

Tennessee Market Highlights

UF Extension

July 24, 2009
Number :29

Livestock Comments by Emmitt L. Rawls

The fed cattle trade developed in the W. Corn Belt on Thursday with most of the trade at \$132 to \$133 dressed. Business was light in the S. Plains at \$83, \$1 lower than late Friday a week ago. Packers have been successful at raising wholesale prices, but futures prices have not helped cattle

feeders in getting steady to higher prices this week. The 5 area weighted average prices thru Thursday were \$83.38 live and \$134.21 dressed, compared to \$83 and \$129.44 a week ago. There was late Friday trade in the South last week at \$84. A year ago the average prices were \$95.15 live and \$151.08 dressed. Asking prices at midday Friday were \$84 and \$134. Cutout values Thursday compared to a week ago were up \$6.41 on the Choice and up \$5.83 on the Select. At midday Friday the Choice was \$142.89 down .16 while the Select was \$136.71 down .03. The Choice Select spread was \$6.18 compared to \$5.89 a week ago. On the Tennessee auctions this week the feeder steers and bulls were called steady to \$4 higher, with feeder heifers \$1 to \$3 higher. Slaughter bulls were \$2 lower and cows were steady. Average receipts per sale were 833 head on 11 sales this week, 911 on 11 sales last week and 600 on 16 sales a year ago.

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Crop comments by Chuck Danehower

The corn, cotton, and wheat markets ended the week down with soybeans mixed. The Dow Jones Industrial Average had another good week, up 3.7% for the week before the close on Friday. The Dollar weakened from last week at 78.89, down .62 before the close. Crude Oil is again up for the week 5.55 a barrel or 8.6% trading at 70.13 a barrel before the close. Outside influences have been positive for commodities, but the market this week appears to be trading fundamentals which have reflected good growing conditions. Do not let the market get away from you because you have not adjusted your price expectations to reflect current conditions. Prices at harvest most likely will be lower than current levels.

Corn:

New Crop: September 2009 futures closed at \$3.16 a bushel on Friday, down \$.06 bushel from last week. Weekly exports sales were 52.5 million bushels (29.8 mb old crop, 22.7 mb new crop), above expectations. As of July 19, the crop condition ratings for corn were 71% in the good to excellent rating compared to 71% the previous week and 65% a year ago. The NASS announcement that Illinois, Indiana, Kentucky, Missouri, North Dakota, Ohio, and Pennsylvania will be resurveyed as to their corn acreage gave spark to the market on Thursday. This will be reflected in the August 12 USDA report. As important will be the yield estimates in that report as it is widely expected that USDA will raise the average yield. A higher yield will continue to put downward pressure on the market.

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Slaughter cows: mostly steady

Slaughter bulls: \$2 lower

Feeder steers: steady to \$4 higher

Feeder heifers: \$1 to \$3 higher

Fed cattle: 5 area live price of \$83.38 is up \$.38 and the dressed price is up \$2.77 at \$132.21

Feeder cattle index: Wednesday's index \$101.20

Corn: September 2009 futures closed at \$3.16 a bushel on Friday, down \$.06 bushel from last week

Soybean: August futures closed at \$10.21 bushel, up \$.12 from last week

Wheat: September 2009 futures contract closed at \$5.16 bushel, down \$.26 bushel from last week

Cotton: October Cotton futures closed at 57.39 cents/lb, down 4.71cents/lb from last week

Livestock Comments by *Emmit L. Rawls*

There was a bit of wait and see this week with two important reports coming out Friday afternoon. Both are expected to indicate smaller numbers both in the nation's cattle herd as well as in the larger feedlots (over 1,000 head capacity). Market reaction on Monday will depend on how the actual numbers relate to the expectations of the trade. Average trade estimates for the cattle inventory are for all cattle and calves to be down 1.7% ; beef cows down 2%; beef replacement heifers down 2.2%; non replacement heifers over 500 lbs. down 1.2%; steers over 500 lbs. down 1.5%; calves under 500 lbs. down 1.4% and the 2009 calf crop down 1.5%. Trade estimates for the cattle on feed July 1 are for them to be down 4.8%; Placed on feed in June down 7.1% and fed cattle marketed in June down .6%. **Today's cattle on feed report indicated the cattle on feed July 1 were down 5%, marketings in June up 1% and placements on feed in June were down 8%. The report should be neutral to slightly bullish for the nearby months as it appears feedlots are current. As can be seen the report is very close to trade estimates. The report also indicated that steers on feed were down 7% from a year ago, while heifers on feed were only down 3%. This could be an early indication that some herds reduced due to drought, etc. are considering restocking, or that those who buy, develop and market replacement heifers are preparing for a surge in demand for those heifers. This was the second lowest June placement and June marketing number since 1996. The cattle inventory report was not as favorable as the on feed report. It reported the total cattle herd to be down 1% with beef cows down 1% and beef replacement heifers down 2%. Non replacement heifers over 500 lbs. were reported down 1%, while steers over 500 lbs. were down 2 percent. All calves under 500 lbs. were down 1 % and the 2009 calf crop was estimated to be 1 % smaller than 2008. The inventory report is normally not a market mover, but since it was less positive for prices than the trade estimates, it could offset the slightly bullish cattle on feed report. With ample grass in much of the country, those who had previously reduced herds due to drought may be restocking even though returns are not favorable due to higher cost of production and feeder cattle prices near year ago.**

