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Subject: Ag Business Council - March 2009 Newsletter
Date: Tuesday, March 03, 2009 3:40:57 PM
Attachments:

THE Agricultural Business Council of Kansas City

March 3, 2009

The Modern Face of Animal Agriculture

-- Dennis McLaughlin, McKinley Communications, Inc.



It is tough enough to deal with misperceptions about the agriculture industry that crop up innocently or from ignorance. But, when groups purposely distort the developments and technologies in the agriculture sector, the problem becomes even more acute and more formidable to overcome.

That was the message delivered by the three speakers at the Agricultural Business Council lunch on Friday, February 20, at the Plaza III restaurant, attended by more than 70 Council members and a delegation from the New Zealand National Agricultural Fielddays® organization.

Missouri Pork Association Vice President and CEO Don Nikodim pointed to a two or three generation gap between most Americans and any direct connection they might have to a farm. A lot of people, he mentioned, really don't know where their food comes from and how it finally arrives on the grocery shelves. They are too far removed from the business of agriculture to appreciate what is happening down on the farm. But, he focused on the effect the efforts of the groups like the U. S. Humane Society were having in portraying agriculture in dark tones.

Under the influence of the USHS, some people want to go back to the 1940s in terms of animal production practices. "We'll have a lot of hungry people if that happens," he said. He described the USHS as a powerful force with its \$150 million budget, 600 staffers and 60 lawyers working against certain sectors of the agriculture industry. Coming off its Prop 2 victory in California last November along with previous victories in Florida, Arizona and Colorado, the Humane Society is flush with swagger and hubris as it targets Ohio with a petition drives to push its agenda to abandon modern technology and proven practices that are used across the industry.

But, agriculture can still gain the high ground, Nikodim said, by positioning itself on such front page issues as the leader in carbon sequestration or as the go-to industry in reducing the huge trade imbalances the nation faces. This coupled with the fact that today's technologically advanced Agriculture provides the world with the most abundant, affordable and safest food supply the world has ever known is a story that must be communicated effectively.

Save the Dates!

March 20, 2009

Monsanto's Sustainability Yield Initiative - Doubling Crop Yields by 2030

11:30 a.m. Networking
12:00 p.m. Lunch

Featuring:
John Raines, Vice President of Business Affairs, Monsanto Company

The American Royal
\$15 Members/\$25 Non-Members

April 9, 2009

Factors Influencing Grain Supply, Demand and Price

11:30 a.m. Networking
12:00 p.m. Lunch

Featuring:
Bill Hudson, Founder, The ProExporter Network

Location & Cost TBA

Corridor Conversations: Center for Veterinary Medicine Looks at Challenges and Opportunities

Continuing its series of programs dealing with trends and issues in the animal health industry, the Kansas City Animal Health Corridor welcomes Dr. Bernadette Dunham, the new director of the FDA's Center for Veterinary Medicine, to the next Forum, Thursday,

Charlie Arnot, CEO for the Center for Food Integrity and head of CMA Consulting, mentioned that the success of the HSUS in taking on agriculture is further compounded by the fact that it is the sixth most respected non-profit association in the America. However, he urged agribusiness to start putting out the right message to the right audiences. He further advised against using the same thinking to solve problems that created them in the first place.

Arnot suggested some issues were not so much an image problem as a trust problem. Agribusiness should work to earn greater trust from consumers with a strategy of expanding the influence of professionals like veterinarians, doctors and farm families can cast over the public. Agriculture needs to focus on the competence of its science, technology and engineering. And it needs to exude confidence. Agriculture will fare well when it can show that it is ethical, its science is verifiable and it is economically viable.

During his turn at the podium, Mike Matson, Director of Communications and Public Relations for the Kansas Farm Bureau, said many farmers are perplexed with the misconceptions so many Americans have about agriculture and livestock production. But, he also told Council members the Kansas Farm Bureau has initiated several programs to train farmers how to better communicate what they do. Additionally, KFB has produced a number of communications projects, including a long-form television documentary, short-form Internet videos, children's books and classroom curriculum designed to celebrate the rural and agricultural lifestyle and to inform and educate Americans everywhere. Visit www.kfb.org to learn more.

USDA's Glauber Says Ag Economy Faces Uncertainties ... But, Higher Prices Should Return

Addressing the opening session of USDA's annual Outlook Conference on February 26, USDA Chief Economist Joe Glauber said, "What a difference twelve months make." "We have seen prices for most commodities fall 40-50 percent from their mid-year peaks. The global economic slump has cast a pall on most markets and while net cash income is projected at high levels relative to historical averages, there remains much uncertainty."

