

JULY 1985



FOUNDATION
BEEF MASTER
ASSOCIATION

200 LIVESTOCK EXCHANGE BUILDING
4701 MARION ST.
DENVER, COLORADO 80216

Volume XIII, No. 7

FOUNDATION FACTS

NCA Washington Report For July, 1985

DAIRY DIVERSION PROGRAM

It appears farm policy legislation this year will include a five-point dairy program proposed by the National Milk Producers Federation. The proposed legislation includes another dairy diversion program that would pay dairymen to reduce milk production.

The National Cattlemen's Association is opposed to another dairy diversion program for the same reason it was opposed to the 1984-85 program. It is felt such a program can lead to increased slaughter of dairy cows in competition with beef cows. Beyond that, it is felt that such government programs add to the dairymen's problem rather than solving it.

The last dairy diversion program was a failure in its attempt at reducing milk production and, as expected, it resulted in a large increase in dairy cow slaughter, concentrated early in the program. Dairy cow numbers at the conclusion of the 15-month program increased above previous year levels.

NCA officers and staff specialists in Washington will be watching dairy legislation developments carefully. Every effort will be made to minimize any possible impact on the beef cattle industry. This may, for example, include amendments that would limit the length of the program or limit the time period when dairy cows could be marketed.

TAX REFORM

The President's tax reform proposal will have a significant impact on the cattle industry. While there are certain provisions (such as lower tax rates) that are positive for the industry, there are several measures in the proposal that hit hard at the cow/calf segment of the beef cattle industry.

NCA officials have met, and will continue to meet, with U.S. Treasury officials to discuss concerns of the cattle industry over the administration's tax proposal. NCA's Income and Estate Taxation Subcommittee has examined this and other tax proposals.

Major provisions of the President's tax plan that affect the cattle industry are:

1. Capitalization of pre-productive period expenses. Currently, all expenses of raising replacement heifers are deductible on a cash basis in the year paid. Under the new proposal, ranchers may have to use a form of accrual accounting to account for raising replacement heifers that enter the breeding herd. These costs would have to be capitalized, then amortized (depreciated) over the productive life of the heifer. This would be an accounting nightmare and would increase taxes.

2. Capital gains on breeding livestock. Income from the sale of breeding livestock is now taxed at the lower capital gains rate — maximum of 20%. Under the President's proposal, this

income will be taxed at ordinary income rates — maximum of 35%. The result will be higher taxes.

3. Depreciation. The Accelerated Cost Recovery System, introduced in 1981, classified all personal property as three or five year property. This allowed for earlier write-offs. The recent proposal replaced that system with a "capital cost recovery system" which indexes the cost (basis) for inflation, then allows for depreciation over a standard period depending upon asset "class." Cattle apparently will be depreciated over a six or eight year period — the class is uncertain.

4. Cash basis of accounting. Most farmers can now use the cash method of accounting and may deduct expenses in the year they are paid. Under the new proposal, cattlemen who have less than \$5 million in gross receipts will be able to continue to use cash accounting. Others will have to use accrual accounting.

There are a number of other provisions that will impact agriculture. Of course, the investment tax credit would be repealed. Income averaging would be repealed. Expensing of soil and water conservation costs would be repealed. And, single purpose, special use agricultural buildings — such as confinement feeding buildings — must be depreciated over seven rather than five years.

This and other tax reform proposals are being debated in Congress. It may be the most important Congressional debate of the decade. NCA tax specialist John Ross does not expect a tax bill to be delivered to the President before early 1986.

DIETARY GUIDELINES

After a two-year review by a scientific advisory committee, the 1985 version of the government's "Dietary Guidelines" is on the way to being published. For some time the NCA has encouraged the government to issue consistent, clear guides that show the positive nutritional values of meat.

The original guidelines, issued in 1980, caused controversy, not so much because of the content of the guides, but because of the interpretation by some persons.

The new version, to be published by late summer, does not make any basic changes in the guides, but it contains improved interpretive material. For example, the positive nutritional values of meat are pointed out more clearly.

The previously controversial section on fat continues to recommend against "too much fat, saturated fat and cholesterol," but it also suggests choosing lean meat. It appears that if all government agencies use these guidelines as a basis for diet recommendations, beef and other meats should be identified in a proper nutritional role.

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Editor's Memo's



Even if the weather wasn't hot, we would all welcome the newest little "Snowflake", Vicki Flake, pictured at 5 weeks. She is the 10th addition to Jed and Ruth Flake's family. In addition to Jed's serving as FBA president this year, we hereby name him FBA's "Father of the Year."

