

Tennessee Market Highlights

UF Extension

August 28, 2009
Number :34

Livestock Comments by Emmitt L. Rawls

The fed cattle trade developed mostly on Thursday with prices ranging from \$84 to \$85 in the Southern Plains .50 to \$1.50 higher than a week ago, and \$83.50 to \$84 live in the Western Corn Belt and \$131 to \$133 dressed. The 5 area prices on Thursday were \$84.43 live and \$131.67 compared to \$82.08 and \$130.78 a week ago. A year ago prices averaged \$98.81 and \$155.64. Cutout values improved thru Wednesday before moving lower on Thursday. Cattle feeders took advantage of that, plus somewhat tighter numbers of market ready cattle to move prices higher. Packer margins have been decent allowing them to pay higher money. Cutout values on Thursday compared to a week ago were up \$1.84 on the Choice and up \$1.53 on the Select. At midday Friday the Choice cutout was \$144.02 up .31 and the Select was \$136.13 down .21. The Choice Select spread was \$7.89 compared to \$7.05 a week ago. Feeder steers and bulls on the Tennessee auctions were called steady to \$2 lower with feeder heifers steady to \$1 lower. Cows were steady to \$2 lower and bulls were steady to \$1 lower. Average receipts per sale on the markets this week were 883 head on 11 sales, 795 on 11 sales last week and 936 on 7 sales a year ago. Price projections by the Livestock Marketing Information Center for fed cattle are as follows: 3rd qtr. \$82 to \$84; 4th qtr. \$84 to \$87; 1st qtr '10 \$85 to \$89; 2nd qtr. '10 \$89 to \$94. With this current CWT dairy buyout, cull cow prices will be pressured at the same time of the year that we normally see some decline in prices due to cow culling. Dairy cow slaughter thru early August was up 14.7 %, while beef cow slaughter was down 8.4%. *Continued on page 2*

Crop comments by Chuck Danehower

The commodity markets have been fairly stable during the week with soybeans and wheat up, corn about even to up and cotton down. Export sales were good, giving support late in the week. The main market watching activity as we head into September is the weather. The soybean and corn markets appear to be maintaining a weather premium as harvest approaches. Overall, yield prospects are good to excellent but the potential for a frost/freeze on a later maturing crop is keeping the market cautious. There is no data or history that shows a relationship between average summer time temperature and the end of the growing season. So a crop that has been delayed from summer growing conditions may get nipped by a frost or could have harvest weather that will allow maturation. The market each day will be closely watching the 10 – 14 day weather forecast for a clue as to what will occur. Without a weather event, price support will most likely erode quickly. Outside influences have been fairly quiet this week with the U.S. Dollar up .28 at 78.42 before the close. The Dow Jones Industrial Average is up slightly from last week at 9536. Crude Oil is down 1.14 dollars a barrel trading at 72.75 a barrel.

Corn:

New Crop: September 2009 futures closed at \$3.21 a bushel on Friday, down \$.01 bushel from last week. Weekly exports sales were 38.3 million bushels (10.46 mb old crop, 27.86 mb new crop), about expected and on pace to reach USDA projections. Shipments still fell below what is needed for the week.

Continued on page 2

Slaughter cows: steady to \$2 lower

Slaughter bulls: steady to \$1 lower

Feeder steers: steady to \$2 lower

Feeder heifers: steady to \$1 lower

Fed cattle: 5 area live price of \$84.43

Feeder cattle index: Wednesday's index \$99.65

Corn: September 2009 futures closed at \$3.21 a bushel on Friday, down \$.01 bushel from last week

Soybean: September futures closed at \$11.36 bushel, up \$1.13 from last week.

Wheat: September 2009 futures contract closed at \$4.67 bushel, up \$.07 bushel from last week

Cotton: October Cotton futures closed at 56.30 cents/lb, down .15 cents/lb from last week

Livestock Comments by *Emmit L. Rawls*

In the 2nd qtr. dairy cow slaughter was up 14% and during the early June to early July period it was up 30 to 50% on a weekly basis. Most of the country is still enjoying very ample moisture except very south Texas. With very good hay supplies and lower cow numbers as a result of drought and low prices over the last two years, we may not see as much culling this fall as might normally be the case. Most of this bump in dairy cow slaughter should be behind us by mid September if the auditing of herds goes as fast as it did in June. While movement of cattle from grass to market has been heavy since mid July based on video sale reports, the ample grass could mean delayed marketing this fall. Corn prices continue to drift lower which is positive for feeder prices, but fed and feeder prices have also declined and are largely responsible for the lower feeder prices. Spreading marketings across the next few months is one method of reducing risk. Producers should take advantage of graded sales and PVP sales where available to capture additional income.

