

# Tennessee Market Highlights

**UF** Extension

September 25, 2009  
Number :37

## **Livestock Comments** by *Emmit L. Rawls*

The fed cattle trade this week took place mostly on Thursday again with prices mostly steady with last week at \$84 to \$84.50 live and \$129 to \$130 dressed. After the rally on Wednesday in the live cattle futures pit many feedlots were holding out for higher money but when the market couldn't sustain the rally they took the steady money. The surge higher was primarily from fund buying and an oversold market correcting itself. The 5 area weighted average prices thru Thursday were \$83.51 live and \$129.58 dressed, down \$0.04 and \$0.13, respectively. This average does not include the cattle that traded at \$84 to \$84.50 on Friday. A year ago these prices were \$98.00 live and \$151.74 dressed. Cutout values on Thursday were down \$1.35 on Choice and down \$0.58 on Select compared to last Thursday. Boxed beef demand has been mostly moderate this week which also did not lend support to the upward movement in futures on Wednesday. At midday Friday the Choice cutout was \$139.09, down \$1.25, and the Select cutout was \$132.59, down \$0.99. The Choice/Select spread was \$6.50 down \$1.07 from last Friday. On Tennessee auctions feeder steers were called steady to \$4 lower, mostly \$1 to \$3 lower and heifers were called \$2 to \$4 lower. Slaughter cows were steady to \$1 higher and bulls were steady. The average receipts per auction this week were 800 head on 11 sales, 973 head on 11 sales last week and 750 head on 8 sales last year. With the live cattle markets unable to move higher and lend support to feeders, corn continuing to find support putting pressure on feeders and as we head into the fall of the year when feeder

*Continued on page 2*

## **Crop comments** by *Chuck Danehower*

Corn was up, cotton, soybeans and wheat down for the week. Weather forecasts have been flip flopping as to when a frost/freeze will hit the Midwest. Unless something changes drastically, it appears the corn and soybean crop will mature with minimal frost damage. There is some concern about quality and test weight issues that could impact production, but until combines really start rolling the true picture won't be known. The U.S. Dollar strengthened slightly during the week to 77.02, up .34 for the week. The Dow Jones Industrial Average is down slightly over 1% for the week, at 9693 before the close. Crude Oil was down over \$6 a barrel on an increase in inventories suggesting weak oil demand. Oil was trading at 66.01 a barrel before the close on Friday despite heightened tensions about Iran's nuclear program and comments from President Obama and other Western leaders. Demand or usage is such that a big crop is still needed. There is concern that usage may be overstated and with the frost/freeze threats diminishing and a big crop expected downward pressure may return on prices. For now, we appear to have some pricing opportunities for those who need to catch up on pricing. Rarely, do we see strength right before or at harvest with a big crop expected. The October 9 USDA report will most likely show an increase in corn and soybean yields. This report will also combine the NASS acreage estimates with FSA certified acres. There is always the potential for an acreage change. The September 1 Quarterly Grain Stocks report will be released on September 30.

*Continued on page 2*

## **Trends for the week compared to a week ago**

**Slaughter cows:** steady to \$1 higher

**Slaughter bulls:** steady

**Feeder steers:** steady to \$4 lower, mostly \$1 to \$3 lower

**Feeder heifers:** \$2 to \$4 lower

**Fed cattle:** 5 area live price of \$83.51 is down \$0.04 and the dressed price is down \$0.13 at \$129.58

**Feeder cattle index:** Wednesday's index: \$96.99

**Corn:** December 2009 futures closed at \$3.34 a bushel on Friday, up \$.16 bushel from last week.

**Soybean:** November futures closed at \$9.26 bushel, down \$0.15 bushel from last week.

**Wheat:** The December 2009 futures contract closed at \$4.50 bushel, down \$0.08 bushel from last week.

**Cotton:** The October Cotton futures closed at 60.60 cents/lb, down 2.58 cents/lb from last week.

## **Livestock Comments** by *Emmit L. Rawls*

cattle prices normally find their lows for the year, we can expect to continue to see lower feeder prices as auction receipts tend to increase into October. The wholesale beef market continues to struggle as consumer buying power as yet to be restored. This has been the situation most of this year and seems to be continuing into the fall. The expectations had been for reduced fed cattle numbers based upon lower placements in May and June but we've seen little evidence of that providing any support to fed cattle prices thus far.

**TECHNICALLY SPEAKING:** Based on Thursday's closing prices. October live cattle closed at \$86.10. Support is at \$85.90, then \$85.50. Resistance is at \$86.30, then \$86.70. The RSI is 44.24. December cattle closed at \$85.28. Support is at \$85.01, then \$84.48. Resistance is at \$85.53, then \$86.06. The RSI is 39.39. September feeder cattle closed at \$97.00. Support is at \$96.95, then \$96.80. Resistance is at \$97.10, then \$97.25. The RSI is 34.95. October feeders closed at \$97.13. Support is at \$96.68, then \$95.73. Resistance is at \$97.63, then \$98.58. The RSI is 39.47. November feeders closed at \$97.27. Support is at \$96.75, then \$96.55. Resistance is at \$98.15, then \$98.30. The RSI is 39.20. Friday's closing prices were: October live cattle \$86.05 down 0.05; December \$85.35 up 0.07; February \$85.75 down 0.15. October feeder cattle \$96.60 down 0.52; November \$96.72 down 0.55; January \$97.80 down 0.20. December corn \$3.34 per bushel down 2 cents from Thursday but up 16 cents from last Friday.

