

Tennessee Market Highlights

UF Extension

August 21, 2009
Number :33

Livestock Comments by Emmitt L. Rawls

Fed cattle traded developed early on Friday as some were probably anxious about the cattle on feed report and packers were needing cattle and upped bids. Trade developed at \$83 live and \$131 in Nebraska, \$82 in Iowa and \$82.50 in Kansas. The 5 area weighted average prices thru Thursday were \$82.08 live and \$130.78 dressed compared to \$81.98 and \$130.68 a week ago. A year ago prices were \$98.64 and \$155.69. Cutouts have been up and down this week. Prices on Thursday compared to a week ago were up .74 on the Choice and down .32 on Select. At midday Friday the Choice cutout was \$142.28 up .41 and Select was \$135.23 up .42. The Choice Select spread was \$7.05 compared to \$6.54 a week ago. Feeder steers, bulls and heifers on the Tennessee auctions were called steady. Slaughter cows and bulls were steady to \$3 lower, mostly \$1 to \$2 lower. Average receipts per sale were 776 head on 11 sales this week, 718 head on 11 sales last week and 1150 head on 8 sales a year ago. Trade expectations for today's cattle on feed report were for the number on feed to be down 3.5%; July placements up 6.5% and July marketings down 5%. The actual report indicated cattle on feed in feedlots with capacity of 1,000 or more were down 2%, July placements up 13% and July marketings down 5%. While marketings were about as expected, the placement number at twice the expectations will likely pressure futures contracts on Monday. Abundant grass in many parts of the country had allowed many stocker cattle to continue there. Some decline in corn prices and premium fall futures prices encouraged placement of cattle. Placements of cattle under 700 # were up 21%, while placements of those weighing 700 # and higher were up 6%. *Continued on page 2*

Crop comments by Chuck Danehower

After weakness early in the week, commodities have battled back but will still for the most part finish lower for the week. The Pro Farmer Crop Tour reported results after the close today, pegging the corn crop with a 160.1 bushel per acre average yield and the soybean crop at 41 bushels per acre. This does not change the picture much for corn, but should be supportive to bullish for soybeans. Any bullish information and support from outside markets was offset in mid week by the announcement that the Commodity Futures Trading Commission (CFTC) had rescinded the Letters of Exemption from position limits that two financial groups held. These groups will have a period of time to exit their long only positions and get back to position limits for speculators. This is directly affecting the corn and wheat markets, but will also have implications commodity wide. This was not unexpected and these groups had already started getting into compliance. This also may serve notice to other groups that are holding Letters of Exemption as hedgers that should probably be classified as speculators and subject to position limits. These Letters of Exemption have been attributed to have led to the huge rally and extreme volatility from 2007 to 2008. Volatility generally creates pricing opportunities, but in this case it was so volatile that pricing opportunities were shut down. There could be selling pressure on the market in the short term as these groups and possibly others get into compliance. In the long run, it should be positive as markets will tend to trade more fundamentals and the uncertainty they carry. Hopefully, long range pricing opportunities will return more to normal. The U.S. Dollar is weaker for the week, down .79 at 78.14 before the close. *Continued on page 2*

Slaughter cows: steady to \$3 lower, mostly \$1 to \$2 lower

Slaughter bulls: steady to \$3 lower, mostly \$1 to \$2 lower

Feeder steers: steady to \$2 lower

Feeder heifers: steady to \$2 lower

Fed cattle: 5 area live price of \$82.08 is up \$.10 and the dressed price is up \$.10 at \$130.78

Feeder cattle index: Wednesday's index: \$100.95

Corn: September 2009 futures closed at \$3.22 a bushel on Friday, up \$.03 bushel from last week

Soybean: September futures closed at \$10.23 bushel, down \$0.02 from last week

Wheat: September 2009 futures contract closed at \$4.60 bushel, down \$.08 bushel from last week

Cotton: October Cotton futures closed at 56.45 cents/lb, down 2.76 cents/lb from last week

Livestock Comments by *Emmit L. Rawls*

The drought in Texas no doubt contributed to a 54% increase in placements under 600# and a 35% increase in placements under 700#. Nebraska had a 55% increase in placements under 700#. Kansas had a 33% increase in placements weighing 800# and up. The marketing number (-5%) was the third lowest since these records started in 1996. Packers have been reducing buys in efforts to move wholesale prices higher. The large number of lighter weight placements means the impact may not be felt on prices until 2010 when hopefully there will be some improvement in consumer demand. While the futures markets could move down on Monday, fall prices for fed cattle should find support in the mid \$80s based on the smaller placements of cattle on feed in May and June.