TECHNICALLY SPEAKING: Based on Thursday's closing prices. October live cattle closed at \$87.57. Support is at \$87.22, then \$86.47. Resistance is at \$87.97, then \$88.72. The RSI is 36.49. December cattle closed at \$87.70. Support is at \$87.25, then \$87.15. Resistance is at \$87.95, then \$88.75. The RSI is 41.13. September feeder cattle closed at \$98.82. Support is at \$98.57, then \$97.97. Resistance is at \$99.17, then \$99.77. The RSI is 24.89, an overbought condition. October feeders closed at \$98.97. Support is at \$98.55, then \$98.05. Resistance is at \$87.95, then \$88.75. The RSI is 41.13. Friday's closing prices are: August cattle \$84.65 -.52; (the August contract expires on Monday 8-31). October \$86.70 - .87; December \$87.10 - .60. September feeders \$98.15 -.67; October \$98.05 -.92; November \$98.55 -.75. September corn closed at \$3.10 down 2 cents.

Crop comments by *Chuck Danehower*

As of August 23, the crop condition ratings for corn were 70% in the good to excellent rating compared to 68% the previous week and 64% a year ago. The percent dough stage nationwide is 57% compared to 40% last week, 66% last year and 79% five year average. The percent dented is 18% compared to 9% last week, 25% last year and the five year average of 43%. Based on the crop ratings, there is no doubt the potential for a record corn yield. It is also a late crop that could be impacted by a frost/freeze. There is some data that suggest that unless the frost/ freeze occurs by mid September in the Upper Midwest, it must occur in the big corn states like Iowa, Illinois, or Nebraska by early October to have much impact on production. The corn market has been fairly stable this week, but I have concern that unless there is some bullish news from either weather or demand, prices will start drifting downward as we head into September. There is current support at \$3.11 - \$3.17 bushel with resistance at \$3.26 bushel then \$3.29 bushel. I am currently 50% forward priced with another 50% in put options. A December \$3.30 put, costing \$.25 bushel would set a futures floor at \$3.05.

Deferred: The March 2010 futures contract closed at \$3.43 bushel, up \$0.03 from last week. The September 2010 contract closed at \$3.69, up \$0.02 bushel from last week.

Cotton:

Nearby: The October Cotton futures closed at 56.30 cents/lb, down .15 cents/lb from last week.

New Crop: The December 09 futures closed at 58.34 cents/lb. down .29 cents/lb. from last week. Weekly exports sales were 238,100 bales, above expectations. Currently, cotton has support at 56 - 57 cents with resistance close to 60 cents. Overall crop condition ratings as of August 23 were 52% good to excellent compared to 53% last week and 48% last year. The percent setting bolls is 90% compared to 84% last week, 87% last year, and the five year average of 91%. Boll opening is at 13% compared to 9% last week, 16% last year and the five year average of 18%. Prices appear to be stuck trading in the low area of the 57 - 65 cent range. The market is waiting to get a better handle on the Texas crop as well as foreign production in India. With the loan program, there is not any incentive to price cotton until it moves above 63-65 cents.

Soybeans:

Nearby: September futures closed at \$11.36 bushel, up \$1.13 from last week. Weekly exports were 75.4 million bushels (3.2 mb old crop, 72.2 mb new crop) above expectations and on pace to exceed the USDA target. Although export sales are now over the USDA projections, actual shipments are below what is needed. Some of the old crop business may get rolled over to new crop. Of the new crop export sales, 56.2 million bushels are headed to China. Overall, to date we have new crop soybean sales of 477.2 million bushels on the books, which is well over last year and the three year average. As the old crop marketing year comes to a close, some soybean end users are scrambling for supplies as a later maturing crop will not be available as it normally is. With an already tight supply situation, this has pushed cash bids for nearby delivery up in some areas.

New Crop: The November 2009 futures contract closed at \$10.11 bushel, up \$0.38 bushel from last week. Current support is around \$9.89 - \$9.99 bushel, with resistance at \$10.16. As of August 23, crop conditions have the crop rated at 69% good to excellent compared to 66% last week and 61% in 2008. Soybeans setting pods nationwide is at 85% compared to 72% last week, 86% last year and the 5 year average of 92%. Strong Chinese purchases have been supportive of the market. Soybeans with already a delayed harvest have more concern than corn that yields could be impacted by a frost/freeze. If a yield robbing frost does not occur, then most likely soybeans over \$10.00 bushels are overpriced. I am currently 50% forward priced with another 50% priced with put options. I see a couple of alternatives for producers who want to increase their forward pricing. One alternative is to price at today's market. The other is to set a stop of \$9.50 - \$9.75 a bushel and not price unless it drops back to that level. If the market moves up, move the stop up. Put options are also an alternative. A November \$10.00 strike price put would have a premium of \$0.55 bushel and set a futures floor of \$9.45 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 \$4.67 bushel, up \$.07 bushel from last week. Support is at \$4.57 - \$4.66 bushel with resistance at \$4.82 - \$4.91. Weekly exports were 23.98 million bushels, above expectations, and a marketing year high. Wheat prices will need help from the corn and soybean markets and a continued weak dollar.