## **Crop comments** by *Chuck Danehower*

### **Corn:**

**New Crop:** December 2009 futures closed at \$3.34 a bushel on Friday, up \$.16 bushel from last week. Support is at \$3.17 bushel with resistance at \$3.48 bushel. Weekly exports sales were 26.5 million bushels, about expected. As of September 20, the crop condition ratings for corn were 68% in the good to excellent rating compared to 69% the previous week and 59% a year ago. The percent dented is 80% compared to 66% last week, 89% last year and the five year average of 93%. Nationwide, 21% of the corn crop is mature compared to 12% last week, 30% last year and the five year average of 55%. The corn crop nationwide is about 2-3 weeks behind the five year average. Trade estimates for the quarterly report show stocks on September 1 to be 1.72 billion bushels compared to USDA's latest estimate of 1.695 billion bushels. Corn has shown strength this week in despite of a drop in the price of oil, stock market down, and slight strength in the dollar. This strength is giving the impression that a bottom has been put in. I am not convinced that has happened yet. I would expect the corn market to trade somewhat sideways until harvest starts in earnest and yields are determined. If the market remains in the top end of the \$3.00 - \$3.50 trading range, I would look to contract un-priced grain or sell across the scales depending on when harvest is expected. In the bottom of the range or under \$3.00, storage or an alternative should be considered depending on cash flow needs. I am currently 50% forward priced with another 50% in put options.

**Deferred:** The March 2010 futures contract closed at \$3.47 bushel, up \$0.15 from last week. The September 2010 contract closed at \$3.72, up \$0.15 bushel from last week.

### **Cotton:**

**Nearby:** The October Cotton futures closed at 60.60 cents/lb, down 2.58 cents/lb from last week.

**New Crop:** The December 09 futures closed at 61.94 cents/lb. down 2.66 cents/lb. from last week. Cotton today traded through the support level of 62 – 63 cents. Resistance had been at 65 – 66 cents. Weekly exports sales were 60,000 bales, about expected. Overall crop condition ratings as of September 20 were 50% good to excellent compared to 51% last week and 48% last year. Boll opening is at 46% compared to 35% last week, 48% last year and the five year average of 57%. Cotton is running about a week behind the five year average. Wet weather in the in the Mississippi Delta and Southeast have caused an increase in the very poor to poor ratings in Arkansas, Georgia, Louisiana, and Mississippi possibly trimming yield prospects. With no real cotton news out today, the market is most likely responding to outside pressure and profit taking. Be in contact with your cotton buyer for current prices as well as loan options.

### **Soybeans:**

**New crop:** November futures closed at \$9.26 bushel, down \$0.15 bushel from last week. Support is at \$8.92 with resistance at \$9.43. Weekly exports were 42.3 million bushels, above expectations. China has committed to buy 421.6 million bushels of U.S. soybeans this marketing year which is 61% of their total imports from the U.S. in 08/09 and 29% of their total imports. The question that has to be raised is whether these commitments will continue and will represent additional sales. The alternative is whether South America produces their projected record crop, and China shifts business back to them, either curtailing purchases from the U.S. or possibly canceling sales on the books. Currency valuations will no doubt play a role in those decisions. Actual shipments for the first three weeks of the marketing year have been slow and below pace to meet projections. As of September 20, crop conditions have the crop rated at 67% good to excellent compared to 68% last week and 57% in 2008. The percent soybeans dropping leaves was

advanced to 40% compared to 17% last week, 41% last year and the five year average of 58%. On the average this crop is about a week behind, but is maturing quickly. Soybean rust has been found in most of the South, as well as Missouri, Kentucky, and along the Kentucky-Illinois border, and Kentucky-Indiana border. Some precautionary fungicide spraying has occurred, but this late in the season very little yield loss is expected. The frost/freeze threat is lessening each day, but yields will remain a question mark until more is harvested. The early soybeans have been outstanding, especially in the South. Export sales to China and the tight stocks have been supportive. The trade is estimating soybean stocks on September 1 to be 115 million bushels compared to USDA's latest number of 110 million bushels. If yields come in higher than the current projection of 42.3 bushels/acre, downward pressure will be put on the market. I am currently 50% forward priced with another 50% priced with put options.

**Deferred:** The March 2010 contract closed at \$9.32 bushel on Friday, down \$0.15 bushel from last week. The November 2010 contract closed at \$9.07 bushel, up \$0.03 bushel for the week.