TECHNICALLY SPEAKING: Based on Thursday's closing prices. August fed cattle closed at \$85.03. Support is at \$84.57, then \$83.27. Resistance is at \$85.87, then \$87.17. The RSI is 52.22. October cattle closed at \$89.80. Support is at \$89.32, then \$87.95. Resistance is at \$90.70, then \$92.07. The RSI is 47.51. August feeder cattle closed at \$103.13. Support is at \$102.78, then \$102.08. Resistance is at \$103.48, then \$104.14. The RSI is 53.70. September feeders closed at \$102.75. Support is at \$102.52, then \$101.85. Resistance is at \$103.20, then \$103.88. The RSI is 50.47. Friday's closing prices were for August fed cattle \$84.52 down .50; October \$89.75 down .35; December \$89.50 down .42. Feeder cattle - August \$102.55 up .17; September \$102.35 up .25; October \$102.75 up .30. September corn \$3.16 down 10 & 3/4. The corn market rallied 19 cents on Thursday following a late Wednesday report that the National Agricultural Statistics Service was going to take another look at the planted acres in several states in the Eastern Corn Belt and surrounding states. The market on Thursday reacted to the possible reduction in planted acres when the August crop report comes out at 8:30 a.m. EDT on August 12. As indicated above the corn market gave back nearly 11 cents of that move on Friday. Feeder cattle futures have been sensitive to the moves in the corn market this week.

Crop comments by *Chuck Danehower*

This uncertainty in the market due to the resurvey is an opportunity to price corn. There are levels of support in the \$3.12 - \$3.20 range with resistance at \$3.36. The market is somewhat oversold, but a big crop could bring below \$3.00 bushel prices. Producers with little to no corn priced should look at pricing at current levels and add to it if the market moves into the \$3.30 - \$3.50 range. I am currently 40% forward priced and would look at adding to it in the \$3.30 - \$3.50 range. Crude oil will have to continue to strength, the U.S. dollar weaken, and probably a continued strong stock market for corn prices to rally.

Deferred: The March 2010 futures contract closed at \$3.41 bushel, down \$.05 from last week.

Cotton:

Nearby: The October Cotton futures closed at 57.39 cents/lb, down 4.71cents/lb from last week. Weekly exports sales were 68,700 bales (17,200 bales old crop, 51,500 bales new crop), within range of expectations, but dismal.

New Crop: The December 09 futures closed at 59.61 cents/lb. down 4.45 cents/lb. from last week. Cotton is currently trading at its level of support with resistance in the 62-63 cent range. Overall crop condition ratings as of July 19 were 45% good to excellent compared to 43% last week and 45% last year. Cotton experts at the Ag Market Network special cotton meeting estimated the U.S. cotton crop in a range of 11.9 – 13.1 million bales with the most likely number being around 12.5 million bales or 750,000 less than

current USDA projections. Prices will be highly dependent on when the economic recovery comes. If the recovery is in the 2009/10 marketing year, prices could rebound to the 70 cent range, otherwise, they could fall back to the low to mid 50s. Currently, the market is trading in the low to mid part of that range. It has potential to move back up if the Texas cotton crop should deteriorate more. Prices in the 65 – 70 cent range should be rewarded with either sales or purchase of put options.

Soybeans:

Nearby: August futures closed at \$10.21 bushel, up \$.12 from last week. Weekly exports were 25.8 million bushels (11.8 mb old crop, 14 mb new crop), within range of expectations.

New Crop: The November 2009 futures contract closed at \$9.15 bushel, down \$.09 from last week. There is support at \$9.03 and then at \$8.84 with resistance in the \$9.40 - \$9.50 range. As of July 19, crop conditions have the crop rated at 67% good to excellent compared to 66% last week and 61% in 2008. The tight old crop soybean stocks have helped new crop prices from declining as much as corn. August is a key month for soybean development and a later crop will not mature before the first frost date in many areas. It is too early to trade potential frost problems and with decent growing conditions soybean ending stocks could triple. I am currently 50% forward priced with another 10% priced with put options. I have moved pricing targets down from last week as producers priced 40% or greater probably can wait and watch to see if the market will move back to the \$9.40 - \$9.50 range before taking action. Producers with very little priced should price some at current levels. There is more downside risk than upside.

