

Tennessee Market Highlights

UF Extension

July 17, 2009
Number :28

Livestock Comments by Emmitt L. Rawls

The fed cattle trade was very slow getting established this week. With cutout values inching higher early in the week along with some strength in futures gave cattle feeders confidence that steady to higher money would be possible. However, cutout values dropped sharply (1.44 on the Choice) on Thursday and again at midday Friday causing packers to raise bids only to \$82 live and \$130 dressed with little result. Again on a very limited trade, the 5 area weighted average prices thru Thursday were \$83 live and \$129.44 dressed compared to \$81.32 and \$129.38 last week. A year ago live prices averaged \$97.22 with dressed trade at \$154.26. Cutout values Thursday compared to week ago were down .88 on the Choice and \$1.38 on the Select. At midday Friday the Choice cutout was \$136.47 down .17, while the Select was \$130.58 down .33. The Choice Select spread was \$5.89 compared to \$4.89 last week. **Mid-afternoon Friday Texas live prices were \$84; Kansas \$84 live and \$132 dressed; Nebraska \$83 and \$132; and Iowa \$131. Prices were .50 to \$2 higher.** On the Tennessee auctions average receipts per sale were 984 head on 11 sales, 911 on 11 sales last week and 827 on 15 sales a year ago. Prices for feeder steers, bulls and heifers were called \$1 to \$3 lower. Prices on weights over 700 # were called steady to firm. The higher cash trade mid afternoon Friday, the weekly \$1.45 higher Dec. fed futures and 6 cent lower corn should bode well for feeder cattle prices next week. Cows and bulls were called \$1 to \$2 lower on the auctions.

Continued on page 2

Crop comments by Chuck Danehower

Comments are through the close on Thursday, July 16. It has been a mixed week through Thursday, as corn and soybeans are down and cotton and wheat up for the week. This in light of the U.S. Dollar being weaker, Crude Oil up, and the Dow Jones up 7% since last Friday's close. Tennessee, as well as the Midwest received beneficial rains this week contributing to good crop development. Cool weather, however, could lead to concerns of maturation of an already later plant crop. Weather this fall could have market implications. China announced that it will be selling 78.7 million bushels of corn, 27.6 million bushels of wheat, and 18.4 million bushels of soybeans from its reserves. These supplies will be available to processors and end users in China and will most likely curtail imports for the next few months. This is perceived as negative particularly to corn and soybeans, but the actions taken after this announcement will impact the market more so than perceptions and China can be unpredictable. The Dollar traded down a little over 1% from last week at 79.37. Crude Oil rebounded from last week and is up 2.20 a barrel at 62.04 on Thursday. The Dow closed at 8711.82 on Thursday.

Corn:

New Crop: September 2009 futures closed at \$3.17 a bushel on Thursday, down \$.12 bushel from last week. Weekly exports sales were 45.9 million bushels (27.5 mb old crop, 18.4 mb new crop), above expectations. As of July 12, the crop condition ratings for corn were 71% in the good to excellent rating compared to 71% the previous week and 64% a year ago.

Continued on page 2

Slaughter cows: \$1 to \$2 lower

Slaughter bulls: \$1 to \$2 lower

Feeder steers: \$1 to \$3 lower, over 700 lbs. steady to firm

Feeder heifers: \$1 to \$3 lower, over 700 lbs. steady to firm

Fed cattle: Wednesday's index \$101.23

Feeder cattle index: 5 area live price of \$83.00 is up \$1.68 and the dressed price is up \$.06 at \$129.44

Corn: September 2009 futures closed at \$3.17 a bushel on Thursday, down \$.12 bushel from last week

Soybean: August futures closed at \$9.79 bushel, down \$.71 from last week

Wheat: September 2009 futures contract closed at \$5.34 bushel, up \$.15 bushel from last week

Cotton: October Cotton futures closed at 61.58 cents/lb, up 1.19 cents/lb from last week

Livestock Comments by *Emmit L. Rawls*

While animal identification does not seem to be going anywhere fast in the U.S., South Korea is embarking on a plan to require animal identification in that country, and there is the possibility that they may start requiring the same of imported product. Currently animal identification is used almost exclusively for verifying the age of cattle from which beef is shipped to Japan. In addition there will be some elections in Japan which could change the acceptability of U.S. beef. The party not in power at this time did not favor resumption of U. S. Beef. The U.S. is trying to get the party now in power to accept beef under 30 months of age, but should the other party gain control, it could endanger the agreement we currently have. In Japan like the U.S., there has been some recent shift from higher priced cuts to lower priced cuts of beef. Japan used to get about 50 percent of our beef, but only received about 12.25 percent in 2008. Exports are an important part of our market today, but the political aspects of the export markets make for somewhat more uncertain prices in the U.S.