TECHNICALLY SPEAKING: Based on Thursday's closing prices. August live cattle closed at \$84.80. Support is at \$84.65, then \$84.30. Resistance is at \$85 then \$85.35. The RSI is 56.16. October cattle closed at \$88.82. Support is at \$88.61, then \$88.18. Resistance is at \$89.03, then \$89.46. The RSI is 48.83. December cattle closed at \$88.60. Support is at \$88.20, then \$87.75. Resistance is at \$88.70, then \$89.27. The RSI is 47.91. August feeder cattle closed at \$101.05. Support is at \$100.93, then \$100.68. Resistance is at \$101.18, then \$102.43. The RSI is 48.51. **August feeders expire on 8/27/09.** September feeders closed at \$101.10. Support is at \$100.83, then \$100.23. Resistance is at \$101.43, then \$102.03. The RSI is 50.83. October feeders closed at \$101.20. Support is at \$100.65, then \$99.55. Resistance is at \$101.37, then \$101.70. The RSI is 47.79. Friday's closing prices for live cattle August \$85 +.20; Oct. \$88.60 -.28; Dec. \$88.15 - .45. Feeder cattle: August \$101.15 -.90; Sept.. \$100.70 -.40; Oct. \$100.60 -.57; Nov. 100.77 -.52

September corn \$3.21 3/4 up 3 and 1/4

Crop comments by *Chuck Danehower*

The Dow Jones Industrial Average reached the high for the year ending the week up about 2%. Favorable comments by Federal Reserve Chairman Bernanke that the economy was on the verge of a recovery led to the strength on Friday. Crude Oil is up over 6 dollars a barrel trading at 73.89 a barrel.

Corn:

New Crop: September 2009 futures closed at \$3.22 a bushel on Friday, up \$.03 bushel from last week. Weekly exports sales were 56.5 million bushels (22.7 mb old crop, 33.8 mb new crop), above expectations and on pace to reach USDA projections. Sales have looked good, but the question is whether shipments will be able to meet the USDA old crop projections. To meet USDA projections through the end of August, 164 million bushels of corn will have to be shipped. As of August 16, the crop condition ratings for corn were 68% in the good to excellent rating compared to 68% the previous week and 67% a year ago. The percent dough stage nationwide is 40% compared to 24% last week, 46% last year and 64% five year average. The crop is a little later than last year and quite a bit later than the five year average. One of the questions for both corn and soybeans is whether the market has already factored in somewhat of a frost premium. If it has then there may not be much of a price increase if frost does catch part of the crop. If an early frost does not happen, then prices could weaken quickly. This uncertainty could provide support in the near term, but keep in mind the market saying of *Buy the rumor, sell the fact*. The Pro Farmer Crop Tour yield of 160.1 bushels/acre is assuming normal weather to harvest and has a variance of 1%. This is .6 bushels per acre higher than the USDA estimate and provides further validation of the potential for a big crop. There is current support at \$3.14 - \$3.16 bushel with resistance at \$3.23 bushel then \$3.32 bushel. I am currently 50% forward priced with another 50% in put options. A December \$3.30 put, costing \$.27 bushel would set a futures floor at \$3.03.

Deferred: The March 2010 futures contract closed at \$3.40 bushel, down \$0.02 from last week. The September 2010 contract closed at \$3.66, down \$0.01 bushel from last week. The corn market could be influenced by sugar as drier than normal weather in India could produce a shortage of sugar. Sugar accounts for about 60% of the world's ethanol and this could have an impact on the price of ethanol, which would be supportive to corn. This relationship between sugar, ethanol, and corn will bear watching and could be what gives life to the corn market for next year. Ethanol blend rates are also being discussed and a decision on whether the rate can be increased from 10% to 15% is suppose to be known by December.

Cotton:

Nearby: The October Cotton futures closed at 56.45 cents/lb, down 2.76 cents/lb from last week. Weekly exports sales were 38,100 bales, below expectations.

New Crop: The December 09 futures closed at 58.63 cents/lb. down 2.49 cents/lb. from last week. Currently, cotton has support at 57 - 58 cents with resistance in the 60 cent range. Overall crop condition ratings as of August 16 improved to 53% good to excellent compared to 50% last week and 48% last year. The percent setting bolls is 84% compared to 75% last week, 81% last year, and the five year average of 86%. Boll opening is at 9% compared to 13% last year and the five year average of 13%. The Texas crop has improved slightly for the week and this has put pressure on the market that production might exceed USDA projections. Prices appear to be range bound at 57 – 65 cent. With the loan program, there is not any incentive to price cotton until it moves above 63-65 cents. Should prices move into the 65 – 70 cent range, they should be rewarded with either sales or purchase of a put option.

Soybeans:

Nearby: September futures closed at \$10.23 bushel, down \$0.02 from last week. Weekly exports were 31.5 million bushels (10.1 mb old crop, 21.4 mb new crop) above expectations and on pace to exceed the USDA target. Like corn, the question is not in sales but shipments. To meet USDA projections, 52 million bushels of soybeans need to be shipped out by August 31.