Wheat:

Nearby: The September 2009 futures contract closed at \$5.16 bushel, down \$.26 bushel from last week. Support is at \$5.12 a bushel with resistance at \$5.40 bushel. Weekly exports were 12.6 million bushels, about expected but short of the pace needed to reach USDA export projection. Talk from the Commodity Futures Trading Commission (CFTC) early in the week that changes were needed in wheat futures put pressure on the wheat market. Index funds sold off heavily at midweek in case the CFTC suddenly imposed limits they already exceeded. This was probably over done as changes do not appear to be imminent. Hearings will begin July 28 with any decisions are expected until this fall.

Deferred: The December 2009 futures contract closed at \$5.44 bushel, down \$.25 for the week. The July 2010 futures closed at \$5.84 bushel, down \$0.22 bushel from last week. For the 2010 crop, I would be 5% priced at \$6.00 bushel.

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

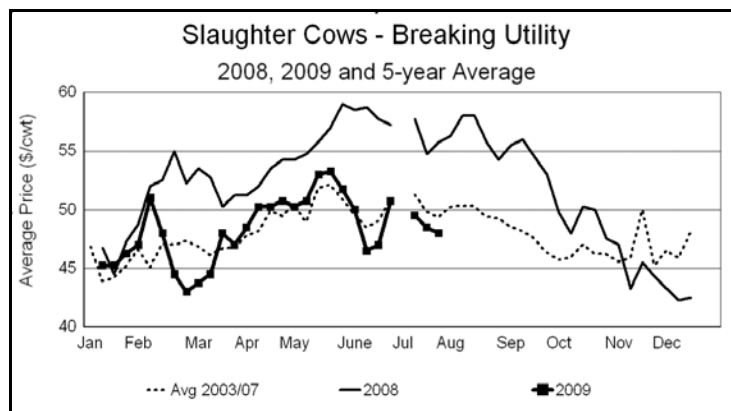
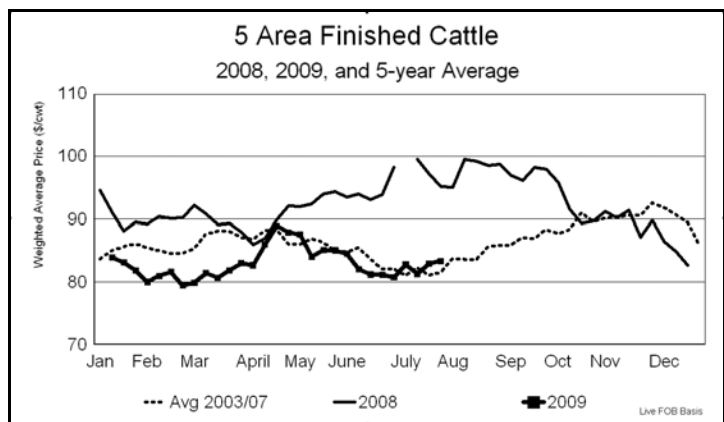
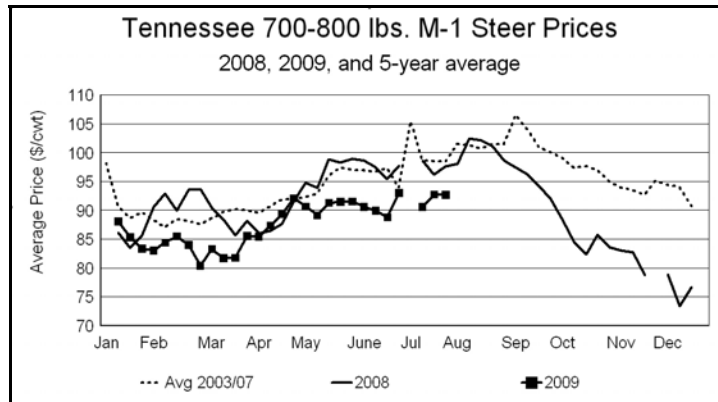
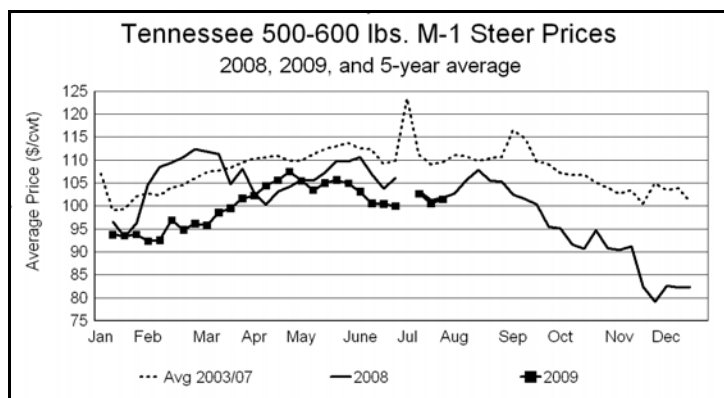
July 24, 2009

