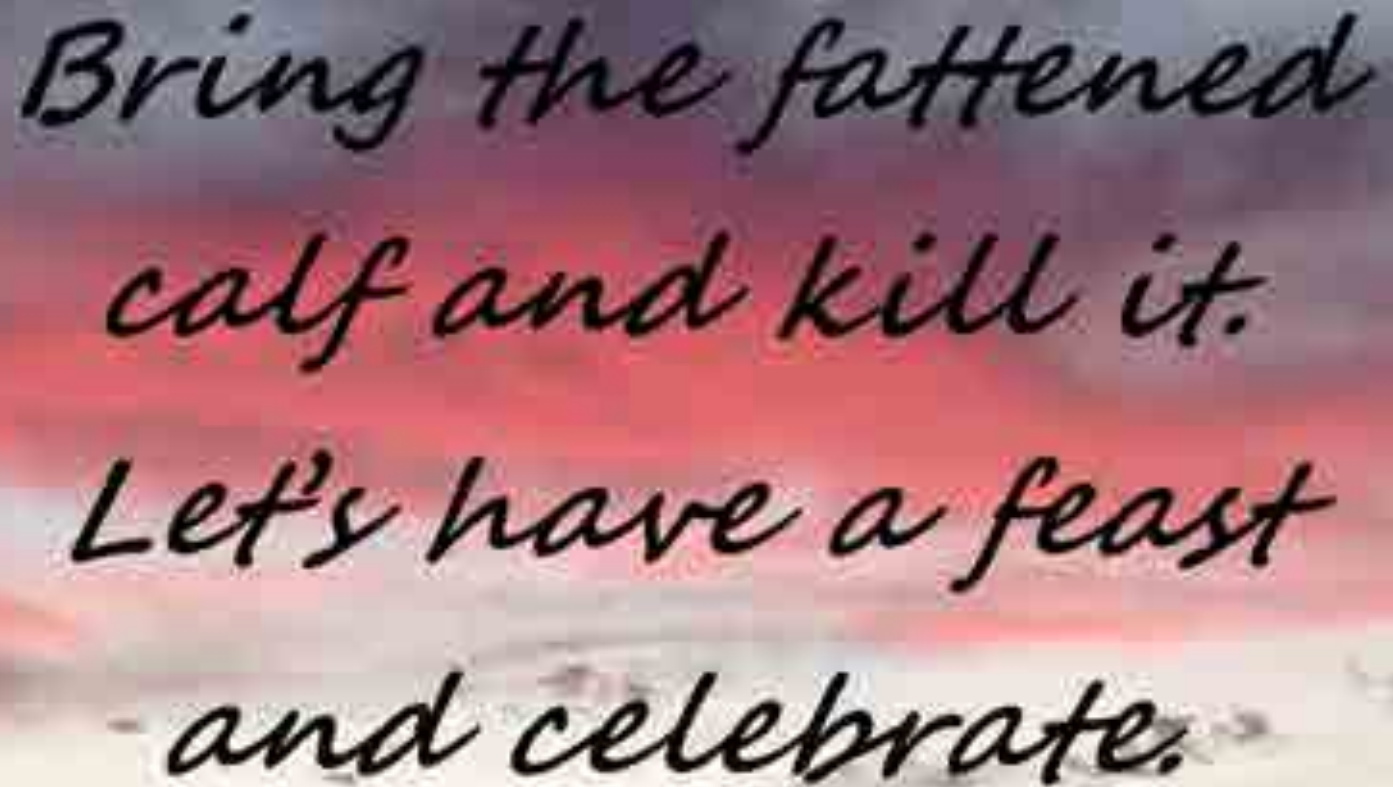


# U.S. Beef Industry Journey: The destination is up to us



Dan Thomson  
Kansas State University



*Bring the fattened  
calf and kill it.  
Let's have a feast  
and celebrate.*

*96% of Americans include  
beef in their diet.*

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# Ground beef is a staple food

