



Vol. 1, No. 1 **Good morning from John Paterson**

There are times when I want to share research and other information with a smaller distribution list than the Beef Questions and Answers newsletter. This is especially true when the information is somewhat confrontational or I would like for you to see it much sooner than the newsletter. If you do not want to receive this, just give me a return email and I will remove you from the list. Best regards. JP

The Extension Service

In June, I was asked by the extension planning committee for the Western Section of American Society of Animal Science to compare the extension service of 1914 to the present. If you would like the manuscript, I will be happy to send it to you. The following is a summary of my talk from the Capital Press in Idaho.

**** Capital Press *

Extension service plagued by mission creep?

Some say program is losing its farm focus

By **PATRICIA R. McCOY**
Capital Press Staff Writer

MOSCOW — Is the U.S. extension service losing its focus on agriculture and rural residents by offering urban-oriented programs on land use, obesity prevention, urban revitalization, gang violence and nonagricultural commerce?

"Some say extension has mission creep and needs to return to its focus on agriculture. Others say it's captive to agriculture and needs to change," said J.A. Paterson, extension beef specialist for Montana State University.

Federal funding for extension is flat, Paterson told a seminar at the Western Section meeting of the American Society of Animal Sciences. Some states and counties have picked up part of the slack. Once-free programs may be charged for today. Extension is being forced to look for gifts and grants.

On top of this, extension no longer dominates as a source of information, he said.

"Private consultants, agribusinesses, training organizations, commercial advisors and the worldwide web give producers access to information and learning once totally unrealistic. They

aren't limited to what their own state's land grant university has to offer," Paterson said.

"We have to ask if our colleges of agriculture are losing their covenant with today's producers," Paterson said. "We see academic arrogance, with people holding doctorates talking down to people, and some university faculty considering their position as placing them societally above that of workers."

"We see disciplinary myopia and uncoordinated research, too much of it privately funded and not trusted as sufficiently objective," he said. "Once the watchword in academia was publish or perish. Today it's patent or perish."

"Have we forgotten what the 1914 Smith-Lever Act establishing the extension service said?" he asked.

The Smith-Lever Act established the Cooperative Extension Service specifically to address rural, agricultural issues. It required states to provide a 100 percent match in funds from nonfeder-

al resources, according to USDA information on the Internet. When the act was passed, over 50 percent of the U.S. population lived in rural areas, and 30 percent of the workforce was engaged in farming. Today, fewer than 2 percent of Americans farm for a living, and only 10 percent of all Americans live in rural areas.

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Modern U.S. society is the most paranoid in the world, worrying about car-crashes, cancer, the lack of funds for retirement and food poisoning, he said. Consumers want more and more information about how their food is produced.

None of this means extension is dying. While it may need to rethink and refocus its mission, and how it delivers information to today's producers, it still has a role to play, Paterson said.

"We say the future of the beef industry is in the export market. If that is true, what are our customers asking for? Producers know they have to do things differently to respond, and they need

help. They want more information," he said.

"Cooperative extension has a proven track record of providing quality information in a timely way. I'm confident it has a future, especially when I see my students stepping out of college into jobs that pay them much more than I'm making," he said. "If you're educated and willing to solve problems, you will be paid and highly sought after."

Other speakers at the half-day seminar on the future of extension included Cory Parsons, Oregon State University extension agent in Baker and Union counties, who presented the results of a survey he took on industry needs.

Tom G. Field, Colorado State University, also spoke, discussing a survey he helped conduct for the National Cattlemen's Beef Association looking at how to best disseminate information to the industry.

The seminar was part of a three-day meeting at the University of Idaho here. It drew some 165 animal scientists from a wide variety of universities and private businesses, along with students who competed in research and poster presentations.

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Continued Consolidation in the Beef Industry

The beef industry continues to consolidate, as shown in the following table.

Sector	Percent of market share
Largest 10% of cow-calf producers	54%
Largest 25 cattle feeding companies	45%
Largest 5 meat packing companies	85%
Largest 10 retailers	77%

Like it or not, consolidation is leading to a more coordinated production system that can deliver an increasing supply of branded or differentiated beef products to meet the diverse needs of consumers. Producers now have more opportunities to produce cattle that meet the specifications of these growing branded markets (SOURCE: Cattle-Fax Trends).

Top 10 Cattle Feeders, 2006

Company	One-time capacity
1. Five Rivers Ranch Cattle Feeding LLC, Boulder, Colorado	811,000
2. Cactus Feeders, Inc., Amarillo, Texas	520,000
3. Cargill Cattle Feeders LLC, Wichita, Kansas	335,000
4. Friona Industries LP, Amarillo, Texas	275,000
5. AzTx Cattle Co., Hereford, Texas	242,000
6. J.R. Simplot Co., Boise, Idaho	230,000
7. Irisk & Doll, Cimarron, Kansas	200,000
8. Four States Feedyards, Lamar, Colorado	195,000
9. Heritage Feeders LP, Oklahoma City, Oklahoma	190,000
10. Agri Beef Co., Boise, Idaho	185,000

SOURCE: Steve Kay, Cattle Buyers Weekly

PACKER/PROCESSING

Top Ten Red Meat Companies

Company	2006 Sales (est.)
1. Cargill Meat Solutions, Wichita, KS	\$15.0 billion
2. Tyson Fresh Meats, Dakota Dunes, SD	\$14.9 billion
3. Smithfield Foods Inc., Smithfield, VA	\$11.4 billion
4. Swift & Co., Greeley, CO	\$9.4 billion
5. Sysco Corp., Houston, TX	\$6.2 billion
6. Hormel Foods, Austin, MN	\$4.6 billion
7T.National Beef Packing Co., Kansas, MO	\$4.0 billion
7T.OSI Group, Aurora, IL	\$4.0 billion
9. Boar's Head Provisions Co., Sarasota, FL	\$2.6 billion
10. Sara Lee Corp., Downers Grove, IL	\$2.5 billion

SOURCE: Meatingplace magazine.

Top Ten Beef Companies

Company	2006 Retail Sales (est.)
1. Tyson Fresh Meats	\$5.24 billion
2. Cargill Meat Solutions	\$4.80 billion
3. Swift & Co.	\$2.55 billion
4. National Beef Packing Co.	\$2.10 billion
5. Smithfield Foods	\$1.22 billion
6. Greater Omaha Packing Co.	\$830 million
7. American Foods Group	\$650 million
8T. Omaha Steaks International	\$100 million
8T. Sam Kane Beef Processors Inc.	\$100 million
8T. Harris Ranch Beef Co.	\$100 million

SOURCE: Meatingplace research.