	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.	98.00	129.00	112.58	112.44	109.77
400-500 lbs.	95.00	121.00	106.35	106.18	103.67
500-600 lbs.	91.00	109.50	101.44	100.54	101.82
600-700 lbs.	87.00	105.00	96.70	96.59	99.58
700-800 lbs	84.00	101.00	92.71	92.73	97.63
<u>Steers: Small Frame #1-2</u>					
300-400 lbs.	85.00	100.00	90.98	98.22	89.24
400-500 lbs.	76.00	97.00	86.32	91.07	87.58
500-600 lbs.	66.00	92.00	79.99	83.39	83.67
600-700 lbs.	83.00	83.00	83.00	75.00	85.86
<u>Steers: Medium/Large Frame #3</u>					
300-400 lbs.	86.00	113.00	98.28	98.90	98.05
400-500 lbs.	81.00	106.00	95.24	94.80	94.21
500-600 lbs.	82.00	97.00	90.78	91.94	95.08
600-700 lbs.	79.00	94.00	86.28	86.85	90.83
700-800 lbs.	75.00	93.50	83.35	83.86	82.23
<u>Holstein Steer</u>					
300-400 lbs.	60.00	68.00	65.45	69.10	63.90
500-600 lbs.	66.00	69.00	68.57	61.71	58.58
700-800 lbs.	-----	-----	-----	-----	65.33
<u>Slaughter Cows</u>					
Breaking Utility	42.50	53.50	48.00	48.50	55.75
Cutter & Boning	39.00	52.00	45.50	46.50	55.00
Canner	32.00	45.00	38.50	39.75	48.00
Bull YG 1-2	55.00	64.00	59.50	61.50	71.50
<u>Heifers: Medium/Large Frame #1-2</u>					
300-400 lbs.	87.00	112.00	98.81	97.47	97.52
400-500 lbs.	85.00	104.00	94.76	93.14	94.81
500-600 lbs.	78.00	100.00	91.13	89.49	94.81
600-700 lbs.	77.50	95.50	87.61	85.77	90.82
<u>Heifers: Small Frame #1</u>					
300-400 lbs.	70.00	88.00	79.18	79.51	85.70
400-500 lbs.	66.00	89.00	79.68	81.48	83.12
500-600 lbs.	68.00	85.00	76.68	77.67	77.86
600-700 lbs.	72.00	73.00	72.51	74.47	79.44
<u>Heifers: Medium/Large Frame #3</u>					
300-400 lbs.	80.00	99.00	88.19	87.65	89.16
400-500 lbs.	75.00	95.00	86.45	84.75	88.04
500-600 lbs	70.00	90.50	84.60	84.75	85.24
600-700 lbs.	68.00	85.00	79.42	80.19	81.96

Cattle Receipts: This week: (11) 9,164

Week ago: (11) 10,025

Year ago: (16) 9,600



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	399,500	391,750	410,750	102%	97%
Cattle	124,000	123,500	125,000	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 #	143.05	136.64	160.38	6.41	-17.33
Select 1 - 3					
600-990 #	136.74	130.91	155.57	5.83	-18.83

FUTURES SETTLEMENT PRICES
Crops & Livestock
Friday, July 17, 2009 - Thursday, July 23, 2009