SNAP expenditures



Non-SNAP expenditures

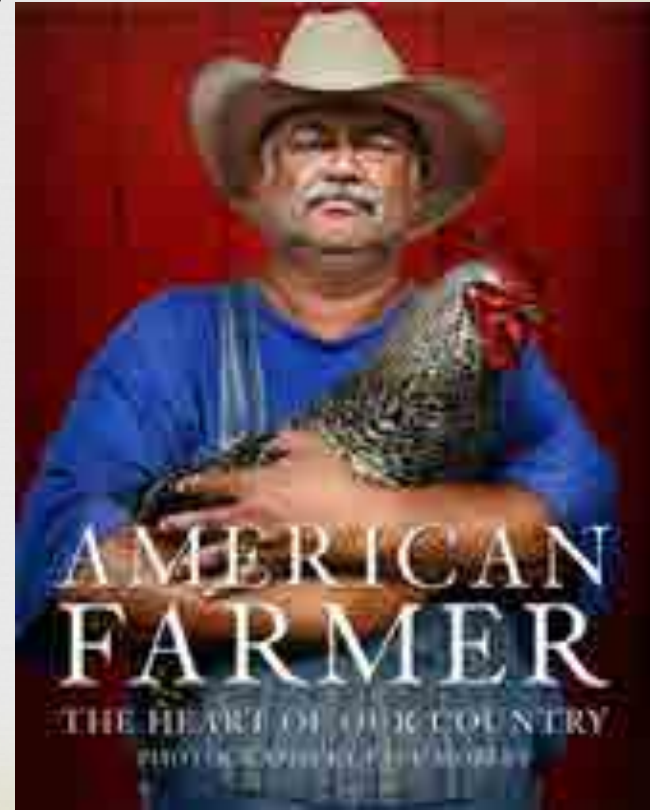
Food	Rank	\$, million
Soft drinks	1	357.7
Fluid milk	2	253.7
<b>Ground beef</b>	<b>3</b>	<b>201.0</b>
Bag snacks	4	199.3
Cheese	5	186.4
Baked bread	6	163.7
Cold cereal	7	139.2
Fresh chicken	8	121.4
Frozen snacks	9	101.5
Lunchmeat	10	99.4

Food	Rank	\$, million
Fluid milk	1	1270.3
Soft drinks	2	1263.3
Cheese	3	948.9
Baked bread	4	874.8
Bag snacks	5	793.9
<b>Ground beef</b>	<b>6</b>	<b>621.1</b>
Cold cereal	7	583.9
Candy - packaged	8	527.7
Coffee and creamers	9	519.4
Ice cream	10	481.8

# Why do we have some of our issues?

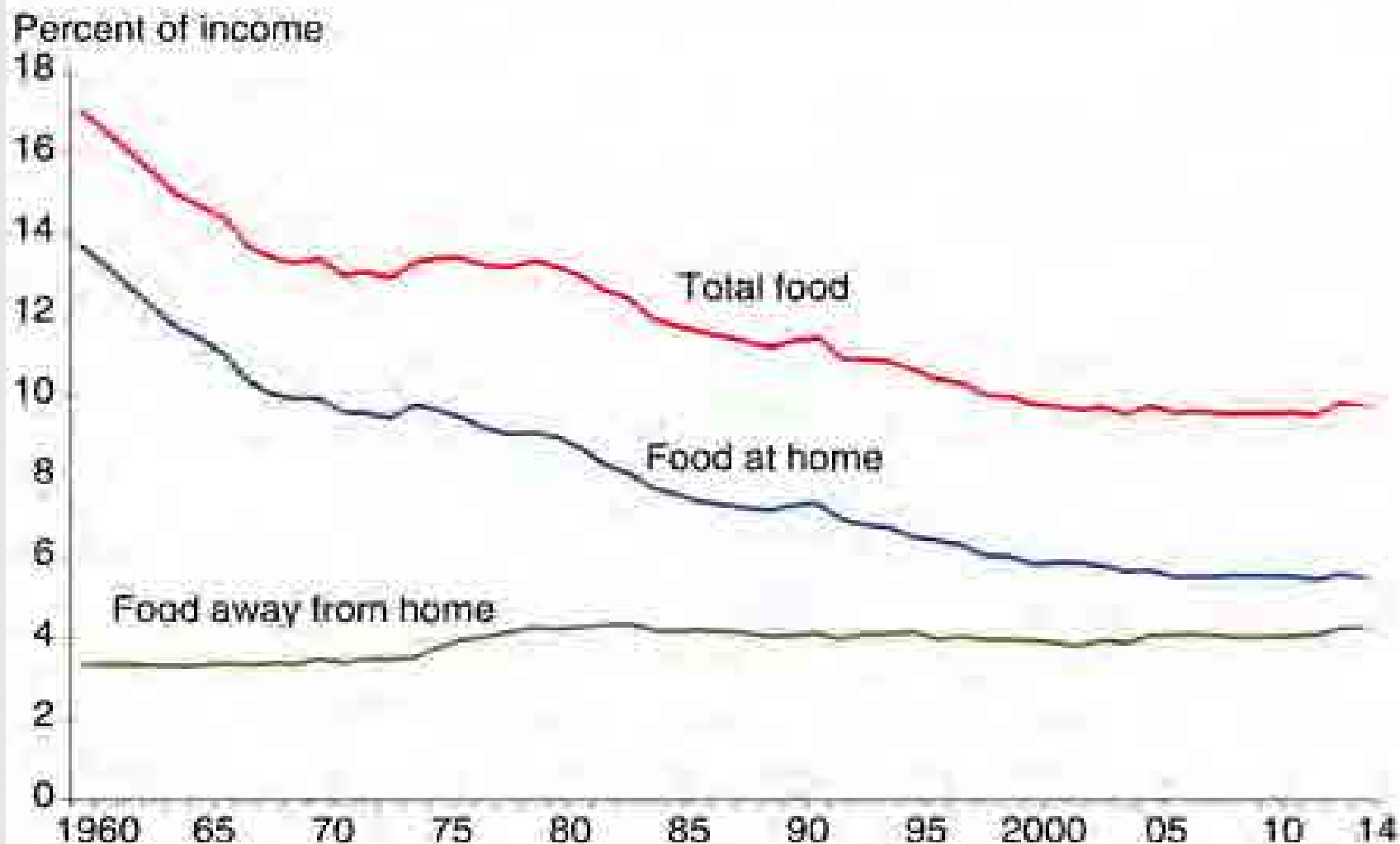
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- ❧ Fear of the uninformed and unknown
  - ❧ human-animal bond, human safety
- ❧ Lack of consumer attachment
- ❧ We live in a 1<sup>st</sup> world country