**Wheat:**

**Nearby:** The December 2009 futures contract closed at \$4.50 bushel, down \$0.08 bushel from last week. Weekly exports were 18.6 million bushels, on the high range of expectations. As of September 20, Spring Wheat is at 85% harvested compared to 69% last week, 96% last year and the five year average of 96%.

**New Crop:** The July 2010 futures closed at \$5.01 bushel, down \$0.01 bushel from last week. Support is at \$4.92 bushel with resistance at \$5.34 bushel. For the 2010 crop, I am 5% priced at \$6.00 bushel and would add more at \$5.50 bushel.

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

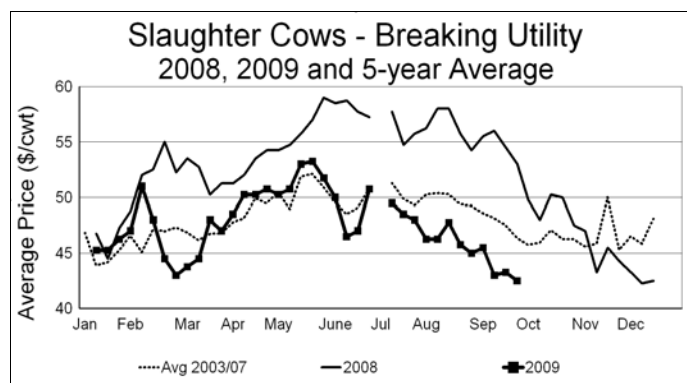
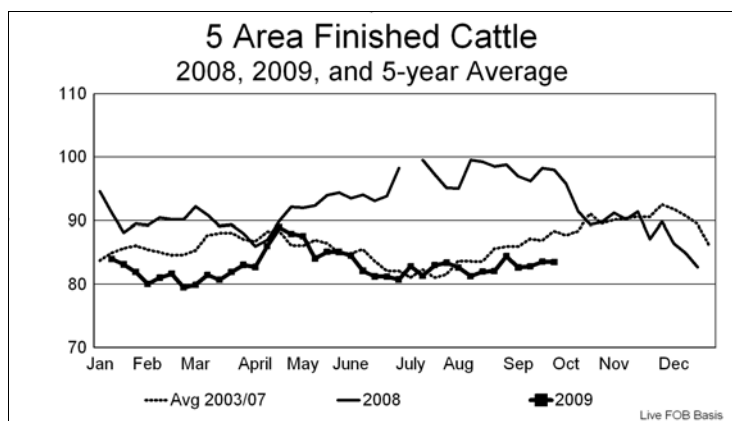
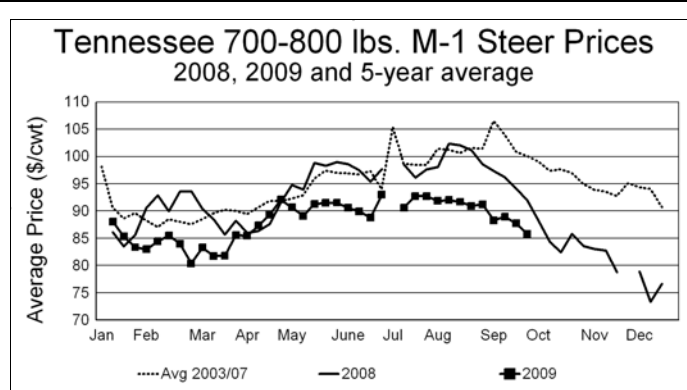
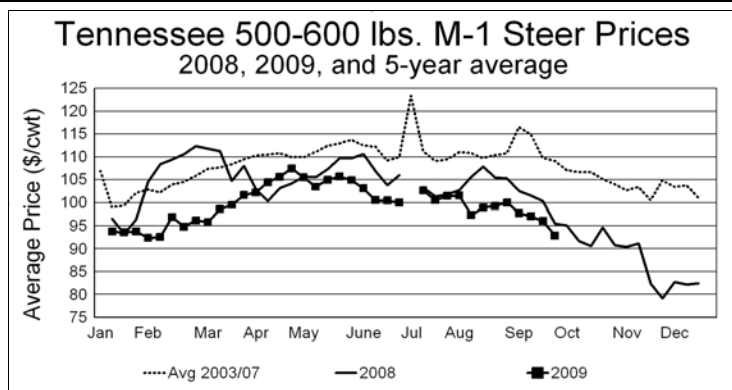
**September 25, 2009**