Deferred: The December 2009 futures contract closed at \$4.95 bushel, up \$.08 for the week. The July 2010 futures closed at \$5.40 bushel, up \$0.09 bushel from last week. July has support at \$5.30 - \$5.39 bushel with resistance at \$5.55 - \$5.63 bushel. Supportive of prices is dryness in Argentine wheat areas as well as Australia. For the 2010 crop, I am 5% priced at \$6.00 bushel.

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

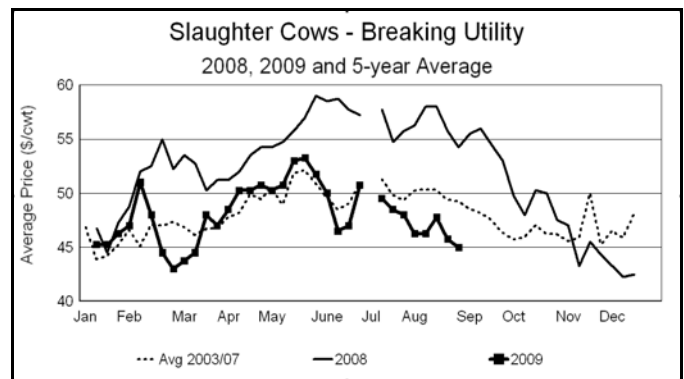
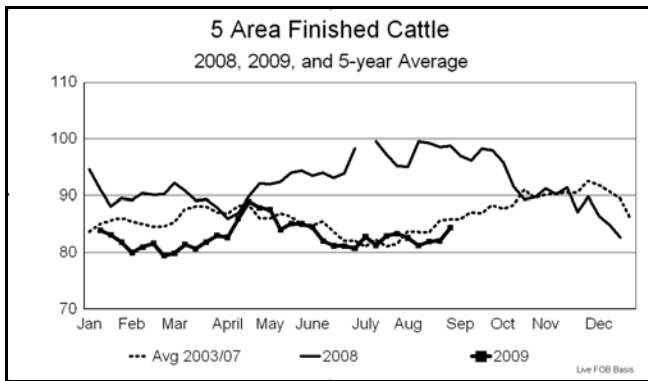
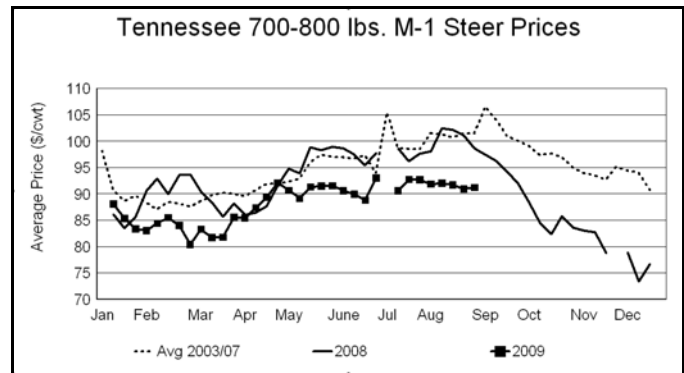
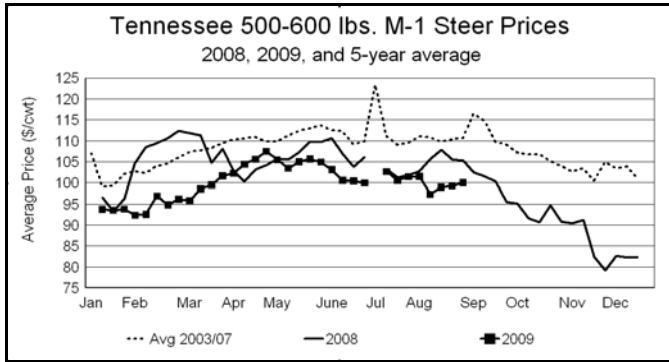
August 28, 2009