## Percent of per capita disposable income spent on food in the United States, 1960-2014



Source: USDA, Economic Research Service, Food Expenditure Series.

# One Beef Concept

Cow-Calf

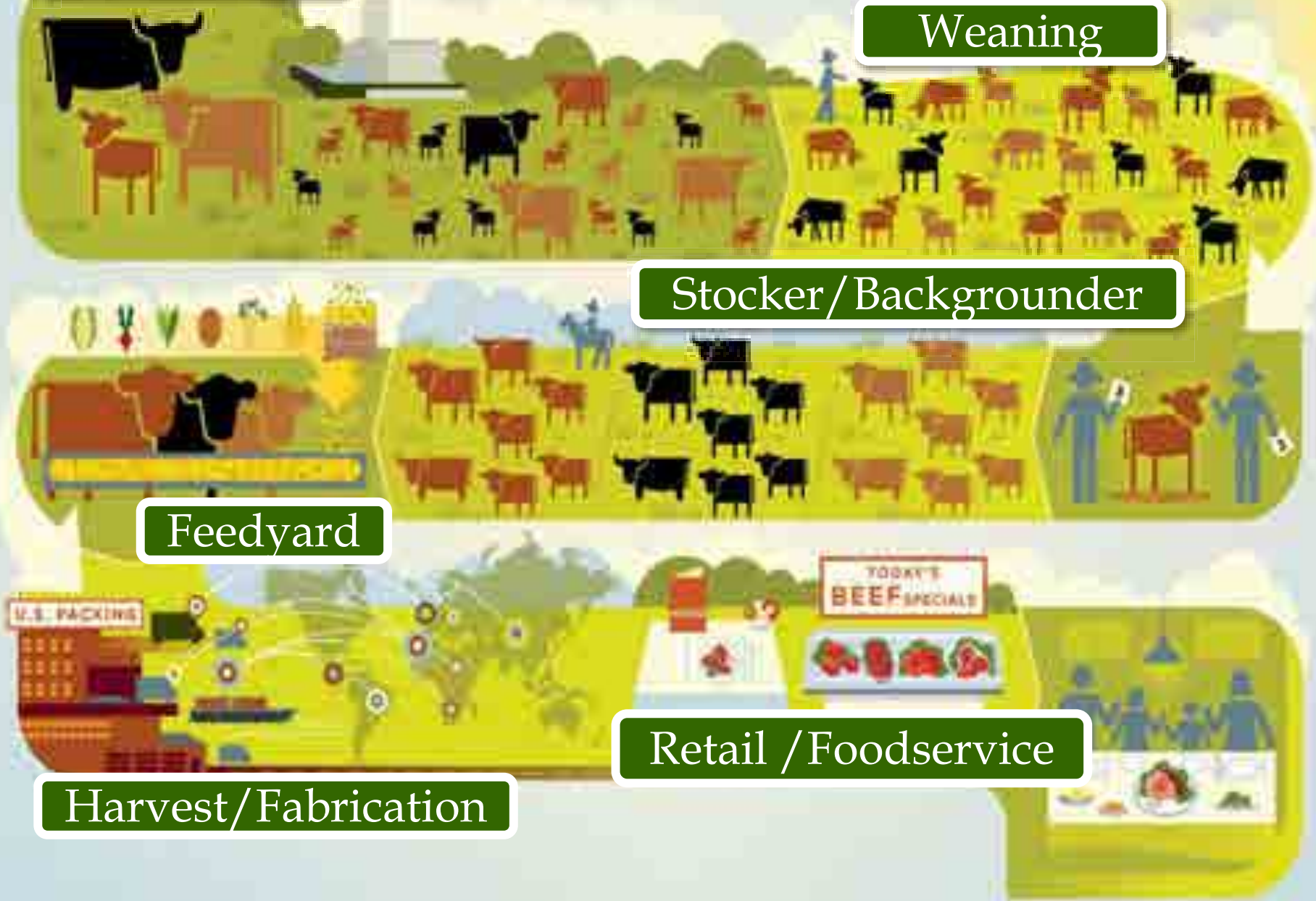
Weaning

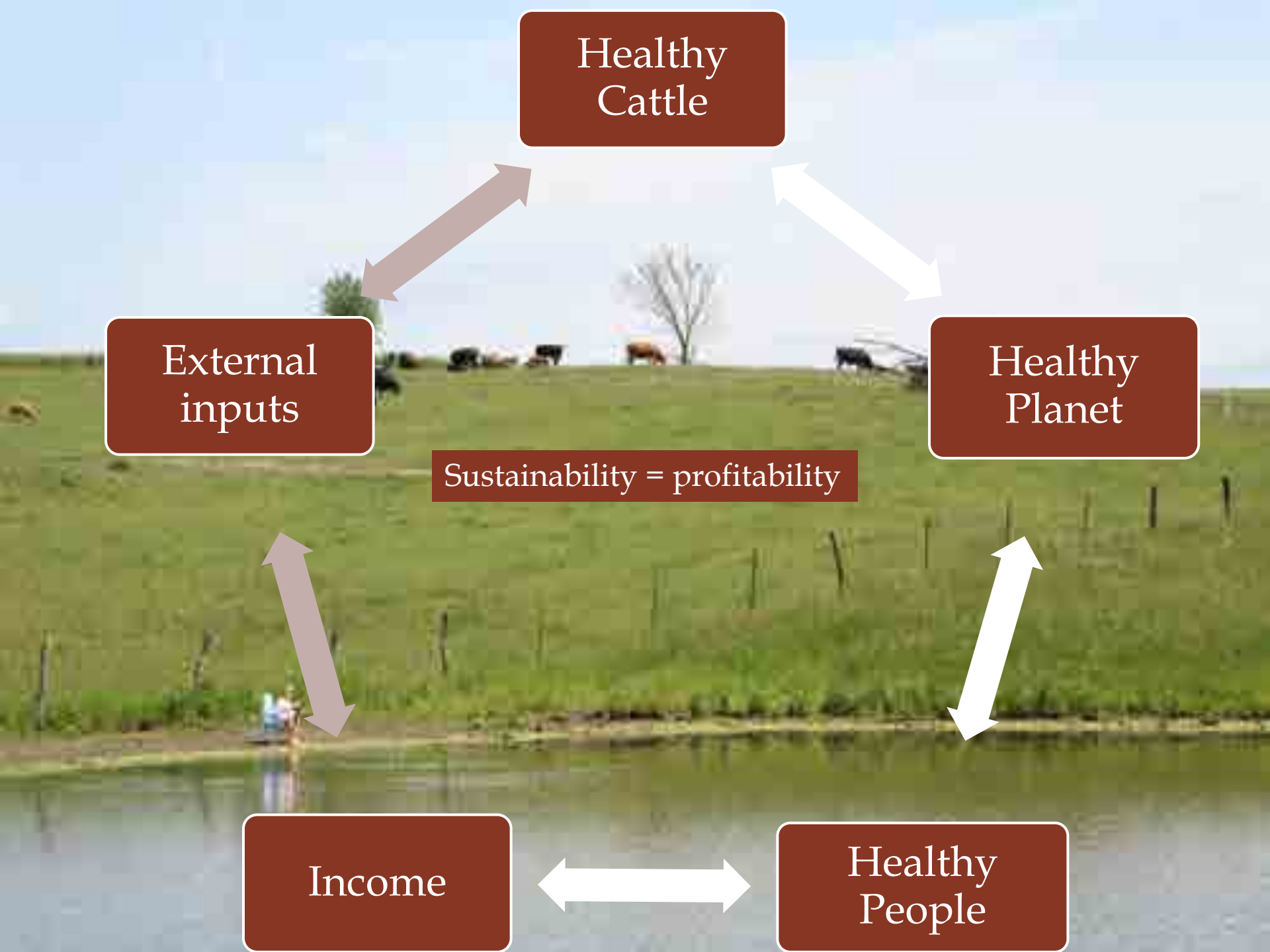
Stocker/Backgrounder

Feedyard

Retail / Foodservice

Harvest/Fabrication





Healthy  
Cattle

External  
inputs

Healthy  
Planet

Sustainability = profitability

Income

Healthy  
People

# Sustainability



- ❧ Humankind, country, business, family, yourself
- ❧ Do you practice sustainability – always?
- ❧ Sustainability modeling – where and how to farm
- ❧ Sustainability regulation/taxes – conservation
  - ❧ Global change verses corporate taxes
- ❧ Global climate change will have more impact on agriculture than agriculture will on global climate change.
- ❧ The globes climate, water availability, disease, population centers, tastes.....therefore food production will change





