

THE Agricultural Business Council of Kansas City

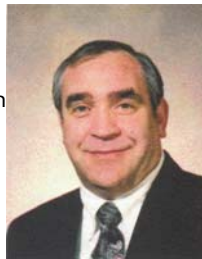
September 23, 2009

Climate Change is Focus for Sept. 24 Luncheon Meeting

The Agricultural Business Council's September 24 luncheon meeting will feature two experts on one of the hottest policy issues facing U.S. agriculture today - climate change and legislation before Congress to address this issue.

The September 24 luncheon, which will be held at the American Royal, is an expanded session which begins with networking and registration at 11:15 a.m. The featured speakers are:

- **Dr. Ray Massey**, *agricultural economist*, Commercial Agriculture Program, University of Missouri. Dr. Massey has authored several papers on the topic of climate change, including "Agriculture and Greenhouse Gas Emissions" and "Introduction to Greenhouse Gas Markets and Cap-and-Trade."
- **Dave Miller**, *chief science officer*, AgraGate Climate Credits Corporation, and *director of Research and Commodity Services Division*, Iowa Farm Bureau Federation. Dave has been instrumental in developing carbon credit protocols for agriculture and developing the contracts and aggregations services so that producers can participate in carbon programs.



Further details may be found on Council's website at: www.agribusinesscouncilofkc.com.

Rep. Moran Promotes Agriculture

-- Dennis McLaughlin, McLaughlin Writers Group



The Washington Beltway could learn a thing or two from the Heartland, maintains Kansas Congressman Jerry Moran - which is why he visits his first district on most weekends. When he returns to Capitol Hill he tells his colleagues how things are in Kansas - which is arguably more important than telling his constituency what Congress is up to. Which is usually, he mentioned as an aside, "the next election."

What is missing in Washington, explained Rep. Moran speaking at the Agricultural Business Council's August luncheon "is a long-term perspective." He said legislators look for short-term solutions. But farmers and ranchers "know the history of their operations and their ancestors; they know the decisions they make today affect the future of their families."

Upcoming Meetings --

October Luncheon Meeting

"The Wheat Conundrum: Addressing the Challenges Facing Wheat Growers"

Featuring:
Daren Coppock, *CEO*, National Association of Wheat Growers
John Thaemert, *past president*, National Association of Wheat Growers

October 15, 2009
The American Royal
11:30 a.m.
Members \$15
Non-Members \$25

November Breakfast Meeting

Held in conjunction with the AFA Leadership Conference.

Featuring:
Dr. J.B. Penn, *chief economist*, John Deere

November 6, 2009
Hyatt Regency Crown Center Hotel
7:30 a.m.

Council Funds Ag Scholarships

The Agricultural Business Council's Board of Directors has approved \$10,000 in scholarship funding for 2009. Equal amounts of \$5,000 were provided to the American Royal's Royal Six Scholarship program and to the Agriculture Future of America's (AFA) scholarship program.

For the AFA scholarships, the organization has been coordinating the selection with the University of Missouri and Kansas State University. K-State expects to finalize its scholarship selection shortly.



At the University of Missouri,

Because most legislators represent urban and suburban Americans, agriculture is getting the short end of the stick. Farming is barely the focus of the Farm Bill, Rep. Moran noted ironically and "the ability to make a living farming is difficult" in the face of a growing regulatory environment. Even Secretaries of Agriculture have been just as often spokesmen for their administrations rather than advocates for agriculture.

Rep. Moran has been trying to defuse a situation that seems "to pit the farmers against the eaters" citing as an example that regulatory authority over grain elevators could be given to the FDA. "There is a serious need to explain agriculture," he said, and urged everyone in the agriculture industry to get involved.

At the same time, all is not lost. Rep. Moran related the anecdote about Congresswoman Rosa DeLauro of Connecticut who represents a hardly-rural district that includes New Haven the home of the un-aggie Yale University. "She asked me to tell her what was so important about agriculture," he said. When he started enumerating all the industry issues and policies, she cut him short saying, "That's not what I want to know, I want to know what farmers do." So Rep. Moran arranged for Rep. DeLauro to meet him in Western Kansas for a ride along Highway 27 for an up-close and personal look at farming and farm families.

