

Okeechobee Livestock Letter

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Dear Producers,

What a tremendous time it is to be in the beef cattle production business. Prices are at an all time high and USDA predicts we should be in this peak price situation for at least another two years. Contributors to the surge in beef prices from retail all the way down the production chain are strong consumer demand, a drought in the U.S. Plains and a case of Mad Cow disease in Canada. Drought caused numerous producers to sell out of the business creating lowered cow numbers across the US, and resulting in fewer cattle going to market. This years calf crop is predicted to be 38 million head, the lowest since 1951, and with ranchers sending as many cattle to market as possible, USDA predicts that beef production will not begin to expand until at least 2006. Canada normally ships 1 million head per year to US slaughter, but with the ban on imports from there, it has further tightened the supply situation. USDA has allowed some low risk Canadian beef products to begin coming in to the US market, however the final rule on Canadian cattle until will not take effect until the 60 day public comment period on the proposal ends at the end of January. Consumer demand remains high and is being fueled even further by a record number of Americans on low carb, high protein diets. All of this is good news for beef cattle producers, although not a good time to try to buy heifers and cows, and hopes are that each of you prosper from the next few years predicted boom.

Hope the coming holidays bring great joy to you and your families, and hope you find something useful in this edition of the Okeechobee Livestock Newsletter.

Sincerely,

O. Patrick Miller, County Extension Director & Patrick J. Hogue, Extension Agent III - Livestock

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Florida Cattlemen's Institute and Allied Trade Show

The 21st Annual Florida Cattlemen's Institute and Allied Trade Show, "Healthier Calves - Bigger Profits", will be held this year on January 15, 2004 at the Osceola Heritage Park in Kissimmee. This of course is the same location it has been held for the past 20 years, but with the building of the new multi-use facilities at the old Ag Center, came the new name. With some challenges ahead of the cattle industry in the next couple of years in the form of COOL and National Identification, the potential of taking advantage of some different opportunities in the next few years market, we feel we have an exciting program planned this year. Please find included a copy of this years program brochure for your review and convenience. This year we are hoping to entice more attendees to stay through lunch by changing our caterer. Sonny Lewis Catering from Lakeland will provide this years lunch and we hope it alone will be well worth the stay. If you plan to attend, please don't forget to call the County Extension Office and let us know, so we can get an accurate count to allow Mr. Lewis to plan accordingly. Stay till the end to be eligible for the free registration to the Florida Cattlemen's Convention and for the big gift certificate drawing by the Allied Trade Members. Hope to see you all in Kissimmee next month.

Tropical Soda Apple Southern States MOU and Compliance Agreement

The Southern Regional Memorandum of Understanding (MOU) To Control Tropical Soda Apple (TSA) as developed by the Regional TSA Task Force is currently making it's rounds through the 13 Southern Region States and Puerto Rico for signature by the various counterparts to Florida Agriculture Commissioner Charles Bronson. This is a document that was reported to you in this news letter as a potential on the horizon a few months ago in this newsletter and is now becoming a reality. The objectives of this document as stated within it is to prevent the Interstate movement of TSA through the movement of livestock, seed, plant products(including seed, sod and hay), soil and manure. From the objectives you can see that the livestock or cattle industry is not the only target in this understanding, but all the industries that have the potential of moving TSA plants or seeds.

Two sections of the MOU apply in particular to you as livestock producers and read as follows:

All parties agree:

1. That livestock may move interstate from areas infested with TSA provided:
 - o the state of origin Regulatory Agency verifies that such livestock have been maintained in a restricted TSA Fruit Free Area for a total period of at least 6 days prior to transport, or
 - o the state of origin Regulatory Agency enters into a compliance agreement with an agricultural entity stating the entity in question agrees to comply with the TSA rules and regulations of the state of origin Regulatory Agency and the receiving state Regulatory Agency to allow for uninterrupted transport of livestock, hay, seed, and/or manure, or
 - o the state of destination Regulatory Agency approves the entry of livestock (e.g.entry permit), provided they are maintained at the point of destination in a restricted TSA Fruit Free Area such that livestock are maintained for a holding period of at least 6 days, or
 - o the livestock are transported through slaughter channels to a licensed red meat slaughter facility that has a TSA compliance agreement.

