

## The Key and the Calf Have Value

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Trading beef is a complex pattern of pathways that involves many steps along the industry chain. The cow-calf producer passes the production (calves) to the next link in the marketing chain.

In the current environment, the marketing foundation principles are not as clear as they have been in the past. A recent review of two North Dakota Stockmen's Association standing policy positions on personal property and the marketing of that property clearly defines the association's intent.

In the case of personal property, the group's policy states: "The NDSA believes the right to own and enjoy the use of private property is the cornerstone to a free society and firmly opposes any infringement of its lawful use and any effort that results in diminishing value or returns should be considered a taking and just compensation provided."

On marketing, the association's position states: "This association believes in the fundamentals of free enterprise and in the free marketplace as the first choice of economic concepts."

These thoughts, along with all the day-to-day activities involved with managing and operating a beef operation, certainly could cause producers to ponder the big picture.

I was asked to testify before the U. S. International Trade Commission to provide information related to a qualitative and, to the extent possible, quantitative analysis of the economic effects of foreign animal health and sanitary and food safety measures on U.S. beef exports. This is a big- picture look.

As I prepare, it is very obvious that producers are seeking an unencumbered market environment that allows buyers from around the world to bid on their calves. To achieve that is not without some difficulty.

The struggle comes from the reality that living in the U.S. does not assure one of absolute security from forces outside the country. The direct impact of the terrorist act on Sept. 11 and the indirect impact of the announcement that bovine spongiform encephalopathy

(BSE) was discovered within the borders of the U.S. are real and still are very much affecting the beef industry.

The rules changed. There was no vote. There was no input. There simply was an acknowledgment that business as usual was not to be.

Beef producers are struggling with the outcomes, which still are not clear. How one adapts, educates, leads, follows or integrates managerial concepts within the current environment is difficult.

Recently, a little bit of light filtered through as I listened to Steve Holcombe, founder and chief executive officer of Pardalis Inc. (Pardalis is third-party data storage company that values and treats data the same as money.)

Holcombe notes that "the challenge is to effectuate regulations that are inclusive of small producers, and that recognizes that there now are two distinct products being produced along agricultural supply chains today: (1) the traditional livestock product (or crop product) and (2) an informational product that describes the pedigree of the traditional product."

This is an important point most beef producers are starting to think about. Today's producer not only produces and markets a physical product, such as the calf, but also markets the information about that calf.

While the calf is the actual product that has value in the free marketplace, the actual information contains the keys to unlock the various doors needed to enter the marketplace. None of those keys actually are denied, but rather simply have been viewed as a nonmarketable entity.


Within today's changing world, the reality is the keys, which need to be presented at the time of marketing. As a result of this change, one big question has surfaced. Is this a burden or an opportunity?

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 Avenue, Dickinson, ND 58601, or go to <http://www.CHAPS2000.com> on the Internet.

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## MARKETPLACE

# • Records

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