New Crop: The November 2009 futures contract closed at \$9.73 bushel, down \$0.09 bushel from last week. Current support is around \$9.50 bushel, if that doesn't hold then \$9.25 could be the next level. Initial resistance is at \$9.82 then the \$10.00 level. As of August 16, crop conditions have the crop rated at 66% good to excellent compared to 66% last week and 62% in 2008. Soybeans setting pods nationwide is at 72% compared to 55% last week , 73% last year and the 5 year average of 85%. The Pro Farmer Crop Tour this week estimated soybean yields at 41 bushels per acre with a 2% variance. This is .7 bushels per acre less than the USDA estimate and is an indication that an early to normal frost could reduce yields further. This should be supportive to current prices at least in the short term until we get closer to harvest. I am currently 50% forward priced with another 50% priced with put options. Producers looking to increase pricing might want to consider using \$9.50 bushel as a trigger point. If the market stays above \$9.50, continue to watch it, but be willing to pull the trigger if it drops back. A November \$9.80 strike price put would have a premium of \$0.62 bushel and set a futures floor of \$9.18 bushel. This option does expire October 23 so producers with a later crop will need to look at January options to extend their coverage until the crop comes out.

Wheat:

Nearby: The September 2009 futures contract closed at \$4.60 bushel, down \$0.08 bushel from last week. Long term support is at \$4.50 bushel, then \$4.00 bushel. Weekly exports were 14.4 million bushels, about expected, but still short of the pace needed to reach USDA export projection. Prices are starting to get more competitive on a global basis.

Deferred: The December 2009 futures contract closed at \$4.87 bushel, down \$.22 for the week. The July 2010 futures closed at \$5.3175 bushel, down \$0.19 bushel from last week. Current prices for wheat indicate that the Soft Red Winter wheat acres will be down for 2010. The wheat market will need a reduction in acres to help reduce supply to assist in reducing the burdensome carryover. For the 2010 crop, I am 5% priced at \$6.00 bushel.

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

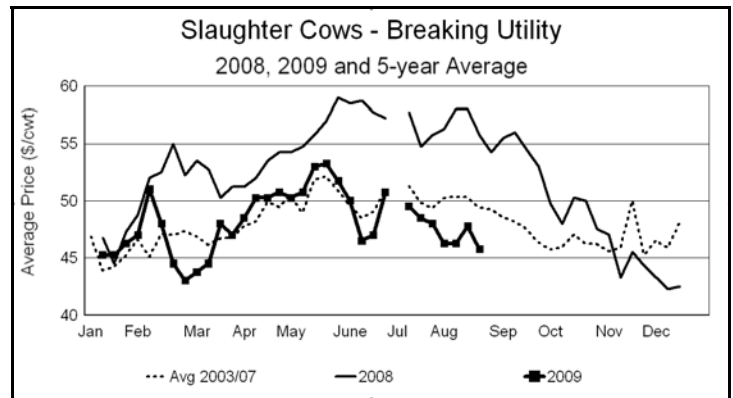
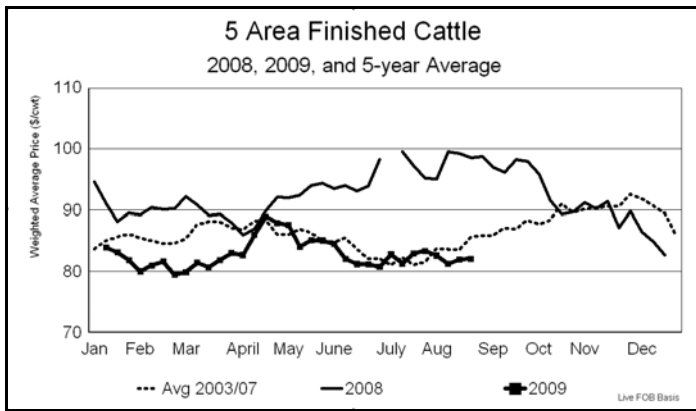
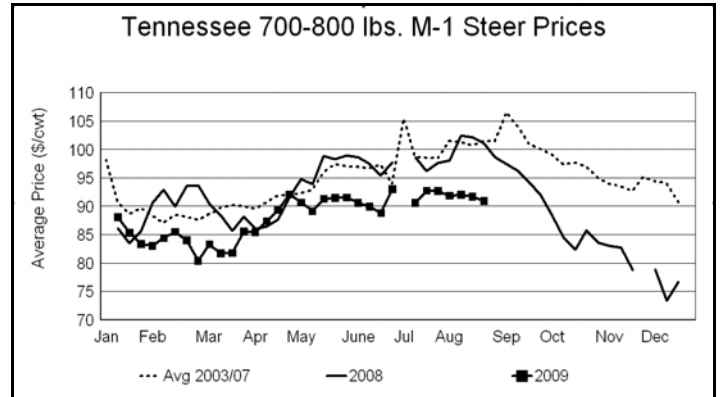
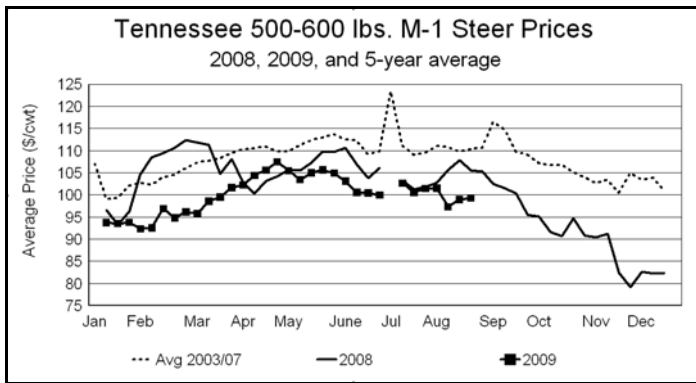
August 21, 2009