	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	131.00	110.03	109.83	117.38
400-500 lbs.	95.00	115.00	104.68	104.08	109.18
500-600 lbs.	90.00	110.50	100.03	99.29	105.28
600-700 lbs.	86.00	98.00	93.17	93.89	102.75
700-800 lbs.	82.50	97.25	91.21	90.91	98.62
<u>Steers: Small Frame #1-2</u>					
300-400 lbs.	81.00	94.00	87.31	96.91	98.43
400-500 lbs.	70.00	101.00	91.47	84.74	90.38
500-600 lbs.	86.00	91.00	88.70	89.95	91.43
600-700 lbs.	80.00	83.00	81.31	80.00	82.43
<u>Steers: Medium/Large Frame #3</u>					
300-400 lbs.	90.00	115.00	103.14	98.51	103.32
400-500 lbs.	86.00	103.00	93.60	94.36	96.06
500-600 lbs.	80.00	96.00	89.67	89.82	94.31
600-700 lbs.	80.00	93.00	87.40	87.19	91.12
700-800 lbs.	75.00	88.50	84.48	82.05	85.80
<u>Holstein Steer</u>					
300-400 lbs.	70.00	72.00	71.06	77.83	69.66
500-600 lbs.	63.00	75.00	69.98	73.43	70.62
700-800 lbs.	73.50	73.50	73.50	-----	-----
<u>Slaughter Cows</u>					
Breaking Utility	40.00	50.00	45.00	45.75	54.25
Cutter & Boning	38.50	47.50	43.00	45.50	54.00
Canner	35.00	44.50	39.75	39.25	47.75
Bull YG 1-2	52.50	60.50	56.50	58.50	69.75
<u>Heifers: Medium/Large Frame #1-2</u>					
300-400 lbs.	87.50	112.00	95.96	96.73	99.82
400-500 lbs.	83.00	103.00	91.48	92.48	97.03
500-600 lbs.	80.00	96.00	88.67	89.62	94.60
600-700 lbs.	78.00	93.50	84.93	85.78	92.18
<u>Heifers: Small Frame #1</u>					
300-400 lbs.	80.00	88.00	82.93	82.51	84.86
400-500 lbs.	60.00	91.00	80.41	79.82	82.33
500-600 lbs.	60.00	85.00	75.51	77.77	82.51
600-700 lbs.	66.00	76.50	70.59	75.09	81.53
<u>Heifers: Medium/Large Frame #3</u>					
300-400 lbs.	75.00	97.00	87.72	89.00	92.13
400-500 lbs.	75.00	93.50	85.60	85.49	89.79
500-600 lbs.	68.00	89.50	81.89	83.28	87.79
600-700 lbs.	70.00	85.00	78.58	80.13	85.03

Cattle Receipts: This week: (11) 9,710

Week ago: (11) 8,750

Year ago: (7) 6,550



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	422,500	429,500	432,750	98%	98%
Cattle	127,250	126,500	127,250	101%	100%

USDA Box Beef Cutout Value (\$/cwt)

	Thursday	Week ago	Year ago	Change from week ago	Change from year ago
Choice 1 - 3					
600-900 #	143.71	141.87	160.99	1.84	-17.28
Select 1 - 3					
600-990 #	136.34	134.81	153.94	1.53	-17.6

FUTURES SETTLEMENT PRICES
Crops & Livestock
Friday, August 21, 2009 - Thursday, August 27, 2009

Commodity	Contract Month	Fri. 21	Mon 24	Tues 25	Wed. 26	Thurs. 27
Soybeans (\$/bu)	Sep	10.23	10.80	10.91	10.90	11.14
	Nov	9.73	10.08	9.99	9.96	9.96
	Jan	9.76	10.10	10.01	9.98	9.97
	Mar	9.75	10.07	9.97	9.93	9.93
	May	9.70	10.02	9.89	9.85	9.85
	Jul	9.72	10.03	9.91	9.87	9.87
Corn (\$/bu)	Sep	3.22	3.30	3.21	3.20	3.23
	Dec	3.26	3.36	3.26	3.26	3.29
	Mar	3.39	3.49	3.40	3.40	3.43
	May	3.49	3.59	3.50	3.49	3.52
	Jul	3.58	3.67	3.58	3.57	3.60
	Sep	3.66	3.76	3.66	3.65	3.68
Wheat (\$/bu)	Sep	4.60	4.72	4.71	4.79	4.75
	Dec	4.87	4.99	4.99	5.07	5.03
	Mar	4.07	5.19	5.18	5.26	5.22
	May	5.19	5.32	5.31	5.39	5.35
	Jul	5.32	5.44	5.43	5.51	5.48
Soybean Meal (\$/ton)	Sep	333	346	358	363	379
	Oct	298	308	309	309	309
	Dec	290	300	299	299	297
	Jan	288	297	296	296	293
	Mar	285	295	293	292	290
	May	282	291	288	288	286
Cotton (\$/lb)	Oct	56.45	56.92	55.97	55.37	55.54
	Dec	58.63	59.07	58.15	57.47	57.64
	Mar	61.12	61.57	60.59	59.88	59.96
	May	62.39	62.87	61.86	61.16	61.24
	Jul	63.58	64.02	62.99	62.31	62.39
Choice Fed Cattle (\$/cwt)	Aug	85.00	85.17	85.45	85.07	85.17
	Oct	88.60	88.80	88.75	87.37	87.57
	Dec	88.15	88.25	88.47	87.57	87.70
	Feb	88.07	88.22	88.55	87.87	88.02
	Apr	89.95	89.95	90.30	89.92	90.07
Feeder Cattle (\$/cwt)	Aug	100.15	100.10	99.95	99.80	-----
	Sep	100.70	100.32	99.97	99.30	98.82
	Oct	100.62	100.45	100.12	99.47	98.97
	Nov	100.77	100.45	100.45	99.70	99.30
	Jan	101.57	101.37	101.25	100.55	100.27
Market Hogs (\$/cwt)	Oct	47.85	46.82	48.30	47.05	47.90
	Dec	47.32	46.00	47.10	45.40	46.20
	Feb	53.57	52.05	52.85	52.37	52.67
	Apr	57.95	56.82	57.57	57.47	57.82
	May	63.82	63.42	63.85	63.75	64.20