In his remarks, Rep. Moran commented forthrightly on a number of issues as well as the atmosphere in Congress:

- Legislators are working to resurrect the Japanese market, and hoping the Japanese will buy the meat from cattle 21 months and older.
- It is Congress' responsibility to know what pending legislation contains; and an initiative proposed by lawmakers to "sign a pledge" to send back bills until they have been thoroughly read is "silly because that is their job" in the first place.
- Legislators must know what each word means and what the consequences will be. "How can you predict consequences 10 years out?"
- "Washington should not be about politics; substance is much more important."
- Cap and Trade is not likely to pass this year.
- Responding to Texas' questions about safety at the NBAF Kansas facility, Rep. Moran asked who would care more about the security than Kansas with the enormity of its livestock industry at stake?
- Reiterating the sentiments Tom Thornton, CEO of the KBA, shared with Council members in June about the added value of the NBAF locally, Rep. Moran said Kansans can raise their kids knowing there will be challenging career opportunities for them in animal research.



officials have awarded the Council scholarship to Rebecca Ann Haynes, a freshman in the College of Agriculture, Food, and Natural Resources who is majoring in Food Science with the Science Emphasis. Rebecca is involved in the Food Science Association and was recently elected into College of Agriculture, Food, and Natural Resources Student Council as the Food Science Association Representative. Rebecca is from Liberty, Missouri.

Farm Economy Faces Declining Earnings

The USDA is forecasting a 39 percent plunge in farm income to \$49.1 billion in 2009 from 2008's record \$80.4 billion after expenses. That is the biggest annual percentage drop since 1983. Adjusted for inflation, it is the worst performance since 1974.

Commenting in *USA Today* (September 22), Bob Young, chief economist for the American Farm Bureau Federation, cited the recession, a decline in consumer demand worldwide, the swine flue and a sluggish market for corn-based ethanol as the culprits for the steep decline. Young, who spoke to AgriBusiness Council members at last December's luncheon, said, "All this is hitting at once; it's a bad year. This is the sharpest year-over-year decline we've seen."

K-State Ag Economist Sees Rough Times for Beef Industry

The pain of recent record losses in the U.S. cattle feeding industry will not diminish soon, but tightening supplies could lead to a modest rebound in late 2010, according to agricultural economist James Mintert.

Speaking at Kansas State University's Risk and Profit Conference Aug. 21, Mintert said that consumers have responded to the U.S. economic downturn by saving more and spending less. Not a bad thing on the face of it, but what consumers are saving means that they're spending less on some foods, such as beef.

That demand slowdown is partly responsible for the record losses realized by cattle feeders during 2008 and 2009. For example, Iowa State University's estimated livestock returns indicate that cattle feeders lost an average of \$120 and \$100 per head during 2008 and the first 7 months of 2009, respectively.

In addition to demand issues, the cost to produce beef calves, including feed costs and returns to owned assets, has jumped 30 percent since 2005, which has made even a break-even situation beyond the reach of most producers in the last couple of years.

Not Home Free Yet

Concern is mounting that the federal funding for the National Bio-Agro Defense Facility (NBAF) in Kansas may be in jeopardy because of unfounded fears and political gamesmanship in D.C. At stake immediately is President Obama's \$36 million FY 2010 budget request for the NBAF in the Senate appropriations bill. The NBA and the Greater Kansas City Chamber of Commerce urge Kansas City area businesses to support this vital project to bring new high-paying jobs to Kansas and Missouri and make their support for NBAF in Kansas known. Contact the Chamber for instructions to email lawmakers on this issue, 816-221-2424.



How you can help:

- Contact federal lawmakers who represent you and urge their support.
- Please call the office of U.S. Representative David Price, Chair of the House Homeland Security Appropriations Subcommittee, at 202-225-1784 and urge his support. Representative Price does not have a public e-mail address.

In your correspondence or phone message you can include these points:

- Protecting people and animals (a food supply) from disease through NBAF is vital to our national security and to the safety and security of our communities;
- NBAF is safe with modern research methods and the highest safety standards in the world;
- NBAF is vital to the heartland economy, offering unprecedented opportunities for high quality and high paying jobs throughout the region;
- Current bio-agro facilities on Plum Island are out of date and near the end of their life cycle. The U.S. needs a new facility built to the highest safety standards as planned with NBAF.

Agriculture Has a Bone to Pick with TIME

-- Dennis McLaughlin, McLaughlin Writers Group



Several industry organizations and meat production and processing businesses have expressed their discontent with a cover story **TIME Magazine** ran last month. The National Cattlemen's Beef Association, the only industry representative quoted in the piece, "The Real Cost of Cheap Food," issued a press release outlining the steps it took to provide information for the article - which the author mostly ignored and excluded when the final piece appeared.

The NCBA says it was called late in the reporting and writing process, and that the writer discussed the angle of his story only when pressed for details. The issues management and media relations teams of the Beef Checkoff Program heard from a **TIME** research assistant at the end of July about a pending article who described it as dealing with food safety and antibiotics. The research assistant specifically wanted the industry's comment on the Preservation of Antibiotics for Medical Treatment Act (PAMTA) and antibiotic use in the beef industry.