	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.	100.00	122.00	109.83	111.82	117.29
400-500 lbs.	95.00	112.00	104.08	104.40	111.31
500-600 lbs.	88.00	110.00	99.29	98.95	105.49
600-700 lbs.	87.00	102.00	93.89	94.80	102.58
700-800 lbs.	85.00	95.00	90.91	91.69	101.17
<u>Steers: Small Frame #1-2</u>					
300-400 lbs.	85.00	108.00	96.91	89.04	90.38
400-500 lbs.	78.00	90.00	84.74	93.72	93.14
500-600 lbs.	84.00	96.00	89.95	87.93	88.09
600-700 lbs.	80.00	80.00	80.00	83.50	88.07
<u>Steers: Medium/Large Frame #3</u>					
300-400 lbs.	86.00	112.00	98.51	101.45	106.67
400-500 lbs.	85.00	104.00	94.36	95.04	99.56
500-600 lbs.	80.00	95.00	89.82	91.31	93.48
600-700 lbs.	82.00	91.50	87.19	85.97	89.85
700-800 lbs.	76.00	87.00	82.05	82.94	91.24
<u>Holstein Steer</u>					
300-400 lbs.	65.00	85.00	77.83	64.97	67.85
500-600 lbs.	65.00	79.00	73.43	67.08	70.18
700-800 lbs.	-----	-----	-----	-----	-----
<u>Slaughter Cows</u>					
Breaking Utility	42.00	49.50	45.75	47.75	55.75
Cutter & Boning	40.50	50.50	45.50	44.50	54.25
Canner	35.50	43.00	39.25	40.00	48.75
Bull YG 1-2	54.00	63.00	58.50	58.25	71.00
<u>Heifers: Medium/Large Frame #1-2</u>					
300-400 lbs.	88.00	109.00	96.73	97.43	98.18
400-500 lbs.	85.00	105.00	92.48	93.35	97.88
500-600 lbs.	82.00	103.50	89.62	90.56	95.32
600-700 lbs.	79.00	94.50	85.78	87.03	92.20
<u>Heifers: Small Frame #1</u>					
300-400 lbs.	78.00	91.00	82.51	81.63	87.02
400-500 lbs.	70.00	88.00	79.82	80.87	84.75
500-600 lbs.	67.00	84.50	77.77	79.85	82.93
600-700 lbs.	70.00	82.00	75.09	78.00	80.77
<u>Heifers: Medium/Large Frame #3</u>					
300-400 lbs.	82.00	96.00	89.00	87.66	91.58
400-500 lbs.	73.00	97.00	85.49	85.66	89.75
500-600 lbs.	72.50	90.50	83.28	82.85	86.47
600-700 lbs.	71.50	85.50	80.13	78.88	84.60

Cattle Receipts: This week: (11) 8,536

Week ago: (11) 7,900

Year ago: (8) 9,200



Average Daily Slaughter (number of head)

	This week (4 days)	Last week (4 days)	Year ago (4 days)	This week as percentage of	
				Week ago (%)	Year ago (%)
Hogs	429,500	426,750	428,500	101%	100%
Cattle	126,500	125,750	125,750	101%	101%

USDA Box Beef Cutout Value (\$/cwt)

	Thursday	Week ago	Year ago	Change from week ago	Change from year ago
Choice 1 - 3					
600-900 #	141.87	141.13	161.52	0.74	-19.65
Select 1 - 3					
600-990 #	134.81	135.13	156.48	-0.32	-21.67

FUTURES SETTLEMENT PRICES
Crops & Livestock
Friday, August 14, 2009 - Thursday, August 20, 2009