# Animal Welfare

## Summary of Global Consumer Attitudes

*December 2011*





Animal rights activists use animal abuse cases to drive animal welfare policy



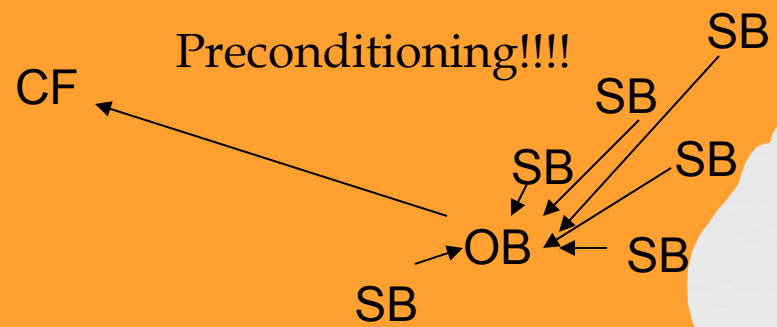
# Loss of trust - Audits



# Creating culture verses checking a box









# ABR from cattle to humans

All companies along the way go above and beyond what is regulated



VCPR  
FDA  
Juris prudence

USDA  
Testing



USDA  
FSIS



Inspections  
State DA







# Nutritional Composition

“Organic foods differ from conventional foods *only in the way in which they are grown and processed.*”

*Source: American Dietetic Association*

“On the basis of a systematic review of studies of satisfactory quality, there is *no evidence of a difference in nutrient quality* between organically and conventionally produced foodstuffs.”

*Source: American Journal of Clinical Nutrition July 2009*

“*No distinctions should be made* between organically and non-organically produced products in terms of quality, appearance or safety.”

*Source: USDA*

# Estrogenic activity of common foods (ng / 8 ounce serving)



❧ Soy flour defatted	342,468,000
❧ Tofu	51,483,600
❧ Pinto beans	408,240
❧ White bread	136,080
❧ Peanuts	45,360
❧ Eggs	252
❧ Butter	141
❧ Milk	15
❧ Beef from implanted steer	3
❧ Beef from non-implanted steer	2

Loy, 2011

# Estrogen production in humans

Pregnant woman	19,600,000 ng/day
Non-pregnant woman	513,000 ng/day
Adult man	136,000 ng/day
Pre-puberal children	41,000 ng/day

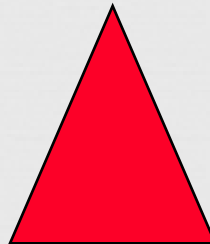




**Rich**



**Impoverished**



“From these preliminary results, Caucasians that are well educated with higher incomes are the most likely market sector to focus marketing organic vegetables to.”



# Bigger than natural and organic

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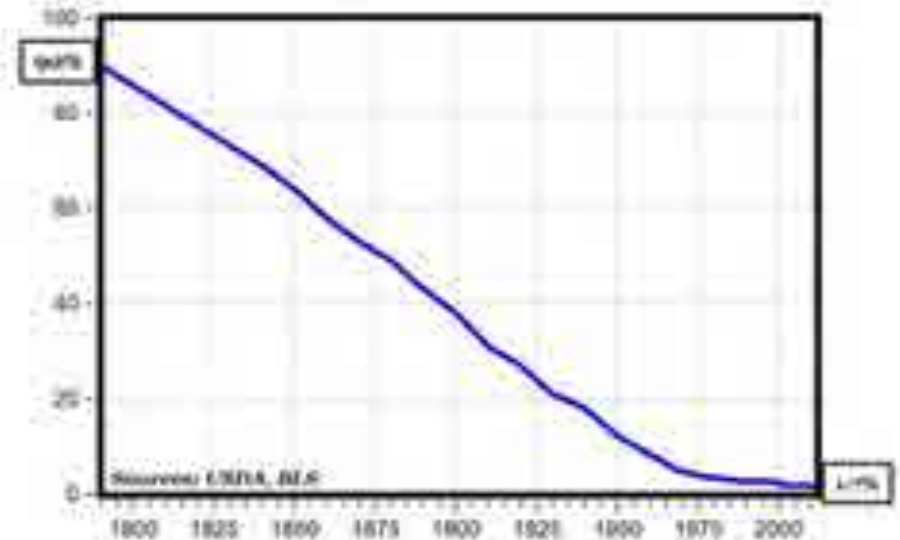
- ❧ Where did my hamburger come from?
- ❧ Local micro-brew verses national brands
- ❧ Traceability
- ❧ Marketing not safety



