# cattleTRAILS



To promote the Wisconsin beef business through advocacy, leadership, and education.



•••••••September 2021

### **President's Path** Matt Ludlow, WCA President

In the three months since the last publication of Cattle Trails was sent to membership, our industry has continued to grind the entire time. Three months ago, the live cattle market had stagnated between \$118 and \$121 for weeks. Little by little, negotiated cash prices have clawed higher with cattle in the North fighting to trade at \$130.

It seems like almost every article written in the last six months regarding the live cattle market has discussed the leverage imbalance between the feedlots/producers and the packers. As each article lays out, there is an expected transition of the leverage back towards the producers as the number of market-ready cattle begins to tighten. Exactly when and to what degree the leverage will adjust is yet to be seen throughout our industry; if the futures markets are truly an indication of what's to come, maybe there are a few rays of hope between now and next spring.

It's no secret that producers must try and manage a multitude of variables that lie outside of our control. Whether it's the futures markets, the weather, or the animals themselves, it takes attention to detail and a thought-out plan to stay one step ahead of "what may come next". In a sense, it seems like our industry has been walking on eggshells over the last year. Even beyond the stresses of COVID, there seems to have been a cloud of uncertainty hanging over our industry. If the futures markets have a strong start to the week, inevitably there is downward pressure that follows; or if nationally we can have a large harvest week, the processing plants have a slowdown due to maintenance or labor issues the following. Despite these pressures, our industry has continued to grind forward.

As I have repeatedly said in the past, beef demand is simply incredible, both domestically and internationally. Boxed beef prices continue to surge higher and higher...to levels never seen before for a given time of the year. It appears we have moved into a new price range for boxed beef prices. Can we as

### Hope in the Industry

"It is no secret that producers must try and manage a multitude of variables that lie outside of our control."

producers capture more of that market share and do the same with our live and feeder cattle prices? The live cattle market has traded in a \$100 - \$120 range for the last handful of years; if these inflated boxed beef prices are here to stay, can we take the next step and move the live cattle price range to \$120 - \$140?

In relation to the state level here in Wisconsin, it was great to see many of you at our Summer Tour the end of June. We had a very nice turnout for this year's event, and all three of the tour stops did a fantastic job of showcasing their operations. Additionally, Governor Evers announced another round of aid payments (\$50 million in total) that will be made available to farmers and producers throughout our state. As more information is made available, WCA will share that with all of you.

As we move into the early Fall, I know each of you will become busier and busier. If there is anything WCA can do to help your operation or organization, please do not hesitate to reach out. And as always, thank you for being a member of the Wisconsin Cattlemen's Association.

-Matt Ludlow

2021 WCA President

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### upcoming events:

#### • World Beef Expo

Sept. 23-26, 2021, Wisconsin State Fair Park

Exhibitors from across the U.S. will display, exhibit, or sell cattle at the 2021 World Beef Expo

• World Dairy Expo Sept. 28-Oct. 2, Alliant Energy Center

*Be sure to visit the WCA Steak Trailer and enjoy a delicious beef sandwich!* 

#### Full WCA Board Meeting 4 p.m. Sept 28, Wisconsin Beef Council Office

The full board of directors will meet in-person.

• Full WCA Board Conference Call

#### 7:00 p.m. Nov. 2

*The full board will provide updates on the organization* 

#### CHECK OUR WEBSITE FOR THE LATEST EVENTS AND INFORMATION

wisconsincattlemen.com

### WCA Member Spotlight: Rob Vyvyan



Hello, my name is Rob Vyvyan from Milton, Wis. representing the Rock County Beef Producers (RCBP) on the WCA Board and Scholarship Committee since 2015.

Outside of being on the WCA Board I am part owner of Vyvyan Farms out of Union Grove, Wis. My wife, two daughters and I own and operate Vyvyan Cattle Co. out of Milton, Wis. Vyvyan Farms was established in 1870 with primarily dairy and cash crop that converted in 2014 to a one hundred (100) head cow-calf, feedlot, and nearly one thousand (1,000) acres of cash crops, hay, pasture, and cover crops. At Vyvyan Cattle Co. we have a small cow-calf herd, direct market beef and sell a few show heifers. I continue to be involved with the family farm along with being a full-time engineer at Alliant Energy out of Madison, WI.