TECHNICALLY SPEAKING: Based on Thursday's closing prices: August fed cattle closed at \$85.60. Support is at \$85.15, then \$84.20. Resistance is at \$86.10, then \$87.05. The RSI is 67.47. October cattle closed at \$91.43. Support is at \$90.68, then \$89.43. Resistance is at \$91.93, then \$93.18. The RSI is 69.79, nearing overbought condition. August feeder cattle closed at \$103.90. Support is at \$103.40, then \$102.30. Resistance is at \$104.50, then \$105.60. The RSI is 65.82. September feeders closed at \$104.07. Support is at \$103.55, then \$102.55. Resistance is at \$104.55, then \$105.55. The RSI is 68.54. Friday's closing prices were: Fed cattle: August \$86.37 +0.77; October \$91.95 +0.52; December \$90.35 +0.40; February \$89.82 +0.65. Feeder cattle: August \$104.60 +0.70; September \$104.72 +0.65; October \$104.57 +0.72; November \$104.50 +0.35. September corn closed up \$0.05 at \$3.22.

Crop comments by *Chuck Danehower*

Yields based on current weather models are indicating that corn yields will be higher than the USDA projection of 153.4 and some analyst are looking for a national average close to 160 bushels per acre. If realized, ending stocks for the next marketing year would be over 2 billion bushels unless significant demand increases surface. Lower prices would spur demand, and if gasoline prices increase then corn usage from ethanol could be higher than currently projected. It is doubtful that we will see increases from feed usage as the livestock industry is struggling. It is estimated that the U.S. needs a reduction of 5%-10% in the swine herd for that industry to get supply /demand in balance. Tyson Foods announced a reduction of 29% in their sow inventory. Today's close was just under the support level of \$3.20 bushel leaving prices vulnerable to a below \$3.00 market. September corn has fallen \$1.37 or 30% in the last 6 weeks on increased acreage and growing conditions. The corn market is considered somewhat oversold with a later crop and a temporary rebound is expected. However, a weaker dollar and stronger crude oil prices will be necessary to assist any movement up. I am currently 40% forward priced and would look at any rallies in the trading channel as an opportunity to either increase forward pricing or use put options.

Deferred: The March 2010 futures contract closed at \$3.39 bushel, down \$.12 from last week.

Cotton:

Nearby: The October Cotton futures closed at 61.58 cents/lb, up 1.19 cents/lb from last week. Weekly exports sales were 133,000 bales (101,400 bales old crop, 31,600 new crop), within range of expectations.

New Crop: The December 09 futures closed at 63.46 cents/lb. up 1.11 cents/lb. from last week. Overall crop condition ratings as of July 12 were 41% good to excellent compared to 42% last week and 46% last year. The drought in Texas continues to lend support to the cotton market. Cotton prices are slowly moving toward the mid 60 cent range which will be necessary for producers to net additional benefits out of the loan program than what is currently offered.

Soybean:

Nearby: August futures closed at \$9.79 bushel, down \$.71 from last week. Weekly exports were 25.1 million bushels (4.9 mb old crop, 20.2 mb new crop), within range of expectations.

New Crop: The November 2009 futures contract closed at \$8.90 bushel, down \$.28 from last week. This is above support of \$8.82 bushel. A close below this support could trigger a downward move to the sub \$8.00 bushel range. As of July 12, crop conditions have the crop rated at 66% good to excellent compared to 66% last week and 59% in 2008. New crop export sales already total 227 million bushels which exceeds the amount on September 1 for 7 out of the last 11 years. China accounts for 53% of this total. The crop still has August to go before it is made so recent declines appear to be oversold for this time of year and the lateness of the crop. The soybean market will also need outside influences for a rally to develop. I am currently 50% forward priced with another 10% priced with put options. When to price additional bushels will depend on a producer's current level of pricing. Producers priced 40% or greater probably can wait and watch to see if the market will move back to the \$9.75 - \$9.90 range before taking action. Those with little priced might want to consider pricing a portion of their crop if the market drops below the \$8.82 level of support.

Wheat:

Nearby: The September 2009 futures contract closed at \$5.34 bushel, up \$.15 bushel from last week. Weekly exports were 15.5 million bushels, about expected but short of the pace needed to reach USDA export projection. There is some speculation that the wheat market has put in its harvest low, but any long term rallies need evidence of sustained demand.

Deferred: The December 2009 futures contract closed at \$5.60 bushel, up \$.15 for the week. The July 2010 futures closed at \$5.99 bushel on Thursday, up \$0.15 bushel from last week. Producers who know they will have wheat in 2010 should start exploring pricing for that crop. Some elevators will price 2010 wheat now while others may have pricing strategies that can be employed. If pricing is available, I would look at pricing 5% of anticipated production at the \$6.00 range.