# People are needed



**Farm Jobs, % of Total U.S. Jobs  
1790 to 2011**



**During the course  
of this presentation...**



**60 babies**  
will be born in the U.S.

**244 babies**  
will be born in China

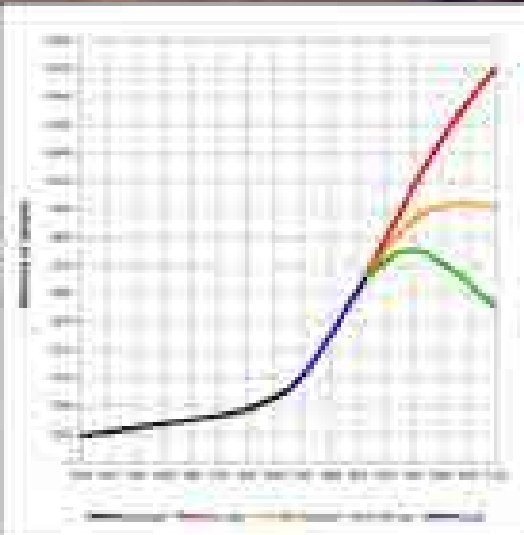
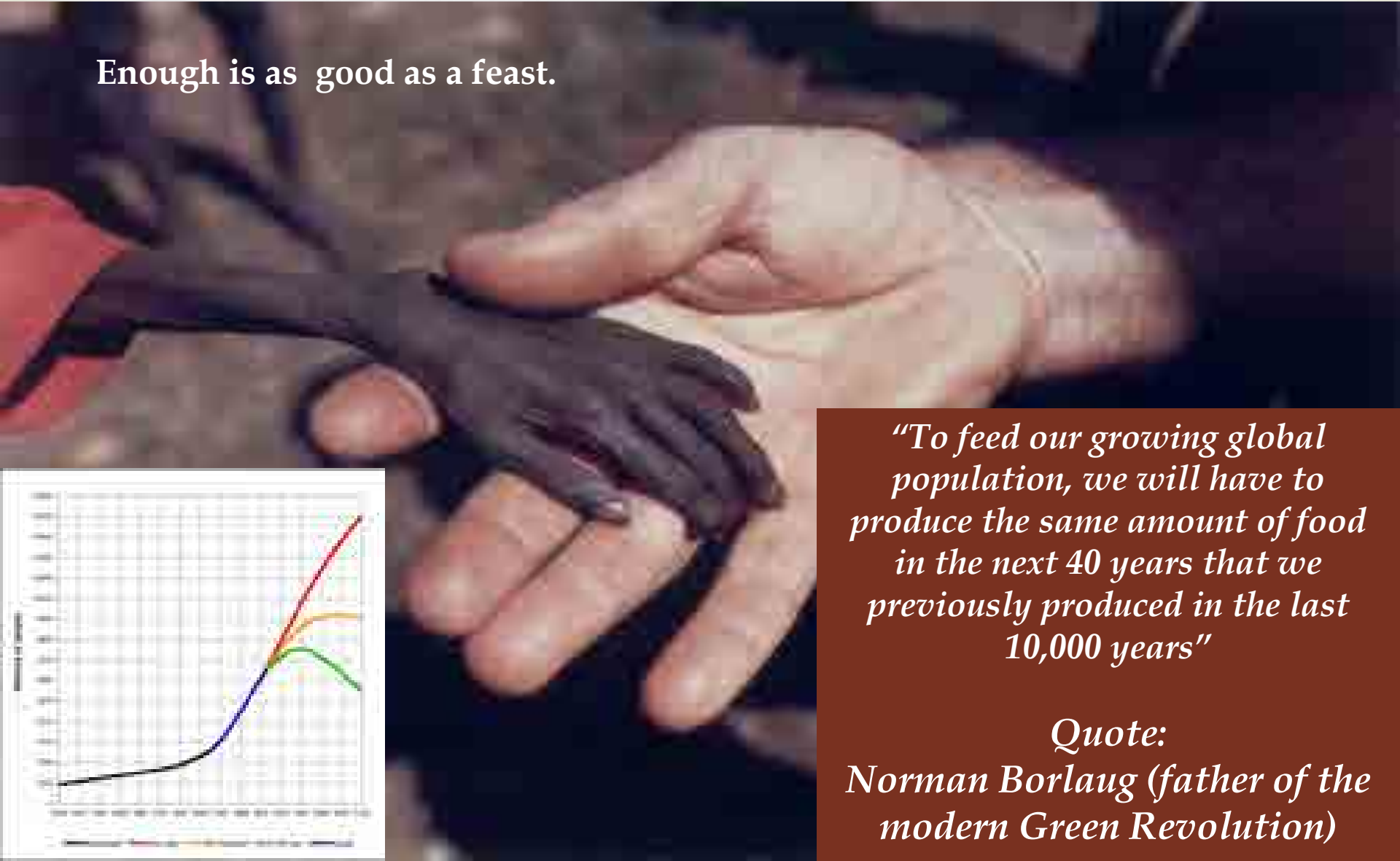
**351 babies**  
will be born in India





# Poverty

Enough is as good as a feast.