Office Roundup

Here in the office we have been busy. June is usually our catch-up time. The time we do all the jobs we put aside during the busy spring months because "they can wait until we get a slow time." Well this year we haven't had a slow time! We had a record number of transactions in June and for the 4th consecutive year, income is ahead of our budget.

Our policy is to have all Certificate & Transfer requests completed and in the mail within 3 working days, providing the applications are filled out completely and accurately. Applications are processed in the order they are received. Please check your application to be sure all information is included and correct. We have had a number of Certificate & Transfers where we simply **could not read the writing**. This causes delay and takes extra time and phone calls or letters. So please write or print as clearly as possible. We don't want to issue Certificates & Transfers with errors and we all know what happens when we ASSUME something!!!

The FBA ranch signs have been selling very well. Those of you who have ordered signs should be receiving them within a few days. Future orders will be shipped faster since the blanks are already manufactured and only need to be personalized.

Mary M. Wilkinson
Executive Secretary



STANDARDIZED SIGN

1. Sign outside measurements: 24" x 30"
2. Scale: 1 in. = 1 ft.
3. Background: PMS 342 (dark green)
4. Red is PMS Warm Red.

In recent months the office has received several requests from members asking for a standard Foundation Beefmaster Association ranch sign.

After a great deal of research and putting the job out for bids we have selected a company who will manufacture and ship a sign direct to our members.

In order to obtain this special low price we must place orders in lots of 25 at a time. The initial order would take two weeks for the master signs and one week to personalize them. If personalized orders are received individually, a one day turn around would be typical.

All signs would have three holes drilled across the top and three across the bottom for mounting. Signs will be made of 24 gauge steel with baked enameled paint. There can be no changes or different colors. The colors being used are those used by FBA in all advertising and logos.

If you would like to order a sign for your ranch please fill out the coupon below and send it with your check to the FBA office. Only member interest will keep this offer available.

I would like to order _____ metal FBA ranch signs at \$50.00 plus \$5.00 for shipping and handling.

Personalization to read as follows (please print or type):

Mail to: Foundation Beefmaster Association
200 Livestock Exchange Building
Denver, Colorado 80216

Name _____

Address _____

Check enclosed for \$ _____

INQUIRIES???

ALABAMA

PF Glen D. Tanner, Rt. 3, Box 325C, Montgomery, AL 36110
 AC Tim Hales, Rt. 1, Box 709, Tuscaloosa, AL 35405

ARKANSAS

PF Powell & Helene Sanders, Rt. 1, Box 67, Cove, AR 71937
 MM Steve Sturm, 4455 Old Wire Rd., Fayetteville, AR 72701
 PF J. L. Ware, P.O. Box 528, Dardanelle, AR 72835

CALIFORNIA

TEL Laura Spencer, 351 Highland Dr., San Luis Obispo, CA 93401

COLORADO

TEL Clyde Nelson, 8373 Weld Cty. Rd. 78, Ft. Collins, CO 80524

FLORIDA

BF C. S. Martin, 608 S. Deque Duff, Clewiston, FL 33440
 TEL Cliff Rose, 6804 Eldorado, Tampa, FL 33615

GEORGIA

PF Robert Left, Rt. 1, Box 50B, Welton, GA 30140
 MM David N. Woods, P.O. Box 252, Zebulon, GA 30295
 PF Jimmie E. Southers, Rt. 1, Box 313, Arnoldsville, GA 30619

KENTUCKY

WLJ Amy Kepley, Rt. 5, Box 11A, Franklin, KY 42134
 PF Edgar Norwood, Rt. 4, Benton, KY 42025

LOUISIANA

PF James R. Gandy, HC 70, Box 92, Marthaville, LA 71450
 PF W. B. Longino, Rt. 3, Box 327, Tushatta, LA 71019

MICHIGAN

BF Brad Hall, P.O. Box 355, Rudyard, MI 49780

MISSISSIPPI

BF Frank Drake, Box 216, West, MS 39192
 PF J. L. Huckabay, Rt. 2, Box 745, Crystal Springs, MS 39059
 PF Leo Brown, Rt. 4, Box 358, McComb, MS 39648

NEBRASKA

BF Rickie Helzer, Rt. 1, Box 193, Cairo, NE 68824
 LMD Lazy E Quarter Circle, Charles D. Foster, HC 13, Box 53, Sparks, NE 69220