	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.	95.00	124.00	109.07	110.12	112.71
400-500 lbs.	91.00	114.00	99.87	102.04	103.47
500-600 lbs.	80.00	105.00	92.86	96.05	95.49
600-700 lbs.	78.00	98.00	89.24	91.00	92.37
700-800 lbs.	78.50	95.00	85.79	87.72	91.95
<u>Steers: Small Frame #1-2</u>					
300-400 lbs.	76.00	101.00	89.38	88.34	102.15
400-500 lbs.	70.00	92.00	80.74	82.00	86.75
500-600 lbs.	70.50	88.00	76.70	79.70	81.00
600-700 lbs.	72.00	87.00	79.68	79.91	81.90
<u>Steers: Medium/Large Frame #3</u>					
300-400 lbs.	87.50	110.00	96.36	99.81	102.85
400-500 lbs.	76.00	100.00	88.70	92.21	94.41
500-600 lbs.	74.00	92.00	83.58	87.56	87.47
600-700 lbs.	73.00	87.00	81.16	85.04	84.52
700-800 lbs.	74.50	80.00	78.07	81.84	81.63
<u>Holstein Steer</u>					
300-400 lbs.	-----	-----	-----	67.79	67.57
500-600 lbs.	-----	-----	-----	73.19	62.41
700-800 lbs.	-----	-----	-----	-----	-----
<u>Slaughter Cows</u>					
Breaking Utility	38.00	47.00	42.50	43.25	53.00
Cutter & Boning	38.00	47.50	42.75	42.25	52.00
Canner	32.00	43.00	37.50	37.00	46.75
Bull YG 1-2	50.50	60.00	55.25	55.75	69.25
<u>Heifers: Medium/Large Frame #1-2</u>					
300-400 lbs.	82.00	103.00	91.53	93.10	96.69
400-500 lbs.	78.00	96.00	85.30	88.17	91.43
500-600 lbs.	75.50	89.00	83.22	85.52	88.38
600-700 lbs.	70.00	86.00	79.62	83.21	86.40
<u>Heifers: Small Frame #1</u>					
300-400 lbs.	70.00	85.00	78.68	80.39	87.12
400-500 lbs.	65.00	81.00	74.71	75.05	89.09
500-600 lbs.	62.50	80.00	71.15	74.42	84.66
600-700 lbs.	63.00	70.00	66.18	68.03	87.56
<u>Heifers: Medium/Large Frame #3</u>					
300-400 lbs.	70.00	90.00	81.96	84.68	101.42
400-500 lbs.	63.00	86.00	79.28	80.08	95.89
500-600 lbs.	63.50	85.00	76.37	78.23	92.47
600-700 lbs.	66.00	80.00	74.87	77.90	89.37

Cattle Receipts: This week: (11) 8,801

Week ago: (11) 10,700

Year ago: (8) 6,000



**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	431,000	428,750	431,750	101%	100%
Cattle	125,750	123,750	127,250	102%	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 #	140.34	141.69	159.61	-1.35	-19.27
Select 1 - 3					
600-990 #	133.58	134.16	151.96	-0.58	-18.38



**FUTURES SETTLEMENT PRICES****Crops & Livestock****Friday, September 18, 2009 - Thursday, September 24, 2009**

Commodity	Contract Month	Fri. 18	Mon. 21	Tues. 22	Wed. 23	Thurs. 24
Soybeans (\$/bu)	Nov	9.41	9.13	9.22	9.20	9.19
	Jan	9.45	9.419	9.26	9.25	9.24
	Mar	9.46	9.22	9.28	9.26	9.26
	May	9.44	9.23	9.28	9.25	9.26
	Jul	9.44	9.26	9.30	9.26	9.28
	Aug	9.39	9.21	9.25	9.20	9.24
Corn (\$/bu)	Dec	3.18	3.16	3.26	3.30	3.36
	Mar	3.31	3.29	3.39	3.43	3.50
	May	3.40	3.38	3.48	3.52	3.58
	Jul	3.49	3.47	3.57	3.61	3.67
	Sep	3.57	3.56	3.66	3.69	3.75
	Dec	3.67	3.66	3.76	3.80	3.86
Wheat (\$/bu)	Dec	4.57	4.56	4.56	4.60	4.73
	Mar	4.76	4.76	4.75	4.79	4.93
	May	4.89	4.88	4.88	4.92	5.07
	Jul	5.01	4.99	4.99	5.03	5.19
	Sep	5.16	5.15	5.14	5.17	5.34
Soybean Meal (\$/ton)	Oct	290	282	282	285	284
	Dec	285	276	279	281	279
	Jan	283	275	277	279	277
	Mar	280	274	275	277	275
	May	278	273	274	276	274
	Jul	278	274	275	276	275
Cotton (\$/lb)	Oct	63.18	61.19	62.39	62.93	63.06
	Dec	64.60	62.60	64.13	64.68	64.81
	Mar	66.24	64.47	66.11	66.59	66.63
	May	67.52	65.75	67.46	67.89	67.85
	Jul	68.40	66.75	68.48	68.91	68.85
Choice Fed Cattle (\$/cwt)	Oct	85.55	84.97	85.27	86.45	86.10
	Dec	84.90	84.52	84.35	85.75	85.27
	Feb	85.72	85.32	85.27	86.15	85.90
	Apr	88.00	87.82	87.90	88.67	88.27
	Jun	84.97	84.77	84.75	85.52	85.12
Feeder Cattle (\$/cwt)	Sep	97.25	97.15	96.75	96.85	97.00
	Oct	97.02	96.72	96.85	97.87	97.12
	Nov	97.42	96.70	96.77	97.95	97.27
	Jan	98.55	97.82	97.85	98.97	98.00
	Mar	99.10	98.70	99.20	99.87	98.77
Market Hogs (\$/cwt)	Oct	50.80	50.15	49.87	50.92	50.22
	Dec	50.30	49.37	48.75	50.05	49.35
	Feb	56.92	55.95	55.70	56.60	56.10
	Apr	62.95	61.27	61.05	61.85	61.02
	May	68.75	67.95	67.50	68.17	67.80