Commodity	Contract Month	Fri. 17	Mon 20	Tues 21	Wed. 22	Thurs. 23
Soybeans (\$/bu)	Aug	10.09	10.33	10.14	10.18	10.23
	Sep	9.48	9.60	9.41	9.45	9.61
	Nov	9.23	9.23	9.05	9.08	9.32
	Jan	9.31	9.30	9.12	9.15	9.39
	Mar	9.36	9.35	9.17	9.20	9.43
	May	9.36	9.37	9.19	9.22	9.43
Corn (\$/bu)	Sep	3.22	3.23	3.11	3.08	3.27
	Dec	3.31	3.34	3.22	3.19	3.39
	Mar	3.45	3.47	3.36	3.33	3.52
	May	3.55	3.57	3.45	3.42	3.61
	Jul	3.64	3.66	3.54	3.51	3.70
	Sep	3.71	3.74	3.62	3.60	3.78
Wheat (\$/bu)	Sep	5.42	5.42	5.35	5.22	5.62
	Dec	5.68	5.69	5.61	5.49	5.59
	Mar	5.86	5.87	5.80	5.68	5.77
	May	5.97	5.98	5.91	5.79	5.90
	Jul	6.06	6.07	6.00	5.90	5.99
Soybean Meal (\$/ton)	Aug	318	324	322	321	323
	Sep	296	297	294	295	301
	Oct	283	280	277	278	287
	Dec	279	275	273	273	284
	Jan	276	272	270	271	282
	Mar	276	272	270	271	281
Cotton (\$/lb)	Jul	62.10	-----	-----	-----	-----
	Oct	64.06	63.01	60.01	59.04	59.50
	Dec	66.17	64.86	61.95	61.19	61.72
	Mar	67.31	66.89	64.20	63.59	64.11
	May	68.38	68.02	65.42	64.69	62.25
Choice Fed Cattle (\$/cwt)	Aug	86.37	86.80	86.02	85.02	85.02
	Oct	91.95	91.87	91.12	89.80	90.10
	Dec	90.35	90.40	89.72	89.35	89.92
	Feb	89.82	89.80	88.92	88.47	89.02
	Apr	90.90	90.90	90.45	90.00	90.40
Feeder Cattle (\$/cwt)	Aug	104.60	104.47	103.25	103.12	102.37
	Sep	104.72	104.50	103.25	102.75	102.10
	Oct	104.57	104.37	103.17	103.02	102.45
	Nov	104.50	104.30	103.12	103.00	102.40
	Jan	102.90	102.80	102.35	102.20	101.60
Market Hogs (\$/cwt)	Aug	64.67	64.65	62.50	62.10	60.95
	Oct	60.55	60.47	58.15	57.32	56.40
	Dec	58.95	58.35	57.45	57.40	56.20
	Feb	64.17	63.75	62.95	62.77	62.17
	Apr	67.75	67.17	66.07	66.05	65.20

Milk Futures, Thursday , July 23, CME Futures

Month	Class III Close	Class IV Close
July	9.96	10.27
August	10.75	10.51
September	11.98	10.79
October	13.00	11.16
November	13.90	11.43

Nashville, TN Wednesday, July 22, 2009 USDA-TN Dept Market News

Tennessee Video Board Sale and Graded Sale

07/21/2009 Fayetteville (TLP)

Receipts: 468 (208 Graded and Grouped)

Steers & Bulls: Med & Lg 1-2	Heifers: Med & Lg 1-2
350-400 lbs 108.00-114.00	350-400 lbs -----
400-450 lbs 104.00-105.00	400-450 lbs 92.00-96.50
450-500 lbs -----	450-500 lbs -----
500-550 lbs 94.00-101.00	500-550 lbs 93.50
550-600 lbs 97.50-100.00	550-600 lbs 88.00
600-650 lbs 98.75	600-650 lbs -----
650-700 lbs 94.50	650-700 lbs 89.50-92.50
700-800 lbs 96.00-96.50	700-800 lbs 84.00

EAST TENNESSEE LIVESTOCK CENTER JULY 22, 2009

1 load out of 90 heifers, est. wt. 730 lbs., range 675 to 775 lbs., \$.04 slide up if over 731 lbs., 100% M -1, med flesh, 85% Black & BWF, 15% Chax & Smoky, wormed and implanted, hauled 8 miles to barn, selling with 1% shrink. Price: \$94.75

1 load out of 80 Holstein, est. wt. 850 lbs., range 800 to 925 lbs., \$.04 slide up if over 851 lbs., 95% #1, 5% #2, med flesh, wormed and implanted, hauled 8 miltes to barn, selling with 1% shrink. Price: \$75.80

BLUEGRASS STOCKYARD INTERNET SALE JULY 8, 2009

81 hd steers, bbwf, 625 lbs., \$106.60

75 head of steers, bbwf-ch, 660 lbs., \$104.70

65 had of steers, mixed, 775 lbs \$96.50

62 head of holstein, 825 lbs, \$70.00

155 head of holstein, 980 lbs., \$72.30

64 head of steers, bbwf, 765 lbs., \$100.80

BLUEGRASS INTERNET SALE JULY 22, 2009

210 head of steers, bbwf, 690 lbs., \$108.00

152 head of heifers, bbwf, 645 lbs., \$102.50

78 head of steer, mixed, 640 lbs., \$102.50

64 head of steer, bbwf, 765 lbs., \$102.40

65 head of steer, mixed bbwf, 775 lbs. \$97.00

64 head of steers, bbwf, 780 lbs., \$102.00

62 head of steer, bbwf, 790 lbs., \$98.00

63 head of heifers, chax-bbwf, 810 lbs., \$92.00

60 head of heifers, chax-bbwf, 850 lbs. \$90.25

60 head of steers, chax-bbwf, 825 lbs., \$98.50

60 head of steer, 835 lbs. \$99.75

55 head of steer, bbwf, 900 lbs., \$88.00

160 head of holstein, 970 lbs., \$72.25

Leo R. King IV was killed in a pickup tuck accident in Kentucky on Thursday July 16. He was the son of Del and Chuck King well known cattle buyers in Kentucky and Tennessee. You may wish to drop them a card. The address is King Livestock. P.O., Box 772 Hopkinsville, KY 42241

