

In This Issue

Total Marketing Share Continues to Decline.....Page 1

Magazines On-LinePage 2

Goats with Spider Gene Produce WebsPage 2

Beef Sales Are Sizzling..... Page 3

IRM Redbooks..... Page 3

Consider the Graded Cattle Sales Page 3

2000 NC Fall Feeder Calf Schedule Page 4

Extension Specialists:

[Dr. Roger L McCraw](#)

Extension Livestock Commodity Coordinator

[Dale C Miller](#)

Extension Beef Specialist

[Gary M Gregory](#)

EAH Technician, Beef Performance Testing

[Dr. Jean-Marie Luginbuhl](#)

Extension Meat Goat Specialist

[Dr. Kevin J Rozeboom](#)

Extension Beef Reproduction Specialist

[Dr. Matthew H Poore](#)

Extension Livestock Nutritionist

[Dr. Richard E Lichtenwalner](#)

Extension Area Livestock Specialist

[Beecher C Allison](#)

Extension Area Livestock Specialist

Editor/reviewer

Roger L McCraw, Ph.D.

Extension Livestock Commodity
Coordinator

Total Marketing Share Continues to Decline

by Roger L McCraw

Producers have received more than 50 percent of beef's retail value during 10 of the last 13 months. The packer's share of beef's retail value has seasonally moderated while the retailer's share has continued to decline.

The packer share during March 2000 was 8.5 percent. The record high packer share of beef's retail value was in August 1998 at 12.4 percent.

During 1997 the packer spread averaged 7.3 percent — compared to 7.9 percent during 1995 and 1996. An increased packer's share of beef's retail value is consistent with the trend to further fabrication, case-ready pre-packaged beef and increased value-added close-trimmed boxed beef.

These spreads do not account for costs and therefore say nothing about the net profitability of any sector.

Hide and other by-product values contribute to the packers' share of total value. Packers have added value to by-products through blue chrome tanning of hides and developing international markets

for beef variety meats. The Asian and Russian crises resulted in lower prices for hides and variety meats, but those products began to recover during 1999.

During March 2000 the retailer's share of beef's retail value declined to 38.8 percent. After increasing during 1993, through most of 1998 the trend line for the retailer's share of beef's retail value appears to have reached its peak range during 1998 with the monthly record share of 46.1 percent occurring in December 1998.

USDA data show that the retailer's share of beef's retail value increased >from the 35 to 38 percent range during the first half of 1993. Wider retail margins are consistent with continued modest inflation in costs for labor, utilities and other variable and fixed costs and higher profit margins. The retail spread was a record 46.1 percent during December 1998, and declined to 38.8 percent in March 2000.

The total marketing share for packers and retailers during March 2000 was 47.3 percent, compared to the monthly record of 54.1 percent reached during April 1996 and August 1998.

*(Adapted from an article by Dr. Chuck Lambert,
Center for Public Policy, in Beef Business Bulletin)*

Magazines On-Line

by Roger L. McCraw

Listed below are URL's for several farm magazines that may be of interest to you. You may be able to get the information you need from the electronic version and not have to subscribe for hard copies.



BEEF

<http://www.homefarm.com/>



HAY AND FORAGE GROWER

<http://www.homefarm.com/hfg/default.htm>



SOUTHEAST FARM PRESS

<http://www.homefarm.com/sefp/default.htm>



BEEF TODAY and FARM JOURNAL

<http://www.agweb.com/>



DROVERS JOURNAL

<http://www.drovers.com/>



PROGRESSIVE FARMER

<http://www.progressivefarmer.com/>



Goats with Spider Gene Produce Webs

by Roger L. McCraw

In August, 1991, I gave a presentation at the NC-SC Purebred Breeders' Conference held in Charlotte, NC. My presentation focused on the fundamental basis of genetic evaluation. I recall discussing the future impact in animal breeding of genetic engineering. I discussed in an elementary fashion how the DNA could be manipulated. The information was not that high on folks' ladder of interest at that time. After all, we were still trying to understand how EPDs were calculated and how we should use them. In fact, a number of breeders did not even consider them useful.

