

# The National Producer

National Livestock Producers Association

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## NLPA Board Meets in Nashville to Explore Alliance Opportunities and Discuss Current Livestock Issues

**Colorado Springs, CO (NLPA)** - The theme of the National Livestock Producers Association (NLPA) Board meeting held July 17-19 in Nashville, Tenn., was on finding ways that NLPA and its member organizations can work together to increase business opportunities and to better represent livestock markets and livestock credit in regard to current challenges facing the industry.

Scott Stuart, NLPA's CEO, emphasized several issues affecting NLPA and its members.

"Recent checkoff rulings, country-of-origin labeling and proposed legislation to ban packer ownership of livestock will greatly influence the livestock industry in the months and years ahead," Stuart said. "It is our responsibility to make our presence known and offer our input to lawmakers before laws are put into effect."

Stuart also addressed NLPA's intense interest and involvement in USAIP - United States Animal Identification Plan. Stuart represents NLPA on the USAIP steering committee, which comprises members of the industry, state animal health officials and USDA representatives, to develop a national identification plan to help protect American animal agriculture.

"Animal ID may be the most important issue facing the livestock industry today," Stuart said. "With all the attention on country of origin labeling (COOL), it is important to realize that without ID there can be no effective COOL."

Dr. Nevil Speer, Professor of Animal Science, Western Kentucky University, gave his perspective on current issues facing the livestock industry. Speer focused on the interwoven effects of checkoff rulings, potential effects of legislation banning packer ownership of livestock and country-origin-labeling (*see article on page 5*).

Craig Huffhines, Executive Vice President of the American Hereford Association (AHA), identified cooperative opportunities with Certified Hereford Beef.

"In July, AHA formed an alliance with National Beef to produce and market the Certified Hereford Beef brand. AHA is looking at other marketing partners to help advance the Certified Hereford Beef program," Huffhines said. "NLPA and AHA have similar goals and offer many of the same services. There could be a good fit."

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Craig Huffhines, Executive Vice President of the American Hereford Association (AHA) discussed the cooperative opportunities between the American Hereford Assn. and NLPA.

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## National Producers Service Company Holds Annual Commodity Futures Conference in Chicago

**Colorado Springs, CO (NLPA)** - The National Producers Service Company (NPSC) recently held its Commodity Futures Conference in Chicago, Ill.

This conference brings together the NPSC branch office personnel, and others interested in agricultural futures and options within the NLPA member organizations, for education and interaction with exchange and clearing firm representatives. Conference participants visited the Chicago Mercantile Exchange (CME) and Chicago Board of Trade trading floors. The meetings also included presentations from traders and livestock and grain analysts.

Also during the conference, NPSC personnel met with Terry Duffy, Chairman of the Board of the CME. Duffy emphasized the CME's commitment to livestock futures.

"The livestock futures represent a large part of the CME's heritage," he said. "The ag futures represent a small amount of our trades, but they are very important and they are profitable - they will remain a part of the CME's business for many years to come."

The group also addressed specific questions in regard to the CME's recent decision to require country-of origin verification on livestock contracts.

"NLPA and NPSC personnel strongly advised the CME against making country-of-origin labeling a part of livestock contract, but they are still moving forward with it,"



NPSC personnel meet with Terry Duffy, Chairman of the Board of the Chicago Mercantile Exchange.

Scott Stuart, NLPA President and CEO, said. "Duffy ensured us that the CME will do its best to keep the changes in line with current industry standards."

### NLPA Welcomes Two New Additions to the Family

On April 30th, Chad and Melissa Schneider, NLPA's Director of Communications, welcomed the arrival of Paige Elise - 7 lbs., 4 oz. Welcome Paige!



On May 23rd, Scott Stuart, NLPA President, married Katie Ambrose in Chicago. Katie is the national account manager for Freedom Communications. Welcome Katie!