Commodity	Contract Month	Fri. 14	Mon 17	Tues 18	Wed. 19	Thurs. 20
Soybeans (\$/bu)	Sep	10.24	9.88	9.95	9.97	9.99
	Nov	9.81	9.54	9.59	9.58	9.57
	Jan	9.88	9.60	9.64	9.63	9.59
	Mar	9.89	9.62	9.67	9.65	9.59
	May	9.81	9.60	9.67	9.63	9.57
	Jul	9.80	9.60	9.71	9.67	9.60
Corn (\$/bu)	Sep	3.19	3.14	3.14	3.20	3.18
	Dec	3.28	3.22	3.22	3.27	3.24
	Mar	3.41	3.35	3.36	3.41	3.37
	May	3.51	3.45	3.46	3.50	3.47
	Jul	3.59	3.53	3.54	3.59	3.55
	Sep	3.67	3.61	3.63	3.67	3.63
Wheat (\$/bu)	Sep	4.82	4.72	4.70	4.66	4.69
	Dec	5.09	4.99	4.98	4.93	4.96
	Mar	5.29	5.18	5.17	5.13	5.15
	May	5.41	5.31	5.29	5.25	5.28
	Jul	5.51	5.41	5.40	5.36	5.40
Soybean Meal (\$/ton)	Sep	319	310	314	316	327
	Sep	293	286	288	288	290
	Oct	289	282	284	283	283
	Dec	287	282	284	282	282
	Jan	285	281	283	281	280
	Mar	281	280	282	280	278
Cotton (\$/lb)	Oct	59.21	57.28	56.71	56.86	56.62
	Dec	61.12	59.41	58.89	59.03	58.75
	Mar	63.59	61.88	61.30	61.44	61.19
	May	64.89	63.18	62.68	62.81	62.48
	Jul	66.07	64.31	63.85	64.01	63.63
Choice Fed Cattle (\$/cwt)	Aug	84.65	84.30	84.95	84.82	84.80
	Oct	88.55	87.82	88.85	88.67	88.82
	Dec	88.05	87.85	88.85	88.32	88.60
	Feb	88.37	88.05	88.57	88.17	88.50
	Apr	90.40	90.00	90.40	90.25	90.10
Feeder Cattle (\$/cwt)	Aug	100.70	100.67	101.15	101.05	101.05
	Sep	100.20	100.40	101.25	101.15	101.10
	Oct	100.27	100.22	101.22	101.20	101.20
	Nov	100.92	100.70	101.65	101.40	101.30
	Jan	101.20	101.00	101.90	101.85	101.85
Market Hogs (\$/cwt)	Oct	44.65	44.70	44.52	45.75	46.92
	Dec	44.82	44.57	44.45	44.62	46.15
	Feb	53.27	52.30	51.85	51.35	52.57
	Apr	58.65	57.47	56.90	55.72	56.57
	May	64.40	63.40	63.20	62.10	62.47

Milk Futures, Thursday , August 20, CME Futures

Month	Class III Close	Class IV Close
August	11.24	10.51
September	12.90	11.06
October	13.25	11.31
November	13.26	11.43
December	13.40	11.81

SWEETWATER GRADED SALE AUGUST 19, 2009

117 head of steers, 640 lbs. \$94.50

68 head of steers, 735 lbs. \$97.80

88 head of heifers, 570 lbs. \$92.75

117 head of heifers, 620 lbs. \$88.50

First United Ethanol, LLC, the owner of a \$196 million ethanol plant near Camilla, Ga., may ask for bankruptcy protection as reported by the Atlanta Business Chronicle.

Several ethanol plants have faced bankruptcy due to fading demand and raising corn prices. As recently as June 30, First United was \$105 million in debt.

In addition to corn prices, stable oil prices have taken a hit on the ethanol industry. When oil drops below \$70 a barrel, it is cheaper to produce gasoline than it is to produce ethanol.

**Nashville, TN Friday, August 21, 2009 USDA-TN Dept Market News
Tennessee Video Board Sale and Graded Sale****8/20/2009 Athens-PVP Sale****Receipts: 589**

Steers: Med & Lg 1	Heifers: Med & Lg 1
400-500 lbs 113.50	400-500 lbs 88.00-95.00
500-600 lbs 103.00-106.20	500-600 lbs 91.00-93.60
600-700 lbs 95.00-98.00	600-700 lbs Ld 655 lbs 92.40
Load 648 lbs 103.00	700-800 lbs 82.00-86.00
700-800 lbs Ld 751 lbs 96.50	
Ld 792 lbs 93.50	

Steers: Med & Lg 2	Heifers: Med & Lg 2
400-500 lbs 110.00	400-500 lbs 94.00
500-600 lbs 99.50-102.50	500-600 lbs 87.00-92.25
600-700 lbs 94.50-97.00	600-700 lbs 88.50
700-800 lbs 86.00	

8/17/09 McMinnville-Yearling Sale

Receipts: 397

Steers-Med and Lg 1 few 2
Load 677 lbs 99.25
Load 735 lbs 99.00
2 Loads 776-785 lbs 94.80-98.10
Load 839 lbs 96.60
Load 908 lbs 87.50

08/18/2009 Fayetteville (TLP)

Receipts: 558(223 Graded and Grouped)

