conditions is passed on to future generations.

Dickerson shared that research in the beef industry is indicating that the phenomenon of epigenetics also applies to cattle — with implications to future calf health, growth and carcass performance, and reproduction.

Thus, he suggested, cow-calf producers should strive to ensure that cows are receiving consistent nutrition in early, mid- and late gestation.

"Each trimester appears to be critical," Dickerson said. He noted that the industry has tended to focus on cow nutrition during the last trimester — when more than 75% of fetal growth occurs. However, he pointed out, the first two-thirds of pregnancy is when the placenta develops, organs differentiate and grow, and muscle cell growth and proliferation occurs.

"All the muscle cells that calf will ever have develop as a fetus, not after the calf is born," Dickerson said, further making his point about the importance of cow nutrition during pregnancy.

Dickerson concluded by encouraging cattlemen to recognize that, "The gestational nutrition of your herd this year imprints the lifetime genetic potential and performance of subsequent generations."

Fetal programming research, as it applies to beef cattle, is being carried out by private industry and at land-grant universities across the country.

Blach anticipates optimistic future, especially for cow-calf producers

Cattle-Fax economist Randy Blach painted an optimistic picture for beef producers as he addressed conference attendees.

The future "looks pretty good,"



Some of Montana's premier genetics were on display throughout the tour.

Blach told cattlemen. "I think there is a tremendous opportunity for cow-calf producers who know their costs, manage production and have market savvy. The cow-calf sector could have the most profitable three to four years ahead as any time in history."

Blach attributed his bullish outlook to the economic recovery that is under way and the current supply and demand picture for beef. He explained that beef cow inventory is at an all-time low, creating tight supplies, while demand — particularly global demand — is beginning to gain momentum.

For 2010, demand is up 5%, with export demand showing strong potential for growing, Blach reported. "Demand growth will be slow, but we believe the worst is behind us."

Along with that, Blach said he expects beef supply to remain tight into 2011. "We don't have enough beef to meet demand, and the beef cow herd is going to be 3,000-4,000 head smaller as of Jan. 1, 2011," he stated.

If those trends continue, it should drive prices higher for all classes of cattle and allow for profitability — even despite increasing production costs, Blach predicted. "Cow prices are going to get higher; they may reach all-time highs very easily. Fed-cattle and feeder-calf [prices] could be higher as well."

Specifically, Blach said he anticipates market conditions could lead to fed cattle averaging \$94-\$95 per hundredweight (cwt.) by the end of this year and be \$3-\$4 higher than that next year. If demand goes up significantly, prices could go above \$100 per cwt.

For cow-calf producers, Blach said some industry expansion will be needed to meet the growing demand — and that spells opportunity.

"When you see that the national herd is smaller and is going to be even smaller on Jan. 1, that means it will be three years until we can impact production," he noted. "What's the opportunity? You can see what the masses are doing. Not many are keeping heifers or buying a few more cows, so those who do will have a pretty good payday."

"We need a few of you to keep a few more heifers," he continued. "We don't need a huge expansion, but we need a stable herd with a little bit of up tick."

Blach explained that with genetic improvement in the industry contributing

to increased market weights, the industry does not need 5 million more cows to meet the anticipated growth in demand. But, he said, "We do need 600,000-700,000 more cows by the end of this decade."

He added, "Cow-calf producers are going to have a good run the next several years. There's a chance we'll see cow-calf prices up where we've never experienced."

Blach tempered his optimism noting that much will still hinge on signals sent by demand, the ability to have access to global export markets, and commodity grain prices — particularly for corn.

"A risk is the corn price, which is projected at \$5.50 by spring 2011," Blach said. "This is a very risky business. The market is going to be there with opportunities, but so will the risk. You may need to consider using futures and options to be able to take some of those profits when they are there."

Blach also expressed his concern over the changes to the Packers and Stockyards Act proposed by the Grain Inspection, Packers and Stockyards Administration (GIPSA). "You need to read it and understand what the ramifications are and then weigh in on it," he told producers. "The genetic programs you've invested in are at risk. It could set us back to commoditized prices of the 1970s and '80s when profit margins averaged \$2.04 per head."

In comparison, he credited premium

beef programs — such as CAB — with adding another \$20-\$22 per head — which equates to \$5-\$7 million to the industry annually. Blach questioned, "And some don't think these markets work? ... That's what a free market will do, and we need more of it."

Rather, Blach emphasized the need to continue gaining access to export markets and allowing for free markets. He noted that between 2004 and today, reduced export trade due to BSE (bovine spongiform encephalopathy) has cost between \$70 and \$75 per head.

"Those are the kind of things our government needs to be fixing ... instead of getting in our markets [with GIPSA]," Blach encouraged.

As further proof of the importance of trade, Blach said, "What we export brings 50¢ more than what we import, so that's money in your pocket. We need trade, and we need more trade."

In closing, Blach reiterated that cow-calf producers should evaluate expansion opportunities ahead. If market factors follow the demand trends anticipated, he told the cattlemen in attendance, "There are opportunities for some of you out in the room today."

For additional summaries and photo coverage of the meeting and tour, visit www.nationalangusconference.com.



Tour stops provided opportunity to meet and visit with cattlemen across the country.