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

For more information please go to www.NLPA.org

Vermont Butter and Cheese Company Continues Growth and Has Local Impact (**National Livestock Producers Assn., 7/21**) – Bread, butter and cheese are the staff of life. A Vermont firm is an expert in the making two of the three items so vital to good nutrition. The company has been making specialty cheeses of goat's milk and butter from contented cows for over 20 years. When Allison Hooper and Bob Reese started Vermont Butter and Cheese Company in 1984, their plant was located in a small barn by Allison's house in Brookfield, Vermont. Reese was selling the cheese and Allison was making it. In 1989, the partners moved into a larger creamery located in Websterville, near Barre, Vermont.

Subcommittee Continues Review of Economic Conditions Facing the Dairy Industry (House Committee on Agriculture, 7/21) – The House Agriculture Subcommittee on Livestock, Dairy, and Poultry held the second of three scheduled hearings this month to review the economic conditions facing the dairy industry. Subcommittee Chairman David Scott of Georgia called today's hearing to hear additional perspectives from dairy farmers across the country regarding the steady decline in milk prices over the last two years.

The Subcommittee will continue its review of the economic conditions of the dairy industry on Tuesday, July 28, at 10 a.m. Written testimony provided by the witnesses is available on the Committee website:

<http://agriculture.house.gov/hearings/index.html>. A full transcript of the hearing will be posted on the Committee website at a later date.
http://agriculture.house.gov/list/press/agriculture_dem/pr_072109_Dairy_II.html

Harkin, Peterson Urge USDA to Help Prevent Grassland Destruction (U.S. Senate Committee on Agriculture, 7/20). – Senator Tom Harkin (D-IA) and Representative Collin Peterson (MN-7-D), Chairmen of the Senate and House Agriculture Committees, today urged the Department of Agriculture to take action against unintended incentives to farmers to convert native

grassland. This has happened as a result of unsound crop insurance practices that provide yield guarantees to crops grown on converted grassland that may far exceed what the land would produce. In today's letter, addressed to Secretary of Agriculture Tom Vilsack, the Chairmen ask USDA to use its authority to cut back on these incentives and stop improper crop insurance practices in order to help conserve natural resources.

Dems Pare 'Card-Check' Out of Pro-Union Bill (Meatingplace.com, 7/20) – Six Democratic senators have decided to take the controversial "card-check" provision out of the Employee Free Choice Act, according to a report in *The New York Times*. The provision, which the senators dumped in order to secure a filibuster-proof 60 votes, would have forced companies to recognize unions as long as a majority of their workers signed cards in favor of organization. Unions currently must hold secret-ballot elections, the method favored by employers. In place of the card-check provision, the revised bill would mandate shorter unionization campaigns and quicker elections, the report said.

Livestock Indemnity Program Update (American Sheep Industry Assn., 7/20) -- Farm Service Agency (FSA) offices are now accepting Livestock Indemnity Program applications for sheep 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. At this time, the American Sheep Industry Association understands that FSA will begin processing payments as of Monday, July 20, and payment rates will be \$130 for rams, \$102 for lambs and \$82 for ewes.

USDA Offers \$760 Million in Direct Loans (American Sheep Industry Assn., 7/20) -- It was announced Thursday that \$760 million from the Supplemental Appropriations Act signed by President Obama is available for approved but previously unfunded U.S. Department of Agriculture Direct Farm Ownership and Operating Loans throughout the country. Producers can use Direct Farm Ownership Loans to buy farmland, construct or repair buildings and other fixtures and promote soil and water conservation. Operating Loans may be used to purchase items such as livestock, farm equipment, feed, seed, fuel, farm chemicals, insurance and other operating expenses. Operating Loans can also be used to pay for minor improvements to buildings, costs associated with land and water development, family subsistence and to refinance debts under certain conditions. The maximum amount for either type of loan is \$300,000. Producers interested in applying for direct loans or other Farm Service Agency (FSA) products should visit their local FSA county offices. For more information, visit www.fsa.usda.gov.

GIPSA Reviewing 'Unfair Practices,' Plans Rule-making, Butler Says (Livestock Marketing Assn., 7/21) -- J. Dudley Butler, administrator of the Grain Inspection, Packers and Stockyards Administration (GIPSA), last week said his agency is reviewing "unfair practices" in the livestock markets. Speaking before NCBA's Cattle Marketing Committee, he said GIPSA will tackle those practices through the rule-making process this fall. However, he told *Feedstuffs* magazine he could not name the practices being reviewed, but said the review is "pretty broad."