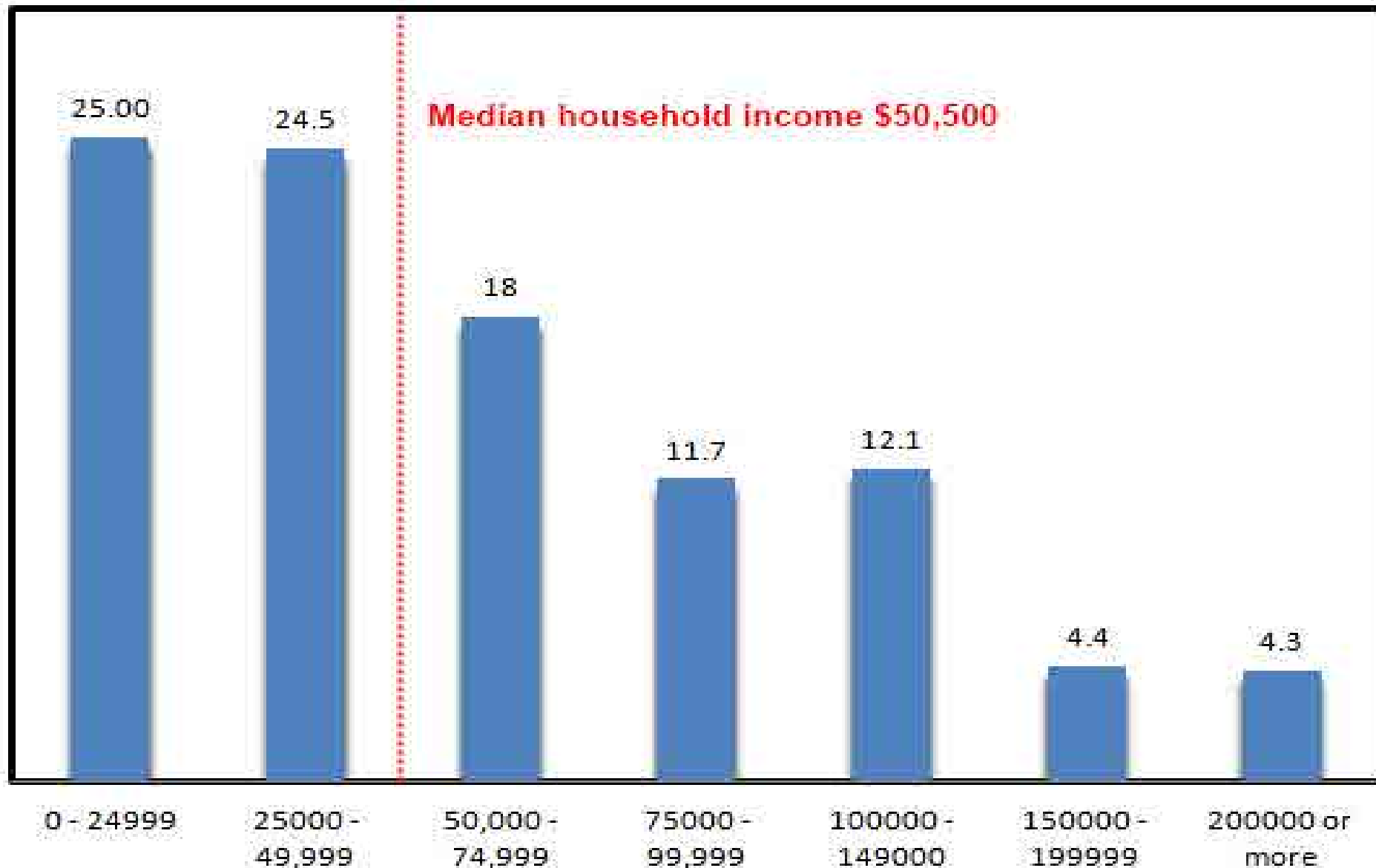


*"To feed our growing global population, we will have to produce the same amount of food in the next 40 years that we previously produced in the last 10,000 years"*