Milk Futures, Thursday , August 27, CME Futures

Month	Class III Close	Class IV Close
August	11.20	10.51
September	12.45	11.06
October	12.75	11.31
November	12.97	11.43
December	13.11	11.81

Nashville, TN Friday, August 28, 2009 USDA-TN Dept Market News**Tennessee Video Board Sale and Graded Sale****8/27/2009 Athens-Pre-Conditioned Sale****Receipts: 1037 Prices for Blk, Bwf & CharX**

Steers: Med & Lg 1	Heifers: Med & Lg 1
400-500 lbs 103.50-106.00	400-500 lbs 86.50-88.50
500-600 lbs 101.00-107.00	500-600 lbs 91.00-95.50
600-700 lbs 95.50-101.10	600-700 lbs 91.30-95.80
700-800 lbs 90.60-94.00	700-800 lbs Ld 765 lbs 87.25
900-1000 lbs 82.25	800-900 lbs 78.00

Steers: Med & Lg 2	Heifers: Med & Lg 2
400-500 lbs 92.75	400-500 lbs 72.00
500-600 lbs 95.00-95.25	500-600 lbs 72.50-82.00
600-700 lbs 95.50	600-700 lbs 73.00-78.00
	700-800 lbs 81.50

08/26/2009 McMinnville Graded Sale**Receipts: 1890, Prices for Blk,Bwf and Char X only**

Steers: Med and Lg 1	Heifers: Med & Lg 1
300-350 lbs -----	300-350 lbs 97.00
350-400 lbs 109.00-112.00	350-400 lbs 97.00-100.00
400-450 lbs 106.00-108.00	400-450 lbs 94.50-95.00
450-500 lbs 103.50-106.00	450-500 lbs 89.00-92.00
500-550 lbs 98.25-106.10	500-550 lbs 90.25-94.60

550-600 lbs 98.00-103.70	550-600 lbs 87.00-91.50
600-700 lbs 97.00-99.50	600-700 lbs 86.00-89.40
700-850 lbs 91.00-92.75	700-850 lbs 84.25-90.25
850-950 lbs -----	

Steers: Med & Lg 2	Heifers: Med & Lg 2
300-350 lbs 88.00-110.00	300-350 lbs 97.00
350-400 lbs 99.00-111.00	350-400 lbs 90.50-92.00
400-450 lbs 101.00-106.00	400-450 lbs 84.00-90.00
450-500 lbs 96.75-103.000	450-500 lbs 86.00-90.50
500-600 lbs 95.90-104.10	500-600 lbs 84.50-87.75
600-700 lbs 92.70-95.00	600-700 lbs 84.00-87.00
700-850 lbs 88.25-92.00	700-850 lbs 84.75-85.00

8/24/2009 Savannah-Graded Sale

Receipts: 1442 graded and 41 loads video cattle sold.

Video cattle on farm, mostly 1-2% pencil shrink and \$4.00 slide heavy side only.