### The National Producer

Bi-monthly newsletter of the  
National Livestock  
Producers Association

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# Sheep & Goat Fund Committee Appoints New Members and Lowers Interest Rate

**Colorado Springs, CO (NLPA)** -- The National Livestock Producers Association (NLPA) Sheep & Goat Fund Committee is pleased to announce that the interest rate available to projects to improve the sheep and goat industries has been lowered to 4 percent.

Currently, the NLPA Sheep & Goat Fund Committee has extended 32 loans to 26 entities in 17 states and has received 53 applications. More than \$6.9 million has been loaned to sheep and goat businesses, leaving about \$7 million still available for new applications.

"By lowering the interest rate we are trying to stimulate movement and encourage new applicants," Richard Drake, Chairman of the NLPA Sheep & Goat Fund Committee, said. "We want the industry to know that we are here to help."

Drake was recently elected to serve as the NLPA Sheep & Goat Fund Committee's new chairman. Drake, who feeds sheep and cattle in Colorado and Nebraska, has served on the Sheep & Goat Fund Committee since its inception.

Drake said he hoped the Committee can get the Sheep & Goat Fund money loaned out soon so that it can help to stabilize and build the industry.

"The Fund has already helped the industry by establishing loans that have reasonable risk but may otherwise not be considered by most banks," Drake



At right: Richard Drake accepts the position of chairman of the NLPA Sheep & Goat Fund Committee from former chairman Dennis Bolling.

said. "The Sheep & Goat Fund can demonstrate to the national banking community that there is a part of the sheep and goat industry that will work with them, which may help create a more favorable relationship with banks."

At a recent meeting in Nashville, the NLPA Board of Directors showed their appreciation to Dennis Bolling for his efforts in the development and facilitation of the NLPA Sheep & Goat Fund. Bolling also served as chairman of the NLPA Sheep & Goat Fund Committee from its inception to April 4, 2003, when he turned the chairmanship over to Drake.

In April, the Committee elected Darrell Ailshie, General Manager of Tennessee Livestock Producers, to serve Bolling's remaining office term - until Sept. 30, 2005.

Other members of the NLPA Sheep & Goat Fund Committee are: Pierce Miller, VIP Livestock in San Angelo, Texas; John Peavey, sheep producer in Carey, Idaho; Robert York, National Livestock Credit Corporation in Oklahoma City; Rick Lovell, Producers Livestock Marketing Association in North Salt Lake, Utah; and Walt Ernesti, Producers Livestock Marketing Association in Omaha, Neb.



The NLPA Sheep & Goat Fund Committee (from left): Walt Ernesti, Pierce Miller, Robert York, Rick Lovell, Richard Drake, Dennis Bolling, Darrell Ailshie and John Peavey.

# Mountain Vittles, Inc. Creates Market for Value-Added Goat Meat Products

*Prepared by Melissa Reese*

The Cumberland Plateau has a rich history of hard working folk etching out a living against a beautiful, yet hard environment; farming their land while nourishing and strengthening their bodies with the fruits of their labor. Good food or *vittles* was an important part of their daily lives. Mountain Vittles, Inc. is being established with these same principles in mind.

Over a decade ago, Ruble C. Conatser, Jr., began raising goats on 86 acres in Jamestown, Tenn., under the herd name, Mountain Goat Ranch. He said his focus to produce a herd of goats with production genetics has been very successful. The Mountain Goat Ranch herd consists primarily of Kiko goats that are able to kid and put meat on the hoof with very little input from the rancher. He has sold breeding stock across the United States and Canada.

“I became interested in goats initially for brush and land clearing while raising cattle. As time went along, I realized more clear profit from the goats than the cattle,” Conatser said. “Having studied and raised different domesticated ruminants, it is my belief that no other animal has given more to mankind than the goat. Mankind’s relationship with the goat dates back to prehistoric times.”

Beginning his operation at a time when raising goats wasn’t popular,

Conatser said he has aggressively promoted the goat meat industry, serving as the Secretary and then the President of the American Kiko Goat Association and on the Board of the Tennessee Goat Producer’s Association Inc.

