



# Committees Lay The

## Industry Committee Sets Beef Research Priorities

*Joint Product Enhancement Committee recommends funding of program activities to the Beef Promotion Operating Committee.*

Story by

**MIRANDA REIMAN**

Each day animal and meat scientists across the United States uncover ways to increase consumer satisfaction with beef.

Representing all segments of the industry, the Joint Product Enhancement Committee plays a role as it identifies focus areas and recommends funding of program activities to the Beef Promotion Operating Committee.

The idea is to improve customer satisfaction and drive beef demand. At the Cattle Industry Convention and National Cattlemen's Beef Association (NCBA) Trade Show in Denver, Colo., this February, committee members met to discuss priorities for the coming year.

"Quality today is all the rage. It's taking hold of this country in a real and transforming way," Tom Brink, J&F Oklahoma Holdings, told the group.

As the president and COO of the cattle ownership arm of Five Rivers Cattle Feeding, one of the largest cattle feeders in the United States, Brink gave his perspective on the movement toward higher product quality.

"We argued for a long time whether you could even get a premium ... we've made real progress," he said. Market signals direct many cow-calf businesses, but not all.

"It's the person who doesn't have a plan at all that costs us all money, because those



"Quality today is all the rage. It's taking hold of this country in a real and transforming way," said Tom Brink of J&F Oklahoma Holdings.



"I don't think anyone can dispute the fact that flavor is what drives consumer satisfaction. It's what's really keeping us in this game and allowing us the demand we have," said Larry Corah, vice president for Certified Angus Beef LLC.

cattle don't have as much value," Brink said. They also produce beef less favorable to consumers, the committee's main focus.

A smaller beef checkoff budget — down by more than \$600,000 from 2004-2005 — creates challenges, but also helps hone their goals, said Larry Corah, vice president for Certified Angus Beef LLC (CAB), who serves in an advisory role. He shared the three main areas for checkoff-funded product enhancement research in the coming year: flavor, aging and premium grinds.

"I don't think anyone can dispute the fact that flavor is what drives consumer satisfaction," Corah said. "It's what's really keeping us in this game and allowing us the demand we have."

The committee is encouraging research that looks at new technologies to predict beef flavor.

"Our goal is to better understand the taste and consistency — focusing on the positive attributes, not necessarily off flavors," he said.

Right behind taste is the need for tenderness, and aging is one of the most widely recognized ways to improve that trait.

"Yet there are so many components of aging — time, temperature, humidity, etc.," he said. The committee wants to see studies on how those variables affect the

## Ag Policy Committee Discusses 2010 Farm Bill, Border Security

Story by

**KINDRA GORDON**

Farm Bill discussions in Washington, D.C., will likely kick off this summer, reported Kristina Butts, National Cattlemen's Beef Association (NCBA) executive director of legislative affairs as she addressed the NCBA Ag Policy Committee Feb. 4 in Denver. Butts encouraged NCBA membership to share their input on provisions within the bill.

She shared that, on behalf of the cattle industry, NCBA is currently reviewing guiding principles in preparation for the Farm Bill discussion. Presently, NCBA's top priority is to eliminate or reduce the livestock title, provisions or directives in the next

Farm Bill. Colin Woodall, NCBA vice president of government affairs, explained that the livestock title within previous farm bills is where issues such as country-of-origin labeling (COOL) and the Grain Inspection, Packers & Stockyards Administration (GIPSA) were created.

"In our view the Farm Bill is not meant for marketing issues," Woodall stated.

With specific regard to marketing, NCBA's stance is that farm policy that guarantees profit, restricts the operation of the competitive marketplace, or dictates who can or cannot own cattle should be discouraged.

Butts clarified that taking out the livestock title would not affect research and conservation programs that have

eating experience, especially in product with Slight<sup>50</sup> to Small<sup>50</sup> marbling scores (high-Select to low-Choice).

Regardless of quality grade, Americans buy a lot of hamburger. An estimated 97% of us consume ground beef, which accounts for 67% of foodservice beef sales and nearly half of retail beef purchases.