PRICES ON 11 TENNESSEE REPORTED LIVESTOCK AUCTIONS (\$/cwt)

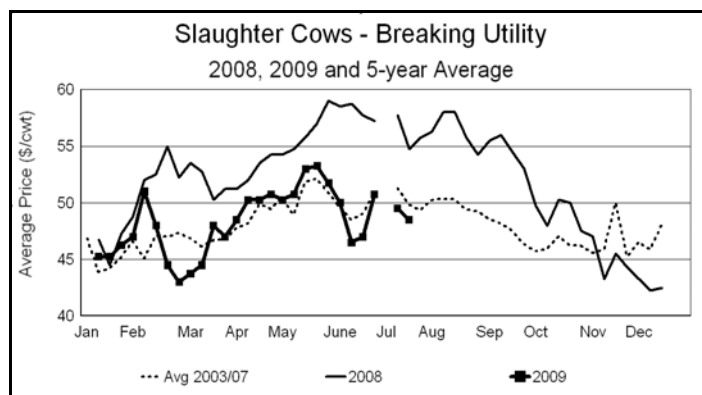
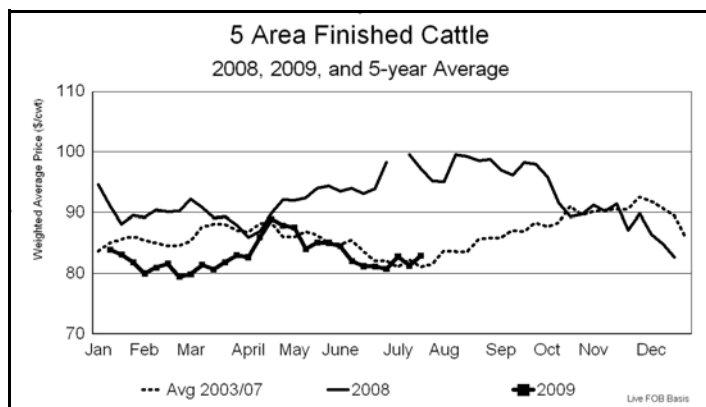
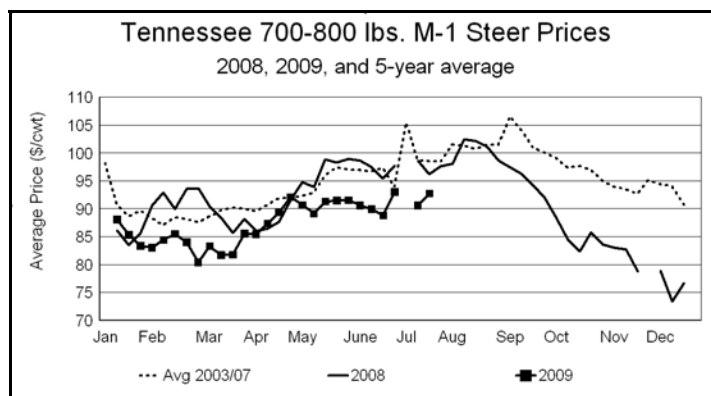
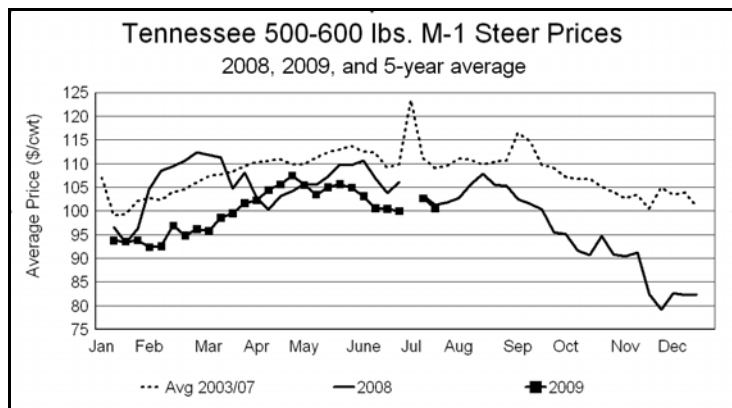
July 17, 2009

