

# Cow Country Reporter



April 2015

Volume 7 Issue 4

News from your CEO

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Cattle Producers Of Louisiana  
P.O. Box 886  
Prairieville, Louisiana 70769  
Website: [www.lacattle.org](http://www.lacattle.org)  
Toll Free: 888-528-6999

Dave Foster  
Chief Executive Officer  
[info@lacattle.org](mailto:info@lacattle.org)

CPL and the agriculture community lost a great cheerleader. Michael Danna, Director of Public Relations for the Louisiana Farm Bureau Federation and host of the organization's long-running agriculture television program "This Week in Louisiana Agriculture" died Friday, March 6, 2015 in Baton Rouge at the age of 54. I first met Mike in the mid 80's when he came to work for the Farm Bureau. I remember Mike saying, "I believe people in agriculture are the best people on earth" and to that statement devoted his career to making TWILA the best source of agriculture information. Mike left a great team in place to carry on his expectations of showcasing Louisiana agriculture. I and many others will miss his smile and love for God, family and TWILA. I have been blessed knowing Mike Danna!

For the third year in a row, Louisiana farmers had record-breaking values for many of their commodities, LSU Ag Center economist John Westra said. Louisiana agriculture contributed \$12.7 billion to the state's economy in 2014, a gain of \$900 million over 2013. The largest contributors to the 2014 increase were forestry, soybeans and beef. The cattle and calf business grew from \$231 million to \$895 million in 2014- an increase of 35 per cent.

The grass is growing.  
Demand for our good Louisiana

calves is very good and the outlook for the cow/calf sector looks promising. Demand for beef is improving as people are shaking off the effects of "old man winter". We need to be positioning ourselves to market our fall born calves now, so contact your local sale barn owners, order buyer and/or video rep to get posted on the June/July market. As producers work their spring born calves have a plan to increase forage production during the summer. Maybe we need to have some meetings to discuss this issue! What about yearlings coming off rye grass? What is their value? Another topic to discuss.

*Dave Foster, CEO*

## *Saying goodbye to an old friend*

Louisiana agriculture broadcaster Mike Danna passed away peacefully in his sleep on March 6, 2015 after a hard fought battle with cancer. Danna was the longtime host of "This Week in Louisiana Agriculture," Farm Bureau's agri news program.

An LSU alumni, Danna worked as a reporter for the News Star World in Monroe before joining Farm Bureau in 1985. Over the next 30 years Danna reported on agriculture news from around the world and contributing as a writer to numerous publications across the state. In 2011 Danna was named "Communicator of the Year" by the Public Relations Association of Louisiana. His report "Katrina: Five Years Later" also won a Telly Award for best news

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## **NORTH AMERICAN CATTLE SITUATION: CANADA**

By: Derrell S. Peel, Oklahoma State University Extension Livestock Marketing Specialist

The North American cattle and beef market is a complex set of cattle and beef flows among Canada, Mexico and the U.S. These trade flows played a role in the unprecedented production and prices that occurred in 2014 and will play a role in 2015 and beyond. Trade impacts among the NAFTA countries were generally as expected in 2014. Beef imports from Canada increased while beef exports to Canada decreased compared to 2013. Cattle imports from Canada and Mexico also increased year over year along with beef imports from Mexico. Canada and Mexico accounted for a combined 31.1 percent of U.S. beef exports and 30.9 percent of U.S. beef imports in 2014. The impact of Canada and Mexico on the U.S. cattle and beef market may be different in 2015. More detail on the Canadian situation follows.

U.S. imports of Canadian beef increased 11.9 percent in 2014 compared to one year earlier. Canadian cattle slaughter and beef production increased year over year in 2014 as cattle inventories continued to decline. However, cattle slaughter and beef production are expected to decline in 2015. Canadian beef exports are expected to close to 2014 levels in 2015 due to tight supplies. Nevertheless, U.S. imports of Canadian beef are up nearly 14 percent in the first two months of 2015. U.S. beef exports to Canada have continued to fall in 2015 with January and February combined beef exports to Canada down 20.9 percent.