"That in itself tells you the importance of the product," Corah said. "But the emerging and growing point of differentiation with channel operators is this whole area of premium grinds."

He referenced fast-casual restaurants built around the "better burger" concept, like Smashburger and Five Guys Burgers and Fries.

"They're having quite an impact on our industry," he said.

The goal is to understand how non-traditional subprimal grind sources and specific fat sources affect the product.

"We need to evaluate the effect on flavor profiles, fatty acid profiles, shelf life and numerous other attributes, and then compare that to other grinds," Corah said.

Research proposals were accepted through Feb. 1, and the committee will select successful projects in the next few months.

## New Dietary

*The new dietary guidelines favor protein, but continuing research on beef nutrition is needed.*

Story by

**KINDRA GORDON**

New dietary guidelines for Americans were announced Monday, Jan. 31, and proteins fared well in the recommendations. Specifically, the guidelines emphasize consumption of fruits, vegetables, whole grains, low-fat dairy and a "variety of protein foods" — including lean meat.

While seafood was emphasized in the guidelines, the beef industry's 29 lean cuts also fit favorably with the guidelines' focus on proteins that offer nutritional density. Issued jointly by the U.S. Department of Agriculture (USDA) and the Department of Health and Human Services (HHS),

# Groundwork

traditionally been in the Farm Bill.

Additional NCBA priorities with regard to the Farm Bill include:

- Supporting a reduction of the federal deficit while assuring funding for Farm Bill priorities, without agriculture bearing a disproportionate share of the reductions;
- Minimizing direct federal involvement in agricultural production methods;
- Preserving the individual's right to manage land, water and other resources;
- Providing an opportunity to compete in foreign markets; and
- Supporting equitable funding for farm programs to ensure funding is not disproportionately reduced.

The committee also spent considerable time discussing an interim policy that was initially put forth at the 2010 Cattle Industry Summer Conference by the Arizona Cattle Growers Association regarding border security. Discussion was conducted about the challenges and dangers border ranchers are facing in several border states. Arizona has formulated

an 18-point "Restore Our Border" plan that they'd like to see the NCBA organization support as they seek legislative changes on this issue. (More information about the plan can be found at [www.restoreourborder.org](http://www.restoreourborder.org)). A resolution was passed by voice vote to have NCBA support action in securing the international border from California to Florida.

Several expiring resolutions were renewed by the committee, including continuing NCBA's opposition to legislation preventing horse harvesting and/or processing, and opposing any abolishment of the Natural Resources Conservation Service (NRCS) or combining NRCS under the Farm Service Agency (FSA).

NCBA members attending the committee meeting were also encouraged to contribute to the organization's PAC (political action committee) fund. Ag Policy Committee Chairman Tim Munns from Nevada emphasized that this funding is used on cattlemen's behalf to create awareness for ag policy issues.



## Guidelines Released

the guidelines are updated every five years to address pressing issues with Americans.

Although the 2010 dietary guidelines are just newly announced, food scientist Roger Clemens was at the Cattle Industry Convention in Denver Feb. 4 to urge the industry to continue beef nutrition research and prepare for the 2015 guideline review process to ensure beef continues to be viewed favorably.

Clemens, who is an adjunct professor of pharmacology and pharmaceutical sciences within the University of Southern California School of Pharmacy, served on the Dietary Guidelines Advisory Committee. He explained that the 2015 committee will be facilitated by the National Institutes of Health (NIH), a role they have not previously had.

"They will look at it (the guidelines) differently. They do not have a food background," Clemens told the NCBA Human Nutrition Research Committee. "Conceivably, they could tear apart beef and say beef — or any meat — doesn't have a role in a healthy diet."

That said, Clemens said the nutrition

guidelines can only be made based on evidence in the scientific literature. Thus, he stressed, "Your industry has got to be doing research on the benefits of beef, and you need to get it in peer-reviewed journals. Now is the time to act." Clemens noted that for research to be used in the next go-round of evaluations for the 2015 guidelines, it would need to be published in the scientific literature prior to the spring of 2014.