I got involved with the RCBP and WCA for

the networking, education, and opportunity to give back to the industry that has given so much to me. The RCBP has an annual preview show, steak feed, works the WCA Steak Trailer at State Fair and has other small cookouts throughout the year. The money raised is used to buy 4-H/ FFA kid's animals at the county fair and give scholarships to a few graduating seniors interested in agriculture.

I've enjoyed representing the RCBP on the WCA Board to help promote the Wisconsin beef business through advocacy, leadership, and education. The beef business foundation starts with the youth and I've been fortunate to be the WCA Scholarship Chair since 2019. Each year the Scholarship Committee gives out 5-10 scholarships to high school seniors that plan to continue their education at a university, technical college, community college or ag short course. Reading the applications each year brings a spark back that reminds us all why we do what we do. The future of the Wisconsin beef business is bright. Thank you for allowing me to serve!

- Rob Uyvyan WCA Scholarship Chair

### Cattle Trails Advertising Opportunities

### **CONTACT THE WCA OFFICE FOR DETAILS**

Half-page advertisements are available for placement in an upcoming issue of the Cattle Trails newsletter for \$50 per issue. Ad spaces for the December issue must be claimed by November 15, 2021.

Contact the WCA office for full informational sheet of advertising details.

Phone: (608) 228-1457 | Email: kaitlyn@wisconsincattlemen.com

### **Steak Trailer Update**

Brady Zuck, WCA Steak Trailer Co-Chair



The WCA Steak Trailer was excited to see the bustling crowds of people return to the state fairgrounds for the 2021 Wisconsin State Fair. Attendance at this year's fair was 841,074 people - significantly lower than the record-breaking 2019 attendance, which was pegged at 1,130,575 people. Several days of rain and severe storms hampered attendance. However, the Steak Trailer shined through as a popular food destination for fairgoers. Throughout the fair, we enjoyed seeing our repeat customers who "just have to stop in and get that ribeye sandwich" along with many first-time visitors to the Steak Trailer. The shaved roast beef sandwich continues to grow in popularity as well.

Craig and Vickie Dunnum successfully staffed a team of people who served throughout the 11-day run. In total, over 11,700 ribeye sandwiches, 12,750 burgers, and 1,180 hotdogs were sold! A special thank you goes out to all the volunteers who shared their time, including:

- Team Survivor Madison
- Mississippi Sisters Breast Cancer Survivors Dragonboat Team -LaCrosse
- Rock County Beef Producers
- Marshall FFA
- Hiawatha 4-H
- Sun Prairie FFA and Alumni
- State Fair Camp of Champions
- Green County Beef Queen and Attendants
- Snowflake Ski Jump Dan and Terri Kotek
- Numerous WCA members

Here are the events we have remaining in 2021:

- Sept. 23-26, 2021 World Beef Expo, State Fair Park, West Allis
- Sept. 28 Oct. 2, 2021 World Dairy Expo, Alliant Energy Center, Madison
- » Two workers needed Thursday, Sept. 30

Additionally, we are already gearing up for next year's events. If you know of a local 4-H/ FFA/youth group looking for a fundraising opportunity, consider the Steak Trailer! Please contact Vickie Dunnum (608-963-2428, wcasteaktrailer@gmail.com) to secure your group's time at an upcoming event for the 2022 season.

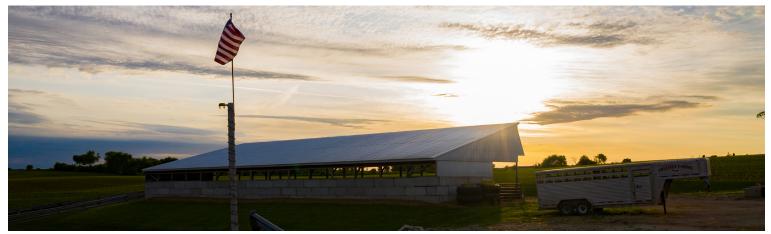
Thank you for your support, and we look forward to seeing you at an upcoming event soon!





