

# Tennessee Market Highlights

UF Extension

October 2, 2009  
Number :38

## Livestock Comments by Emmitt L. Rawls

Fed cattle sold for mostly \$1 to \$1.50 lower at \$83 in the south and \$127 to \$130 dressed in the north on modest volume. With declining cutout values, cattle feeders accepted lower bids before more damage was done in the wholesale market. The 5 area weighted average prices thru Thursday were \$82.07 live and \$127.63 dressed compared to \$83.47 and \$129.58 a week ago. A year ago prices were \$95.84 and \$147.88. Thursday's cutout values compared to a week ago were down \$4.09 on the Choice and \$2.50 on the Select. At midday Friday the Choice cutout was \$134.95 down 1.30 and the Select was \$130.74 down .34. The Choice Select spread was \$4.21 down \$2.29 from last week. This is but a further indication of the reduced demand for the higher quality beef used in higher end restaurants. Feeder steers and bulls on Tennessee auctions were called steady to \$3 lower, mostly \$1 to \$2 lower. Feeder heifers were steady to \$4 lower, mostly \$2 to \$3 lower. Slaughter cows were steady to \$1 lower and slaughter bulls were steady to \$3 lower. Average receipts per sale this week were 792 head on 11 auctions compared to 723 on 11 sales last week and 1014 on 7 sales last year. Fed cattle price projections from the Livestock Marketing Information Center currently are: 4<sup>th</sup> Qtr. '09 \$85 to \$87; 1<sup>st</sup> qtr. '10 - \$85 to \$88; 2<sup>nd</sup> qtr. '10 - \$88 to \$93; 3<sup>rd</sup> Qtr. '10 - \$85 to \$90. While on a given day it is difficult to buy front end steers, price corn at current levels and hedge a profit, that is not true this week as both steers and heifers can be bought and hauled to the feedlot and with a \$50 profit on the heifers and about \$35 on the steers. This is using load lot prices on cattle sold this week. *Continued on page 2*

## Crop comments by Chuck Danehower

Corn finished even, cotton, soybeans and wheat were down for the week. Although there was some frost in the Midwest this week it appears to have had very little impact on yields. The next forecasted round of cold weather is expected in a week to ten days in the Midwest and may even have a little snow. The forecast may give some support, but the majority of the crop will be close enough to harvest that little damage is expected. There is some concern in the harvest delays the recent rain has brought and some more is in the forecast for next week. The yield may be there, but quality issues which mean discounts for grains or cotton could be a problem. We need some good dry weather to get this crop out. Some price strength was seen earlier in the week but has deteriorated as better than expected yield reports start to come in. Yield estimates for the October 9 USDA Supply & Demand Report are expecting the production to be increased. There is still a possibility that acreage could be adjusted as this report will combine FSA certified acreage with NASS survey estimates. Outside influences have also been heavy on the commodity market. The U.S. Dollar is stronger for the week at 77.22, up .20. The Dow Jones Industrial Average is down about 2% for the week, at 9503 before the close. Putting pressure on the Dow Friday were worse than expected job losses in September with the unemployment rate at 9.8%. Crude Oil while down Friday ended the week up 3.69 barrel, trading at 69.70 before the close. USDA will release its Supply & Demand report on October 9 and comments will be posted at <http://economics.ag.utk.edu/outlook.html>.

*Continued on page 295.49*

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

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

**Feeder steers:** steady \$3 lower, mostly \$1 to \$2 lower

**Feeder heifers:** steady to \$4 lower, mostly \$2 to \$3 lower

**Fed cattle:** 5 area live price of \$82.07 is down \$1.40 and the dressed price is down \$1.95 at \$127.63

**Feeder cattle index:** Wednesdays index \$95.49

**Corn:** December 2009 futures closed at \$3.34 a bushel on Friday, about even with last week

**Soybean:** March 2010 contract closed at \$9.10 bushel on Friday, down \$0.22 bushel from last week

**Wheat:** December 2009 futures contract closed at \$4.43 bushel, down \$0.07 bushel from last week

**Cotton:** October Cotton futures closed at 59.26 cents/lb, down 1.34 cents/lb from last week.

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

One must remember that just because a profit might be hedged today, does not mean it will be there on the cash market when the cattle are finished. Setting a floor with put options and tying down the corn price by buying it will take some of the profit but leave the upside open. The lack of buyer interest in the feeder market is making this opportunity possible. Take a look at the Kansas State cattle feeding analyzer to consider other alternatives. You may reach it through our web site at [www.tnbeefcattleinitiative.org](http://www.tnbeefcattleinitiative.org) Go to current market information and look for K-State. The price weakness in the feeder markets is tough right now and we have not begun the real fall runs yet. Weaned preconditioned calves are still bringing strong premiums as evidenced by recent sale reports from such sales. In addition, research has shown that one of the most profitable times to wean and background calves is from the Oct.-Dec. period to Jan. - Feb.