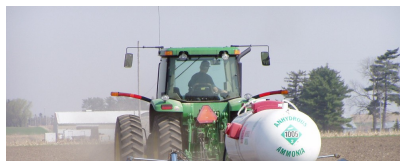
Glauber concluded with these observations:

- With confidence in financial markets weakened and the global economy in the worst recession since World War II, the agricultural economy faces much uncertainty. As expected, most aggregate measures are forecast to be down sharply from the record highs reached last year. Concerns with deflationary pressures remain, particularly if lower farm receipts persist over the longer run. This could adversely affect farm real estate values and undermine what has been to date a relatively strong financial position. That said, the outlook is for a return to higher prices as many of the pressures that drove last year's price increases-high energy prices, the Renewable Fuel Standard, and strong economic growth in emerging markets-will return to play a major role. In addition, while other sectors of the economy may be credit constrained, many farm lenders appear to be in good financial shape and access to credit for farmer appears to be sufficient.

Glauber's powerpoint presentation is available by clicking [here](#).

Holding High-Priced Inventory, Fertilizer Dealers Ponder Their Future

-- courtesy of **Agri-Pulse Newsletter**



Now that wholesale nitrogen and

March 19, at the Stowers Institute for Medical Research.

Dr. Dunham will deliver her assessment of the issues as she takes over the reigns of the CVM. The presentation "Sustaining the Momentum of Change: Challenges and Opportunities for CVM" begins at 4:30 pm and will be followed by reception.

For more information contact Rochelle Butler at the Greater Kansas City Chamber of Commerce: 816-374-5437 or butler@kcchamber.com. The Stowers Institute is located at 1000 East 50th Street, Kansas City, MO 64110.

Grassley/Feingold Anti-Concentration Bill is Back

U.S. Senators Chuck Grassley of Iowa and Russ Feingold of Wisconsin are re-introducing legislation to reduce concentration in agriculture. The law would require 25 percent of a packer's daily kill to come from the spot market. "This legislation would guarantee that the packers are in the cash market, purchasing livestock from independent producers every day," says the Iowa senator. Similar legislation was introduced last year, but both senators think the climate for passage is better now with the current Congress.

Grassley sees the bill as a legitimate role for government, to preserve entrepreneurship, reports Julie Harker, Brownfield Ag News. Grassley may also introduce legislation to clarify his 1986 update of the false claims act. While the whistleblower legislation isn't used a lot in the Agriculture Department, he says it could be. Grassley says the law has recovered



phosphate prices have moderated, many fertilizer dealers are stuck with large, high-priced inventories that could bankrupt them, according to Tobias Hlavinka, fertilizer manager for the Southern business unit of Helena Chemical Co., the nation's second-largest distributor of crop production inputs and services.

"In 27 years in this business, the last 90 days have been pretty well the most miserable days of my life," Tobias said, referring to growing fears among distributors that dealers will have trouble paying for fertilizer they purchased last summer when prices soared to above \$1000 per ton. Addressing Arkansas State University's 15th annual agribusiness conference on Feb. 11, Tobias said: "I know of small dealers that have storage, these people are essentially a building and a pickup truck, and they've gone out and bought 4,000 or 5,000 ton positions that they've got a three-quarter million dollar loss on. When their loan comes time to be paid in June, the money is not going to be there."

Jack Eberspacher, president and CEO of the Agricultural Retailers Association, acknowledged that **fertilizer dealers/retailers, in general, are currently "on the wrong side" of the market but he expressed confidence in their ability to survive "this challenging time."** Eberspacher indicated that retailers were quickly adopting "more of a business approach" to fertilizer sales going forward. **"If growers want to pre-purchase fertilizer," said Eberspacher, "they will more and more be required to sign a contract and they need to understand that those contracts will be enforced."**

Source: *Agri-Pulse Newsletter*, February 18, 2009. To request a trial subscription, e-mail agripulse@aol.com

Celebrating Agriculture - With a Little Help From Everyone



With the passage of California's Proposition 2 in the last general election and the continuing efforts of groups like HSUS to project negative images of food and livestock production, there's hardly been a more appropriate time to beat the drum for the most essential sector of the American economy - agriculture. Not to mention its enduring role in our American heritage.

American agriculture and its rich legacy of providing plentiful, safe food for the entire globe will be acknowledged during National Ag Week, March 15-21. In conjunction, National Ag Day will be celebrated on March 20. Organizers of the events maintain National Ag Day/Week is all about reminding Americans of the role of agriculture in their daily lives.

Ag Day Planning

Widespread national awareness efforts are planned to call attention to Ag Day 2009, but coordinators need your help to bring this message to all our local communities. They have published the 2009 Ag Day Planning Guide to help you plan your event. The guide is filled with tools and tips to help make the most of this important celebration.

To make it even easier for you, your company, association, school or group, Ag Day promoters have prepared materials which are now available for National Ag Day, March 20, 2009. The materials include these items:

- **Ag Day Poster:** Includes the second in a series of Ag Day posters

nearly \$22 billion for the U. S. Treasury that would otherwise have been lost to fraud.