	This Week Low	This Week High	This Week Weighted Average	Last Week Weighted Average	Year Ago Weighted Average
<u>Steers: Medium/Large Frame #1-2</u>					
300-400 lbs.	97.00	130.00	112.44	123.14	108.21
400-500 lbs.	93.00	118.00	106.18	108.77	105.04
500-600 lbs.	90.00	109.00	100.54	102.66	101.31
600-700 lbs.	85.00	106.50	96.59	97.85	98.93
700-800 lbs	84.00	99.00	92.73	90.62	96.17
<u>Steers: Small Frame #1-2</u>					
300-400 lbs.	90.00	104.00	98.22	93.36	89.98
400-500 lbs.	79.00	99.00	91.07	93.08	81.63
500-600 lbs.	82.00	85.00	83.39	-----	81.31
600-700 lbs.	75.00	75.00	75.00	91.00	77.33
<u>Steers: Medium/Large Frame #3</u>					
300-400 lbs.	87.00	108.00	98.90	103.58	98.67
400-500 lbs.	84.00	104.00	94.80	97.99	94.48
500-600 lbs.	82.00	100.00	91.94	95.22	90.66
600-700 lbs.	75.50	96.00	86.85	90.04	85.80
700-800 lbs.	71.00	93.00	83.86	87.55	80.16
<u>Holstein Steer</u>					
300-400 lbs.	67.00	71.00	69.10	63.00	69.00
500-600 lbs.	53.00	67.00	61.71	65.12	65.91
700-800 lbs.	-----	-----	-----	63.00	58.50
<u>Slaughter Cows</u>					
Breaking Utility	43.50	53.50	48.50	49.50	54.75
Cutter & Boning	42.00	51.00	46.50	49.25	55.00
Canner	32.50	47.00	39.75	41.00	47.25
Bull YG 1-2	57.00	66.00	61.50	61.00	71.25
<u>Heifers: Medium/Large Frame #1-2</u>					
300-400 lbs.	85.50	108.00	97.47	99.96	96.94
400-500 lbs.	85.00	103.00	93.14	93.96	95.88
500-600 lbs.	80.00	96.75	89.49	91.31	92.31
600-700 lbs.	73.50	95.00	85.77	88.35	88.21
<u>Heifers: Small Frame #1</u>					
300-400 lbs.	77.00	82.00	79.51	78.59	79.26
400-500 lbs.	72.00	88.00	81.48	81.02	81.70
500-600 lbs.	65.00	88.00	77.67	77.75	78.03
600-700 lbs.	73.00	76.50	74.47	81.00	68.47
<u>Heifers: Medium/Large Frame #3</u>					
300-400 lbs.	76.00	98.00	87.65	87.94	88.00
400-500 lbs.	71.00	92.00	84.75	85.82	85.77
500-600 lbs	70.00	90.00	84.75	84.20	84.08
600-700 lbs.	70.00	87.00	80.19	83.40	81.97

Cattle Receipts: This week: (11) 10,821

Week ago: (11) 10,025

Year ago: (15) 12,400



Average Daily Slaughter (number of head)

	This week (4 days)	Last week (3 days)	Year ago (4 days)	This week as percentage of Week ago (%)	Year ago (%)
Hogs	391,750	391,750	415,500	100%	94%
Cattle	123,500	123,750	124,500	100%	99%

USDA Box Beef Cutout Value (\$/cwt)

	Thursday	Week ago	Year ago	Change from week ago	Change from year ago
Choice 1 - 3					
600-900 #	136.64	137.52	169.67	-0.88	-33.03
Select 1 - 3					
600-990 #	130.91	132.29	161.34	-1.38	-30.43

FUTURES SETTLEMENT PRICES
Crops & Livestock
Friday, July 10, 2009 - Thursday, July 16, 2009

Commodity	Contract Month	Fri. 10	Mon 13	Tues 14	Wed. 15	Thurs. 16
Soybeans (\$/bu)	Jul	11.28	10.91	-----	-----	-----
	Aug	10.45	10.18	10.35	10.20	9.76
	Sep	9.72	9.55	9.64	9.50	9.16
	Nov	9.17	9.11	9.18	9.04	8.90
	Jan	9.25	9.19	9.26	9.12	8.98
	Mar	9.29	9.22	9.30	9.16	9.04
Corn (\$/bu)	Jul	3.45	3.59	-----	-----	-----
	Sep	3.28	3.32	3.39	3.29	3.17
	Dec	3.38	3.39	3.46	3.37	3.25
	Mar	3.51	3.52	3.59	3.51	3.39
	May	3.60	3.61	3.68	3.60	3.49
	Jul	3.69	3.70	3.77	3.69	3.58
Wheat (\$/bu)	Jul	4.92	5.16	-----	-----	-----
	Sep	4.19	5.43	5.30	5.35	5.33
	Dec	5.45	5.69	5.57	5.61	5.59
	Mar	5.63	5.87	5.75	5.79	5.77
	May	5.74	5.98	5.86	5.90	5.88
Soybean Meal 0(\$/ton)	Jul	372	359	-----	-----	-----
	Aug	345	332	334	326	309
	Sep	321	310	311	302	288
	Oct	296	289	289	281	273
	Dec	289	283	283	275	269
	Jan	285	278	279	272	267
Cotton ¢/lb)	Jul	60.39	-----	-----	-----	-----
	Oct	62.45	60.96	61.59	61.39	61.58
	Dec	64.70	62.66	63.38	63.19	63.46
	Mar	65.94	64.67	65.50	65.33	65.49
	May	67.06	65.79	66.54	66.48	66.80
Choice Fed Cattle (\$/cwt)	Aug	83.47	84.77	85.05	84.92	85.60
	Oct	88.65	90.25	90.12	90.27	91.42
	Dec	88.90	90.22	90.05	89.95	89.95
	Feb	88.70	89.67	89.37	88.95	89.17
	Apr	89.80	90.55	90.20	90.15	90.42
Feeder Cattle (\$/cwt)	Aug	102.92	103.80	103.12	103.05	103.90
	Sep	103.22	104.22	103.35	103.20	104.07
	Oct	103.22	104.30	103.55	103.10	103.85
	Nov	103.50	104.25	103.55	103.22	104.15
	Jan	101.90	102.40	101.80	101.70	102.50
Market Hogs (\$/cwt)	Jul	60.15	59.50	58.70	58.45	-----
	Aug	63.60	63.00	63.60	64.02	65.22
	Oct	58.65	58.80	58.95	59.10	60.47
	Dec	57.95	57.15	57.57	58.30	58.95
	Feb	63.80	62.75	63.40	63.95	64.25