Steers: Med & Lg 1	Heifers: Med & Lg 1
400-500 lbs 108.50-109.50	300-400 lbs 96.00-101.00
500-600 lbs 105.00-106.50	400-500 lbs 95.00-96.25
600-700 lbs 95.50-101.50	500-600 lbs 91.50-94.75
700-800 lbs 94.00-94.75	600-700 lbs 89.00-91.00
800-900 lbs 88.00	700-800 lbs 82.50-85.00
	800-900 lbs 80.50

Steers: Med & Lg 2	Heifers: Med & Lg 2
400-500 lbs 101.00-102.25	300-400 lbs 96.00-100.00
500-600 lbs 96.00-98.00	400-500 lbs 90.00-93.00
600-700 lbs 87.00-94.00	500-600 lbs 89.00-91.50
700-800 lbs 89.50	600-700 lbs 82.50-88.50
800-900 lbs 82.50	700-800 lbs 80.50

Load Lots-Steers	Load Lots-Heifers
6 lds 550-600 lbs 105.25-105.85	Ld 465 lbs 100.75

6 lds 650 lbs 100.85-102.10 3 lds 625-635 lbs 96.00-96.25
7 lds 700-725 lbs 98.25-99.35 7.5 lds 675-700 lbs 91.50-94.60
5 lds 740-800 lbs 95.35-96.75 4 lds 730-750 lbs 91.25-91.75
Ld 850 lbs 91.50 Ld 820 lbs 88.50

08/25/2009 Fayetteville (TLP)

Receipts: 854(467 Graded and Grouped)

Steers & Bulls: Med & Lg 1-2 Heifers: Med & Lg 1-2
400-500 lbs 95.00-107.50 400-500 lbs 84.00-95.00
500-600 lbs 91.50-99.00 500-600 lbs 80.00-93.50
600-700 lbs 88.50-96.00 600-700 lbs 78.50-88.50
700-800 lbs 88.50-94.50 700-800 lbs 78.00-86.50
Lot 853 lbs 88.50
Lot 991 lbs 80.00

Bulls: Med & Lg 1-2
400-500 lbs 100.00-105.50
500-600 lbs 90.00-92.00
600-700 lbs 85.50-89.50
700-800 lbs 76.00-80.50

BLUEGRASS STOCKYARD INTERNET SALE 8/26/09

156 head of steers, bbwf, 650 lbs. \$104.00
69 head of heifers, bbwf-charx, 725 lbs. \$89.00
130 head of heifers, bbwf, 790 lbs. \$88.10
60 head of steers, bbwf, 825 lbs. \$96.70
60 head of steers, bbwf-charx, 825 lbs. \$95.00
60 head of steers, bbwf, 850 lbs. \$94.50
105 holstein, 950 lbs. \$71.40

KNOXVILLE LIVESTOCK CENTER 8/26/09

140 head of heifers, 700 lbs., \$90.30
63 head of heifers, 790 lbs. \$86.60

For more information please go to www.NLPA.org

Agriculture Secretary Vilsack Establishes Dairy Industry Advisory Committee and Requests Nominations (USDA Agricultural Marketing Service, 8/ 25) -- Agriculture Secretary Tom Vilsack today announced that as part of USDA's continuing efforts to listen to and respond to the needs of producers in the dairy industry he is moving forward on establishing the Dairy Industry Advisory Committee and is requesting nominations. The Secretary of Agriculture will appoint up to 15 representatives of the dairy industry to serve in an advisory capacity on the Committee. Representatives will include: producers and producer organizations, processors and processor organizations, handlers, consumers, academia, retailers, and state agencies involved in organic and non-organic dairy at the local, regional, national and international levels.

Written nominations must be received on or before September 28, and should be sent to Judith Lindsay, secretary to Brandon Willis, Deputy Administrator, Farm Service Agency, Farm Programs, USDA Room 3612-S, Stop 0501, Washington, D.C. 20250-0501; faxed to (202) 720-4726; or e-mailed to:

judith.lindsay@wdc.usda.gov. Details will be published in the August 28 Federal Register. More information on the committee is available at <http://www.ams.usda.gov/AMSv1.0/DairyAdvisoryCommittee>.

AMI's Boyle Meets with President Obama and DHS Secretary Napolitano on Immigration Reform (American Meat Institute, 8/20) -- AMI President J. Patrick Boyle was invited to the White House to give the meat industry's perspective on comprehensive immigration reform. Boyle, along with other business, labor, law enforcement and faith-based leaders, met with the president, the U.S. Department of Homeland Security Secretary Janet Napolitano and other senior administration officials to discuss the framework for comprehensive immigration reform in the 111th Congress.

During the meeting, Boyle conveyed AMI's support for a comprehensive approach to immigration reform and emphasized the need to include a section enhancing and mandating E-Verify, an electronic employment verification tool voluntarily used by some employers to determine the work eligibility of new hires. The meat industry was one of the earliest adopters of E-Verify in 1997, when it was only available as a "pilot program" in a handful of states. Subsequently, AMI and its members successfully convinced Congress to make E-Verify available on a voluntary basis to all employers in all states.