-Brady Zuck

### NCBA Puts Pressure on Congress to Protect Family-Owned Businesses



As Co-Chair of the Tax Aggie Coalition, NCBA spearheaded a letter to House Ways and Means and Senate Finance Committee leadership urging them to consider the implications that changes to federal tax policy will have on family-owned agricultural businesses. Nearly 330 trade associations representing family-owned food, agriculture and related businesses agree that, when drafting legislation to implement President Biden's "Build Back Better" agenda, it is critical that the "American Families Plan" must also support family farms and ranches.

"Congress must consider the complex structure of family-owned agricultural businesses that serve as the backbone of rural economies; therefore, understand how changes to long-standing provisions in the tax code could be detrimental to the financial viability of these businesses as they transfer to the next generation," said Senior Executive Director of Government Affairs Danielle Beck.

"This is not a partisan issue; in fact, it's an issue that affects every single American. With more than 370 million acres expected to change hands in the next two decades, preserving long-standing provisions in the federal tax code is a win-win situation for producers and consumers alike. Whether their family has preserved the land for generations, or they are a beginning, veteran or minority farmer getting their start in the industry – without federal tax policy that supports a viable business climate for the next generation of producers, building on the environmental and economic contributions of today's producers is impossible and risks compromising our nation's ability to produce a safe, abundant and affordable food supply. The consequences of taxing family farms and ranches out of business completely undermines the 'Build Back Better' agenda."

Some federal tax policy proposals have been accompanied by the promise of purported protections to family-owned businesses. However, signatories on the letter stress that those accommodations may not necessarily apply to the diverse complexity of ownership structures across family-owned agricultural entities. The only way to ensure the future viability of family-owned business, specifically farms and ranches, is to fully preserve critical provisions such as stepped-up basis, like-kind exchanges, the Section 199A small business deduction and maintain the current estate tax code provisions.

### USDA to Host Educational Webinar on New Livestock Mandatory Reporting Information

The U.S. Department of Agriculture (USDA) will host an educational webinar about USDA's Livestock Mandatory Reporting (LMR) program and newly released cattle market information covering formula transactions and net price distribution on September 21, 2021, from 4:00 p.m. to 5:00 p.m. The webinar is part of the ongoing cattle industry outreach conducted by the USDA Cattle and Carcass Training Centers (CCTCs). While anyone can attend the webinar, it is targeted to producers, feeders and other stakeholders who want a better understanding of LMR and how this information can inform real-world marketing decisions at the farm, feedlot and other points in the supply chain.

In this webinar, USDA Market News staff will provide an overview of the new Daily Direct Formula Base Cattle reports and the National Weekly Cattle Net Price Distribution report. As formula trades comprise a growing share of cattle purchases, this webinar will provide more clarity into price, volume and other characteristics of these transactions. USDA staff also will provide an overview of the new Grading Dashboard.

The Agriculture Improvement Act of 2018 (Farm Bill) directed USDA to establish the CCTCs in order to conduct activities that will limit subjectivity in the application of beef grading standards, provide producers with greater understanding of the value of their cattle, and provide investors more confidence in the cattle delivery system. USDA's Agricultural Marketing Service (AMS) signed agreements in 2019 to establish the CCTCs at West Texas A&M University in Canyon, Tex.; Colorado State University in Fort Collins, Colo.; and at the USDA Agricultural Research Service's U.S. Meat Animal Research Center in Clay Center, Neb.

Information about this webinar, including how to pre-register, is on the AMS website.

### **Bunk Management Considerations**



**By Bill Halfman** Agriculture Educator UW-Madison Division of Extension

When grain prices are high, there is usually an increase in inquiries from cattle feeders looking for ways to cut production costs. The ration is typically the first place many feeders look for change. Assessing current bunk management practices for adherence to protocol, or implementing changes to improve feed efficiency and reduce waste is another area for consideration.

Some producers may have opportunities to implement low-cost management changes to their bunk management and improve returns. Two common bunk management approaches are ad libitum (free choice), where the cattle always have feed in the bunk and programmed intake management (often called slick bunk management). Slick

Bunk Management is where the bunks are "read" before preparing and delivering the current feeding to determine the amount of feed consumed since the last feeding. Bunks should be "slicked up," meaning only a small amount of feed remains. The goal is to deliver the amount of feed that closely matches the animal's intake for each feeding period. This management practice is a balance between maximum and consistent intake and minimizing waste. The publication "Feed Bunk Management" https://store.extension.iastate.edu/ product/Feed-Bunk-Management provides a thorough description of reading and managing feed bunks when feeding cattle.