The beef industry should continue to educate consumers on the protein quality of beef, Clemens added. "You have a very nutrient-rich product. Focus on that positive message. I think you (the beef industry) are at a wonderful position to advance by looking at the dietary positives beef offers."

Clemens said the central message from the dietary guidelines is that people need to be consuming fewer calories and expending more. That goes hand in hand with choosing nutrient-rich foods like beef.

Additionally, Clemens urged the beef industry to identify advocates who

## Live-Cattle Marketing Committee

### *Committee discusses Eastern bankruptcy and responds.*

Story by  
**TROY SMITH**

The far-reaching consequences of Eastern Livestock Co.'s recent bankruptcy dominated discussion during the National Cattlemen's Beef Association (NCBA) Live-Cattle Marketing Committee meeting Feb. 4. Meetings for all NCBA policy committees, as well as joint (Policy Division and Federation Division) committees and subcommittees were conducted as part of the 2011 Cattle Industry Convention in Denver.

Live-Cattle Marketing Committee members discussed possible ways to prevent future situations like that of Eastern Livestock Co., which was considered one of the nation's largest cattle brokerage companies, with operations in several states. Eastern filed bankruptcy in December 2010, after issuing bad checks, allegedly totaling nearly \$130 million, for cattle purchases. Investigation revealed that Eastern, a company acting as dealer and order-buyer of feeder cattle, had begun issuing insufficient-fund checks for purchases of cattle during November.

According to allegations by its principle lender, Fifth Third Bank, Eastern Livestock Co. engaged in a sophisticated check-kiting scheme, involving the deposits and withdrawals into and out of accounts at Fifth Third Bank and other banks. Taking advantage of the "float" or delay in one bank's notification to another regarding insufficient funds, Eastern created the artificially high account balances on which it made withdrawals.

Committee members and guests discussed possible weaknesses in government oversight, banking rules and issues related to bonding and trust accounts, as they apply to livestock dealers and marketing agents. Arkansas cattleman and marketing company owner John Queen said the committee

"ought to step forward" in response, seek review of the formulas used in issuing bonds, and push for improved oversight under the Packers & Stockyards Act.

The Committee did forward a directive for consideration by NCBA membership that would instruct NCBA staff to work with members of Congress and appropriate federal agencies to make low- or no-interest loans available to cattle producers, marketing agents, transportation firms and other service providers sustaining financial loss as a direct result of Eastern Livestock Co.'s failure.

The Committee also called for NCBA to work with relevant congressional committees to seek an oversight hearing into the USDA Grain Inspection, Packers & Stockyards Administration (GIPSA) procedures for auditing and bonding all cattle dealers and auction markets. Additionally, NCBA is directed to create a task force to further investigate consequences of Eastern's bankruptcy.

In other action, the Live-Cattle Marketing Committee proposed a resolution addressing current cash index parameters for the Chicago Mercantile Exchange (CME) Feeder Cattle Contract. Due to an economic environment conducive to growing cattle on forage or roughage diets for as long as possible before placement in feedyards for finishing, the resolution supports removal of 650-pound (lb.) to 699-lb. steer cattle from calculation of the CME Feeder Cattle Index. Additionally, the resolution seeks inclusion of 850-lb. to 899-lb. steers in the index calculation.

The Committee also supported renewal of existing NCBA policy that opposes any regulations or legislation that limits methods of marketing cattle, including value-based marketing systems and strategic alliances.



understand agriculture and food and who can become spokespersons and research advocates for beef. Along with that he suggested, "Participate in health and wellness conferences, work closely with quick-service restaurants, work closely with consumer groups. Bring your science and nutritional messages about beef to them firsthand."

He concluded, "If you don't have a voice, it (beef) won't be considered."

To view the complete dietary guidelines report, visit [www.dietaryguidelines.gov](http://www.dietaryguidelines.gov).

