



CHAROLAIS

VIEWPOINT

J. Neil Orth, Executive Vice President

It's a small world and a big market.

Global marketing seedstock escapes us.

When we talk about world markets, for most of us, it's intangible. We know it speaks to imports and exports, but the enormous potential for globally marketing seedstock escapes us. Buyers from our North American neighbors are more common, but exporting genetics has long been so complex it is in effect, relatively rare.

The AICA staff and Board of Directors spent the last year planning for the 2010 World Charolais Conference. The recently concluded conference was an overwhelming success. And not just because it was well attended and well planned, it was successful because we all learned a lot about the value of pursuing and expanding a great big world market.

A full report of the conference can be found in this issue of the Charolais Journal. Here are a few high points:

- More than 90% of the semen offered in the sale sold to foreign buyers.
- Since the sale, a private treaty transaction consisting of 120 embryos was sold to a South American breeder.

more than a half-century ago, the influence led the beef industry revolution to change the product we ultimately offered at literally every end-point. Those imported genetics proved to the cattle feeder that we could improve efficiency and have more pounds of high quality red meat to sell from the same carcass. Continental genetics proved to the packer we could deliver a leaner, more cost effective, finished steer for harvesting. The consumer benefited immensely because the end product was healthier and leaner. The consumer was sending very clear signals—this improved product was in demand.

Moving toward the development of a true global market is daunting. The U.S. beef industry, from a production perspective, should be the best positioned to take advantage of export possibilities, genetics or boxed beef. The beef industry has room to grow. We have feedyard and packer capacity. We've seen a consistent decline in the nation's cowherd and are waiting for economic reasons to expand. We also know when the playing field is level, consumers around the world prefer American beef. Expansion is the simplest component of the equation!

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- The European Union countries expressed considerable interest in American genetics because of performance records, calving ease, phenotype and udder quality.
- The process of an auction sale intrigued our foreign guests. They are not accustomed to the fast pace, our use of ring service and the use of telephone and internet bidding and buying. Add the Texas flair to it all and the auction was on!

The entire influence of Continental genetics on the U.S. beef industry has been built from imported genetics. Although the majority of the genetics were imported

Almost daily, we see and read food is often used as a political pawn in a deadly game...

World politics is most definitely beyond our control. Our challenge as U.S. beef producers and genetic suppliers is to continue to pursue a vigorous dialogue with a global customer with the same goals as we have—to produce more high quality, efficient and profitable beef. We made a lot of friends and a lot of progress in early May. What an honor it was to host 160 international guests from 15 countries at the World Charolais Congress. We hope they enjoyed their journey as much as we enjoyed hosting them.

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