Livestock owners and managers in TSA areas are required to:

1. Maintain livestock in a restricted TSA Fruit Free Area for at least 6 days immediately prior to

- movement, except for movements to premises with a TSA compliance agreement.
2. Manage the restricted TSA Fruit Free Area so as to control TSA plants and prevent their fruit production. It is not necessary for the entire farm to be free of TSA plants.
 3. Implement TSA control practices within the restricted TSA Fruit Free Area in accordance with the Tropical Soda Apple Regional Harmonization Plan.
 4. Allow random inspections by state Regulatory Agency or U.S. Department of Agriculture personnel to assure TSA is being controlled.
 5. Enter into permit arrangements or compliance agreements attesting to the above in order to allow livestock to move interstate

Other sections of the MOU apply to other segments of the livestock production industry including Livestock Auction Markets, order buyers, seed sod and hay producers, and conveyances(truckers). Additionally a compliance agreement for each entity(farm, ranch, livestock market, etc.) is in the process of being worked out that U.S. Department of Agriculture will want each entity to enter in to. The compliance agreement is a one page document signed you for instance as a producer for your ranch, USDA official and state regulatory official that you agree to help prevent the spread of TSA as outlined within the MOU and attachments to the compliance agreement and will make it easier for each of you to ship cattle interstate within the terms of these agreements.

A couple of notes of interest in this process are that calves are not considered high risk for spreading TSA and may in fact not have to be held prior to or after shipment in a TSA free area. If you are shipping to a premise that has a compliance agreement to hold cattle in a restricted area on arrival then you wouldn't have to hold them for 6 days on your property, and the shipping time (e.g. two days) would be considered part of the 6 day holding time. Therefore, since calves are low risk for spreading TSA, and high risk for getting sick if held for 6 days, all of this may be mute in shipping calves and may only apply to older cattle that would not run the risk of illness if held on your farm, or at the point of destination. Even if calves did need to be held in a TSA free area on your premises, they could be held with their mothers until shipment to reduce their risk of contracting disease.

The MOU has been signed by Florida, Georgia and by now probably Alabama and once signed by all states, Puerto Rico and USDA will go in to effect. Be looking for news of this in the next couple of months.

Tropical Soda Apple Biological Research Update & BMP's

Some good news for control of TSA is current and on the horizon in regards to biological and chemical control methods. For native areas, hammocks and dairies, biological controls are going to be necessary for th future, and a couple are ready for release now.

Dr Julio Medal has been working extensively on insect biological controls for the past few years, and currently has a leaf eating beetle, *Gratiana boliviana*, that has been extensively tested and was released in caged trials in Central Florida earlier this spring. This beetle feeds extensively on the leaves of TSA in all stages of it's development and hopes are that it will do enough damage to kill plants. It currently is working fairly effectively in the caged trials and is now ready for broad scale release. Dr. Medal is also working on three other insect that have been found to feed extensively on TSA, including one flower and bud feeder, that are in the release permit process and should soon be ready for limited field test before broad area release.

Dr. Raghavan Charudattan's work has been looking for natural pathogenic organisms that may be effective in controlling TSA, and has found one right here in Florida. The U2 strain of mild tobacco mosaic virus, which has been around in Florida for a long time but only causes mosaic discolorations in it's the plants it normally effects, is deadly to TSA. TSA has a hypersensitive reaction to this virus and it wilts within 14 days of

application. It has been tested extensively in Florida on TSA and works well, other than it does not spread to other plants, so must be applied. It is currently being tested with Dr. Medals insects to determine if they will spread it from plant to plant.

Both Dr. Medal and Dr. Charudattan are seeking sites for further testing and application of their biologicals that have already undergone the extensive permit for release process. If you have a likely site, especially a dairy, give us a call.

Understanding the Beef Check-off

The beef check-off has received a lot of press in the past few months and particularly it's constitutionality as it is being challenged in court, and perhaps every once in a while it's not a bad idea to revisit the check-off since it is us as producers that pay the \$ 1 every time a sale exchange occurs and whether it is a true benefit to the industry.

The Beef Checkoff program was established as part of the 1985 Farm Bill. The checkoff assesses \$1 per head on the sale of live domestic and imported cattle, in addition to a comparable assessment on imported beef and beef products. States retain 50 cents on the dollar and forward 50 cents to the Cattlemen's Beef Promotion and Research Board, which administers the national checkoff program subject to USDA approval. The checkoff assessment became mandatory when the program was approved by 79 percent of producers in a 1988 referendum vote. Checkoff revenues may be used for promotion, education and research programs to improve the marketing climate for beef.