Milk Futures, Thursday , July 16, CME Futures

Month	Class III Close	Class IV Close
August	15.99	10.28
September	15.99	10.51
October	15.379	10.79
November	15.74	11.03
December	15.84	11.43

EAST TENNESSEE LIVESTOCK CENTER JULY 15, 2009

1 load out of 95 heifers, est. wt. 565 lbs., range 500 to 625 lbs., \$.04 slide up if over 566 lbs., 85% M-1, 15% M -2, med flesh, 50% Black & BWF, 25% ChaX & Smoky, 25% Red, wormed, weighed on ground, selling with 2% shrink. Price: \$95.70

HARDIN COUNTY STOCKYARD JULY 15, 2009

75 head of heifers, 618 lbs., \$98.25

141 head of heifers, 670 lbs. \$93.50

KNOXVILLE LIVESTOCK CENTER JULY 15, 2009

51 head of steers, 960 lbs., \$91.85

77 head of heifers, 649 lbs., \$96.60

MID-SOUTH LIVESTOCK, UNIONVILLE, JULY 13, 2009

58 head of steers, 880 lbs., \$95.65

Nashville, TN Wednesday, July 15, 2009 USDA-TN Dept Market News**Tennessee Video Board Sale and Graded Sale****07/14/09 Fayetteville (TLP)****Receipts: 1110 (651 Graded and Grouped)**

Steers & Bulls: Med & Lg 1-2	Heifers: Med & Lg 1-2
400-500 lbs 90.00-98.50	400-500 lbs 84.00-89.50
500-600 lbs 85.00-98.50	500-600 lbs 85.00-91.25
600-700 lbs 84.00-98.00	600-700 lbs 84.00-90.00
700-800 lbs 95.00-96.75	700-800 lbs 83.00-91.00

07/13/2009 Cookeville**Receipts: 1541 Blk, Bwf and Char X**

Steers: Med & Lg 1	Heifers: Med & Lg 1
300-395 lbs 107.00-108.00	300-395 lbs -----
400-475 lbs 99.50-108.00	400-475 lbs 93.00-93.50
480-550 lbs 103.00-105.00	480-550 lbs 93.25-93.75
555-625 lbs 101.75-104.90	555-625 lbs 88.75-92.00
630-700 lbs 93.25-97.10	630-700 lbs 86.10-88.10
705-775 lbs 93.10-93.25	705-775 lbs 86.10-86.60
780-850 lbs 91.00-93.25	780-850 lbs 85.25-86.00

Steers: Med & Lg 2	Heifers: Med & Lg 2
300-395 lbs 96.00-105.00	300-395 lbs 91.50-92.50
400-475 lbs 102.00-105.00	400-475 lbs 90.50-93.00
480-550 lbs 102.25-102.75	480-550 lbs 87.25-92.50
555-625 lbs 99.00-100.00	555-625 lbs 81.75-94.00
630-700 lbs 90.00-95.10	630-700 lbs 84.00-85.60
705-775 lbs 93.00-96.25	705-775 lbs 85.50-92.50
780-850 lbs 91.75-93.50	780-850 lbs 80.00-87.75
855-950 lbs 87.50	

Nashville, TN Monday, July 13, 2009 USDA/TDA Dept Ag Market News

Tennessee Sheep and Goat Auction

Tennessee Livestock Producers Graded Goat and Sheep Sale.

Columbia TN, July 10, 2009

Receipts: 942 (608 Goats; 334 Sheep) Last Sale 1745

Next Sale July 24, 2009, Second and fourth Friday of each month.

Goats sold per hundred weight (cwt) unless otherwise noted, weights, actual or estimated.