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**Milk Futures, Thursday , September 24, CME Futures**

<b>Month</b>	<b>Class III Close</b>	<b>Class IV Close</b>
September	12.06	11.06
October	12.55	11.35
November	13.36	11.44
December	13.96	11.81
January	14.00	12.33

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**EAST TENNESSEE LIVESTOCK CENTER - SEPTEMBER 23, 2009**

1 load out of 72 heifers, est. wt. 750 lbs., range 700-800 lbs., \$0.04 slide up if over 751 lbs., 100% M-1, med flesh, 100% black (2 BWF), wormed, weighed on ground, selling with 2% shrink. Price: \$87.10

1 load out of 61 steers, est. wt. 915 lbs., range 860-975 lbs., \$0.04 slide up if over 916 lbs., 100% M-1, med flesh, 100% black/BWF, wormed and implanted, hauled 8 miles, weighed on ground after sort, selling with 1% shrink. Price: \$85.85

1 load out of 90 Holstein steers, est. wt. 825 lbs., range 750-875 lbs., \$0.04 slide up if over 826 lbs., 95% M-1, 5% M-2, med flesh, wormed and implanted, hauled 8 miles to barn, weight on ground after sort, selling with 1% shrink. Price: \$71.85

**Bluegrass Stockyard Internet Sale 9/23/09**

66 head of steers, bbwf, 760 lbs, \$92.50  
66 head of steers, charx-rrwf, 760 lbs, \$90.25  
62 head of steers, bbwf-charx, 825 lbs, \$89.75  
300 head of steers, bbwf, 875 lbs, \$88.60  
51 head of steers, mixed, 990 lbs, \$81.85  
105 head of Holstein steers, 975 lbs, \$68.50  
60 head of heifers, bbwf, 800 lbs, \$84.50  
60 head of steers, bbwf, 800 lbs, \$91.90

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**Nashville, TN Wednesday Sept 23, 2009 USDA-TN Dept Market News  
Tennessee Video Board Sale and Graded Sale****09/22/2009 Fayetteville (TLP)****Receipts: 498(261 Graded and Grouped)**

Steers: Med & Lg 1-2	Heifers: Med & Lg 1-2
400-500 lbs -----	400-500 lbs 85.50-89.50
500-600 lbs 87.50-101.25	500-600 lbs 75.50-88.50
600-700 lbs 86.50-89.50	600-700 lbs 77.00-83.50
700-800 lbs 85.50-87.00	700-800 lbs 81.00

Bulls: Med & Lg 1-2  
400-500 lbs 98.00-101.50  
500-600 lbs 80.00-91.50  
600-700 lbs 81.50-82.50  
700-800 lbs 80.00

**9/18/09 Sweetwater-Holstein Steer Sale****Receipts: 995**

Holstein Steers: Lg 1  
300-350 lbs 101.00  
350-400 lbs 94.00-97.00

400-450 lbs 87.00-94.00  
 450-500 lbs 82.00  
 500-550 lbs 73.25-77.50  
 550-600 lbs 71.50  
 600-700 lbs 73.00-74.00  
 700-800 lbs 71.50-72.75  
 800-900 lbs 67.00-70.00  
 900-1000 lbs 64.25

Holstein Steers: Lg 2

300-350 lbs 95.50-96.50  
 350-400 lbs 94.00-95.00  
 400-450 lbs 83.00-87.00  
 450-500 lbs 81.00-82.00  
 500-550 lbs 76.00-78.50  
 550-600 lbs 73.75  
 600-700 lbs 72.50  
 700-800 lbs 72.75

Holsteins Steers: Lg 3

300-350 lbs 65.50  
 350-400 lbs 87.00  
 400-450 lbs 79.00  
 450-500 lbs 66.00  
 500-600 lbs 61.75-65.50  
 600-700 lbs 60.50  
 700-800 lbs 55.00

**Tennessee Weekly Summary for September 25, 2009**

Bred Cows Medium and Large 1 Young

Head	Wt Range	Avg Wt	Price Range	Avg Price	
1	1000-1100	1080	510.00	510.00	1-3 Months Bred
1	1200-1300	1265	660.00	660.00	1-3 Months Bred

Bred Cows Medium and Large 1 Middle Aged

Head	Wt Range	Avg Wt	Price Range	Avg Price	
1	900-1000	975	675.00	675.00	1-3 Months Bred
1	900-1000	910	660.00	660.00	7-9 Months Bred
1	1100-1200	1155	760.00	760.00	7-9 Months Bred
3	1100-1200	1148	670.00-730.00	709.36	4-6 Months Bred
1	1200-1300	1245	750.00	750.00	7-9 Months Bred