When we look at this above statement of what the revenues can be used for, most people don't realize the tremendous strides that have been made in the industry through the use of checkoff funds. Most think that the slogans and advertisements are predominantly what the dollars are used for. But literally billions of checkoff dollars have gone into research programs that have resulted in great strides for the industry. Numerous dietary research projects have been funded that have resulted in the finding conclusions that beef from the standpoint of the numerous vitamins and minerals it contains is one of the healthiest suppliers of essential nutrients, particularly it's content of the B vitamins, zinc, iron and selenium. These research projects have also shown that beef is not a carcinogen, mutagen or the major fatty acid contributor many purported it to be. These research project results and further funding have resulted in a host of pamphlets, brochures and other consumer information distributed in grocery stores and other avenues for public education and information extolling the benefits of eating beef, buying tips weight control and healthy eating. Food safety research has resulted in public education and information materials on safe handling of meat, proper cooking and storage methods for prevention of contamination and disease prevention.

Industry research funded projects by the checkoff on muscle traits, carcass traits, tenderness, yield, palatability, flavor and gene mapping have resulted in new product development that appear on the grocery shelves and improved genetics and potential in cattle herds. These projects have further resulted in funding of educational information on buying tips, cooking tips and using ready to serve products.

The most visible use of beef checkoff dollars however has been in the beef advertising and promotion campaigns. Those we see on a daily basis on bumper stickers signs, and of course the entertaining TV advertisements: "BEEF, It's what's for dinner", "BEEF, It's what you want.", "Eat More Beef". These have probably raised the visibility of the industry and our product more than most of us imagine, but the question is, has it made a difference in demand. In reviewing most analysis, the quick answer is yes, but a detailed analysis independent research project funded by the beef checkoff and conducted by University of Florida Food and Resource Economics Professors shows that indeed it has. Dr. Ward, et al, did their analysis using

several different models, but the results showed that with the existence of the beef checkoff, an additional \$ 6.46 billion has been realized in revenue gain to beef producers based on the ad campaigns alone. Although this amount seems small in comparison to the \$ 314 billion in revenue over the course of the beef checkoffs existence, it is a 2% increase which is a pretty good return on the investment made.

Whether the continuation of the beef checkoff will stand the test of the courts and it's constitutionality confirmed or not will be up to legal experts, but whether it has been beneficial to the industry and those of you who are part of it is an individual decision that only you can attest.

Country of Origin Labeling Update

Details at press time yesterday weren't 100% clarified (the actual FY2004 Omnibus Appropriations Bill isn't expected until next Tuesday), but it appears a conference committee has decided to delay the implementation of country-of-origin labeling (COOL) until September 2006. The two-year delay will be for all commodities covered under the law, with the exception of wild fish (salmon) which appears will have mandatory COOL on schedule.

The delay measure is included in the omnibus bill that the Senate is expected to vote on this week. Meanwhile, the House isn't expected to vote on the same omnibus appropriations bill until early December. Washington insiders say opposition by the largest national associations for pork, beef and vegetables, coupled with adamant opposition from the retail, processing and packing industries, made COOL a very difficult proposition. And, it became nearly impossibility after the release of a non-partisan economic analysis provided by USDA and the conclusions reached by the Office of Management and Budget.

While many are calling this a crushing defeat for the proponents of mandatory COOL, it's also becoming clear that the real debate wasn't over the schedule of implementation but whether to delay or repeal the law. In that sense, both sides can claim a victory of sorts. The consensus seems to be that the delay puts COOL back on the table. There seems to be almost universal agreement that animal identification (ID) is on its way, and the COOL delay avoids the very real possibility that the industry would have spent billions building a system for COOL only to replace it with another form of national ID in very short order.

The delay should put the two systems on a similar time frame, and a national ID system will dramatically alter the debate over COOL. As a result of the delay, the cost and difficulty of implementation will largely be removed. So will the argument or need for a mandatory program over a voluntary one.

2004 Beef Cattle Short Course

The 2004 Beef Cattle Short Course has been scheduled and is in the final planning process, and producers need to mark their calendars for this coming years event. The Short Course is scheduled for Wednesday, May 5, 2004 through Friday, May 7, 2004. Along with an excellent program that is in the final planning right now, a noticeable change in location will occur this year that producers should make note of. This year the Short Course will be held at the Hilton UF Conference Center in Gainesville on 34th Avenue. This new venue was decided on because of additional space this center provides with costs being virtually identical. Producers in attendance will notice much improved facilities, food and service, significantly larger space to conduct multiple activities at once, and possibilities for providing breakout sessions on site. Program brochure are planned to go to print in January and should be available to producers around the first of February.

"I tore myself away from the safe comfort of certainties through my love for the truth; and truth rewarded

me." - Simone de Beauvoir

"Don't think there are no crocodiles because the water is calm." - Malayan Proverb

For questions or comments regarding this publication contact



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