“With goat meat production the most rapidly growing segment of agriculture, one area that wasn’t being addressed was the promotion of goat meat products to the American consumer,” he said. “Goat meat has been ‘the old world meat’ and has sustained mankind for centuries, with the largest consumers of goat meat in the United States being the ethnic population. This ‘old world meat’ is the new red meat for health conscious consumers of the new millennium.”

Conatser formulated a plan to provide the increasing number of goat producers with an outlet for their product and introduce goat meat to the average American Consumer in a widely accepted form.

Mountain Vittles, Inc. is the next evolutionary phase for Mountain Goat Ranch, according to Conatser. Mountain Vittles, Inc. began



*Ruble Conatser with his herd on his farm in Jamestown, Tenn.*

leading the industry in the introduction of goat meat, in July 2002, introducing three styles that are preferred by the American consumer; ground goat meat, ground goat patties and goat steaks.

While researching funding options to complete a USDA facility for the production of goat meat value-added products, Conatser said he learned of the National Livestock Producers Association (NLPA) Sheep & Goat Fund. Melissa Reese, Administrative Support for Mountain Vittles, Inc., created a business plan that requested NLPA to consider Mountain Vittles, Inc. as a potential candidate for funding. NLPA approved a loan to Mountain Vittles, Inc. last December for the construc-

*continued on page 5 . . .*



*Shown above is the Mountain Vittles production building.*

## Perspective on Industry Issues: Use it or Lose it

Dr. Nevil Speer discussed captive supply, country-of-origin labeling (COOL) and the beef checkoff and their interwoven effects on the beef industry in a presentation to the National Livestock Producers Association's Board of Directors at their meeting in Nashville, July 18th.

According to Speer, Associate Professor of Animal Science in the Department of Agriculture, Western Kentucky University, all three of these issues largely derive from a growing concern about increased consolidation, especially at the packer level.

Those concerns are especially evident with respect to the issue of captive supplies. Many livestock producers across the country are upset at the loss of viable marketing options to the control of meatpackers. As a result, the 108th Congress has introduced legislation in both the Senate (S 27) and the House (HR 719) that limit captive supply including prohibition of packers owning, feeding or controlling livestock.

Speer said that grid marketing is the primary driver of increased captive supplies in recent years. He noted several motives among those who used grid marketing in 2000, including: quality/yield grade premiums, detailed carcass data, higher base price and availability of a guaranteed buyer. However, Speer's presentation also noted that many producers feel packers use their power to manipulate prices through captive supply.

Speer summarized university research on the market impact of captive supply in that packers use captive

supply to better utilize their slaughter facilities and ownership occurs when feedlot returns are favorable. Market manipulation in these cases is not intended and not effective, but does have some implications on feeder cattle prices.

The recent checkoff challenge also reflects division in industry perspectives. Many producers seem to feel that the checkoff is more representative of the needs of packers than it is of independent operators and yet another instance where producers feel the packers are getting the upperhand in the industry. However, Speer pointed out, the beef checkoff has accomplished many favorable things for the beef industry especially in regard to research and promotion.

Country-of-origin labeling has also added to the levels of discontent in the beef industry. Speer discussed the House Ag Appropriations Sub-Committee's decision to eliminate funding for COOL, which allows the industry an additional year to prepare for implementation. That decision has been touted as favorable by many within the industry. At the same time, the decision has also contributed to some complacency about eventual implementation and forced producers to face an increasingly unknown environment. In the meantime, entities such as Safeway and the Chicago Mercantile Exchange are mandating their own regulations in regard to COOL. This effect has been perceived by some as a way for retailers and packers to further dominate producers in the absence of government regulation.

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### *Mountain Vittles, continued from page 4 . . .*

tion of a facility to produce value-added goat meat products. The facility is scheduled for completion this summer.

"Mountain Vittles, Inc. is proud to be chosen by NLPA as we continue to promote the growing goat meat industry and advance the public's knowledge to the health benefits of goat meat," Conatser said. "Mountain Vittles, Inc. was established to meet the growing demand for goat meat through the wholesale and retail sale of goat meat and value added goat meat products."