Ceva Biomune Expands in Lenexa

Ceva Sante Animale, a global leader in the animal health industry, will invest \$15 million in the construction of a new production facility for its U.S. subsidiary, Ceva Biomune. The 20,000 sq. ft. facility will house a state-of-the-art poultry vaccine production operation on its existing campus in Lenexa, KS. Ceva Biomune expects to add 80 new employees to its existing workforce of 180.

"Ceva's investment in the current Lenexa campus emphasizes our dedication to poultry vaccines," said Dr. Arnaud Bourgeois, vice president of Ceva Sante Animale. "We are committed to provide innovative vaccine solutions and high-quality services to our current and future customers."

Ceva, with headquarters in France, is currently the 9th largest animal health company in the world with two U.S. subsidiaries: Ceva Biomune in Lenexa focuses on poultry products while Ceva Animal Health in Manchester, MO is dedicated to companion animal products.

Baby Boomers Opting For Rural Life

Unlike their parents and grandparents, more baby boomers - born between 1946 and 1964 - are eschewing the Sun Cities of the Southwest and the double-wide villages in Florida to settle in rural areas and small towns. Boomers have already demonstrated an affinity for moving to rural and small-town destinations, reports USAgNet, compared with both the generations before and behind them. They led a short-lived retreat to rural America in the early 1990s despite being in their early and mid 40s when their careers still hadn't peaked. Did Woodstock have anything to do with their thinking?

Today's 83 million boomers represent a fourth of the total U.S. population. There has never been such a large share of the workforce approaching retirement. By comparison, 42 million were age 45 to 63 in 1990. Boomers are now poised to significantly increase rural and small-town elderly populations by 2020, with major social and economic implications for their chosen destinations. Source: USAgNet, August 28, 2009

McCormick Celebrates 20th Anniversary

McCormick Company teamed up with clients, suppliers, local businesses and employees on

An interview was quickly arranged for the author, Bryan Walsh who inquired about the costs to raise a steer to harvest weight. When the NCBA asked Walsh for a clearer idea of the story's direction, he disclosed it would touch on other issues, including beef and nutrition and the environment. So the NCBA's issues management team recommended he contact beef industry experts before running his story, and set up five interviews with specialists. Fact sheets and research about beef choices, beef nutrition and the environment were also prepared for the writer. The experts chosen by the NCBA for the **TIME** story included Shalene McNeill, Ph.D., R.D., NCBA's Executive Director of Human Nutrition Research; Tom Field, Ph.D., NCBA Executive Director of Producer Education; Jude Capper, Ph.D., Assistant Professor at Washington State University, an expert in livestock production and the environment. Additional interviews were slated for Walsh with two feedlot operators: Anne Burkholder of Will Feed, Inc., in Cozad, Neb., and Gary Teague of Teague Diversified, Inc., in Fort Morgan, Colo.

Of the six experts tabbed by the NCBA to help out, Walsh included only one quote about antibiotic resistance. In addition, the NCBA goes on, **TIME's** description of feedlot conditions disregarded the information from Teague and Burkholder about the care that goes into raising cattle.

The American Meat Institute (AMI) also wrote to **TIME** saying, "In a world of 7 billion people and expanding, where malnutrition, hunger or outright famine are commonplace, it's dumbfounding that **TIME Magazine** would take one of the great American success stories - the efficient agricultural production of an abundant variety of healthy, safe and affordable foods for consumers in the U.S. and throughout the world and turn it into an unrecognizable story of exploitation, manipulation and greed."

The article, published in the August 31st edition, reiterates the usual claims against factory farming, including the common myths about modern beef production's over-reliance on corn and antibiotics, the distorting effect of farm subsidies and poor farm animal living conditions. Source: Cattleman's Beef Board

Food Safety: No Advantage for Organic Meat

The UK Food Standards Agency concluded in a report late last month that there are no important differences in the nutrition content nor any additional health benefits from organic food when compared with conventionally produced food. The conclusions of the UK's FSA emerged from recent Kansas State University research - published last month in the journal *Applied & Environmental Microbiology* - that found natural, organic and conventional cattle production systems are similar in terms of prevalence rates of E. coli O157:H7 and antibiotic susceptibility.



The report indicates that the prevalence of E. coli O157:H7 in the feces of organically and naturally raised beef cattle (14.8 percent and 14.2 percent, respectively) are similar to those reported previously for conventionally raised feedlot cattle. Additionally, the researchers analyzed minimum inhibitory concentration of a variety of antibiotics for E. coli O157:H7 isolates to determine the effects of all three production systems and found no significant difference in antibiotic susceptibility.