CFTC Ends Loophole (Delta Farm Press, 8/20) -- The U.S. Commodity Futures Trading Commission has removed a provision allowing certain speculators to exceed federal speculative position limits on agricultural commodities. The CFTC announced today that it is withdrawing two no-action letters that provided relief from federal agricultural speculative positions limits set forth in CFTC regulations. In a letter dated May 5, 2006, the CFTC's Division of Market Oversight granted no-action relief to DB Commodity Services LLC, a commodity pool operator and commodity trading advisor, permitting the DB Commodity Index Tracking Master Fund to take positions in corn and wheat futures that exceeded federal speculative position limits set forth in CFTC regulations.

Livestock Risk Protection Lamb, Cattle Coverage to Resume (Western Farmer Stockman, 8/25) -- Montana producers insure small grain crops against the vagaries of drought, hail, pests and other hazards. Livestock producers, however, are not been able to insure their production, price or revenue until now. A new Livestock Risk Protection insurance is available for cattle and lambs. LRP for lambs was started then stopped so the federal Risk Management Agency could revise procedures used to offer coverage to sheep producers. But a recent decision by the Federal Crop Insurance Corporation approved a number of program changes, including a new pricing procedure that uses a lamb carcass price converted to a calculated live price using Agricultural Marketing Service data.

Americans OK With Taste of Canadian Beef (Livestock Marketing Assn., 8/26) -- Canada's beef industry has said the U.S. country of origin labeling (COOL) law has hurt them, as U.S. food retailers don't want to sell beef from north of the border. But a new consumer taste test suggests the law might not hurt the industry as much as originally thought. According to an Alberta radio station, the Canadian beef industry's Beef Information Centre recently conducted a series of blind taste tests. The results: U.S. consumers couldn't tell the difference between U.S. and Canadian beef. Centre spokesman Glenn Brand says those results should encourage U.S. retail food stores to be more open in selling Canadian beef products. The new findings will be used in an aggressive marketing strategy to promote Canadian beef to U.S. restaurants and fast food chains, the station reported.

<http://www.lmaweb.com/news-information/>

New Opportunity for U.S. Feed in Vietnam (BEEF Daily, 8/24) -- Transportation is a key factor when it comes to U.S. agricultural exports and now Vietnam has been afforded expanded access through a new shipping line. Hanjin Shipping, South

Korea's largest shipping company, has announced the launch of a new direct service between Vietnam and the United States this month. According to a Hanjin news release, the new service will improve transit time and provide higher quality service with easier access to its customers in Vietnam.

Australia: It's Your \$5, Have Your Say – Don't Let Others Decide Your Future Beef Marketing (Meat & Livestock Australia, 8/21) -- An independent levy payer committee has reviewed all aspects of the marketing levy and what it delivers. They concluded the additional \$1.50 marketing levy has returned about 5 times the value of investments through a range of programs across Australia and the world. They unanimously recommended retaining the levy at the current level of \$5 per head.

National Animal ID More Likely Under Obama (Dairy Herd, 8/25) -- On one hand, the U.S. House of Representatives passes a bill (HR 2749) that would enable federal authorities to trace a food item back to its origin within two business days. On the other hand, a House committee slashes funding for a national animal-identification system to zero. Both of these events occurred this summer. So, will we have a national animal-ID system or not?

Of the eight speakers who led off the **ID Info Expo 2009** on Tuesday, only one gave a clear indication of where things are headed. "The Obama Administration wants to make capital out of protecting the food supply," said David Acheson, formerly of the U.S. Food and Drug Administration who now serves as managing director of food and import safety practice at Leavitt Partners in Utah. He said the FDA under Obama will step up food-safety enforcement efforts, and there will probably be some requirement for food traceability.

Balance Point a Closer Look at the Dairy Price Stabilization Program (Dairy Herd, 8/25) -- Things are bad, financially speaking. The million-dollar question is: Will it get better and when? The futures market predicts an uptick in prices at the beginning of 2010. However, Bob Cropp, economist and professor emeritus at the University of Wisconsin-Madison, points out that history always seems to repeat itself. In other words, despite any rises that occur in the next year or two, prices will inevitably come back down again. Some people are searching for long-term solutions to price volatility.

One dairyman compares it to dealing with a deadly snake. "When you see a deadly snake, you don't form a task force committee or write memos on how to deal with the snake. You kill the snake." Here is a closer look at the Dairy Price Stabilization Program being supported by Holstein Association USA and why its proponents think it may be able to kill that proverbial "deadly snake."