Source: **Brownfield Ag News**

People and Places: Milestones

Moving on: Tom Buis named CEO of Growth Energy. Buis, who has served as president of the National Farmers Union since 2006, was named CEO of Growth Energy on February 27. During his stint at NFU - dating back to 1998 when he joined the group as vice president for government relations - the group has solidified its influence in Democratic circles. For example, speakers at NFU's upcoming annual meeting include Agriculture Secretary Tom Vilsak and House Speaker Nancy Pelosi.

Buis departs to join a newly formed and muscular ethanol group - Growth Energy - formed by several leading ethanol processors who believe a more aggressive public policy stance by the ethanol industry is needed. Growth Energy recently announced that Gen. Wesley Clark, a former presidential candidate, joined the group as a spokesman. In addition, former House Speaker Newt Gingrich is on retainer as a consultant to the group.

Moving on: Agi Schafer recently stepped down from her position as vice president of Fleishman-Hillard. With 25 years of experience in public relations for food and agriculture, Agi pursues work as a consultant with specialties in reputation management, crisis preparedness, and media relations. Although she will be stepping down from her board position with the Ag Business Council, she believes passionately in promoting ag and food businesses in the Greater Kansas City Area and will continue to serve on the communications

that features the Mountain West region. Order your posters now to pass out at your Ag Day events.

- **Ag Fact Cards:** These cards tell how agriculture impacts our lives by connecting it to something everyone can identify with...jeans, pizza and tortillas. The cards open to provide related agriculture production information, all in a compact business card.
- **Ag Day Lapel Pin:** Show your support of agriculture and National Ag Day/Week. Purchase the Ag Day Lapel Pin. Lapel pins are \$2.00 and supplies are limited.

To order Ag Day materials visit www.agday.org/events/materials.php. In addition, organizers in the KCMO metro area would love to have any pictures or articles written about your event after it is over. Please send any coverage to Kathi Conrad at kathic@nama.org or mail to: Kathi Conrad, ACA, 11020 King Street, Suite 205, Overland Park, KS, 66210.

USDA Hosts Food Aid Conference in Kansas City

Food Aid Fact Sheet



The United States is the world's largest food aid donor with a long tradition of generosity in providing humanitarian assistance to needy people throughout the world. U.S. programs help feed the hungry, improve global food security, encourage education, and promote agricultural development in food insecure countries. Most U.S. food aid is provided through donations.

The U.S. Agency for International Development and the USDA will convene the 11th Annual International Food Aid Conference at the Westin Crown Center, April 6-8. The meeting is the largest food aid and agriculture development conference in the country with more than 700 attendees expected to register. Participants from 30 nations will represent private voluntary organizations, foreign governments, commodity and transportation companies, universities as well as the USAID and USDA.

The theme for the 2009 event is Fighting Hunger in an Era of Global Economic Crisis. The program along with a list of speakers and panelists will be available on the USDA website: <http://www.fsa.usda.gov/ifac>.

The agenda includes these topics:

- Food Security / Access
- Emergency and Chronic Food Aid
- Agricultural Development
- Public-Private Partnerships
- Civilian-Military Relationships & Humanitarian Aid
- Farm Bill
- Commodity and Energy Supply and Demand Trends
- Nutrition
- Supply Chain Management

KC Agricultural Business Council members can obtain a discounted registration fee of \$300 by applying before March 23. A discounted room rate of \$107/night is available if reservations are made by March 16. For more information contact Dana Richey at 816-926-6301 or dana.richey@kcc.usda.gov.

Beef: It's What's For Dinner in Seoul

committee. Agi can be reached at agnes.schafer@yahoo.com, 816-716-3543.

Retiring: Steve Dees announced at the Agricultural Business Council's recent luncheon that he was retiring from the Shook Hardy & Bacon law firm at the end of February. Dees, a former general counsel at Farmland Industries, is a valued supporter of the Agricultural Business Council, serving as vice chairman of the group.

A final note: Bill Taggart - friend of Kansas agriculture -- passes away. Bill Taggart, a native of Manhattan, Kansas, and long-time Republican agricultural figure passed away January 15, 2007 in Reston, Virginia. Taggart rose to prominence as a close advisor to former Kansas Congressman and Senator Robert J. Dole. Taggart served as Senator Dole's legislative assistant for agriculture in the 1970s wielding considerable influence over all agricultural legislation passing through the United States Senate during those years. He later formed his own consulting firm, representing a number of prestigious companies in the Nation's Capitol. Taggart was 77 years old.

