

Beef Industry Changes Appear on the Horizon

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Occasionally there's a day in my schedule when the questions and decisions that need to be made just plain stump me. The complexity of the issues requires more research and information than I am able to muster and the sun can not set fast enough on the day or the new information can not arrive too soon.

Within the beef industry a number of challenges are on the horizon, approaching with the slow, steady speed of sun moving across the daytime sky. Changes within the beef industry, like sunrise and sunset, are coming whether producers like them or not.

The commodity model, although very prevalent in the marketing sector, is slowly giving way in the cow/calf sector to a model loosely termed "premium market" identification. A more accurate term would be "verified source" identification, with the implication of total knowledge from conception to consumption.

These new total marketing business models require market standards. These new standards can only be set through information, available only by collecting data, which can then be used in making long term management decisions. The North Dakota Beef Cattle Improvement Association has offered its members DATALINE™, a technology tool available for data gathering, that puts together established management concepts with new technology to give the beef industry new clout.

NDBCIA producers, however, have not fully implemented the technology tool. In 1997 three herds of the 238 with production records processed by the North Dakota beef Cattle Improvement Association or purchased through the CHAPS 2000 program were evaluated in the conception to consumption program. In 1998, four herds of 217 enrolled in BCIA or CHAPS 2000 were measured; in 1999 it was three herds of 203; in 2000 five herds out of 276; in 2001 three herds out of 374. Are we up to the challenge?

In addition, the nationally established Beef Quality Assurance program is a reaction to requests from the food industry to source verify beef products coming into the food chain. The BQA and DATALINE™ are the standards and data collection tools, respectively, to fulfill the consumer demand for consistent quality and information about the beef produced today.

As cow/calf producers become more aware of their role in the food chain, the business reality of source verification becomes paramount to economic returns. Cow/calf producers need more information about their end product in reaction to food industry identification. This combination of industry needs and source verification, if implemented correctly, allows the food industry and beef business to better evaluate critical industry production concerns and respond with good management decisions from conception to consumption.

The DATALINE™ information helps relate physical and economic performance of each animal to the end product. This technology makes it possible to electronically identify each calf as part of the food chain network and secure data relative to growth, health and value. As the beef industry changes, producers need to become aware of the processes that are involved in order to initiate changes that assure long term survival in the beef business. Beef producers need to make managerial or business changes and investments in tune with the industry in which they participate.

One of the major management balancing acts that cow-calf producers (and all within the beef industry) face is risk management. The knowledge (from the information collected through DATALINE™) is the baseline upon which cow-calf producers will be making decisions for the future of their own operation, and ultimately the beef industry.

A precept of this decision-making process is minimizing risk within beef production enterprises. For cow-calf producers, a fundamental management principle is to not put at risk any portion of their operation which they can not afford to lose. If such loss would change the very principles producers work for, think twice.

May you find all your ear tags.

Your comments are always welcome at www.BeefTalk.com. For more information, contact the North Dakota Beef Cattle Improvement Association, 1133 State Avenue, Dickinson, ND 58601 or go to www.CHAPS2000.com on the Internet. In correspondence about this column, refer to BT0082.

Producer Use of DATALINE™ Technology

Year	Total Herds*	DATALINE™ Herds
1997	238	3
1998	217	4
1999	203	3
2000	276	5
2001	374	3

* With production records processed by the North Dakota Beef Cattle Improvement Association or purchased through the CHAPS 2000 program.