Canadian feedlots have struggled with competitive disadvantages to the U.S. and limited cattle supplies. Feedlot placements in Canada dropped sharply in the second half of 2014. Feedlot placements in Alberta and Saskatchewan were down 16.9 percent year over year in the four months from last November through February. March 1 cattle on feed inventories in Alberta and Saskatchewan were down 11.7 percent from one year ago. Feedlot marketings in these two major Canadian cattle feeding provinces were down 14.6 percent in January and February compared to the same two months last year. Fewer feedlot marketings in Canada impacts Canadian beef production and slaughter cattle exports. Combined January and February U.S. imports of Canadian slaughter cattle were down 34.6 percent year over year, including a 55.1 percent decrease in slaughter steer imports; a 40.8 percent decrease in slaughter heifer imports; and 21.4 percent fewer cull cows imported for slaughter.

Record high U.S. feeder prices and a strong dollar favor Canadian exports of feeder cattle to the U.S. U.S. imports of Canadian feeder cattle increased 37.8 percent in 2014 over the previous year. This increase consisted of a 60 percent year over year increase in feeder heifers exported to the U.S. along with a 7 percent increase in feeder steers exported to the U.S. In the first two months of 2015, total U.S. imports of Canadian feeder cattle are up a more modest 7 percent; the result of a 51.2 percent increase in feeder steer imports combined with a 12.6 percent decrease in feeder heifer exports.

January 1, 2015 Canadian cattle inventories confirmed that cattle herd liquidation continued in 2014 with a beef cow herd of 4.78 million cows, down two percent from the previous year. Beef replacement inventories were down one percent as well, indicating that herd expansion has not yet started in Canada. This is consistent with slaughter and export data indicating that heifer slaughter in Canada was up 9 percent in 2014; 24 percent more slaughter heifers were exported to the U.S. and 60 percent more feeder heifers were exported in 2014 compared to 2013. Decreased feeder and slaughter heifer exports so far in 2015 may indicate that heifer retention is beginning in Canada.

Decreased beef production in Canada in 2015 will hold beef exports close to 2014 levels despite favorable exchange rates. U.S. imports of Canadian beef may moderate in the coming months from the strong year over year increases posted in January and February, though the U.S. may be picking up a larger share of total Canadian beef exports. Slaughter cattle imports from Canada are already down year over year and will likely remain lower due to decreased Canadian feedlot production. Herd rebuilding may result in fewer cull cows exported to the U.S. for slaughter in 2015. U.S. imports of Canadian feeder cattle may also moderate in coming months as a result of tight Canadian cattle supplies and increased heifer retention in Canada. Compared to 2014, Canada is likely to contribute relatively less to U.S. beef supplies, slaughter cattle supplies, and feeder cattle supplies in 2015.

*Saying goodbye to an old friend*  
reporting by an independent television program.

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The Danna family has asked that contributions be made in his name to benefit a scholarship to be established. Donations can be made online at [www.lsufoundation.org](http://www.lsufoundation.org) or via check payable to LSU Foundation, in memory of Mike Danna in the notation line and mailed to LSU Foundation, 3838 West Lakeshore Drive, Baton Rouge, LA 70808 or to Cancer Services of Greater Baton Rouge, [www.cancerservices.org](http://www.cancerservices.org).



## GLOBAL DEPENDENCE ON FOOD IMPORTS LEAVES COUNTRIES VULNERABLE

By Chris Arsenault, Reuters

Global grain imports have increased more than fivefold over the past half century, stoking fears that countries have become too dependent on the vagaries of international markets for their food, an environmental researcher said.

If prices rise, or wild weather prompts countries to impose grain export bans, as Russia did in 2010, nations heavily dependent on imports could face crisis.

More than a third of countries import at least 25 percent of their grains, an increase of 57 percent since 1961, said Gary Gardner, a researcher at the Worldwatch Institute in Washington.

Thirteen countries were 100 percent dependent on imports for their grain supply by 2013, an 18 percent increase from 1961, said Gardner, author of the report "Food Trade and Self-Sufficiency" published this week.

World grain imports rose from just over 50 million tonnes in 1961 to more than 300 million tonnes in 2013, the report said.

"More and more countries depend on global markets for their food - that creates vulnerability," Gardner told the Thomson Reuters Foundation on Friday.

Russia's 2010 ban was partially responsible for triggering social unrest and a revolution in Egypt as more than 500,000 tonnes were not supplied and global prices rose damaging Egypt's state bread subsidy program, a farm lobby group said.