NORTH CAROLINA

PF Gary Stallings, Rt. 1, Box 775, Newton, NC 28658

OHIO

MM James Harris, 3311 Rohrer Rd., Wadsworth, OH 44281
 MM Evelyn Hayes, 173 Burton Ave., Akron, Ohio 44302
 MM Margie Crown, 6374 Cypress Ave., Akron, OH 44301

OKLAHOMA

MM Jim Walters, 9625 S. 193rd East Ave., Broken Arrow, OK 74014
 MM Clement E. Ward, 513 Ag. Hall, Oklahoma State University, Stillwater, OK 74078

OREGON

MM Rick & Cindy Peterson, 2475 N.E. 13th, Redmond, OR 97756
 BF Karen Millard, P.O. Box 2144, White City, OR 97503

SOUTH CAROLINA

PF Glen Crowe, Pendleton Oil Mill, P.O. Box 38, Pendleton, SC 29670
 TEL Jerry W. Powell, P.O. Box 95, Heming, SC 29554

SOUTH DAKOTA

NWFU Brian Johnson, Tie Creek Rt., Box 35, Camp Crook, SD 57724

TENNESSEE

PF Van Culver, Rt. 5, Box 379, Ripley, TN 38063

TEXAS

PF Richard Koehn, Rt. 1, Box 415, Moscow, TX 75960
 BF Bill Washington, Box 8, Flomot, TX 79234
 E Susan Schneider, 3904 Woody Lane, Bryan, TX 77803
 PF R. L. McDaniel, 2511 Rosefield, Houston, TX 77080
 PF Gary E. Davis, 1116 SE 3rd St., Mineral Wells, TX 76067
 MM W. E. Haynes, Rt. 1, Box 135, Refugio, TX 78377
 MM Woneta Dobay, 512 Crystal Wood Cr., New Cauey, TX 77357

VIRGINIA

PF A. R. Estes, 35 Groome Rd., Newport News, VA 23601

WEST VIRGINIA

MM Virginia Westfall, Rt. 1, Box 71, Horner, WV 26372

WYOMING

BF Mr. & Mrs. Mark Foster, Star Rt., Box 400, Baggs, WY 82321

FOREIGN

C Antonio F. Martinez M., Lauro Aguirre 438 Norte, Victoria, Tamaulipas 87000 Mexico

PF — Progressive Farmer
 C — Cattleman
 MM — Mail and Miscellaneous
 E — Educational
 LMD — Livestock Market Digest
 WLJ — Western Livestock
 NWFU — Northwest Farm Unit
 TEL — Telephone
 B — Beef
 AC — Alabama Cattleman

NCA Washington Report . . .

Continued from page 1

PUBLIC RANGELANDS BILL

This year the Congress will be required to pass a new public rangelands bill. To prepare for that, policy seminars have been held, government land management agencies have conducted extensive studies, and proposals from all sides of the fence have surfaced.

A draft public rangelands bill is now out in the open. NCA's Public Lands Committee, the Public Lands Council and the National Wool Growers Association are looking carefully at this and any other public lands legislation that may come up in this session of Congress.

The draft bill calls for a permanent extension of the existing grazing fee formula as well as providing discretionary authority for season-end billing. NCA has lobbied hard for retention of the current fee formula which is based on production/ability to pay.

Other provisions call for key riparian management areas to be established where ongoing improvement efforts are insufficient and where special funding is needed. But, the bill would also allow areas to be designated unsuitable for domestic livestock grazing. To lessen the blow to the so-designated producers, a phase-in would be enacted and substitute forage, where available, would be offered.

Advisory councils would be reauthorized, as would the Experimental Stewardship program. The bill also places a moratorium on the sale of wild burros and horses after three years, but would allow the animal adoption program to continue.

CERTIFICATE AND TRANSFER TRANSACTIONS

State	Certs.	Trans.	Total
ALABAMA	9	8	17
ARIZONA	138	138	276
ARKANSAS	3	3	6
CALIFORNIA	26	86	112
COLORADO	17	37	54
FLORIDA	1	1	2
GEORGIA	2	—	2
MISSISSIPPI	13	14	27
MISSOURI	10	11	21
NEVADA	34	76	110
OKLAHOMA	27	15	42
TEXAS	284	297	491
UTAH	21	21	42
WASHINGTON	1	1	2
TOTAL	586	618	1,204



SATELLITE NEWS

Southern Beefmaster Association

4375 Sunshine Drive
Montgomery, Alabama 36116

Dear Fellow Cattleman:

The Southern Beefmaster Association will be sponsoring our first annual seminar, Saturday, August 3, at the Sam Wilson Livestock Arena in Auburn, Alabama.