Slaughter Classes:

Kids

Selection 1

25-35 lbs few 92.00-105.00

36-50 lbs 110.50-115.50
51-65 lbs 126.75-129.50
66-80 lbs 116.50-125.00
81-100 lbs -----

Selection 2

25-35 lbs 90.00-96.00
36-50 lbs 108.25-109.25
51-65 lbs 117.75-120.50
66-80 lbs 112.00
81-100 lbs -----

Selection 3

26-35 lbs 82.50-90.00
36-50 lbs 92.50-100.00
51-65 lbs 102.00-104.00
66-80 lbs -----
76-85 lbs -----

Yearlings Selection 2-3

65-73 lbs 100.00-107.50
83-93 lbs 90.50-93.00

Slaughter Bucks/Billies

All Wgts 62.50-77.75

Slaughter Nannies/Does

All Wgts 44.50-59.00, mostly 50.00-55.00

Kids; Feeders Selection 3

23-44 lbs 70.00-73.75

SHEEP

Slaughter Lambs-Includes all breeds, sold per hundred weight (cwt).

Choice and Prime 20-40 lbs -----

Choice and Prime 40-60 lbs 85.00-91.50

Good 76.50-85.00
Choice and Prime 61-80 lbs 85.00-117.00, mostly 85.00-92.00
Good 82.00-85.00
Choice and Prime 81-100 lbs 88.00-100.50
Good -----
Choice and Prime 101-120 lbs few 110.00-114.00

Slaughter Ewes Utility and Good

All Wgts 37.00-47.00

Slaughter Rams:

All Wgts 58.00

Tennessee Dept of Ag-USDA Market News, Nashville, TN

Lewis Langell, OIC (615) 837-5164

www.ams.usda.gov/mnreports/nv_ls320.txt

****The following news summary is from the National Livestock Producers Association****

For more information please go to www.NLPA.org

Senate Panel's USDA Spending Bill Doesn't Cut Off NAIS Funding (Livestock Marketing Assn., 7/14) -- The Senate Appropriations Committee Tuesday passed a \$124.5 billion, fiscal 2010 USDA funding bill that does not cut off spending for the National Animal Identification System. The House USDA appropriations bill eliminates any funding for NAIS for FY2010. However, Sen. Jon Tester (D-Mont.) said he was working on an animal ID amendment, similar to the House provision, that he may bring up when the spending bill goes to the Senate floor.

Subcommittee Reviews Economic Conditions Facing the Dairy Industry (House Committee on Agriculture, 7/14) -- The House Agriculture Subcommittee on Livestock, Dairy, and Poultry held a hearing to review the economic conditions facing the dairy industry. Representative David Scott of Georgia is Chairman of the Subcommittee.

“This hearing was the first of several in the coming weeks on the economic situation facing the dairy industry, and there will be ample opportunities to hear additional perspectives as we continue this process,” said Chairman Scott. “We were able to develop a timely snap shot of the problems that are facing our domestic dairy industry and some of the solutions available. But it has also raised some very good questions for further consideration. I do think there is consensus however that we must act both in the short term and the long term to provide some relief to our beleaguered dairy industry. So we will continue to examine the economic struggles of this industry and I look forward to our continued discussions with our subcommittee, producers and processors.”

Johanns Requests Cap-and-Trade Impact Analysis From USDA (www.Johanns.Senate.gov, 7/14) -- Senator Mike Johanns today sent a letter to U.S. Secretary of Agriculture Tom Vilsack requesting analysis of the cost of cap-and-trade legislation for agricultural producers organized by commodity and by state. He also requested that this analysis be included in any testimony the U.S. Department of Agriculture (USDA) presents to the U.S. Senate next week.

E-Verify Update (National Meat Assn., 7/13) -- Earlier last week, the Obama Administration announced that it will move forward with a Bush Administration regulation awarding federal contracts only to employers who use E-Verify to check employee work authorization. The regulation is set to go into effect on September 8, 2009. As a result, companies currently doing business or hoping to after September 8, should enroll in E-Verify. Enrolling now, will help businesses become familiar with the program and prevent damaging errors in the rush to comply by September 8. More information can be found at www.iandcsolutions.com/uploaded/file/NewFederalContractorRequirement.pdf.

Sheep Producers Can Apply for Livestock Indemnity Payments (High Plains Journal, 7/6) -- The long-awaited details of the first livestock indemnity program to assist sheep producers who have had death losses in excess of the normal mortality due to adverse weather were released today. The rule will be effective July 13. The U.S. Department of Agriculture's Farm Service Agency announced in the Federal Register the specific requirements for the Livestock Indemnity Program. LIP provides disaster assistance for producers with livestock losses in excess of normal mortality due to adverse weather such as hurricanes, floods, blizzards, disease, wildfires, extreme heat and extreme cold. Losses must have occurred on or after Jan. 1, 2008, and before Oct. 1, 2011.