Bred Cows Small 1-2 Young

Head	Wt Range	Avg Wt	Price Range	Avg Price	
1	700-800	760	490.00	490.00	1-3 Months Bred

Bred Cows Small 1-2 Middle Aged

Head	Wt Range	Avg Wt	Price Range	Avg Price	
1	700-800	770	550.00	550.00	4-6 Months Bred
1	800-900	885	630.00	630.00	7-9 Months Bred
1	800-900	885	560.00	560.00	4-6 Months Bred

Bred Cows Small 1-2 Aged

Head	Wt Range	Avg Wt	Price Range	Avg Price	
1	900-1000	935	350.00	350.00	1-3 Months Bred
1	1000-1100	1050	505.00	505.00	7-9 Months Bred

Bred Cows Medium and Large 2 Middle Aged

Head	Wt Range	Avg Wt	Price Range	Avg Price	
2	900-1000	920	580.00-590.00	585.08	4-6 Months Bred
1	900-1000	920	550.00	550.00	1-3 Months Bred
2	1000-1100	1035	460.00-640.00	552.17	1-3 Months Bred
1	1100-1200	1150	460.00	460.00	1-3 Months Bred
1	1100-1200	1165	570.00	570.00	4-6 Months Bred
1	1300-1400	1395	570.00	570.00	7-9 Months Bred
2	1300-1400	1373	630.00-690.00	659.84	1-3 Months Bred
1	1400-1500	1420	660.00	660.00	7-9 Months Bred

#### Bred Cows Medium and Large 2 Aged

Head	Wt Range	Avg Wt	Price Range	Avg Price	
2	1000-1100	1038	395.00-430.00	412.20	4-6 Months Bred
1	1100-1200	1120	460.00	460.00	4-6 Months Bred
2	1100-1200	1125	410.00-460.00	435.44	7-9 Months Bred
1	1300-1400	1385	580.00	580.00	4-6 Months Bred

#### Stock Cows Medium and Large 1 Middle Aged

Head	Wt Range	Avg Wt	Price Range	Avg Price	
5	900-1000	972	580.00	580.00 Per Head	

#### Stock Cows Small 1-2 Middle Aged

Head	Wt Range	Avg Wt	Price Range	Avg Price	
1	700-800	760	460.00	460.00 Per Head	

#### Stock Cows Medium and Large 2 Middle Aged

Head	Wt Range	Avg Wt	Price Range	Avg Price	
3	900-1000	912	500.00	500.00 Per Head	

**\*\*The following news summary is from the National Livestock Producers Association\*\***  
**For more information please go to [www.NLPA.org](http://www.NLPA.org)**

**Operating Committee Approves Beef Checkoff Initiatives for Fiscal 2010 (Cattlemen's Beef Board, 9/21)** -- The Beef Promotion Operating Committee has approved investment of the Cattlemen's Beef Board (CBB) Fiscal Year 2010 budget of \$42.3 million on a total of 30 national checkoff programs. At the 2009 Cattle Industry Summer Conference in July, CBB approved a budget of \$41.6 million for Fiscal Year 2010, which begins Oct. 1, 2009. Thanks to checkoff revenue coming in higher than expected and some unspent administration funds in the current fiscal year, the Operating Committee last week recommended an amendment that increased that Fiscal Year 2010 budget to the \$42.3 million, up slightly from \$41.7 million in Fiscal Year 2009.

**Critical PSA Case Gets Hearing This Week (Feedstuffs, 9/16)** -- The U.S. Fifth Circuit Court of Appeals is scheduled to re-hear next week arguments in a case that could bring "significant damages" against Pilgrim's Pride Corp. and "potentially significant damages" against other companies in the livestock and poultry sectors that contract production, according to Feedstuffs sources. The case involves three Pilgrim's Pride contract growers who brought suit against the company, alleging violation of the Packers & Stockyards Act (PSA) in its grower-pay practices. The case was decided for the growers in the district court and by a 2-1 ruling by a circuit court panel on appeal to the circuit court. The re-hearing will be before the full court. The full circuit's hearing is scheduled for Sept. 24.

**FTC, Justice to Revise Merger Guidelines (Feedstuffs, 9/22)** -- The U.S. Department of Justice and Federal Trade Commission announced today that they are considering possible updating of the two agencies' "Horizontal Merger Guidelines" that they use to evaluate potential anticompetitive effects of proposed acquisitions and mergers to determine if the guidelines reflect current merger reviews and the economic and legal developments that have occurred since they were last update in 1992.

The guidelines are intended to reduce uncertainties for companies proposing acquisitions and mergers and were first adopted in 1968 and substantially revised in 1982 and 1992. The announcement said the two agencies will post questions about the current guidelines and possible revisions at [www.ftc.gov/bc/workshops/hmg/hmg-questions.pdf](http://www.ftc.gov/bc/workshops/hmg/hmg-questions.pdf) and will welcome written comments from academics, attorneys, economics, the business community, consumer groups and other parties.