Well, how do you describe what has happened in the past ten years? You have heard about gene mapping, cloning, and many other genetic engineering topics. But, I think the work described below illustrates best just how much we must change our thought processes in order to imagine the possibilities for animal breeding technologies.

...transferred spider genes into a herd of goats.

According to a UPI story by E.W. Kieckhefer, Canadian scientists have transferred spider genes into a herd of goats. The result is a group of goats that produce silky strands in their milk. The silky material can be recovered or harvested from the milk and used for sutures and other applications. In addition to sutures for eye surgery, the strands can be used to reconstruct tendons or ligaments and to

repair bones, Turner said, adding that companies like DuPont and 3M have been trying unsuccessfully to duplicate spider web silk in their laboratories for years.

The technique was perfected by Jeffrey Turner, a geneticist and president of Nexia Biotechnologies of Quebec.

"We have combined the old and the new," Turner told UPI in a recent interview. "The old is represented by the goats and their milk, which is used to make cheese. The new is genetic engineering."

Turner said he has been contacted by numerous pharmaceutical firms seeking to acquire the technique but he said he won't sell. Turner estimates the technology has a potential market of \$2 billion. He expects the silk to go on the medical market within a year under the brand name BioSteel.

Additionally, he said, the substance likely has industrial applications, possibly replacing such things as Kevlar. It also could be used to cover domed stadiums and in the aerospace and communications industries. It is expected to have usefulness in military applications; perhaps even in development of an anti-ballistic defense system.

If Turner is successful in implementing his transgenic breeding program on a large scale, a whole new animal industry may emerge - - one that could not have been dreamed of ten years ago. Raising and milking dairy goats to produce spider webs! When we talk about "alternative" crops or agricultural enterprises, this is only the tip of the iceberg of new endeavors that genetic engineering may yield. ■

Beef Sales Are Sizzling

by Roger L McCraw

Memorial Day, the official start of the summer grilling season, is the biggest beef day of the year. NCBA Chief Economist Chuck Lambert says daily beef consumption will increase 25 percent, which equals an extra 59.5 million pounds of beef.

Fourth of July and Labor Day tie for the second highest beef consumption days of the year with a projected 20 percent increase, or 57.12 million pounds more than average daily beef consumption, according to Lambert.

*Fourth of July and
Labor Day tie for
second highest beef
consumption days...*

He added that year round, beef is still the most popular meat.

“Despite news reports that chicken consumption is higher than beef, when you look at edible weight — weight that does not include bones — per capita beef consumption for 1999 was 65.9 pounds per capita, chicken consumption was 53.5 and pork was 51.3, according to USDA,” Lambert said. ■

IRM Redbooks

by Dale C Miller



(Previous Notice in May Issue of EAH e-Newsletter)

It is again time to place orders for the group purchase of IRM Redbooks for the year 2001. For those of you who may be unfamiliar with these notebooks, this is a pocket calendar with many useful tables of interest to cattlemen.

We are asking that you estimate the number of redbooks you might need and send in a deposit to NCCA by June 20 of this year. We are only accepting orders of 10 redbooks or more. Kim will place one order for the notebooks by July 1 and we should receive them by early to mid-November.

If you would like to place an order for the year 2000 version of the IRM pocket redbook, please mail a deposit of \$1.50 per redbook (minimum of \$15.00) to the

NC Cattlemen's Association,
2228 N Main St.,
Fuquay-Varina, NC 27526. ■

Consider The Graded Cattle Sales

by: Dale Miller, Animal Science
Department, North Carolina State
University

Approximately 19,000 head of cattle were sold in the fall of 1999 through 20 graded cattle sales across North Carolina. These sales are designed to provide a marketing outlet for small to medium sized beef operations where producers can co-mingle their calves into larger, uniform lots of similar type cattle. Graded sales were initiated in North Carolina in 1952 and have remained a viable marketing alternative for commercial producers since that time.

