

BEEF COUNCIL bullhorn



Ranching in the time of Covid-19 Part 2

Dear Fellow Ranchers: We continue to get daily updates from the Checkoff on how Covid-19 is affecting our industry, as well as the actions initiated by the Checkoff to keep our pipeline safe and operating efficiently.



I want to highlight a few areas that I found of interest.

- NMBC continues to run digital ads promoting quick and easy beef recipes. When a consumer clicks on an ad, they are redirected to NMBeef.com, where they will find hundreds of delicious beef recipes.
- We recognize that the record disconnect between wholesale beef prices and live cattle prices are not sustainable and has created significant financial challenges and hardship for us ranchers. Several industry organizations are working directly with USDA to resolve this discrepancy.
- Meat packing plant worker safety is of paramount concern for cattle producers and consumers. Supplemental protective equipment, implementing additional cleaning procedures, employing social distancing in the plants and slowing processing speeds are among the actions being taken to insure worker safety. The trade-off is a decline in beef production and some temporary shortages for consumers and food service.
- It is important to note that there is not a shortage of cattle supply and there is beef available at retail and food service. However, disruptions to the supply chain may temporarily limit the availability of certain cuts or lead some retail and restaurant chains to limit purchases to ensure the continued availability of beef for all consumers.
- The Beef. It's What's For Dinner. Twitter handle (@Beef), was unexpectedly put in the spotlight on a recent episode of *Last Week Tonight* with John Oliver on HBO. Host and comedian John Oliver said that @Beef is one of three reasons for Twitter to exist, along with the handles from model and entrepreneur Chrissy Teigen and *Possum Every Hour*. He encouraged his viewers, "if you're not following this account, you should..." @Beef, as part of the Beef. It's What's For Dinner. brand, is checkoff-funded. Since the episode aired on May 3, the @Beef twitter following increased by 10 percent and is close to surpassing 32,000 followers. We expect this trend to continue as the segment is viewed via streaming apps, YouTube and social. This mention has a potential reach of 11.8 million consumers, including the HBO viewers coupled with Oliver's and Beef. It's What's

For Dinner. social reach. The segment can be viewed on YouTube (clip runs from timestamp 11:29 – 12:15). Please note there is some adult language used throughout the clip. *Last Week Tonight* is a late-night talk and news satire program that airs weekly on HBO.

I hope that you and your family are safe and well. Please contact me or any of the NMBC Directors if you have comments or suggestions. We'll make it through this and be stronger on the other side!

Best regards,
– Matt Ferguson
Chairman, New Mexico Beef Council



Digital ads promote quick and easy beef recipes that can be found at NMBeef.com.

John Oliver host of *Last Week Tonight* on HBO



Beef Import & Export Facts

We've been fielding questions from ranchers about beef imports and exports. NMBC has a representative to the United States Meat Export Federation (USMEF), Kenneth McKenzie from Encino, N.M. He provides answers to commonly asked questions about global beef trade.



Question: *Why are we importing beef from 20 different countries? Don't we produce all we need right here in the United States?*

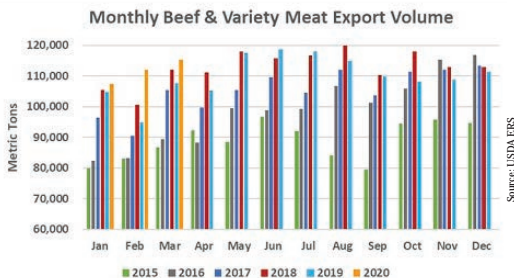
Answer: While it's true that we currently import beef from 18 countries, the vast majority (83 percent) comes from just four - Canada, Mexico, Australia, and New Zealand. The vast majority of that is lean trimmings used to make ground beef. We need those trimmings because of the more heavily marbled cattle that we produce here in the United States.

Source: USDA ERS

Question: *Do we run a trade deficit in beef and cattle trade?*

Answer: No, the United States is a net exporter of beef and cattle combined.

Source: USDA ERS



The Checkoff closely monitors beef export volume.

Question: *Is the United States flooded with beef imports?*

Answer: No. Less than 11 percent of beef consumed by Americans is imported.

- Total 2020 Estimated Domestic Consumption = 12,389,000 Metric Tons
- Total 2020 Estimated Domestic Production = 12,515,000 Metric Tons
- Total 2020 Estimated Beef Imports = 1,334,000 Metric Tons
- Total 2020 Estimated Beef Exports = 1,433,000 Metric Tons

Source: USDA FAS

Question: *What do we import?*

Answer: We import calves from Mexico, calves and fed cattle from Canada, lean beef trimmings from Australia, New Zealand, Canada, and Mexico. The small remainder (17 percent) of imports come from 14 countries and consists of lean beef trimmings, not muscle cuts, used to make ground beef.

Source: USDA ERS

Question: *How was the beef export trade performing BEFORE Covid-19?*

Answer: Driven by solid growth in Japan, where U.S. beef is benefiting from reduced tariffs under the U.S.-Japan Trade Agreement, as well as South Korea, Mexico, Canada and Taiwan, March beef exports totaled 115,308 mt, up 7 percent from a year ago, valued at \$702.2 million – up 4 percent and the highest monthly value since July. First quarter beef exports climbed 9 percent from a year ago to 334,703 mt, valued at \$2.06 billion (up 8 percent).

Beef: It's What's for Dinner at the Fire Station

The NMBC sponsored beef sandwich meals purchased from local restaurant, Hello Deli. Tom Bertelle, our beef ambassador, delivered the lunches to the Albuquerque fire station on Wyoming and Paseo del Norte.



Happy firefighters like beef!

PETA Attack Ads During Covid-19

PETA has published new ads attacking the meat industry. The Checkoff continues to monitor these and other attack ads. We are not engaging with PETA or other activists online. The most likely outcome from doing so is bringing more attention to the activists' messaging and platforms. This can elevate the issue and spread it to more consumers who otherwise wouldn't have seen it. We caution ranchers not to engage with PETA or other similar organizations.

For more information about your beef checkoff investment visit MyBeefCheckoff.com



2019-2020 DIRECTORS – CHAIRMAN, Matt Ferguson (Producer); **VICE-CHAIRMAN,** Zita Lopez (Feeder); **SECRETARY,** Susie Jones (Dairy Producer).

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For more information contact: New Mexico Beef Council, Dina Chacón-Reitzel, Executive Director
1209 Mountain Rd. Pl. NE, Suite C, Albuquerque, NM 87110 505/841-9407 • 505/841-9409 fax • www.nmbeef.com

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