"Once operational, Mountain Vittles, Inc. will initially focus on producing our HORNY GOAT JERKY™, the latest product in our quest to introduce the American Consumer to the health benefits of goat meat," Conatser said. "HORNY GOAT JERKY™ is a unique blend of herbs and spices designed to appeal to the young and young at heart. HORNY GOAT JERKY™ will initially be marketed to convenience stores, health food stores and available online through our web site <http://www.mountainmeatgoats.com>."

## NLPA Names Charleston|Orwig as Agency of Record

**HARTLAND, Wis.** -The National Livestock Producers Association has selected Charleston|Orwig, Inc. as its marketing communications agency of record.

Charleston|Orwig will be responsible for integrating all marketing communications strategies and initiatives, to include public relations and event management.

"We are excited about working with a marketing communications agency that has such an intimate knowledge of agriculture,

particularly the beef and dairy industries," Scott Stuart, president and CEO of NLPA, said.

P. Lynn Balinas, executive vice president of Charleston|Orwig, said the agency is anxious to begin working with the NLPA.

"C|O has a history of developing and implementing sound marketing communications programs for forward-thinking agricultural organizations," he said. "We look forward to putting those skills, and our love of the industry, to work on behalf of NLPA."

Charleston|Orwig is a full-service marketing communications firm providing strategic planning, marketing communications and issues management. It specializes in the agribusiness, business-to-business and considered-purchase consumer categories, serving mid-size clients to Fortune 500 companies.

The Hartland firm ranks as the eighth largest marketing communications agency in the state and was recently named to the Fast Track Wisconsin list honoring the firm as one of the eight fastest growing privately held companies in the state.

## American Lamb Board Hires Executive Director at June Meeting: Daniel Borschke to Lead Promotional Efforts and Oversee Work of Agencies

**Denver, June 9, 2003:** The Board of Directors of the American Lamb Board has hired Executive Director Daniel Borschke. Borschke will head the ALB office in Denver beginning July 16, 2003.

"Daniel will be the guiding force to help rekindle Americans' love of American produced lamb," Tom Kourlis, Chairman, ALB said. "His strong background in upscale food products will be instrumental to our success. We are committed to our promotional efforts advancing the American lamb industry."

"Under Dan's leadership, we will have a knowledgeable advertising and public relations executive along with a skilled communicator who understands livestock producers," noted Margaret Magruder, Secretary and Co-Chair of the Selection Committee.

"I look forward to working with Dan as the Lamb Board strives to increase demand for American Lamb," said Bill Brennan, ALB Vice Chairman.

"I am deeply honored by the confidence shown in me by the members of the ALB," said Executive Director Daniel Borschke. "Their commitment will assure that we advance the interests of the American lamb industry. I am truly excited about this opportunity."

Borschke is a Certified Association Executive and a Fellow of the American Society of Association Executives. Borschke currently serves as president and chief executive officer of the Dairy Council of Wisconsin, Inc.

The American Lamb Board comprises 13 members, including six producer representatives, three feeder representatives, three first handler representatives and one seedstock producer representative. For more information on the board and its June meeting, please contact Margaret Magruder (503) 728-2945 or email [Magruder@clatskanie.com](mailto:Magruder@clatskanie.com).

Established under the Commodity Promotion, Research and Information Act of 1996 and the Lamb Promotion, Research and Information Order, the board activities are monitored by USDA's Agricultural Marketing Service. For more information, contact Kenneth Payne, AMS Livestock & Seed Marketing Programs Branch Chief (202) 720-1115.



Tom Kourlis, Chairman, ALB, welcomes Daniel Borschke as ALB's Executive Director.

## Tri-State Hires Robert Bergsten as New CEO

Tri-State Livestock Credit Corporation is pleased to announce that Robert Bergsten has been hired as President and Chief Credit Officer.