The only additional equipment needed between the two feeding approaches when using a Total Mixed Ration (TMR) mixer to feed in a bunk is a notebook and pencil to record bunk scores for determining adjustments in feed delivered for the slick bunk program. Several feeding trials comparing free-choice feeding to slick bunk management have shown: little difference in the rate of gain and carcass traits; an improvement in feed-to-gain efficiency from the slick bunk feeding program; and free choice bunk management had greater variability in daily intakes. Increased intake variability can lead to digestive problems such as acidosis, reducing further performance. Table 1 contains the results of one trial with yearling beef steers to show how gain and intakes differ between free choice and slick bunk feeding management.

	Free choice	Slick Bunk Management
Initial wt., lbs.	865	864
Final wt., lbs.	1331	1328
Average daily gain, lbs.	3.85	3.84
Dry matter intake lbs./hd/day	26.39	23.57
Feed to gain lbs.	6.9	6.15

#### Table 1. Effect of feed bunk management method on feedlot performance (Bierman and Pritchard)

Using a feed price of \$232/ton dry matter basis (calculated from late summer projected fall 2021 feed prices), costs would be \$80.04/ cwt of gain for ad libitum bunk management compared to \$71.34/ cwt of gain for slick bunk management. The real difference per head would be \$41.96 per head over the 121 days of this feed trial and approximately 465 pounds of gain. We would expect to see a similar intake differential response in Holstein steers. For example, feeding Holstein steers from 400 pounds to 1400 pounds could improve feed costs between \$80 to \$90 per head using \$232/ dry matter ton feed cost.

In addition, the cattle fed free choice tend to have a greater range in daily gain than the cattle in the slick bunk-managed groups. The greater range in daily gains can result in greater difficulty in putting consistent quality loads of market-ready cattle together, leading to increased price discounts at sale time or more trips to the sale barn with less head per load.

To optimize cattle growth and feed efficiency, the goal should be to deliver the same feed, with the same quality, in a quantity that closely matches their intake at the same time every day. Also, beware that weather changes will impact day-to-day feed intake. Top managers learn to anticipate these changes and manage accordingly. These practices will help minimize the risk of inconsistent intakes or going off feed, resulting in reductions in gain and performance and more days on feed.

#### References:

Bierman, S. J. and Pritchard, R. H., "Effect of Feed Delivery Management on Yearling Steer Performance" (1996). South Dakota Beef Report, 1996. Paper 6. http:// openprairie.sdstate.edu/sd\_beefreport\_1996/6

Lundy, E.L., Loy, D., Dahlke, G., "Feed Bunk Management" IBCR 201A (2015), https://store.extension.iastate.edu/product/Feed-Bunk-Management Reviewed by: Amanda Cauffman, Carolyn Ihde, and Ryan Sterry, UW Madison Division of Extension Educators in Grant, Crawford/ Richland, and Agent in St. Croix Counties respectively.

## Wisconsin Legislative Update Jordan Lamb, WCA Legislative Counsel that the agencies submit a pro-

DeWitt, LLP



Governor Evers Signs 2021-23 Biennial Budget Bill

On July 8, 2021, Governor Evers signed the 2021-23 biennial budget bill. The bill provides for approximately \$88 billion in spending for the State of Wisconsin over the next two fiscal years. Interestingly, the bill received several Democratic votes in both the Assembly and the Senate making it the first time since 2007 that a budget bill has passed either house of the Legislature with bipartisan support.

Governor Evers employed his veto power to change over 50 provisions in the bill from the version delivered to him by the Republican legislature, but he preserved the legislature's \$2 billion income tax cut. The final budget also includes \$129 million in broadband expansion and increases transportation spending by \$357.3 million over current levels.

#### **Key Budget Provisions for Wisconsin Farmers**

The 2021-23 biennial budget bill contains several important provisions for Wisconsin farmers that our coalition worked hard to secure. We sincerely appreciate all of the time and attention that Governor Evers and legislative leaders, especially the members of the Joint Committee on Finance (JFC), spent on farmer issues throughout this budget process.