A comparison of sale averages from graded cattle sales and similar averages for weekly auctions demonstrates that cattle sold through the graded sales system consistently outsell weekly auction cattle. In the fall of 1999, this graded cattle premium averaged approximately \$31.50 per head for steers and \$23.50 for heifers. When attributed to all graded cattle sold in N.C. last fall, this financial difference allowed graded sale consignors to receive over \$500,000 in additional proceeds. Graded sale premiums have consistently averaged \$25 to \$30 per head for as long as we have kept such records.

We also know that in most instances, graded sale cattle shrink less prior to weigh-in than do weekly auction cattle. This difference arises because graded cattle are weighed in upon delivery whereas weekly sale cattle are weighed just prior to sale. We estimate this difference saves approximately 2% on an average basis, meaning weekly auction cattle typically loose 10 additional pounds per head while waiting to be weighed. Naturally at some sales this may not happen while at others there would be a considerably larger shrink difference. This 2% shrink savings would add another \$8 to \$10 per head to graded sale consignor returns.

Unfortunately, most commercial cattlemen in North Carolina do not take advantage of this sale opportunity. Assuming North Carolina has approximately 500,000 cows and weans around 400,000 calves, the graded sale system only sold about 4% of the calves produced last year. Of course many well-managed calves are sold private treaty or through other organized sale systems. However, most N.C. producers are forgoing the opportunity to receive premiums readily available through organized graded sales.

For more information on graded cattle sales, contact your local extension livestock agent, the N.C. Department of Agriculture or the N.C. Cattlemen's Association. A listing of upcoming graded sales follows this article. To view the 1999 North Carolina Feeder Calf and Yearling Cattle Sale Summaries or the 2000 Spring Stocker Sale Summaries, visit the following website:
http://www.cals.ncsu.edu/an_sci/extension/animal/market/Ahmarket.html ■



2000 North Carolina Fall Feeder Calf and Yearling Cattle Sale

DATE	LOCATION	(C) CALF OR (Y) YEARLING	TIME	TELEPHONE
AUG 16, 2000	SILER CITY	C	7:00 P	919.742.5665
AUG 21, 2000	STATESVILLE	C	7:00 P	704.546.2692
AUG 31, 2000	SHELBY	C	8:00 P	704.487.4023
SEPT 04, 2000	ASHEVILLE	C	8:00 P	828.254.5374
SEPT 06, 2000	ROCKY MOUNT	C	10:00 A	252.446.9856
SEPT 06, 2000	SILER CITY	C	7:00 P	919.742.5665
SEPT 07, 2000	NORWOOD	C (STEERS)	8:00 P	704.474.7681
SEPT 11, 2000	ASHEVILLE	Y	8:00 P	828.254.5374
SEPT 13, 2000	MONROE			
SEPT 14, 2000	NORWOOD	C (HEIFERS)	8:00 P	704.474.7681
SEPT 19, 2000	CLINTON	C	10:00 A	910.592.7455 OR 910.596.0008
SEPT 20, 2000	OXFORD	C	10:00 A	919.693.6179
SEPT 20, 2000	N WILKESBORO	Y (ST, HF, HOLS)	8:00 P	336.838.3442
SEPT 21, 2000	NORWOOD	C	8:00 P	704.474.7681
SEPT 25, 2000	STATESVILLE	C	7:00 P	704.546.2692
SEPT 27, 2000	ROCKY MOUNT	C	10:00 A	252.446.9856
SEPT 27, 2000	SILER CITY	C	7:00 P	919.742.5665
SEPT 28, 2000	NORWOOD	C	8:00 P	704.474.7681
OCT 02, 2000	ASHEVILLE	C	8:00 P	828.254.5374
OCT 04, 2000	N WILKESBORO	C	8:00 P	336.838.3442
OCT 25, 2000	SILER CITY	C	7:00 P	919.742.5665