

Subscribe to our weekly dairy or livestock email newsletter at CapitalPress.com/newsletters

Dairy/Livestock

Beef demand sizzles in U.S., cools abroad

By CAROL RYAN DUMAS
Capital Press

SUN VALLEY, Idaho — Despite high prices, beef demand in the U.S. continues to strengthen, up more than 15 percent year over year in the first quarter of 2015.

That's in addition to a 7 percent demand hike in 2014, with a 13.5 percent increase in price, Idaho Beef Council Executive Director Traci Bracco said while giving cattlemen an update on their checkoff dollars at work during the Idaho Cattle Association annual meeting on Nov. 19.

"Beef demand overall is very strong. It continues to increase," she said.

U.S. per-capita beef consumption has stabilized at an average of 2 servings per person per week after nearly a decade-long decline that ranged from 1.2 servings a week in 2007 to 1.9 servings in 2014, she said, using data from the Consumer Beef Index compiled with checkoff dollars by National Cattlemen's Beef Association.

Two servings per week might not seem like a lot in a room of beefeaters, but the beef industry faces a number of challenges. In the last couple of years, the protein market has been flooded with lower-priced pork and chicken, she said.

Another limiting factor is the nutritional barrier, the lingering perception that beef isn't healthy. That par-



Idaho Beef Council Executive Director Traci Bracco, right, talks with Janice McGehee, IBC program director, following Bracco's presentation on IBC efforts to promote beef during the Idaho Cattle Association's annual meeting in Sun Valley on Nov. 19.

ticularly is where the checkoff comes in, educating consumers that beef is nutrient-rich, she said.

The data show that 91 percent of U.S. adults consume one or more servings per week and 53 percent consume three or more servings per week. In addition, the number of those "heavy users" — consuming beef three plus times a week — has seen an uptick, as has the number of U.S. consumers who say they intend to increase beef consumption, she said.

That bucks the normal trend of consumption faltering when prices strengthen, she said.

"Beef demand continues to be good news," she told the room of beef producers.

Consumers are saying the price of

beef is worth it and are willing to pay more for it than any other protein, with 78 percent of consumers willing to pay the price for steak and 84 percent willing to pay the price for ground beef, she said.

Beef has a perceived value, and that mindset is an advantage for beef producers, she said.

The latest consumer survey by Oklahoma State University shows consumers in November were willing to pay \$7.06 a pound for steak, \$5.44 for chicken breast, \$4.15 for ground beef, \$3.82 for pork chop, \$2.45 for chicken wing, and \$1.98 for deli ham.

"We have the protein consumers are willing to pay more for," she said.

Retail beef sales in the U.S. in 2014 increased more than 6 percent from the previous year to \$23.4 billion, and beef's share of the retail dollar in the meat case was 49 percent — more than twice that of chicken, she said.

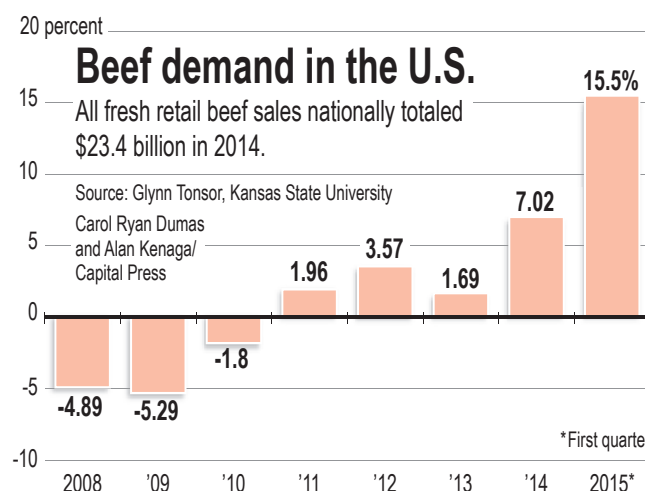
Beef also holds a strong presence in foodservice, on the menu at 96 percent of restaurants and claiming 31 percent of foodservice protein purchases and one-quarter of total purchases, she said.