- Funding for UW-Extension State Specialists: Wisconsin agriculture groups have worked for several sessions to secure additional funding for state specialist positions within the Division of Extension. The 2021-23 biennial budget bill includes \$2 million over the biennium in funding directed toward UW-Madison Division of Extension specialist positions in the field of agricultural research.
- Meat Processing Facility Infrastructure Grants: \$400,000 was provided over the biennium (200,000 annually) for meat processor infrastructure grants. (Gov. Evers had proposed \$2 million over the biennium.)
- Additional State Meat Inspectors: Four (4) new meat inspector positions. The shortage of inspectors was identified by the DATCP as a critical limiting factor to increasing processing capacity in the State.
- Agricultural Export Support PARTIAL VETO: The Legislature set aside \$5 million over five years for DATCP and the Wisconsin Economic Development Corporation (WEDC) to use to support agricultural exports. Under the Legislature's plan, the funding could be released after DATCP and WEDC jointly submit a proposal to the JFC for allocating the funding to increase dairy, meat, poultry, fish, crop, and other agricultural product exports by 25 percent over their 2021 levels by 2026. The Governor vetoed the requirement

that the agencies submit a proposal to the JFC and also vetoed part of the funding. As such, under the enacted budget bill, the new export program is funded with \$558,000 annually.

- Farmer Mental Health: The budget provides \$200,000 in one-time funds over the biennium for farmer mental health grants, which covers the costs of vouchers for services.
- Producer-led Watershed Grant Program: The budget increased the statutory cap on the annual producer-led watershed protection grant awards from \$750,000 in each year to \$1,000,000 in each year for fiscal years 2021-22 and 2022-23. We strongly support farmer-led conservation efforts, and DATCP's Producer-led Watershed Protection Grant program is an example of a very successful farmer-led conservation initiative.
- Well Testing and Remediation: The bill includes \$1.2 million in each year of the biennium for DNR's well testing and remediation grant program for grants to assist rural well owners repair, upgrade or install filtration systems to improve their drinking water quality. This is part of a shortterm strategy to help rural well owners address high nitrate levels and other contaminants in drinking water.
- Dairy Processor Grant Program: Provides \$400,000 in each year of the biennium for the DATCP Dairy Processor Grant Program.

### DNR Board Approves Fall Wolf Hunt Quota of 300.

On August 11, the Department of Natural Resources Board approved a fall 2021 wolf hunt harvest quota of 300 animals. This is significantly higher than the DNR staff's recommendation of a quota of 130 wolves. In February 2021, the Board allowed a spring wolf hunt with a quota of 200 and a total of 218 animals were ultimately harvested during that season. According to DNR data, the State has had 45 confirmed cases of livestock depredations by wolves and 16 wolf harassment reports to date in 2021. Another 32 wolf depredation cases are unconfirmed. Information on the fall 2021 wolf harvest season is available on the DNR's website.

#### New Round of Farmer Support Cash Payments Coming Soon.

On August 18, Governor Tony Evers announced that an additional \$50 million in direct cash payments for Wisconsin farmers would be coming in a new round of the Wisconsin Farm Support Program this fall. This program was created during the summer of 2020 as a mechanism to distribute federal aid received by the State of Wisconsin. In 2020, the State distributed \$50 million in direct aid, and this announcement earmarks an additional \$50 million from funding the state received from the federal government to support Wisconsin's farmers and agricultural industries. Under the 2020 allocation, each recipient received up to a \$3,500 payment. The 2020 Farm Support Program funding was provided under the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

Under the forthcoming additional \$50 million in the Farm Support Program, the DATCP will partner again with the Wisconsin Department of Revenue to administer the program. Applications will open later this year, after the fall harvest, to ensure sufficient time for farmers to learn about the program and to apply. The program will be modeled after the 2020 program, however, the 2021 program is funded by the federal American Rescue Plan Act of 2021.

### Wisconsin Beef Checkoff Update

### Tammy Vaassen

Executive Director, Wisconsin Beef Council

First, I would like to extend a sincere thank you to the leaders and members of Wisconsin Cattlemen's Association for the leadership provided on many fronts in our state. From serving delicious steak sandwiches to consumers at a variety of events, to representing the voices of cattlemen, to the involvement of WCA leaders in the Wisconsin Beef Council (WBC) board, I am grateful. Those of you who had the opportunity to participate in the Summer Tour in June experienced the results of the dedication of many beef industry leaders, and our team at WBC is grateful to have been involved.