The Southern Beefmaster Association is a satellite organization of the Foundation Beefmaster Association and is hosting the seminar to share information of great interest to both purebred and commercial cattle breeders.

Dr. Stuart Fowler, Berry College, will speak on crossbreeding with Beefmaster bulls; Dr. Don Ball, Auburn University, will speak on forage production for cattle; Charles Probandt, San Angelo, Texas will discuss the origin of the Beefmaster breed and the FBA philosophy; and Shelby Phillips, Deming, New Mexico will speak on Bull Power: What a commercial cattleman can afford to pay for a bull. Mary Wilkinson, Executive Secretary of the FBA, will be here with Beefmaster literature and displays. Jed Flake, President of FBA, Snowflake, Arizona will also attend. This will be an excellent opportunity

for everyone to meet and talk with them.

There will be Beefmaster cattle available for viewing. At the end of the seminar a 16-20 month old Beefmaster bull will be given away as a door prize. A noon meal will be served. All the day's activities: speakers, lunch, literature, and a chance on the bull are included in a \$5.00 per person registration fee.

Registration will be from 9:00 a.m. to 10:00 a.m. The seminar should conclude by 3:00.

This day will give all cattlemen an excellent opportunity to learn more about the Beefmaster breed and to talk with other cattlemen. I hope to see you in Auburn and hope you will encourage other cattlemen to attend.

For further information regarding the seminar, contact Jim Gowan, (205) 288-3290, 4375 Sunshine Drive, Montgomery, Alabama 36116.

Sincerely,
Jim Gowan
Seminar Chairman

JUST WHAT YOU NEED . . .

FBA has purchased a limited quantity of Dunbrooke big leaguer windbreaker jackets. They are orange nylon with FBA logo and "Beefmasters — The Breed You Need" silk screened across the back. Jackets are available in adult small, medium, and large sizes; and we now have the same jacket available in children's sizes small (6-8), medium (10-12), and large (14-16). Price of the jackets is \$19 each for unlined and \$21 each for flannel lined (plus postage). They are very comfortable and will be an attractive way to advertise. To order, simply fill in the order form below and return it to FBA.

FBA WINDBREAKERS AVAILABLE

I would like to order the FBA orange nylon Dunbrooke big leaguer windbreaker. Please send me the total number of jackets indicated

next to each size: (ADULT) Small _____ Medium _____ Large _____ Ex-Large _____

(CHILDREN) Small (6-8) _____ Medium (10-12) _____ Large (14-16) _____

Please circle one of the following styles: With Flannel lining at \$21.00 ea. or Unlined at \$19.00 ea.

Enclosed is my check for \$ _____ . Note: please add \$1.50 for postage and handling.

Name _____

Address _____ City _____ State _____ Zip _____

REPEAT OFFER

We have made a bulk purchase of "The Lasater Philosophy of Cattle Raising" in a hardback edition to accommodate the many inquiries we receive. If you want to order one and/or several to pass out to new buyers, please fill out this coupon and enclose \$8.00 for each copy to cover postage and handling.

Mail To: Foundation Beefmaster Association
200 Livestock Exchange Building
Denver, Colorado 80216

Please send me _____ copies of "The Lasater Philosophy of Cattle Raising" with hardback cover at \$8.00 each.

Name _____

Address _____

Enclosed Check For \$ _____

Buyer's and Seller's Guide

ARKANSAS:

FOR SALE: 21 yearling heifers, calthood vaccinated.

BRITT BEEFMASTERS

ROY GENE BRITT

Rt. 1, Box 201-A

Okolona, AR 71962

(501) 274-3202

COLORADO:

FOR SALE: 125 head of spring calving purebred cows and heifers.

DARBY CREEK BEEFMASTERS

DON SIMMS, Production, CORY TEMPLEMAN, Marketing

16621 County Road 46, R.R. 2, Box 164A

Sterling, CO 80751

(303) 522-6192 (ranch)

(303) 576-2709 (marketing)

(303) 759-3303 (Denver office)

MISSISSIPPI:

FOR SALE: Good selection of quality performance tested bulls. Very gentle with average 205 day gain on ryegrass 2.77 bls. No creep \$900-\$1300 13-16 months old.