While beef shines bright at home, its stellar performance abroad has dimmed some in 2015. U.S. beef exports rose to record levels in 2014, jumping 16 percent in value year over year to \$7.13 billion and 3 percent in volume to 2.6 billion pounds.

U.S. beef exports set records in the past five years, but 2015 is proving a challenging year, given ongoing access issues, tight supplies, slowing economies, and a strong U.S. dollar, she said.

U.S. beef exports year to date through September are down 12 percent in volume and 8 percent in value but remain extremely valuable, accounting for 13 percent of U.S. beef production and adding \$280 per head to the value of U.S. cattle she said.

"The world is hungry for our beef, so we're in a good position," particularly if trade agreements lead to better market access and the current herd expansion results in increased supply, she said.



Healthy soil still best carbon sink

By DOUG WARNOCK
For the Capital Press

Healthy soil is the foundation of life on Earth. It is the basis for viable, productive agriculture and plays a crucial role in creating a healthy ecosystem.

This December, people from 190 countries around the world are gathering in Paris at the United Nations Conference of the Parties (COP21) to discuss what should be done to sustain a livable climate on this planet. They are focusing on limiting carbon emissions. We will hear many recommendations from scientists and governmental officials at the conference about how to address this issue.

Healthy soil is the world's greatest carbon sink and reservoir of water. Regenerating and maintaining healthy soil is one of the most important things that can be done to achieve and support a healthy ecosystem.

Grazing managers have at their disposal one of the most effective and productive tools to regenerate and sustain healthy soil, grazing animals. Properly managed, grazing animals will support a living dynamic ecosystem, achieved through healthy soil.

Soil will be at its best when it is covered with growing, healthy plant life and providing a viable home for micro-organisms and is

Greener Pastures
Doug Warnock



and recover from the last grazing. If animals stay too long or return too soon, the plants can be overgrazed. This reduces plant viability and makes it more difficult to survive. This adaptive management approach must include a process of monitoring to support making wise decisions.

Rangeland and pasture ecosystems are complex biological entities, which are subject to many factors. The manager must be constantly monitoring to know what is taking place and to adjust as needed to keep the grazing enterprise on target and producing the expected results.

With a planned, adaptive management approach, livestock managers will sustain viable, healthy pastures that support healthy soil, which in turn are effective carbon sinks and reservoirs of water. This supports healthy life of all forms, helping to create a healthy planet. Regardless of the discussions and decisions at the Paris conference, planned grazing management offers an inexpensive method to reduce carbon emissions and help restore ecological health.

Doug Warnock, retired from Washington State University Extension, lives on a ranch in the Touchet River Valley where he writes about and teaches grazing management. He can be contacted at dwarnockgreenerpastures@gmail.com.

Calif. processors: Expand milk discussion beyond cheese

By CAROL RYAN DUMAS
Capital Press

California processors, represented by Dairy Institute of California, recognize the right of dairy farmers to pursue a federal milk marketing order for the state but say the discussion needs to be broader than the sole purpose of raising the price for milk going into cheese vats.

USDA's 40-day hearing on establishing a federal order for California, sought by dairymen to address what they contend are inequities in the price of cheese milk, ended last week.

There's a lot in the state's dairy industry that probably needs fixing and the time has come for thorough vetting of a federal order, Dairy Institute Executive Director Rachel Kaldor said during a telephone press conference on Nov. 24.

But the issues are complex, and the outcome needs to be more than a zero sum game where one side must lose in order for the other side to win, she said.

Dairymen say their price for cheese milk needs to be in line with prices for like milk in other parts of the country, but processors contend California's industry structure, competition for milk and distance from markets make comparisons to prices in the Midwest inaccurate.

Kaldor said the processors' goal in the hearing process was to build a substantive hearing record, considering all aspects of California's industry, to help USDA design a coherent federal order.