Steers & Bulls: Med & Lg 1-2	Heifers: Med & Lg 1-2
400-450 lbs 104.50-110.50	400-450 lbs 100.00-104.00
450-500 lbs 99.50-105.75	450-500 lbs 91.00-95.50
500-550 lbs 101.50	500-550 lbs 91.50
550-600 lbs 94.00-103.50	550-600 lbs 91.00
600-650 lbs 89.50-92.00	600-650 lbs 90.00
650-700 lbs -----	650-700 lbs 88.00-89.50
700-800 lbs 94.00	700-800 lbs 83.50

08/14/09 Sweetwater-Graded Holstein Steer Sale

Receipts: 835

Holstein Steers L-1
350-400 lbs 82.50-86.50
400-450 lbs 85.00-87.00
450-500 lbs 78.00-81.00
500-550 lbs 77.00-80.50
550-600 lbs 74.50-77.50
600-700 lbs 74.25-76.50
700-800 lbs 72.25-74.50
800-900 lbs 66.00-72.00
900-1000 lbs 67.35

Holstein Steers L-2
300-350 lbs 90.00
350-400 lbs 83.50
400-450 lbs 83.00-86.25
450-500 lbs 79.00-83.00
500-550 lbs 75.50-81.50
550-600 lbs 76.50-82.00
600-700 lbs -----
700-800 lbs 58.00
800-900 lbs 58.00-66.50

Holstein Steers L-3
300-350 lbs 65.00
350-400 lbs 64.00
400-450 lbs 55.00
450-500 lbs 65.50
500-600 lbs 68.00
600-700 lbs 56.50
700-800 lbs 55.00

****The following news summary is from the National Livestock Producers Association****
For more information please go to www.NLPA.org

Powerful, Myth-Busting Speakers on Tap for Opening General Session of ID INFO EXPO 2009 (National Institute for Animal Agriculture, 8/14) —With the air thick with myths, speculations and facts regarding a U.S. national animal identification program, the time is right for in-depth discussions that will set the record straight—and ID INFO EXPO 2009, Aug. 25-27, Kansas City, Mo., provides the ideal platform for those discussions. Sponsored by the National Institute for Animal Agriculture, the ID INFO EXPO will kick off with an opening general session featuring eight candid speakers from federal and state governments, agriculture and the food industry, followed by three highly targeted sessions devoted to obstacles, opportunities and next steps. And interactive discussion sessions will allow EXPO participants to get their burning questions answered.

The eight speakers confirmed for the opening general session of the ID INFO EXPO include Dr. John Clifford, Chief Veterinary Medical Officer, USDA; Dr. Douglas Meckes, U.S. Department of Homeland Security; Dr. Tom McGinn, U.S. Department of Homeland Security; Gene Hugoson, Minnesota Department of Agriculture; Dr. William Hartmann, Minnesota Board of Animal Health; Dr. David Acheson, Leavitt Partners; Paul Clayton, U.S. Meat Export Federation; and Rob Cannell, McDonald's Corporation.

Conference registration is \$425, with NIAA members receiving at \$50 discount. Complete conference information and online registration is available at www.animalagriculture.org or individuals can call NIAA at 719.538.8843.

NLPA Board Meets in California (National Livestock Producers Association, 8/19) -- The Board of Directors of the National Livestock Producers Association was hosted by its member, Tri-State Livestock Credit Corporation, in Sacramento, CA for its 2009 summer meeting. With the economy being very challenging at present, the NLPA directors discussed its effects on livestock marketing and credit. Welcoming NLPA to California was Mr. A.G. Kawamura, California's Secretary of Agriculture. Mr. Kawamura commented on the agricultural diversity of his state, but also the diversity of issues they face. Not only does California have significant budgetary issues, its agricultural industry is under a constant barrage of attacks from animal rights groups and environmental interests that threaten the viability of the industry.

Revised and Updated Vet Guide Re-issued as a CD (National Institute for Animal Agriculture, 8/19) -- The very popular "A Guide to the National Scrapie Eradication Program for Veterinarians" has been revised, updated, and made available as a compact disc (CD) as part of the Eradicate Scrapie! Information Initiative, conducted by the National Institute for Animal Agriculture (NIAA) on behalf of the U.S. Department of Agriculture's Animal and Plant Health Inspection Service/Veterinary Services. The veterinarian guide is also available at www.eradicatescrapie.org in PDF format for downloading onto a CD or as a printed version.

AVMA SAYS Pew Commission Report is Flawed, Unscientific (American Veterinary Medical Association, 8/18) -- An AVMA report says recommendations by a prominent critic of industrial animal agriculture are unscientific and can actually threaten human health. The document, available at

www.avma.org/PEWresponse, questions the validity of the content and review process for a report published in 2008 by the Pew Commission on Industrial Farm Animal Production (www.ncifap.org) on the sustainability of the nation's food animal production systems. The AVMA contends the report is not consistent with the well-documented, science-based reports that the Association has come to expect from the Pew Commission.