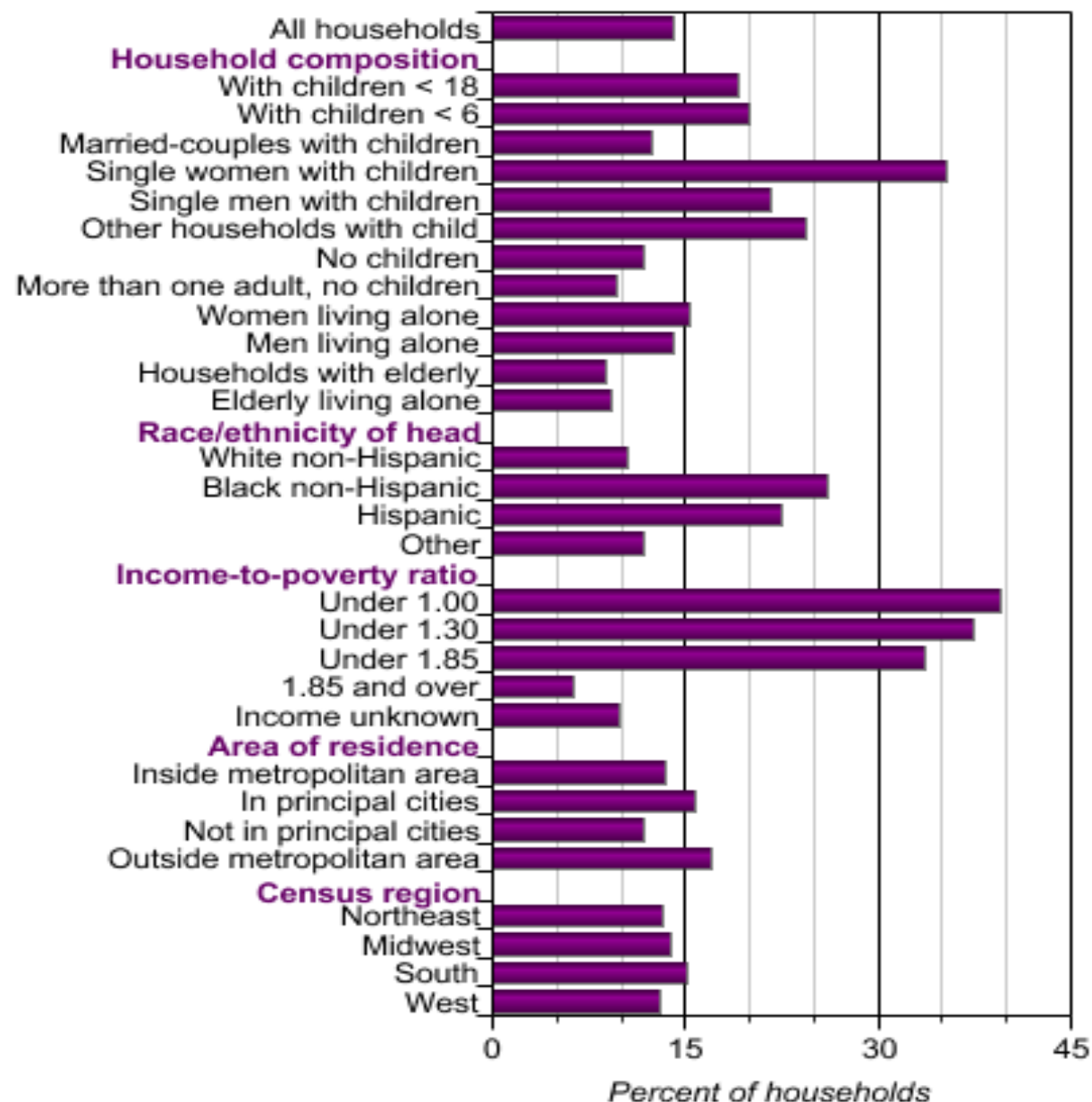
*Quote:  
Norman Borlaug (father of the modern Green Revolution)*

# Percent of US Households - Income level

mybudget360.com



## Prevalence of food insecurity, 2014



Source: Calculated by ERS using data from the December 2014 Current Population Survey Food Security Supplement.

# Explain this to single mom with two children to feed



Year : 1957

Time to market: 120 days

Average Weight: 1.4 kgs

Average Conversion : >3

Year : 2009

Time to market: 42 days

Average Weight: 2.6 kgs

Average Conversion : 1.7

# Free range?



## ❧ Housing

- ❧ Thermal neutral zone
- ❧ Animal protection – behavior
- ❧ Environmental protection
  - ❧ Land mass needed
  - ❧ Placing animals where the feed is
  - ❧ Amazon

## ❧ Transportation – more to do



CONVENTIONAL 320 acres

<1% of San Francisco



# Wrap up



❧ Sustainability depends on continued improvement and consumers picking beef:

❧ Treat animals well

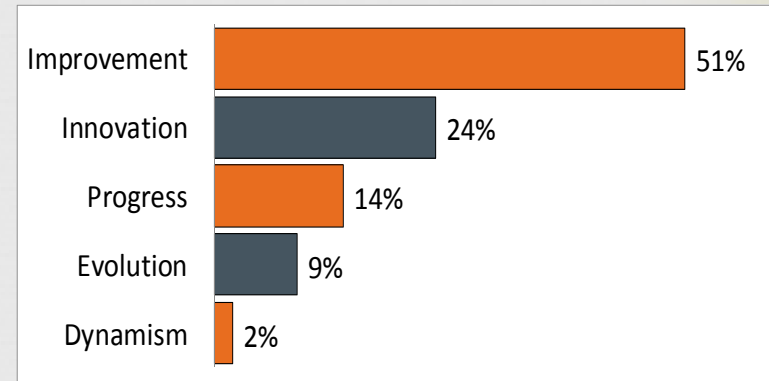
❧ Produce safe, nutritious beef

❧ Provide traceability

❧ Beef must remain affordable

❧ Beef industry businesses must be profitable

❧ Care about others as much as we care about ourselves - share



We need strong, humane leadership in our country to not undo all the good we have done for our people.