Commenting on the Obama administration, Butler said he has "never before known" an administration focused so strongly on GIPSA and its packers and stockyards activities. "We are clearly on the presidential agenda." The Marketing Committee was meeting during NCBA's summer conference in Denver.

Canadian Pork 'Bail Out' Would Hurt U.S. Pork Producers (National Pork Producers Council, 7/20) -- An emergency government subsidy program for the Canadian pork industry proposed by the Canadian Pork Council would have a "lethal impact" on U.S. pork producers, according to the National Pork Producers Council. The CPC has asked the Canadian government to pump \$800 million into the country's pork industry. The key component of the program is a loan to pork producers – to be repaid over 10-15 years – of \$30 for each market hog. A second component would provide \$500 for each sow culled plus the market value of the animal. The proposal would artificially prop up Canadian pork production and, according to Iowa State University economist Dermot Hayes, U.S. live hog prices would be approximately 7 percent lower than otherwise would have been the case.

Russia May Regulate Livestock Ownership (UPI News, 7/15) -- A law being considered by the Russian parliament would allow regional authorities to place limits on livestock ownership by individuals. The measure was introduced to the Duma by deputies from Stavropol where a swine fever outbreak occurred, The Moscow Times reported. The deputies say local authorities discovered they had no power to regulate local livestock herds, even those with scores of animals.

Korea Refuses Canada's Request To Lift Beef Ban (Joon Ang Daily, 7/22) -- Korea on Monday blocked Canada's efforts to have the World Trade Organization rule on the legality of its ban on imports of Canadian beef, imposed six years ago during an outbreak of mad cow disease in North America. Canada has for years asked Korea to lift the ban. The latest request for consultations with Korea came April 9 and, unless a settlement is reached, the Canadians may ask next month for the Geneva-based WTO to step in, at which point Korea will be forced into arbitration.

Brazil Feedlot Industry More Cautious About Expansion (Merco Press, 7/15) --Brazil is planning to increase the number of cattle in feed lots by 4.6% which would be equivalent to a total of 1.673.500 heads, according to Beef Point, a Brazilian portal linked to the meat industry. The number is the result of a survey among the top 50 Brazilian companies involved in feed lots and which last year fattened 1.599.465 cattle, which represented a leap of 27% over 2007 but below the 34.5% of 2006. The survey showed some companies are not planning to increase the number of cattle in feed lots while others are thinking in reducing them.

Sioux Falls Cattle Sales Closing May Help Madison Livestock Auction (MADISONet.com, 7/16) -- The Sioux Falls Stockyards held their final cattle sale on June 25. Chip Wosje, owner and manager of the Madison Livestock Auction Barn thinks that closing will have a positive impact on the Madison area. Wosje hopes that the end of the Sioux Falls cattle sales will help the Madison sale barn. The local sale barn just added the second auction per week in July and come December, they will have three auctions a week with the third sale day being on Saturday. To try to get ready for the added business at the sale barn, Madison Livestock Sales Co. Inc. hired three men from the Sioux Falls Stockyards to go out and look at cattle for the Madison operation. Ben Kringen, Jim Bevier and Bob Belau are the three men hired.

Animal Cruelty Charges Against Livestock Market (WKYC-TV, 7/15) -- Animal cruelty charges have been filed against Edward Lind's livestock market in Medina County. Lind has been slapped with eight counts of animal cruelty for neglecting to care for sick and injured animals at his livestock market on Church Road in Medina. Lind denied allegations that he was selling diseased, injured and abused animals. He admitted to The Investigator Tom Meyer that he sells animals to restaurants in Cuyahoga County but refused to identify the restaurants.

Video Cattle Auctions Come to Billings (Montana's News Station, 7/20) -- The scent of cattle and dust are nonexistent at the Billings Livestock Commission Co. this week as a newer form of auctioning takes the stage. Instead of bulls in the pen, it's filled with a bunch of cowboys on the phone.

"We're going to sell just under 90,000 head of calves and yearlings here in the next three days in Billings. It will be the largest video sale ever held in the state of Montana," states Northern Livestock Video Auction owner, Joe Goggins.

EPA Reports Clean Water Violation in Oklahoma City (Associated Press, 7/15) -- The Environmental Protection Agency has ordered two companies to fix problems that could cause manure from the Oklahoma City stockyards to flow into the Oklahoma River, where dozens of athletes were sickened by swimming in bacteria-laden water. The EPA issued cease and desist orders to Murphy Products and the Oklahoma National Stockyards Co. for violating the federal Clean Water Act, EPA spokesman Dave Bary said Wednesday. They were given 30 days to report back on how they have solved the issue. Murphy Products maintains huge piles of compost, including cattle manure, on land owned by the stockyards about 200 feet from the Oklahoma River.