Antitrust Enforcers Begin Visiting Farm Belt (Wall Street Journal, 8/8) -- The Obama administration will take an extensive look at concentration in U.S. agriculture as part of its increased emphasis on antitrust enforcement, a Justice Department official said. Philip J. Weiser, a telecommunications-law expert who was recently named deputy assistant attorney general, told a farmer gathering here that federal antitrust regulators are "committed to examining" the level of competition in several agribusiness sectors, such as the marketing of genetically modified seed, dairy processing and meatpacking. Washington has often sympathized with farmers who find themselves selling their commodities to fewer and larger processors. But the Obama administration is taking a further step, with plans for a nationwide series of sessions next year for the U.S. Agriculture Department to hear competitive concerns of farmers.

NPPC Asks USDA To Save Pork Industry (National Pork Producers Council, 8/17) -- Asking for help to save the U.S. pork industry and thousands of jobs, the National Pork Producers Council today urged the U.S. Department of Agriculture to lend

assistance to U.S. pork producers to help them weather a nearly 2-year-old economic crisis. In a letter sent to Agriculture Secretary Tom Vilsack, NPPC requested \$250 million in financial assistance and other actions that should help producers, who since September 2007 have lost an average of more than \$21 on each hog marketed.

Defending Use of On-Farm Antibiotics (American Sheep Industry Assn., 8/14) -- 20 American food producer groups and the industries that serve them wrote to the assistant to the president for domestic policy to convey the significant political and scientific complexity of the use of antibiotics on farms to prevent, treat and control disease in food-producing animals. Farmers and ranchers strive daily to provide the best possible management of their animals through superior genetics, nutrition, veterinary care, housing and handling. Optimal animal health and welfare leads to production of safe, affordable and abundant food, critical to U.S. food security. Maintaining the health of U.S. herds and flocks requires farmers and ranchers to have all approved, safe and effective technologies, including animal health products, available to them.

Senate Hold Lifted on Sunstein's Nomination (Livestock Marketing Assn., 8/17) -- *Feedstuffs Online* has reported that a second "hold" on the controversial nomination of Cass Sunstein to be director of the office of information and regulatory affairs, in the White House Office of Management and Budget, has been lifted. That clears the way for the Senate to approve the nomination, *Feedstuffs* said. The hold was lifted by Sen. John Cornyn (R-Texas) after he met with Sunstein and was assured he will not pursue an animal rights agenda in his office, which approves, rejects or returns for modification all proposed federal rulemaking. Sunstein said in a letter he would not use his position to promote animal standing in civil litigation, because such standing would "indeed be an intolerable burden on farmers, ranchers and hunters," *Feedstuffs* reported. Sunstein's views that animals should have the right to sue humans led to the first hold on his nomination, by Sen. Saxby Chambliss (R-Ga.). However, Chambliss lifted his hold last month, after receiving the same sort of assurances given to Cornyn.

Oral Arguments Heard in California Preemption Suit (National Meat Assn., 8/14) -- Arguments were heard Tuesday, August 11 by a three-judge panel of the Ninth Circuit Court of Appeals over the preliminary injunction of a California law banning downer animals from processing in Federal slaughterhouses. The case was initiated by NMA because the California law is preempted by the Federal Meat Inspection Act. The meat association won an injunction on this basis in March. For full audio of the oral arguments delivered on Aug. 11, 2009 visit http://www.ca9.uscourts.gov/media/view_subpage.php?pk_id=0000003824.

Argentina May Import Beef First Time as Herds Die (Bloomberg, 8/18) -- Argentina, the biggest beef-consuming nation, may resort to imports for the first time within two years as a drought kills cattle and export controls prompt ranchers to quit the business. Pastures have dried up and forage prices gained so much that farmers are allowing livestock to die in the fields, said Arturo Llavallol, a director of Buenos Aires-based farm group The Rural Society. Ranchers are killing higher than usual numbers of breeding stock, compromising future output, he said. The nation's herd has dwindled 7 percent since 2006, when the government restricted beef exports to boost supplies in the local market, Llavallol said in a telephone interview from his farm in Saavedra, southwest Buenos Aires province. The country may need imports within a couple of years, he said.

Pork Producers Applaud Govt Restructuring Plan (ThePigSite, 8/17) -- Canadian pork producers have been losing money for about three years due to the high value of the Canadian dollar, high feed, fuel and energy costs, the global recession and most recently the impact of H1N1. On Saturday federal agriculture minister Gerry Ritz announced a government backed restructuring plan which will include marketing initiatives to encourage customers to buy more Canadian pork, government backed credit to help viable operations deal with the economic uncertainty and a transition program to allow struggling producers to exit the industry.

