

BeefTalk: Future of Beef Revisited - Global Competitiveness

Beef producers need to think globally.

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The expression “the world is your oyster” aptly applies to beef production.

If one only sits in a shell and never looks out, one would miss the fast-paced comingling of the continents. Who would have thought a calf born on a lonely day in the far back pasture could be walking off an airplane cargo deck halfway around the world a year later?

Additionally, a beef carcass processed in an inspected harvesting facility can go worldwide. Any product, once marketed, is released to the world.

I reviewed previous thoughts by Flynn Adcock and associates in “Consumer Issues and Demand” (published by the Agricultural and Applied Economics Association in the online Choices publication, <http://www.choicesmagazine.org>, Volume 21, No. 3, 2006). They indicated the three global forces that impact beef production are “animal disease outbreaks and discoveries, income growth in developing economies and trade liberalizations.”

The impact of these forces, proven true through time, is real and is evident at morning coffee at the kitchen table. We need to seek the energy or desire to explore the complicated international news because international relationships and markets directly impact our farm and ranch.

Sometimes, the rationale evades us, causing us to retreat. But we can't. For decades, those involved in American agriculture were comforted with the concept that they were feeding the world.

As a rancher or farmer, we felt good because our ground was growing produce that was helping people in many parts of world, parts that we ourselves never would see. Those thoughts superseded market value, the need to make a profit, our own need for material things.

Today, however, the tables have turned. People in other parts of the world are having the same thoughts. The U.S. is not the world leader in beef production, and those who lead still are increasing beef production.

We perhaps approach the question as a marketing issue because international relationships have several options when the concept of “feed the world” is discussed. The domestic cow herd must maintain global links. If the cattle business decides not to provide or to overprice a product, the intended market simply may go elsewhere.

Going back to the points identified by Adcock - animal disease, income growth in developing economies and trade liberalization - they certainly imply the need for the beef industry to continue to engage foreign markets that have dollars to spend, and to support and promote the need for a proper response to animal

Images



Three Key Global Forces Shaping Our Beef Production



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disease outbreaks. The morning coffee needs to be concerned with the rest of the world.

Each fall, Chip Poland and I teach a cow-calf management course at Dickinson State University. Each class period begins with a review of the news. The activity is very challenging. The students engage with news reluctantly and, when challenged to go there, they resist and generally do not share a deep understanding of the day's event.

The students are reminded that every livestock producer has a huge investment in agriculture, and the shifting of global forces can have a very large impact on their future. What a new producer acquires today may seem very small, but the students are reminded that the value of the home operation is very dependent on world affairs.

Although one never wants to think about negative impacts, a response plan needs to be developed in all agricultural operations as worldly events unfold. Producers certainly have no excuse not to stay informed, even if an individual's options may be very limited.

The world is very competitive for markets. Efficient production systems that control costs and sell products profitably will supply the world's craving for beef. Like it or not, the days of growing local agricultural produce for a local market are dwindling.

Local niche markets that meet selective opportunities will exist, but in the larger picture, agricultural produce will follow defined retail outlets that match available product with consumer desire. The bottom line of the profit equation always will have efficiency embedded in the equation.

Modern retail outlets are no different. Retail supply will come from those who deliver consistent products daily. The concept of large-scale marketing operations and large-scale harvesters that connect to large-scale food centers are the bold-print stories.

Beef producers produce beef. We rely on domestic and international demand to sell that beef. The rest of world has beef producers, just like us, with the same expectations, all pursuing the same customer.

For the beef industry, the world has changed. We fed the world, we educated the world, and so the world and the people in it changed. They don't really need us, but we need them. In reality, the world needs us all.

May you find all your ear tags.

For more information, contact your local NDSU Extension agent (<https://www.ag.ndsu.edu/extension/directory>) or Ringwall at the Dickinson Research Extension Center, 1041 State Ave., Dickinson, ND 58601; 701-456-1103; or kris.ringwall@ndsu.edu.

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Attachments



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