"This is bad news for organic producers," claims *BeefSite's* Adam Ansom, "as advocates have long been proclaiming the health benefits of organic." But he notes organic enthusiasts have been quick to highlight other benefits. England's Soil Association, for example, countered with the argument that organic food production is planet-friendly, promotes good standards of animal welfare, and encourages a

Thursday, August 27, to celebrate 20 years of McCormick operating in Kansas City. In conjunction with the celebration, McCormick hosted a food drive with the goal of 20,000 cans for the local Harvesters food bank. That goal was met and exceeded with 27,045 cans for Harvesters.

"There's really no better way to celebrate being a part of the Kansas City community," said Mark Perrin, president of McCormick Company. "We get to help families in Kansas City by teaming up with local businesses and companies to reach our goal. We're very pleased with the successful outcome."

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chemical-free environment and the use of larger areas of pasture.

While the science suggests a steak is a steak no matter how it is produced, recent statistics have revealed that Brits, nevertheless, have taken to organic food in a big way. Consumer demand for organically produced meat has pushed up organic livestock numbers in the UK 30-40% between 2008 and 2009. Source: TheBeefSite.Com; Meatingplace.com

Livestock Publication Council Hosts Gala at American Royal



Dr. Temple Grandin, bestselling author and expert in animal behavior and humane livestock handling, will headline the LPC's annual Royal Gala fundraising event, Friday October 30, 6-10 pm, at the American Royal. During the festivities, the commemoration portrait of 2009 Hall of Honor Inductee will be unveiled, and the inductees for the 2010 Hall of Honor will be announced.

The evening, focusing on fun, camaraderie and dancing, will feature a unique silent and live auction, and showcase a special "Parade of Hats"

with prizes awarded for the fanciest, feathery-est, and most flamboyant headwear. Throughout the event guests can enjoy cocktails and dine on a heavy hors d'oeuvres buffet featuring Certified Hereford Beef and pork tenderloin.

Formal invitations are forthcoming in the mail. Seating is limited so RSVPs would be appreciated by October 19. Cost is \$50 per ticket. Suggested attire for the ladies: An ensemble of a feathery hat with a vintage evening gown or fancy cocktail dress. For the Gents: A formal tuxedo, suit, tux with starched jeans and a cowboy hat, top hat or derby hat to complete the outfit.

Founded in 1974, LPC is an international organization serving the dynamic livestock communications and publishing industry. Its goal is to provide a forum through which members can obtain information on how to improve their overall effectiveness and value to both readers and advertisers. In 2004 the organization celebrated its 30th Anniversary by opening the LPC Heritage Center Hall on the second floor of the American Royal Headquarters. It showcases the recipients of the Hall of Fame and Headliner awards, Ed Bible Distinguished Service Award and Forrest Bassford Student Award. These individuals are a "who's who" of livestock publishing and have helped shape the industry over the years.

Current LPC fundraising is aimed at the creation of the LPC Hall of History. It would become part of the American Royal Museum and Visitors' Center which already highlights the significance of agriculture in American culture.

Missouri Pork Association Announces PQA Plus® Site Assessment Rebate Program

The Missouri Pork Association is now offering \$100 rebates to Missouri pork producers who complete PQA Plus Site Assessments prior to Dec. 31, 2009.

"Pork producers have always been committed to providing a safe and affordable product to consumers. Completing all levels of the PQA Plus

Communications

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Missouri Agribusiness Assoc.

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Bayer Animal Health

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CVR Energy

The Agricultural Business Council of Kansas City is indebted to Dennis McLaughlin, McLaughlin Writers Group, for contributing most of the content of this newsletter. Erica Venancio handles the formatting.

program enhances that level of commitment," said Diane Slater, director of communications for MPA. "Partnering with the National Pork Board and the National Pork Producers Council allows us to help alleviate some of the cost of the assessment for producers."

The following requirements and stipulations apply:

- All site status paperwork must be completed.
- Producer must postmark the rebate form before January 5, 2010.
- Limit of one rebate per production entity.
- No rebates will be mailed until October 2009.
- Rebate amount may not equal more than the total assessment cost.
- Rebates available on a first-come, first-served basis until funding is exhausted.

The Missouri Pork Association, National Pork Board and National Pork Producers Council are encouraging all producers to abide by the Statement of Ethical Principles, become PQA Plus® certified, achieve site status and have their employees who are involved in the handling and transport of animals become Transport Quality Assurance (TQA) certified. The purpose of this program is to encourage producers to be proactive in providing the best possible care for their animals and show commitment to the ethical principles of pork production as outlined in the We Care responsible pork initiative.



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