Hearing Held on Livestock Antibiotic Bill (Pork, 7/13) -- Monday, the House Rules Committee held a hearing on the "Preservation of Antibiotics for Medical Treatment Act of 2009" (H.R. 1549), which would ban certain animal health products from use in livestock. The bill – and a companion measure (S. 619) in the Senate – calls for all "critical antimicrobial animal drugs" to go through another U.S. Food and Drug Administration approval process within two years of enactment of the legislation.

USCA Lauds House Action to Block Funding for NBAF (U.S. Cattlemen's Assn., 7/9) -- An appropriations bill passed by the U.S. House of Representatives on Wednesday, June 24 stripped \$36 million sought by the Department of Homeland Security for the first phase of construction of a National Bio and Agro Defense Facility on the mainland. The facility, to be constructed in Manhattan, KS, is intended to replace the Plum Island Disease Center off the coast of New York State.

Harkin, Chambliss Announce Senate Agriculture Subcommittee Membership for 111th Congress (U.S. Senate Committee for Agriculture, 7/13) – U.S. Senators Tom Harkin (D-IA) and Saxby Chambliss (R-GA), Chairman and Ranking Member of the Senate Committee on Agriculture, Nutrition and Forestry, today announced subcommittee chair, ranking member and membership positions for the 111th Congress.

Livestock Initiative Headed to Ohio's Nov. Ballot (Brownfield, 7/14) -- A resolution passed by the Ohio House 83-16 and the Ohio Senate 31-1 on Monday, July 13 places a livestock care initiative on the ballot in Ohio this November. Joe Cornely with the Ohio Farm Bureau tells Brownfield getting the initiative on the ballot is just the first hurdle.

"And now comes the campaign," says Cornely. "And there will be an official campaign to go to the public to talk to them about livestock care, what this Standards Board means to them as consumers, as pet owners, as animal operators, this is just the first step, we've got a long row to hoe before November."

Canada Backs Livestock Tracing (Calgary Herald, 7/11) -- Canada's agriculture ministers have committed to a mandatory national traceability system for livestock and poultry by 2011. The move, approved at meetings in Ontario, is essential to realize gains in offshore markets, said Joe Makowecki, Chairman of the Alberta Livestock and Meat Agency. Traceability is fast becoming a required practice. Alberta is implementing a system that traces an animal or animal product all the way from birth to slaughter.

Brazil Beef Group JBS Cuts More Than 700 Jobs (Reuters, 7/14) -- Brazil's JBS SA, the world's largest beef processor, said on Tuesday it had laid off 742 workers from three plants located in Sao Paulo state. The layoffs are part of "a continuous drive for efficiency and factory modernization," the company said in an e-mail, denying they were due to falling export demand or closing of facilities.

South Korea Mandates Full Beef Tracing System (Meat Trade News Daily, 7/11) -- South Korea intends to impose a beef tracing system on imported beef, effective Dec. 21, 2010, Jung Ho Lee, South Korea's ag minister, said this week. South Korea imposed a beef tracing system on its domestic beef June 22, and U.S. beef industry officials expressed concern that a similar system would be demanded of imported beef. The full details of South Korea's domestic tracing system aren't yet public, but it requires all cattle to have proper ID, and be tagged and registered with a central data system to be eligible for slaughter. The goal is to track beef from the consumer to the cattle's place of birth.

CWT Announces Second Herd Retirement of 2009 (DairyLea, 7/15) -- Cooperatives Working Together (CWT) announced today that it will conduct its second herd retirement program of 2009. In order to have a more immediate impact, CWT is shortening the time frame for producers to submit bids. Bids must be postmarked by July 24. To further expedite the bidding process, CWT will consider bids up to, but not to exceed \$5.25 per hundredweight. There is no guarantee that a producer who bids at the maximum level will be selected. CWT is again reinstating the rule that members whose herds have been retired previously are not allowed to bid again. All producers submitting bids must be members of CWT, either through their membership or in a fully-participating cooperative, which DairyLea and DFA are. For more information, a bid application and a bid calculator, visit

www.cwt.coop.

Nebraska BQA to Hold First Internet Auction (Cattlemen's Beef Board, 7/14) -- The Nebraska Cattlemen's Beef Quality Assurance (NC-BQA) program, which is funded in part by the beef checkoff, is proud to announce the first ever Internet Video Cattle Auction. The auction will be held Aug. 18 at the North Platte Livestock Market in North Platte, Neb. Cattle being offered on this auction will come from BQA-certified producers.