**Robert Bergsten**

"Bob is diligent, well-seasoned and he brings a lifetime of high-level banking experience to the job," Jack Hanson, Tri-State and NLPA board member, said. "I look forward to working with him. His banking experience will strike a nice balance with the livestock and agriculture experience of our board and our fieldmen."

Bergsten has 33 years of experience in the banking business, and has spent the last 24 years working for cooperative banking entities. Bergsten spent the last eight years as a Credit Manager for CoBank in Sacramento, Calif. In this capacity Bergsten supervised credit operations of West Coast and Northeast regions for CoBank.

"In the cooperative banking world, I worked with several entities like Tri-State," Bergsten said. "Several of NLPA's members are CoBank customers. I look forward to working with Tri-State in this new area of banking."

"At this time, Tri-State is in good financial condition and is poised for future growth in this market place," Bergsten said. "The challenge is to grow the business to benefit the ranchers in this area and improve their chances of success."

Bergsten started his employment with Tri-State on Aug. 21. He will officially take over as President on Oct. 1st when Wayne Hiatt, interim President, retires.

Although Bergsten's professional background is in banking, his roots are in Iowa. Bergsten grew up on a diversified farm in Iowa and his family raised registered Hereford cattle. He went on to get his bachelor's degree in Agribusiness from Iowa State University.

"I never really got out of agriculture, I just got into a different aspect of the business," Bergsten said.

Bergsten continued his education at the University of California, Berkeley with an MBA in Finance. He also graduated from the Institute of Cooperative Leadership at the University of Missouri and completed the Executive Program at UC Davis.

Bergsten's hobbies include golf, tennis, and walking and he is also a Sunday school teacher.

Bergsten and his wife, Char, live in Folsom, Calif. They have three children: Chad, 24, Amy, 18 and Laura, 13.

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## Iowa Quality Beef Supply Cooperative Plant Opens July 21

**Ames, Iowa (IQBSC)** –Enthusiasm is building for the Iowa Quality Beef Supply Cooperative project to open a beef harvest facility in Tama. In only a few weeks, the 2003 equity drive has raised more than \$2 million for the Iowa Quality Beef facility.

"This is a very successful equity drive. The response has been terrific and people want to be part of this project," Joel Brinkmeyer, chief

executive officer of the Iowa Quality Beef Supply Cooperative, said.

The latest equity drive has increased the total equity raised to more than \$11.5 million. Currently the IQBS Co-op has 910 members who have purchased shares in the project. Based on 1,200-head daily, about 60% of the cattle to be harvested have been committed by co-op members. Initial production plans

of 1,200 head per day include 600 fed beef-type cattle, 200 fed Holstein steers, and 400 cows. About 81% of the fed beef cattle and 73% of the Holstein steers are committed.

The goal is to differentiate Iowa Quality Beef from other established and developing brands. The IQBS Co-op can build value by showing its advantages such as Iowa corn-fed beef produced by Iowa family farm owners.

**NLPA Board Meets in Nashville, continued from page 1**

On Friday evening, at a reception and dinner, the NLPA Board honored retiring board member Butch Savage for his many years of service to NLPA.

"Butch provided tremendous leadership to NLPA for nearly three decades," NLPA Chairman Sam Philips said. "His vision and wit are missed very much."



**Butch Savage**

Also recognized was Dennis Bolling for his efforts as Chairman of the NLPA Sheep & Goat Fund Committee.

"Dennis was the driving force behind the creation of the Fund. Without his leadership, its existence would not have come about," said Scott Stuart while presenting Bolling with a recognition plaque.


Saturday afternoon, after the board's regular business meeting, board members and their guests traveled to the University of Tennessee Experiment Station in Spring Hill, Tenn. Dr. David Kirkpatrick, UT Animal Science Department, presented the "Cooperative Beef Cattle Genetics Evaluation Program" and Dr. Warren Gill, UT Animal Science Department discussed "Grazing Mineral Availability." Also, Kevin Thompson, Tennessee Livestock Producers (TLP), discussed TLP's genetics programs and how they work together with the university's genetics programs to improve the Tennessee cattle herd.

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