

BeefTalk 476: Starting From Scratch Should Bolster Confidence

Fairness and other market positioning often are expressed as frustration or confrontation rather than organized planning.

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Recently, several individuals have pondered and shared their thoughts on how the beef industry might change. The reason for the change always varies depending on the particular perspective of those visiting.

However, there is a common thread that often perks through the conversation. That thread being the feeling or expressed thoughts that the rest of the world is pushing in one direction while individual producers are pushing in another.

Fairness and other market positioning often are expressed as frustration or confrontation rather than organized planning. The outcome of the conversations is varied. However, the general summation usually leaves things as they are, a little frustrated, but willing to go. That frustration is real as is the consequence of not being able to make the cash flow in the desired amount.

There is another underlying frustration that goes deeper than the fiscal outcome. That is a basic mistrust of those who partner with producers in the beef industry. The feeling is very evident in any discussion of marketing options that producers are asked to choose from and with whom they choose it.

There is no easy answer to any of these questions. I am reminded of a beef short course that was hosted by the Decatur County Feed Yard at Kansas State University a few years back. A principal reason for the short course was to allow producers to get a better understanding of this product we call "beef."

As producers, if we undertake a journey to better understand our product, then perhaps some of those ingrained fears can be put to rest. Understanding our product is paramount. I, like all producers, periodically must renew and increase my knowledge about the carcass that is put on the rail, not the calf we sell.

Interestingly, I was able to track down a couple of Internet sites that are readily available and very informative. As I was paging through the short course notebook, a page was printed indicating U.S. Department of Agriculture market news. That page listed index values for beef carcasses, but more importantly, opened the door to another Web site (http://www.ams.usda.gov/mnreports/lm_xb459.txt) that noted national weekly boxed beef cutouts and cuts based on negotiated sales.

The page noted the value of the various beef cuts that were traded in the morning or afternoon. There also was a weekly summary and a weekly summary covering several years.

Lots of information was available, but lots of "Greek" notations as well. Thus, the need to learn, in particular, what were these IMPS numbers associated with the naming of the various parts of the beef carcass. Doing a search on the Web, IMPS stands for institutional meat purchase specifications. Through the USDA Agricultural Marketing Service, a description of all the IMPS numbers can be printed out or read on the Web site.

What is important is that the value of an individual carcass is contained in the knowledge of the various parts of the beef carcass and the associated value of each part. As I dusted off the old notebook, one of the steers that we studied was calf 67603. The calf was harvested with the fore quarter made into ribeye roll, short and back ribs, cap/wedge meat, chuck clod, boneless chuck roll, arm deep pectoralis, chuck tender, neck bones, outer and inner skirtsteak, boneless brisket, 50/50 trim, 90/10 trim, fat and bone. This gives us a total of 16 retail products.

From the hindquarter, 17 retail products were generated. They were: defatted tenderloin boneless short-cut strip loin, top sirloin butt, bottom sirloin butt/flap, bottom sirloin butt/ball tip, bottom sirloin butt/tri-tip, knuckle, top inside round, eye of round, bottom round flat, heel of round, flank steak, kidney, 50/50/ trim, 90/10 trim, fat and bone.

Maybe there is some reason for producers to be frustrated at the depth of the beef industry. However, when it comes to understanding the beef industry, comfort will come with knowing the pieces. If we can bolster our confidence in knowing that the value that moves its way through the beef world really is a summation of the values of the many individual products, perhaps formulating better relationships with industry partners will be easier.

\$ \$ Value of Beef! \$ \$

Great market news can be found
on the USDA Web site. Go to:

<http://marketnews.usda.gov/portal/lg>

Click on National Daily Boxed Beef Cutout
and Boxed Beef Cuts

Now back to the Web site to start gathering the value of box beef.

May you find all your ear tags.

Your comments are always welcome at <http://www.BeefTalk.com>.

For more information, contact the NDBCIA Office, 1041 State Ave., Dickinson, ND 58601, or go to <http://www.CHAPS2000.com> on the Internet.