Global food prices are currently at their lowest levels in more than four-and-a-half years, the U.N.'s Food and Agriculture organization (FAO) reported this month.

But population growth, expanding appetites for meat in developing countries - which requires grain for feed - and environmental pressures mean this trend won't last forever.

Governments should do their best to protect farmland and water resources, Gardner said, to nurture homegrown production and not just leave food supplies to the mercy of global markets.

The number of hungry people worldwide has dropped by nearly 200 million since 1990 to 805 million in 2014, according to the FAO.

However population pressures and economic growth are leading countries to convert farmland into urban or suburban areas. In the United States alone, agricultural lands the size of Indiana were "paved-over" between 1982 and 2007, Gardner said.

"National agricultural endowments need to be protected," he said. "The market has an important role to play but it shouldn't be the final arbiter of who gets food and where it comes from."

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## VIETNAM DROPS AGE RESTRICTIONS ON U S BEEF

By John Maday, Editor, Bovine Veterinarian

The USDA and the U.S. Meat Export Federation (USMEF) announced last week that Vietnam has removed all cattle-age restrictions for imports of beef from the United States. Previously, U.S. beef for export to Vietnam had to come from cattle slaughtered at less than 30 months of age, verified through the USDA's Agricultural Marketing Service (AMS) Export Verification (EV) program.

Vietnam is a relatively small but growing market for U.S. beef, and removal of the age restrictions should encourage continued growth, particularly for lower-priced beef products. Our 2014 beef exports to Vietnam totaled 2,869 metric tons valued at \$22.1 million, according to the USMEF.

"It is encouraging whenever a trading partner removes BSE-related restrictions and grants full access to its market," said Thad Lively, USMEF senior vice president for trade access. "This indicates that the ongoing educational efforts of our U.S. trade officials are paying dividends, as well as the negligible BSE risk status granted to the U.S. by the OIE in May of 2013."

According to AMS, beef from cattle slaughtered on or before March 27, 2015 no longer needs to be verified through the EV program for export to Vietnam.



## **RUNNING OUT OF GROUNDWATER IN CALIFORNIA**

By Rich Keller, Editor, Ag Professional

The major water use restrictions that were announced by the governor of California won't be enough to keep the state from running out of both surface and groundwater it appears. The use of groundwater, that cannot be replenished nearly as fast as surface water, is a huge concern.

An estimate cited by the Washington Post is that 65 percent of the fresh water used in the state in 2014 came from groundwater, which is up from the annual average use during non-extreme drought times of 40 percent. And the water table recently has been declining by two feet per year in the agriculturally productive Central Valley.

In a drought, groundwater has been the backup to low volumes of surface water. It is a critical situation for many communities and farmers. In a February report, AgProfessional quoted sources as explaining how the California Department of Water Resources on Jan. 31 announced water deliveries from the state's largest canal system to southern California agricultural areas would be cut to zero for the first time in the project's 54-year history affecting thousands of farmers, as well as 24 municipalities. This essentially meant more groundwater would have to be used.

It is suggested that groundwater supplies required thousands of years to reach their highest levels and, therefore, will require decades to replenish even if major pumping of water was stopped.

It has only been within the last couple years that new regulation on groundwater pumping has been seen as a necessity. An extensive groundwater regulation bill was passed by the California legislature in 2014, but many provisions of the regulations don't take affect for years.

An article about the situation appeared in the Washington Post and can be read by clicking [http://www.washingtonpost.com/business/economy/californias-water-woes-primed-to-get-worse-as-groundwater-is-drained/2015/04/02/bb6d2boe-d965-11e4-b3f2-607bd612aeac\\_story.html?wpisrc=nl\\_most&wpmm=1](http://www.washingtonpost.com/business/economy/californias-water-woes-primed-to-get-worse-as-groundwater-is-drained/2015/04/02/bb6d2boe-d965-11e4-b3f2-607bd612aeac_story.html?wpisrc=nl_most&wpmm=1).

CATTLE PRODUCERS OF LOUISIANA  
P.O. BOX 886  
PRAIRIEVILLE, LOUISIANA 70769  
WEBSITE: WWW.LACATTLE.ORG  
TOLL FREE: 888-528-6999