FDIC Sees Ag Banks as the Next Big Crisis (Corn & Soybean Digest, 8/18) -- I bet this headline will catch the attention of readers from the beltway of Washington, D.C. to the depths of rural America. This is the word on the street circulating in conversations with lenders and producers in agriculture and rural America on my recent Road Warrior travels. While these rumors may be false, perception becomes reality in the boardrooms and loan committees of our lending institutions, which will ripple to producers.

Yes, banks, farm credit and other financial institutions are tightening agricultural credit extension. Credit is still available, but information and collateral requirements from borrowers are increasing and being scrutinized. For the most part, lending examinations of institutions loaning to agriculture are intensifying, particularly as bank failures in rural areas increase. The fallout from one institution with large ag credits under the eye of examiners was the shot heard around the country in lending circles.

AFBF President Stallman Responds to Time Article "Getting Real About the High Price of Cheap Food" (American Farm Bureau Federation's Blog, 8/21) -- Bryan Walsh's article was a vicious attack on modern farmers and the processes they use to care for the land, their animals, their neighbors and communities, all while producing safe, affordable, healthy and abundant food for consumers. The article contained not even a hint of the type of objective journalism we are told we can expect from Time. In fact, the article was nothing more than a compilation of every false assertion and criticism made about today's food production system. Further, the story was composed in a manner that the few words included to give agriculture a token voice were quickly trampled by yet another onslaught of anti-modern-agriculture rhetoric, much of it attributed to nobody but the writer himself.

Demand Booming for Meat Goats (Brownfield Network, 8/20) -- Marsha McCleary brings her goats to the Illinois State Fair and says interest in showing meat goats is approaching the interest in showing cattle. She adds that demand for goat meat itself is growing, especially within the ethnic groups that bring with them a taste for it.

Grasshopper Infestation Forces Livestock Sales (Aberdeen News, 8/23) -- Grasshoppers are eating grass and other forage grown for livestock in such proportions that some U.S. ranchers are selling cattle because they won't have feed for the animals this winter. Much of Nebraska, South Dakota, Wyoming, Montana and Idaho have the worst infestations of grasshoppers this year, but large populations also have been found in North Dakota, Kansas, Oklahoma, Texas, Colorado, Utah, Washington, Oregon, California and Arizona, according to the U.S. Department of Agriculture.

Environmentalists Sue to Stop Domestic Sheep Runs (American Sheep Industry Association, 8/21) -- Every spring, farmers in Chandler and Casa Grande, Ariz., move thousands of sheep out of the heat into northern Arizona for the summer and return them south in the fall. Some sheep are trucked part way, others are herded. Now, an environmental group, the Western Watersheds Project, is suing to block their route, charging that herding the sheep through forests threatens the wild bighorn sheep. The anti-livestock group has filed a federal court lawsuit in Phoenix challenging a decision by the U.S. Forest Service (USFS) to allow domestic sheep to run across two forests. In the fall, sheep are herded through parts of the Apache-Sitgreaves National Forest and the Tonto National Forest.

6 Accused Of Making False Claims On Cattle (CattleNetwork, 8/20) -- Six people have been indicted and arrested for filing false claims after Hurricane Rita that they lost hundreds of cattle which authorities say didn't exist. Authorities say the individuals were arrested Wednesday. They had claimed more than 500 of their cattle were swept away into the Gulf of Mexico after Rita came ashore in Southeast Texas in September 2005.

Tyson Fresh Meats Inc., to Pay More Than \$2 Million for Discharges from Nebraska Plant (PRNewswire, 8/20) -- Tyson Fresh Meats, Inc., the world's largest supplier of premium beef and pork, has agreed to pay a \$2,026,500 civil penalty to settle allegations that it violated terms of a 2002 consent decree and a federally-issued pollution discharge permit at its meat processing facility in Dakota City, Neb., the Justice Department and U.S. Environmental Protection Agency (EPA) announced today. In April 2002, Tyson Fresh Meats, known as IBP Inc., until May 2003, entered into a consent decree with the federal government and the Nebraska Department of Environmental Quality to bring wastewater discharges at its facility into compliance with state and federal law. Tyson discharges an average of five million gallons of treated effluent from its Dakota City facility into the Missouri River each day. The 2002 consent decree required IBP to complete a supplemental environmental project, specifically a \$2.9 million nitrification system that was intended to reduce the amount of ammonia in its wastewater discharges to the Missouri River.

Baby Boom Migration Tilts Toward Rural American (USDA Amber Waves, 8/17) -- The size and direction of migration patterns vary considerably by age, and baby boomers are migrating to rural destinations. If baby boomers follow migration patterns similar to their predecessors, the rural population age 55-75 will increase by 30 percent between 2010 and 2020. Local economic development strategies aimed at attracting more jobs will likely have little effect on the migration decisions of baby boomers searching for a better quality of life.

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