Beef Checkoff Posting Return of \$5.55 (Cattlemen's Beef Board, 7/15) -- The Beef Checkoff Program returned about \$5.55 in value to beef producers for every dollar they invested into it between 2003 and 2008. That's the overall conclusion of a new economic study completed by Dr. Ron Ward, professor emeritus for the Food and Resource Economics Department of the University of Florida.

Cattlemen's Beef Board Wraps Summer Conference (Cattlemen's Beef Board, 7/18) -- After a full week of meetings, discussion, recommendations, approvals and hard work, the Cattlemen's Beef Board wrapped up its agenda at the 2009 Cattle Industry Summer Conference in Denver, Colo. [Click here to view the blogs covering the meeting](#) -

Meat and Poultry Groups Oppose Higher Ethanol Blend (Brownfield Network, 7/21) -- Meat and poultry groups are urging the EPA to reject the petition to allow blends of more than 10 percent ethanol in gasoline. In comments sent to EPA, the American Meat Institute and National Turkey Federation say that raising the ethanol blend to 15 percent could divert nearly half of the U.S. corn crop from food and feed to fuel production. They say that would directly impact the ability of livestock and poultry producers to effectively predict future annual budgets and costs due to market volatility. The groups are also requesting that the Department of Energy and USDA conduct a comprehensive review of the effects of ethanol production on meat, dairy and poultry production, food production costs and retail food prices.

National Pork Board Looking for Input (Brownfield Network, 7/21) -- Pork producers will have an opportunity to provide input to the National Pork Board (NPB) as the organization begins the process of formulating a plan addressing the economic, social and scientific challenges facing the pork industry. Three regional meetings are scheduled, Thursday, July 23 in Omaha, Nebraska, Friday, July 24 in Indianapolis, and Monday, July 27 in Clinton, North Carolina. Ideas generated during the regional meetings will be used by a task force of producer leaders working with the National Pork Board in developing a new strategic plan, which NPB hope to have approved by the end of the year.

Sanders Seeks Antitrust Investigation of Dairy Foods Company (Vermont Public Radio, 7/15) -- Senator Bernie Sanders says one company controls too much of the regional dairy industry and he wants the federal government to investigate. Sanders said the concentration of dairy processors could be contributing to a growing economic crisis on farms across the state. Senator Sanders met in the past week with the head of the U-S Justice Department's anti-trust division. He says he wants an investigation into why one company, Dean Foods, controls 70 percent of the dairy processing business in New England.

Texas Agriculture Losses Reach \$3.6 Billion (Dallas Morning News, 7/20) -- Texas agriculture officials estimate drought crop and livestock losses at \$3.6 billion, and without ample rains the year's final tally could top the record set in 2006. Crops and rangeland are scorched from lack of rainfall and record triple-digit temperatures throughout parts of Texas. Central and southern parts of the state are in the two worst stages of drought. Officials said in a news release Monday that if dry conditions persist losses could surpass the \$4.1 billion in agriculture losses three years ago.

Ranchers Get Checks For Feed Transportation Costs (CattleNetwork, 7/17) -- Nearly 300 North Dakota ranchers will receive a total of \$1 million in compensation, averaging \$20 per animal, for additional feed transportation costs and feed losses caused by the harsh winter and spring flooding. The aid is through a new effort called the North Dakota Livestock Feed Transportation Program. It got a \$750,000 grant from the federal Agriculture Department and \$250,000 in state money approved earlier this year by the Legislature.

JBS to Pull Corporate Offices Out of Green Bay (Green Bay Press Gazette, 7/22) -- JBS S.A. is relocating corporate offices from Green Bay to the company's North American headquarters in Greeley, Colo.

“All shared services will now be located in our Greeley headquarters,” said Chandler Keys, a spokesman with JBS USA. “There will be some sales and fiduciary jobs that will stay in Green Bay, but all the shared services will be relocated.”

We Care About Where Our Foods Come From! (The SuperMarket Guru, 7/16) -- The Integer Group and M/A/R/C Research report, The Checkout, found that consumers are tuning in more and more to the country of origin labeling (COOL) on their foods. The Checkout, a year-long shopper experience study, based on a nationally-representative, monthly survey of 1,200 consumers, tracks consumer opinions and behaviors ranging from coupon use to location of store.

The current update found that consumers are more frequently choosing American-made products over less expensive foreign-made goods. SupermarketGuru.com conducted a similar consumer poll in March 2009 with the specific goal of better understanding shopper's attitudes towards imported meat and COOL. The results revealed that consumers do in fact place great importance (77%) and preference (84%) for American-raised, bred and slaughtered meat. A majority (73%) also assume imported meat to be less safe than its American counterpart. Most importantly, 64% of consumers report that they would switch stores in order to buy meat labeled "product of the U.S.A." if it was not available at their current grocer or butcher's counter.

Agricultural Economics

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

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