### **BQA Meetings**

For many of you, it is time to renew your Beef Quality Assurance (BQA) certification this fall and winter. In 2018, buyers representing some large packers and processors (including Tyson) announced that they would only purchase cattle from farms selling beef breed types of fat/finished cattle that are BQA Certified. In addition, JBS requires that producers selling cattle directly to their plants sign an affidavit stating that they are "in compliance with all applicable state or national BQA certification and verification programs." BQA certification lasts for three years, and it is now time to get renewed.

UW-Madison's Division of Extension and the WBC are hosting a set schedule of in-person BQA certification meetings over the coming months. To register for an in-person session, go to https://tinyurl. com/2hr5karf or call the WBC office at 1-800-728-2333 to request a list of dates and locations. \*Note that for all Extension meetings, masks and social distancing may be required. Pre-registration for each location closes seven days before the meeting date, as attendance is limited based on location capacity and to follow any COVID guidelines in place at that time.

In-person sessions are intended for those who cannot complete the online certification available by going to https://www.bqa.org/ and clicking on 'Certification'.

BQA does more than just help beef producers capture more value from their cattle: BQA also reflects a positive public image and instills consumer confidence in the beef industry. When producers implement the best management practices of a BQA program, they assure the cattle they sell are the best they can be. Consumer research, conducted by the Beef Checkoff, showed that learning about BQA made consumers more confident in beef safety and animal welfare and improved positive consumer perceptions of how cattle are raised for food.

### Wisconsin representatives witness beef export value in Latin America



Valerie Gaffney, Rosie Lisowe, Amy Radunz, and Tammy Vaassen recently attended the Latin American Product Showcase (LAPS) in San Jose, Costa Rica. This was the 10th annual showcase event, which is hosted by the U.S. Meat Export Federation, a contractor to the Beef Checkoff. This two-day event connects exporters of U.S. beef, pork and lamb with buyers from Central America, South America and the Caribbean.

The showcase featured a trade show where U.S. exporters and Latin American buyers could discuss the wide variety of beef cuts available for export, with the goal of increasing sales to the region. In addition, U.S. Meat Export Federation (USMEF) Chef German Navarrete gave a presentation on dryaging and product handling, as well as a defrosting and cutting demonstration.



Dr. Kim Stackhouse-Lawson of Colorado State University explained the sustainability practices of U.S. livestock producers.

Wisconsin representatives met with importers to further discuss beef production practices, highlighting the diversity of beef produced in the state. They also connected with U.S. meat exporters and learned how both native and dairy-breed beef fit the varying needs of buyers. Finally, Wisconsin's leaders toured two retail locations: a Walmart store and Auto Mercado, which was a higher-end grocery outlet in San Jose. Both stores featured imported U.S. beef cuts in the fresh and frozen meat cases.

The Wisconsin Beef Council has partnered with USMEF for more than seven years in efforts to grow exports to the Central American region. Through Wisconsin's Beef Checkoff investments, this partnership allows USMEF staff in the region to create marketing and education programs for foodservice and retail establishments, as well as direct to consumers, to help them understand the quality and value of U.S. beef, and how the variety of cuts offered by our farmers can fit into their diets and budgets in the region.

### Livestock Market Update

#### Jeff Swenson DATCP Livestock and Meat Specialist.

The Market Update draws information from several sources, including trade publications, radio broadcasts, agricultural news services, individuals involved in the industry as well as USDA NASS and AMS reports.

July was another good month for meat exports. It is important to note that many of the U.S. meat products that are exported are variety meats, which are typically non-muscle items like tongue, tripe, and other organs. These are often lumped in to the generalized categories of pork, beef, lamb, and poultry.

U.S. beef exports set another new value record in July. July export value climbed 45 percent from a year ago to \$939.1 million, while volume was the third largest of the post-BSE era at 122,743 mt, up 14 percent year-over-year. July beef export value equated to \$425.68 per head of fed slaughter, up 52 percent from a year ago.



Wisconsin Cattlemen's Association

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