Shrinking Flock Threatens Australian Lamb Strength (American Sheep Industry Assn., 8/14) -- Although the Australian lamb industry's high sale-yard prices, resilient supplies and strong export demand in the first half of 2009 are forecast to continue, this performance has been marred by a further substantial fall in the national flock, restraining potential growth in lamb supplies and affecting Australia's ability to capitalize on the growing global demand for mutton and live sheep, according to Meat and Livestock Australia's (MLA) 2009 Sheep Industry Projections-Mid-Year Update. This year's exceptional lamb and sheep prices are the result of strong export and domestic demand, tighter supplies from New Zealand and a lower Australian dollar.

Australian Green Feed System Launches in USA (AG Weekly, 8/12) -- Award winning Australian technology which produces nutritious green feed for livestock in just six days is making its debut in the United States. Fodder Solutions, www.foddersolutions.net, has sold more than 300 climate controlled growing chambers to farmers across Australia, enabling them to transform grain seed and water into highly palatable feed harvested fresh daily, regardless of seasonal conditions. All classes of livestock love the densely matted sprouts which they devour roots and all with no waste. Systems are being used to feed beef and dairy cattle, horses, sheep, goats, free range pigs and even rabbits.

Most CWT Cows Coming Out of the West and Southwest (Brownfield Network, 8/12) -- More details on the latest round of the CWT herd retirement program. Auditors are in the process of visiting the 294 farms that have bids tentatively accepted for buyout.

While 73 percent of those farms are east of the Mississippi, 70 percent of the 87,000 cows are in the West and Southwest. By region, 33,515 cows from the Southwest, 27,479 from the West, 15,398 from the Midwest, 6,180 from the Northeast and 4,139 from the Southeast. The average herd size in this round is 296 cows and average production per cow is 20,884, both are the highest of the eight retirement rounds. The average herd size ranges from 83 head in the Southeast to 817 in the Southwest. The round is expected to take 1.8 billion pounds of milk production off the market.

Are Banks Foreclosing on Dairies in California? (DairyHerd.com, 8/18) -- Rumors would have you believe that banks are sending foreclosure notices, and the dairy industry is starting to resemble the housing market in California. But some bankers add, "Don't believe what you hear."

"There are a lot of rumors out there right now," says Tony DeRose, executive vice president of Wells Fargo Bank in Visalia, Calif. "We are the largest dairy lender out there and we have not foreclosed on any dairies yet." And, he notes there is no truth to the rumor that Wells Fargo is pulling out of the dairy industry. DeRose says the lending criteria at Wells Fargo has remained the same; however, it may be a little more difficult for dairies to meet the criteria to gain loans.

Systems to Reduce the Cost of Preconditioning Purchased Calves (Beef, 8/17) -- Systems to Reduce the Calves purchased from local sale barns have usually been severely stressed and exposed to disease. Few, if any, have been vaccinated or have adequate immunity to fully protect them from disease challenge. A good receiving program is essential to reduce sickness and death loss and to condition calves to perform adequately through the grazing period. Proper use and timing of immunizations and antibiotics are essential for animal health, but equally important is the proper nutritional managements. To read the entire article, link [here](#).

Livestock Expenses Are 24% of Nebraska Total (Nebraska Farmer, 8/18) -- Farm and ranch expenditures for Nebraska totaled \$16.6 billion in 2008, up 5% from a year earlier, according to USDA's National Agricultural Statistics Service, Nebraska Field Office. Livestock expenses, the largest expenditure category, at \$3.9 billion, decreased 17% from 2007. Feed, the next largest total expense category at \$2.5 billion, increased 18% from 2007. Livestock expenses accounted for 24% of Nebraska's total production expenditures. Feed accounted for 15, rent 10, and farm services 9%. The livestock expense category was the leading expenditure, at \$82,278 per operation, more than six times the national average. The average feed expenditure, at \$52,743 per operation, was almost two and a half times the national average. Access the national publication for this release at: usda.mannlib.cornell.edu/usda/current/FarmProdEx/FarmProdEx-08-06-2009.pdf

Dinner Just Got Easier with Beef For Dinner Mobile Website (Cattlemen's Beef Board, 8/14) -- The beef checkoff recognizes that today's shoppers are avid mobile phone users and rarely leave home without taking their phone. That's why the checkoff created Beef For Dinner, a free, mobile, streamlined version of the site consumers already know and love, BeefItsWhatsForDinner.com.

Western Livestock Journal Offers Free Copies to Markets (Livestock Marketing Assn., 8/14) -- The weekly *Western Livestock Journal* sends 10 free copies of the paper to various livestock markets, on a rotating schedule. Markets who would like to get on that schedule should send their request to circulation@wlj.net. Include your name, business name, phone number and complete mailing and e-mail addresses. The information can also be mailed to Circulation Department, Western Livestock Journal, 7995 E. Prentice Ave., #305, Greenwood Village, CO 80110. Questions can be directed to the paper's circulation manager, Michele McRae, 800-850-2769.

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