

# BEEF COUNCIL bullhorn



## Daytona 500 Running on Beef

**D**aytona International Speedway and the Federation of State Beef Councils partnered for the historic 40th season-opening race for the NASCAR Xfinity Series. The Beef. It's What's For Dinner.® 300 happened on Saturday, Feb. 13, the day before the 63rd Annual DAYTONA 500.

The Federation of State Beef Councils, which is housed at the National Cattlemen's Beef Association (NCBA) and works on behalf of the Beef Checkoff, is a consumer-focused, producer-directed organization representing the largest segment of the nation's food and fiber industry. The Federation of State Beef Councils works tirelessly to represent the interests of the nation's cattle farmers and ranchers, to ensure consumers have continuous access to great tasting beef that Americans know and love, and rely on as part of a healthy, balanced diet.

"We were excited to sponsor the Beef. It's What's For Dinner.® 300, and provide a showcase for America's hard-working farmers and ranchers," said Marty Smith, a rancher from Ocala, Florida and president of NCBA, a contractor to the Beef Checkoff. "This is one of the nation's premiere sporting events and was the perfect opportunity to help us promote the nutritional benefits of great tasting beef to millions of consumers in the U.S. and around the globe."

The Beef. It's What's For Dinner.® 300 expands a current partnership between beef producers and Daytona International Speedway, where in 2020, the track produced "Race Day Recipes" on digital channels in which Speedway President Chip Wile demonstrated his beef grilling expertise to showcase the NASCAR experience – especially to campers and tailgaters who love to enjoy delicious beef recipes as part of their celebration of NASCAR events. ■



## Optimism in Beef Industry Fueled by Strong Demand, Higher Prices Anticipated

*Report from CEO Randy Blach, CattleFax*

**D**espite pandemic disruptions, consumer demand for beef at home and around the globe remained strong in 2020, a trend that will continue in 2021 and beyond, especially as foodservice operations begin to fully reopen. The strong demand, combined with expected higher cattle prices, signal an optimistic future for the beef industry, according to CattleFax, which presented an outlook session during the virtual 2021 Cattle Industry Convention Winter Reboot on Feb. 24.

According to CattleFax CEO Randy Blach, cattle numbers will continue to contract in 2021, and producers will gain leverage on packers and retailers and margin distribution will be more equitable. Packing capacity is expected to increase slowly with the addition of more small-scale plants, and U.S. meat exports will continue to grow. Overall, profitability is expected to improve significantly for cow/calf producers.

Lost incomes due to unemployment were replaced by government transfer benefits and household wealth increased more than \$620 billion in 2020, according to Blach. In 2020, total meat sales volume at retail was up 10 percent and total dollar sales at retail was up 18 percent, with beef's share of the increase in spending accounting for 45 percent or \$5.7 billion. Consumers also saved at record levels during the pandemic resulting in U.S. household net worth rising \$5 trillion, which bodes well for beef demand going forward.

As beef demand reached record highs in 2020, cattle producers didn't capture much of the margin with the bottleneck created due to plant closures as a result of COVID-19. According to Blach, the margin exists, and redistribution will lead to improving prices in the second half of 2021 and into 2022 and 2023.

"The bottom line is that things are on the mend, with producers gradually recapturing margin," he said. "A one percent shift in margin will result in \$6 per hundredweight increase on fed price." ■



While many table-service restaurants have closed or offer limited service due to pandemic restrictions, the total impact on beef demand has been minor because supermarkets increased their sales based on consumers' need to buy food and cook more at home.

# January Red Meat Exports Below Year-Ago Levels Amid Transportation, Labor Challenges

Report from Dan Halstrom, President & CEO, U.S. Meat Export Federation

- Global Beef Exports in January were at 105,047 Metric Tons which is down 2 percent from last year. Beef Muscle Cuts though came in steady with a year ago at 81,398 Metric Tons.
- January Beef Exports to Korea opened 2021 very strong at 21,355 Metric Tons with growth of 20 percent over 2020. Favorable Inbound duty rates for US Beef of 13.3 percent versus key competitors, as a result of our KORUS FTA, combined with aggressive promotion in Korea on US Beef has paid dividends.
- China continues to see solid growth in beef exports consistent with quarter 4 in 2020. Total China Exports were at 7,862 Metric Tons which is a 800 percent increase over January 2020. The demand for US Grain Fed High Quality Beef continues to be solid. The US surpassed Australia in Quarter 4 of last year as the largest grain-fed supplier to China. In January Australia's grain-fed exports to China totaled 3,345 MT which was a decrease of 49 percent from 2020.
- Japan remained the largest volume market for U.S. beef in January at 22,018 Metric Tons which is down 13 percent. Japan continues to struggle at foodservice

with Covid-19 lockdowns and it looks like several major metro areas such as Tokyo will remain in red status until early April. The good news in all this is that Covid-19 positives and hospitalizations are trending lower, so hopefully we will see a relaxation of restrictions in April. One other issue of note on beef to Japan, is that it appears that the Beef Safeguard could be triggered in Mid – March. When I say mid – March, I am referring to the import data for mid-March which will not be published until April. If it does trigger it will push the inbound tariff higher from the current level of 25 percent up to 38.5 percent for approximately 30 days. While we never like to see higher duties, the good news is that in the old agreement before the Japan US Ag Agreement was implemented in January 2020, the Safeguard Tariff would have triggered higher to 50 percent and quite possibly would have been longer than 30 days. If the safeguard does trigger there is a mechanism in the Japan US Ag Agreement calling for official consultations to adjust the agreement to hopefully avoid this issue in future years. The career folks at USTR are well aware of the situation and stand ready to engage accordingly.

USMEF has put together a video for social media as well as usage in our markets. This particular video deals with our USMEF Chefs and other Culinary in-market experts that we utilize to help tell our story globally. Check it out here: <https://www.youtube.com/watch?v=LSqfOkKUogk>



For more information about your beef checkoff investment visit [MyBeefCheckoff.com](http://MyBeefCheckoff.com)



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