**EPA Will Require Greenhouse Gas Reporting (Drovers, 9/23)** -- On January 1, 2010, the U.S. Environmental Protection Agency will, for the first time, require large emitters of heat-trapping emissions to begin collecting greenhouse gas data under a new reporting system. This new program will cover approximately 85 percent of the nation's greenhouse gas emissions and apply to roughly 10,000 facilities. The only emission source in the agriculture sector covered by the rule is manure management systems at livestock operations with greenhouse gas emissions that meet or exceed the threshold of 25,000 metric tons, according to an EPA Frequently Asked Questions supplement. EPA modeling estimates that just over 100 manure management systems at large livestock operations meet this threshold.

**Activists Petition EPA to Regulate CAFO Air Emissions (Feedstuffs, 9/22)** -- A coalition of activist organizations filed a formal petition with the Environmental Protection Agency on Sept. 21 seeking to add confined animal feeding operations to the list of operations regulated under the Clean Air Act's endangerment standard. The coalition, which includes the Humane Society of the United States, the Waterkeepers Alliance, and Friends of the Earth, seeks to add CAFOs to the list of stationary sources which produce air pollution "which may reasonably be anticipated to endanger public health or welfare." The EPA Administrator is required to keep such a list under Section 111 of the Clean Air Act. The petition points out that Section 111 "defines a 'stationary source' as 'any building, structure, facility, or installation which emits or may emit an air pollutant.'" It notes EPA uses the word "facility" in its regulatory definition of CAFOs.

**Rep. Slaughter Asks GAO For More Detailed Look into Livestock & Antibiotics (NBS Food Advocate, 9/23)** -- Rep. Louise Slaughter, who chairs the House Rules Committee, has asked the Government Accountability Office (GAO) to conduct a new study on the government's tracking and monitoring of antibiotic use in livestock. Slaughter is the author of H.R. 1549, the Preservation of Antibiotics for Medical Treatment Act. The bill seeks to end non-therapeutic and improper use of antibiotics that are frequently used in treatments of infections of humans. Slaughter has also requested an evaluation on the government's efforts to effectively assess and diminish the prospective health risks posed by the potential overuse of antibiotics in food animals.

**Siddiqui to be U.S. Trade Office's Chief Agricultural Negotiator (National Pork Producers Council, 9/21)** -- The National Pork Producers Council today praised President Obama's nomination of Dr. Islam A. Siddiqui as the Chief Agricultural Negotiator in the office of the U.S. Trade Representative, an agency critical to the health and profitability of the U.S. pork industry. USTR's mission is to develop and coordinate U.S. international trade, commodity, and direct investment policy, and overseeing negotiations with other countries. Siddiqui is a prominent American agricultural scientist currently serving as vice president for science and regulatory affairs at CropLife America.

**Climate Change Bill Won't Pass Senate This Year: Lincoln (Livestock Marketing Assn., 9/22)** -- The newly-named chairwoman of the Senate Agriculture Committee, Sen. Blanche Lincoln, last week said controversial climate change legislation, also known as the "cap and trade" bill, will not pass the Senate this year. The complex bill narrowly passed the House in June by a vote of 219-212. It will put a cap on greenhouse emissions from large industries, while exempting agriculture from any emission limits. At the same time, "capped" industries, like coal-fired electric utilities, will be able to buy offsets from more efficient industries, and from farmers and forest landowners who capture carbon in trees and soil.

**China Remains Wary of H1N1, Maintains Restrictions on EU (Meatingplace.com, 9/23)** - A meeting between European Union's health chief and Chinese food safety officials in Beijing this week did nothing to change China's stance regarding new restrictions on pork imports from several European countries, according to a report by the Wall Street Journal. Beijing last week imposed new measures on EU states Denmark, France, Italy and Spain, in addition to Canada, requiring certification that hogs used for pork were free of H1N1 influenza. The same applied earlier to pork imports from Northern Ireland.

**Wis. Gov: China Wants Dairy Help (Dairy Herd, 9/22)** - Gov. Jim Doyle says China wants Wisconsin's help with dairy production. Doyle is on a trade mission to the Far East. Speaking by phone from Shanghai on Monday, Doyle says the Chinese produce only milk and powdered milk. He says they recognize Wisconsin as the leading dairy state and want help from Wisconsin businesses in developing processed dairy products. He also says Chinese companies are eyeing Milwaukee's Northridge Mall as a potential base for Chinese retail goods and China's shortage of usable water offers Wisconsin purification companies great opportunities.