The broader goal "is to



Cows lounge in a pen at VanderWoude Dairy near Merced, Calif., in this file photo. California dairy processors oppose efforts to establish a federal milk marketing order in the Golden State.

engage dairy farmers in a dialogue that incorporates everybody's understanding in the supply chain," she said.

That means understanding that producers are investors as well as suppliers. Everybody needs more information and a broader perspective, and not just dairymen, she said.

More than 80 percent of California's milk is shipped through co-ops, which own facilities. Plants have to invest in innovation, and producers need to care about that. Otherwise it's a matter of diminishing returns, she said.

She said the fact that the discussion is focused on cheese is interesting since while 43 percent of California production is used for making cheese, and 40 percent goes for powder and butter.

"There needs to be a balanced look at the industry in California, not to say we shouldn't go for higher prices," she said.

But the entire industry needs to also pay attention to

innovation, markets and changing demand and know how it all works throughout the milk chain, she said.

She said it's clear a regulated pricing system is out of sync with those objectives. A better system is one in which milk prices are close to a regulated price but driven by markets, she said.

That's the reality in federal orders, where processors can decide on a monthly basis whether to pool milk and pay the regulated price for utilizations other than Class I fluid milk or contract outside the pool, she said.

California dairy farmers operate under a statewide marketing order with mandatory regulated prices administered by the California Department of Food and Agriculture. While they want cheese milk pricing provided in a federal order, they contend mandatory pricing must be maintained to protect a quota premium established in the 1960s.

Butter prices steady; cheese dipping

By LEE MIELKE
For the Capital Press

The cash dairy markets didn't show much reaction to the Cold Storage report in the three-day Thanksgiving-holiday shortened week.

The Cheddar blocks closed Wednesday at \$1.58 per pound, up a penny on the week and reversed two weeks of decline, but were 10 1/4-cents below a year ago.

The Cheddar barrels closed at \$1.55, up 4 3/4-cents on the week but 9 3/4-cents below a year ago. Nine cars of block traded hands on the week and 16 of barrel.

The blocks lost a penny and a quarter cents Tuesday and slipped to \$1.56. The barrels were down a penny Monday and 2 1/2-cents on Tuesday, sliding to \$1.5150 per pound.

Dairy Market News says a

Dairy Markets

Lee Mielke



duction as manufacturers do not want to produce butter on a speculative basis. "Orders are steady into food service and retail."

Cash Grade A nonfat dry milk closed Wednesday at 73 cents per pound, down a half-cent on the week, lowest price since Aug. 18, 2015, and 38 1/2-cents below a year ago. Five carloads found new homes on the week.

The powder inched up three-quarter cents Monday on an unfilled bid, with four sales and a bid on Tuesday marching it 4 1/2-cents higher, to 78 cents per pound.

Powder shipments to Mexico are on the rise, according to FC Stone's Monday Early Morning Update but warns, "We have a feeling it'll take more than bullish fodder, though, to realize a rally of substance in the short run as inventory levels remain large and will continue to surge."

WESTERN PACKAGING

Your Future is Our Future...

WE SPECIALIZE IN BULK BAGS!

BAGS: <ul style="list-style-type: none"> • Seed Bags • Fertilizer Bags • Feed Bags • Potato Bags • Printed Bags • Plain Bags • Bulk Bags • Totes • Woven Polypropylene • Bopp • Polyethylene • Pocket Bags • Roll Stock & More! 	HAY PRESS SUPPORT: <ul style="list-style-type: none"> • Hay Sleeves • Strap • Totes • Printed or Plain • Stretch Film (ALL GAUGES) 	LOCATIONS: <p>Albany, Oregon (MAIN OFFICE)</p> <p>Ellensburg, Washington</p>
CONTACT INFORMATION: Phone: 855-928-3856 Fax: 541-497-6262 info@westernpackaging.com		
CUSTOMER SERVICE IS OUR TOP PRIORITY!		

www.westernpackaging.com

49-2/#5