

# Take Charge of Your Future

10:30 a.m. session, Tuesday, Dec. 6, 2005

Presenter: Gary Smith, Colorado State University

RAPID CITY, S.D. (Dec. 6, 2005) — “The future of the beef industry is great,” Gary Smith told the nearly 500 beef producers and industry representatives in attendance Tuesday at the 2005 Range Beef Cow Symposium in Rapid City. Smith occupies the Monfort Endowed Chair in Meat Science at Colorado State University (CSU) and focused his remarks on the future of the beef industry.

Smith said he is optimistic beef export markets will open shortly. “We’re going to get our markets back, and we’ll become competitive in the world market again,” he said.

Smith told attendees the trend toward consolidation will continue because of advantages in production costs. Driving this change, he added, is the concentration in the supermarket industry.

In five years the top seven supermarkets will control three-fourths of food sales, Smith predicted. “That’s power, and it means you don’t want to work with very many suppliers.”

Smith said he looks for beef brands to continue to grow in popularity. He cited a prediction that they will represent 60% of industry sales by the end of the decade.

How can producers react to these continuing trends? “The producers who will be successful are those who can reduce costs and maintain or improve quality,” Smith said. To that end, he suggested that, to share in what’s happening in the industry, producers either need to buy a packing plant or join an alliance, partnership or integrated program.

“You need to ask, ‘Where do I fit?’” Smith advised. As examples, he suggested natural beef, “story” beef or regional supermarkets.

“Small-scale cow-calf producers can control their own destiny either by changing genetics and management or by developing markets for their own beef,” he added.

Smith challenged producers to consider starting their own meat marketing business. He shared examples of Oregon Country Beef, Lasater Grasslands Beef and others, saying, “I’m for every one of these programs. Let’s do more to get those who may not eat beef eating more of it and adding value to our products.”



CSU's Gary Smith offered an entrepreneurial charge during Tuesday's opening session of the Range Beef Cow Symposium.  
(PHOTO BY LYNN GORDON)

He also pointed out that no matter where a producer fits in the beef industry, future market access hinges on identification (ID), traceability and source verification. “We must move forward as rapidly as we can with ID. The developing countries will consume 42% more meat by 2030. Let’s be ready,” he concluded.

— by Kindra Gordon, field editor, Angus Productions Inc.  
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