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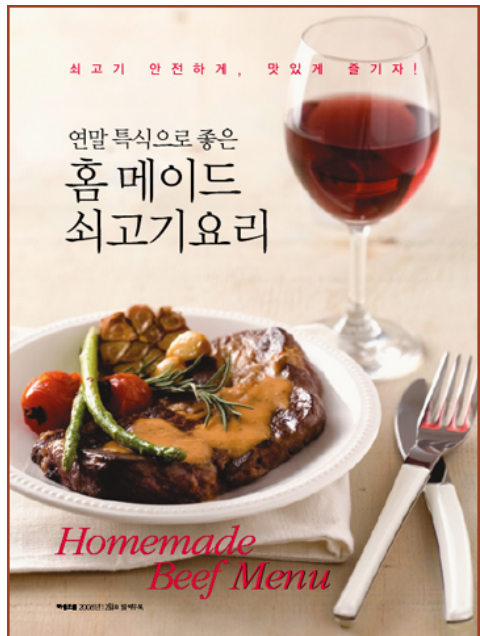
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-- Dennis McLaughlin, McKinley Communications, Inc.



They may not carry the weight of an Oprah endorsement, but two women's magazine in South Korea are championing the qualities of U.S. beef in recently published articles. *Woman Chosun* and *Woman Sense* each have run lengthy pieces in their current issues, and, according to one of the editors, the features have been positively received by the magazines' readers.

Actually the timing and the positive audience reception of the articles is not exactly coincidental. The U.S. Meat Export Federation (USMEF) in Seoul launched an ongoing

campaign last year to educate Korean journalists and reporters about food safety in general and the comprehensive food safety protocols used by the U.S. beef industry.

Woman Chosun published a 33-page full-color article for its 50,000 readers, giving them an overview of beef production in the U.S. The article provided information on cattle feeding, processing, inspection and American consumption trends. And 16 recipes calling for U.S. beef.

Woman Sense, which has a circulation of 80,000, featured 12 full-color pages covering the U.S. beef business and spotlighted menus from several prominent American restaurants. The article made a point of saying Americans were gladly eating U.S. beef - in counterpoint to rumors in the South Korean press that Americans were shunning domestic supplies.

"We are delighted to see two well-regarded women's magazines publish very positive and factual articles about U.S. beef," said Jihae Yang, USMEF director for South Korea. "We believe this shift in the media's willingness to report in a neutral manner will help Korean consumers welcome back U.S. beef to the Korean Markets.

According to the American Gelbvieh Association beef exports from the U. S. to South Korea have rebounded in recent months, especially since big box retailers like Lotte Mart put American beef back on their shelves last month. In 2003, before BSE was detected in the U.S., South Korea was the third-largest export market for beef from American ranches. Exports that year amounted to 543.6 million pounds valued at \$815 million - accounting for 19.3 percent of U.S. beef exports and 21.1 percent by value.

Source: The American Gelbvieh Association

KGFA Dedicates Tom R. Tunnell Building



Over 200 members, legislators, lobbyists, colleagues, friends and family watched as the Tom R. Tunnell Association Building was dedicated on Tuesday, January 13. After months of

Wyatt Brummer
The Scoular Company

Frank Bryant
SES, Inc.

Tim Daugherty
Agriculture Hall of Fame

Parthy Evans
*Stinson Morrison Hecker
LLP*

Colleen Gerke
*John Deere Agricultural
Marketing Center*

Elvin Hollon
*Dairy Farmers of America,
Inc.*

Leslie Kaufman
Kansas Cooperative Council

Erin Nash
Rhea + Kaiser

Damon New
First State Bank & Trust

Don Nikodim
Missouri Pork Association

Diane Olson
Missouri Farm Bureau

Nancy Robinson
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Association*

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Jere White
*Kansas Corn Growers
Association*

Shrene White
Cargill/Horizon Milling

Ex Officio Members

Mike Beam
*Kansas Livestock
Association*

Gina Bowman
CVR Energy



fundraising, planning and renovations, the new KGFA office is completed.

The evening began with recognizing the generous donors that made this substantial project possible. KGFA Chairman Jerald Kemmerer thanked those members and presented them with recognition plaques in the new building. Kemmerer then paid special tribute to KGFA President Tom Tunnell during the naming ceremony thanking him for the years of service, dedication and foresight he has given to the association.

In closing, special guest U.S. Congressman Jerry Moran gave a few remarks recognizing the value of the grain industry in Kansas. All guests were then invited to stay and enjoy drinks and hors d'oeuvres as they toured the new building during the open house. The new KGFA office provides the additional space, functional layout and technological infrastructure needed to serve our members for decades to come.

Source: GRAINNET.com; February 9, 2009

Special thanks to --

Dennis McLaughlin, *McKinley Communications, Inc.* for his volunteer editorial services to bring you this issue of the Agricultural Business Council's Newsletter.

Formatting and graphics courtesy of Erica Venancio.

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