



# CHAROLAIS

VIEWPOINT

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## How Long Can We Go?

The future is in our hands.

If we took the majority of industry news (or, for that matter, any current news,) at face value, one could sink into deep depression. As with anything, there are lots of numbers involved and all that data serves as indicators needing interpretation.

Since most everyone reading this is involved in the development of the “raw” product, we often convince ourselves those numbers are more relevant to someone farther up the food chain. After all, we do what we do and we have limitations in both size and scope of production. And, most likely, we’ve done it the same way for generations. If, as some say, “the shoe fits”, here’s some food for thought:

1. Regardless of what you read or where you read it, the beef cow inventory continues to decline. For several reasons, beef producers are exiting the business, reducing their current numbers or making decisions not to expand their operations.
2. While domestic demand for beef has declined slightly, our export demand has increased and industry analysts predict any upward trend will be contingent upon an improving global economy and value of the dollar against other currencies. Our per capita consumption for beef has dropped to the lowest in recent history, yet we are recognizing some positive changes in specific ethnic demographics.

out of your comfort zone by visiting with cattle feeders and forging positive relationships and providing access for your customers. The obvious goal is to never give your good customer’s a reason to purchase seedstock elsewhere, much less change their breed preference.

2. Realistically, you as a seedstock producer, will likely have little impact on per capita demand for beef. No doubt, there are innovative beef producers joining forces and carving valuable niches by marketing directly to the consumer. Those producers are having an impact at a local level by providing excellent quality and serving as a role model for urbanites wanting to connect with the grower. At the very least, you must be more vigilant than ever before to use advancing science and technology and continue to make genetic improvements in your herd. Our continual pursuit for greater efficiency is a win-win for you, your customer and ultimately the consumer. We must not compromise our commitment to quality, taste, nutrition, safety and value. The opportunity for your customers to realize increased returns in a value-added system has never been greater. Source and age verification, improved health regimens, known, proven genetics and premiums paid for higher quality beef fitting in a branded box are making huge differences between profit and loss in the beef business.

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3. Data indicates a shift from eating out to a return to more meal preparations at home. And the real good news here is the consumer can choose from a much higher quality product.

There is a definite threshold where you, as seedstock producers, have very little influence. Conversely, there are many segments in the beef industry where change literally begins and ends with you.

1. As we consider the long-term effects of declining cow numbers, one must acknowledge the eventual reduction in the need for bulls. Additionally, it becomes more important than ever before you are absolutely meeting your customer’s needs. Now may be the time to consider expanding opportunities for your customers to be more successful with your genetics. That may mean an extra telephone call or two throughout the year checking on a new calf crop or getting more creative by offering a calf buy-back or helping organize a commercial auction featuring your customers’ cattle. If necessary, step

3. If you haven’t made a trip to your local supermarket meat case lately, do it. We are a couple of generations removed from knowing the local butcher and having him trim an inch of fat off of a commodity product and we thought we were getting a good deal. Today’s meat case is full to the brim with the most attractive, genetically trimmed product in the history of beef production. We are poised, from farm to fork, to address ethnic and demographic shifts in consumer demands. As a seedstock producer, it isn’t your responsibility to gather the data or conduct the analysis. It is your responsibility to respond to the market demands when they occur.

The beef industry does not exist without the seedstock supplier. By all reports, our business is in for a bumpy ride for the near future. Make it a goal to stay current in the industry, keep every single customer and grow your business through genetic improvements and impeccable customer service. 