AFBF: Climate Bill Embarks on a Fool's Errand (American Farm Bureau Federation, 7/14) -- American Farm Bureau Federation President Bob Stallman today said that the House-passed climate legislation will have little to no impact on global temperatures. Testifying before the Senate Committee on Environment and Public Works, Stallman said without the adoption of similar actions by other countries, the U.S. "will be embarking on a fool's errand."

Nebraska Officials Urge USDA To Compensate Rancher (CattleNetwork, 7/14) -- Nebraska's congressional delegation wants the U.S. Department of Agriculture to compensate a rancher who must slaughter his herd of cattle to help control bovine tuberculosis. All five of the state's U.S. senators and representatives signed a letter sent Tuesday to Agriculture Secretary Tom Vilsack, saying they are concerned the USDA has not yet provided aid to pay for the cost of slaughtering the herd where the disease was found.

Tyson, Smithfield Closed Pork Plants Monday (Pork Alert, 7/14) -- Officials at Smithfield Foods and Tyson Foods will shut down the companies pork plants today citing low margins and tight hog supplies. Reuters' news service reports that Smithfield's pork plants in Sioux City, Iowa, and Sioux Falls, S.D., as well as Tyson's Columbus Junction, Iowa, pork plant will close for the day. Combined, those plants account for about 10 percent of the daily U.S. hog slaughter. Tyson officials noted further that some of the company's other pork slaughter facilities will operate at reduced levels this week. According to Reuters Smithfield officials declined comment on its daily plant operations.

Smithfield CEO Gets \$1.8M In Compensation In 2009 (CattleNetwork, 7/9) -- Smithfield Foods Inc. CEO C. Larry Pope received compensation valued at \$1.8 million for fiscal 2009, 49 percent less than the year before, according to a Securities and Exchange Commission filing Thursday. Pope has been president and CEO of the nation's largest pork processor since September 2006. He received compensation valued at \$3.56 million in fiscal 2008.

Veal Promotion Exceeding Expectations (Cattlemen's Beef Board, 7/13) -- The checkoff's Veal Made Easy.com Sweepstakes initiative at retail generated more than 390,000 entries at more than 1,600 retail stores nationwide, as part of the roll out of Vealmadeeasy.com. Retailers are using new downloadable point-of-sale materials, logos and new recipes to support their veal marketing efforts. Several veal packers are working directly with state and national checkoff representatives to showcase the new checkoff-funded Web site.

NM: Recession Drying Up Dairy Industry (New Mexico Business Weekly, 6/26) -- For the past 20 years, the dairy industry has helped fuel New Mexico's economic growth. The industry has experienced a steady expansion, growing from 65,000 cows to 350,000 in that time and making New Mexico the seventh-largest milk-producing state in the nation. But trouble lies ahead. Challenges have arisen in the past two years that are wreaking havoc with the dairy industry nationwide and in New Mexico. In early June, the Stepping Stone Dairy in Portales filed for Chapter 7 bankruptcy liquidation, citing \$89,000 in assets and \$3.2 million in liabilities. Experts say more dairy bankruptcies are likely to follow in New Mexico.

Tyson Reducing Sow Herd Over the Next 10 Weeks (Meatingplace, 7/15) -- Tyson Foods is selling five hog farms and eliminating 76 jobs, a move that will reduce its sow herd by 20,000 head, company spokesman Gary Mickelson confirmed to Meatingplace. Tyson will sell five company-owned hog farms in Benton and Washington Counties in Arkansas, and McDonald County in Missouri. The move will leave the company with an inventory of 50,000 sows.

New Humane Group Distances Itself From HSUS (CattleTrader, 7/13)-- LocalHumane (www.localhumane.org) is a new group that has formed to clarify a few common misconceptions held by the public at large about HSUS and its relation to local humane societies. The site claims: "We are a small group of animal welfare leaders, donors and grassroots marketing professionals that share a common vision of educating people about animal welfare."

Schwarzenegger Comment Draws HSUS Criticism (Feedstuffs, 7/1) -- California Gov. Arnold Schwarzenegger has questioned the state legislature on its debate of tail docking issue when a major budget crisis looms for the state. "I think that this is inexcusable. How do they explain this to the people of California? That in the midst of the biggest budget crisis, we're having a debate about cow tails. Stop debating about Cow Tails and let's do this budget," said Schwarzenegger. "...in panning this legislation, he's not helping California make tough choices – he's just acting like a demagogue and a bully." said Pacelle.

Emmit Rawls
Professor
Agricultural Economics

Chuck Danehower
Extension Area Specialist
Farm Management

University of Tennessee Extension
Department of Agricultural Economics
314 Morgan Hall • 2621 Morgan Circle
1-800-345-0561- for up to date market news

<http://economics.ag.utk.edu/>
<http://www.tnbeefcattleinitiative.org/curmkt.htm>

USDA / Tennessee Department of Agriculture Market News Service
<http://picknproducts.org/producer/marketreport.html>