WALLACE BEEFMASTERS

T. J. WALLACE & SONS

Route 4, Box 122

Magnolia, MS 39652

(601) 783-3105

TEXAS:

FOR SALE: 12 head young Beefmaster cows, will calve this Sept.-Oct.; also 19 head young Beefmaster cows to calve Feb.-Mar. 1986.

PYEATT BEEFMASTERS

JOHN B. PYEATT

Route 2, Box 219

Detroit, Texas 75436

(214) 674-5645

FOR SALE: Six bulls 24-26 months. Performance data available. \$800-\$1200. Also four head of mature cows.

KUYKENDALL BEEFMASTERS

DOUG KUYKENDALL

Route 2, Box 188-A-1

Omaha, Texas 75571

(214) 884-2205

DISPERSAL SALE: Ten polled Beefmaster cows. Four baby calves. One 18 month heifer. One 10 month heifer and one herd bull. All for \$10,000. Forced to sell due to ill health.

GLASSCOCK BEEFMASTERS

Route 1, Box 37

Cotulla, TX 78014

(512) 378-5343

UTAH:

FOR SALE: Complete dispersal sale of 27 head of Beefmaster cows.

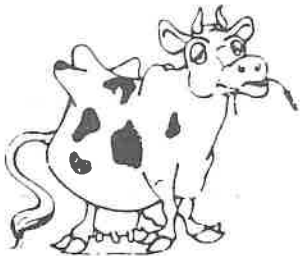
BLACK'S BEEFMASTERS

PHILLIP BLACK

35 No. 500 W.

Lehi, Utah 84043

(801) 768-9257



Advertise

A Big WELCOME to New Members Who Joined In June

COFFEY CATTLE COMPANY

COFFEY CO BEEFMASTERS

W. Lee Coffey, Rep.

P.O. Box 1404

Ardmore, OK 73402

(405) 223-8041

Rendition: 79

Origin: Claude Cage

KELLY CREEK RANCH, INC.

DRAKE DIXON

HC 10, Box 790

Lakeview, Oregon 97630

(503) 947-4457

Rendition: 166

Origin: Lasater/Watkins

D & S BEEFMASTERS

DIANA L. POLLNOW

HC 30, Box 56

McCook, NE 69001

(308) 345-4804 or

(913) 475-2082 (farm)

Rendition: 7

Origin: Darby Creek

CIRCLE  BEEFMASTERS

BETTY & ROBERT JOHNSON

600 E. Cedar, Box C

LeRoy, Illinois 67152

(309) 962-9655

Rendition: 8

Origin: Roy Schoenbeck

MEADOW VIEW FARM BEEFMASTER

PHILLIP F. MOON

Route 4, Box 794

Lanett, AL 36863

(205) 499-2432

Rendition: 4

Origin: Cole Creek Beefmasters



CORRAL OF EVENTS

Saturday, August 3, 1985 — Southern Beefmaster Breeder's Association will hold a Seminar and Field Day in Auburn, Alabama. Look for more information about this event on page 4 inside this issue of *Foundation Facts*.

February 20-23, 1986 — FBA's 14th Annual Convention will be held at La Mansion Hotel in San Antonio, Texas. Start making plans now to attend.

February 15-16, 1986 — E Lazy T will hold its second annual Sale and Field Day at Peppermill Western Village at Mesquite, Nevada. Contact Glenn Haven at 801-628-2200 for information. More details next month.

We have the new video tape "A Plan For Profit" available for purchase. If you want to order one or more to show prospective buyers or for your own use, please fill out this coupon and enclose \$25.00 for each tape.

MAIL TO: Foundation Beefmaster Association
200 Livestock Exchange Building
Denver, Colorado 80216
Telephone: (303) 294-0847

Please send me _____ video tapes entitled "A Plan For Profit" Enclosed Check for \$ _____

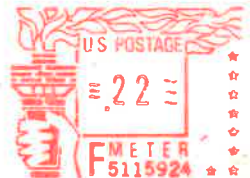
Name _____

Address _____

Please circle correct tape desired: BETA 1 BETA 2 BETA 3 VHS

Foundation Beefmaster Association
200 Livestock Exchange Building
Denver, Colorado 80216
Tele: (303) 294-0847

**BEEFMASTERS
A PLAN FOR
PROFIT**



Ronald & Lanette Ranly
RANLY BEEFMASTERS
Route 2, Box 17
Lott, TX 76656