**CRI To Help Build Chinese Mega Dairy (Wisconsin Ag Connection, 9/17)** - Wisconsin Governor Jim Doyle, who is in the midst of leading a trade mission to Japan and China this week, has announced at least one large agreement that took place during the trip. The Shawano-based Cooperative Resources International has entered into a long-term agreement with Flying Crane Dairy, one of China's largest producers and distributors of premium infant formula and milk powder, to help them build larger dairy operations in that country. As part of the deal, CRI will help advise the farm on the how to properly plan, construct and

manage the facilities. Flying Crane intends to build 10 additional dairy farms to house 10,000 dairy cows at each facility in order to increase its milk processing capacity to a goal of 5,000 tons per day. In exchange, the farm will purchase products like animal semen and dairy management tools from CRI.

**Southeastern Missouri Market Up for Sale Oct. 3 (Livestock Marketing Assn., 9/22)** -- A market in extreme southeastern Missouri, suitable for other purposes, is going on the auction block Oct. 3, starting at 10 a.m. The former Ark-Mo Livestock Market is six miles south of Poplar Bluff, Mo., on U.S. Highway 67. Speedy Ketcherside, whose auction and realty firm is handling the sale, said the market can be used for many purposes - as a feedlot, factory, for storage or "any kind of business opportunity. The sale will include the market and a wide variety of vehicles, including trucks, trailers and other equipment. For more details, contact Ketcherside, 573-429-6060, or 573-222-8228.

**Cattle Theft Trial Delayed (AgWeek, 9/23)** -- The trial of a Minnesota man accused of stealing cattle from a Watertown auction barn in March has been moved to Jan. 4. Joey Varner of Pierz, Minn., is accused of taking 188 cattle that were under U.S. Bankruptcy Court control. He has pleaded not guilty to aggravated grand theft. Varner was to go on trial last week, but the Codington County clerk's office says the trial has been delayed.

**Analysis Hikes Cap-and-Trade Cost (Dairy Herd, 9/17)** -- A number of figures have been bandied about regarding the consumer cost of climate change legislation, but Obama administration documents recently released due to a Freedom of Information Act request say families can expect to pay as much as \$1,761 a year. That's equivalent to about a 15-percent hike in personal income taxes. Pundits say the steep cost will likely not help public acceptance of the legislation, even though it's uncertain at this time just what the final bill will look like. The House of Representatives narrowly passed a climate bill this summer, but the Senate has yet to take up the measure.

**Farm Bureau Backs Health Insurance Tax Credit (American Farm Bureau Federation, 9/21)** - Health insurance costs are an ongoing and significant expense for farmers and ranchers and must be reduced so that they do not burden farm and ranch businesses with costs they cannot afford, American Farm Bureau Federation President Bob Stallman told members of the Senate Finance Committee in a letter sent Monday. In the letter, Stallman said Farm Bureau supports tax credits to help the self-employed purchase health insurance and to help farm and ranch employers afford insurance for their employees.

**6 Colorado Dairies in Bankruptcy; More to Come (Denver Post, 9/22)** -- At least six Colorado dairies have sought bankruptcy protection this year, and several more farms are planning similar actions, industry experts say. The moves are necessary to weather the twin storms of New Frontier Bank's collapse and sinking commodity prices. Four of the businesses were New Frontier borrowers and two relied on other banks. The April closure of New Frontier, one of the largest agriculture lenders in the country, severed credit lines for hundreds of farms at a turbulent time for markets. Dairy prices, for example, have plunged to their lowest levels since the 1970s. Adding to the precarious environment is that the public won't know for weeks, perhaps months, the outcome of the Federal Deposit Insurance Corp.'s August national auction of \$455 million in New Frontier loans. Another online auction combining the bank's remaining notes with those of other lenders is set for Sept. 29.

**Bad News on the Farmland-Protection Front (Dairy Herd, 9/22)** -- According to new statistics released by American Farmland Trust's Farmland Information Center, local farmland protection efforts slowed in 2008, likely due to record high land values. The statistics were generated from a nationwide survey of 77 independent "purchase of agricultural conservation easement" (PACE) programs in 19 states. PACE programs pay farmers and ranchers to permanently protect their land with conservation easements that limit future development and keep farmland available for agriculture.

The survey found that communities spent more than \$277 million to protect 15,492 acres of farm and ranch land in 2008. Although locals spent 77 percent more than they did in 2007, they protected 67 percent fewer acres and acquired 46 percent fewer easements. Next year's news may be worse. Although land values have decreased, the economic downturn and local budget shortfalls have impacted funding for farmland protection. According to respondents, available program funds are down 18 percent for fiscal year 2009, and state and federal matching funds for agricultural easement acquisitions may be harder to come by.

**Smithfield CEO Says Ethanol Hurts Hog Production (Ethanol Producer Magazine, 9/15)** -- Smithfield Foods CEO C. Larry Pope is no fan of ethanol. At a Back-to-School Consumer Conference, hosted by Barclay's last Thursday, Pope said the ethanol strategy has been "extremely disruptive to those who use grains as a baseline raw material input for their product." Smithfield Foods is the world's largest pork processor and hog producer, with revenues exceeding \$12 billion in fiscal 2009. In the past

seven quarters, Smithfield has seen revenues from hog production decline, which Pope attributes to competition in the grain market.

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