**TECHNICALLY SPEAKING:** based on Thursday's closing prices. October live cattle closed at \$84.10. Support is at \$83.62, then \$82.22. Resistance is at \$85.02, then \$86.42. The RSI is 24.86, an over sold condition. December cattle closed at \$85.26. Support is at \$84.47, then \$83.17. Resistance is at \$85.77, then \$87.07. The RSI is 39.05. October feeder cattle closed at \$94.95. Support is at \$94.52, then \$93.27. Resistance is at \$95.77, then \$97.02. The RSI is 29.42 and oversold condition. November feeders close at \$94.93. Support is at \$94.38, then \$92.83. Resistance is at \$95.93, then \$97.48. The RSI is 29.92, again an oversold condition. Despite the fact that some of these contracts are oversold does not mean that they are likely to have prices rise. There are times when the market is oversold, that any good news can send them sharply higher. Continued negative fundamentals can keep that from happening. The fundamentals are so negative right now that even with corn \$1.11 per bushel lower than a year ago, the price for fed cattle and wholesale meat prices are low enough to discourage buyers of feeder cattle. Furthermore, the erosion of equity in the cattle feeding sector is taking its toll on those who might typically buy cattle and hope/plan to price them at a profit before harvest. Continued losses over the past 18 months has eroded that buyer base. Friday's closing prices were: October live cattle \$82.95 - 1.15; December \$84.00 -.97; February \$84.52 -.80. October feeder cattle \$93.55 -1.40; November \$93.57 -1.35; January \$94.67 - 1.20. December corn closed at \$3.33 ½ down 7 cents per bushel.

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

### **Corn:**

**New Crop:** December 2009 futures closed at \$3.34 a bushel on Friday, about even with last week. Support is at \$3.32 bushel with resistance at \$3.50 bushel. Weekly exports sales were 48.2 million bushels, better than expected and above pace to reach USDA estimates. As of September 27, the crop condition ratings for corn were 68% in the good to excellent rating compared to 68% the previous week and 61% a year ago. Nationwide, 37% of the corn crop is mature compared to 21% last week, 49% last year and the five year average of 72%. Corn harvest is at 6%, compared to 8% last year and the five year average of 18%. The quarterly stocks report showed stocks on September 1 to be 1.67 billion bushels, which was less than expected and slightly less than USDA's latest estimate of 1.695 billion bushels. Private yield estimates for the USDA report range from 161.7 bushels/acre to 164.7 bushels/acre with last month's USDA number at 161.9 bushel/acre. This will be a key number to watch and may give an indication whether the crop will continue to get bigger through harvest. Corn has been trading on a sideways to up pattern, but should see harvest price pressure if higher yields are confirmed. 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, even with last week. The September 2010 contract closed at \$3.72, even with last week.

### **Cotton:**

**Nearby:** The October Cotton futures closed at 59.26 cents/lb, down 1.34 cents/lb from last week.

**New Crop:** The December 09 futures closed at 60.66 cents/lb. down 1.28 cents/lb. from last week. Near term support is at 59.89 cents with longer term support at 57 cents then 55 cents. Resistance is at 63.53 cents. Weekly exports sales were 76,600 bales (75,400 bales 09/10; 1,200 bales 10/11), about expected. Overall crop condition ratings as of September 27 were 49% good to excellent compared to 50% last week and 51% last year. Boll opening is at 57% compared to 46% last week, 58% last year and the five year average of 68%. Cotton harvest is reported at 8% compared to 7% last week, 11% last year and the five year average of 15%. Boll rot is a concern in the Mid-South affecting both yield and quality. Contact your cotton buyers for current quotes on loan equities and or cash prices. Equities were reported at 6 cents during the week. Unless the October 9 report offers up some real surprises in lower yields or lower harvested acres, there is just no fundamental reason for cotton to trade above 65 cents. Exports have not recovered enough yet to help push up prices. Cotton is continuing to trade in the 55-57 range to 65 cents. In the lower end of that range, producers may want to consider selling cotton or loan equities and buying a deferred month call option or call spread. There are different option strategies to consider, but producer should understand the strategy before undertaking it.

## **Soybeans:**

**New crop:** November futures closed at \$8.85 bushel, down \$0.41 bushel from last week. Support is at \$8.81, then \$8.37 with resistance now around \$9.25. The majority of the price weakness came today (Oct. 2) as good yields were reported coming in from the western Corn Belt. Weekly exports were 50.9 million bushels, above expectations. China has committed to buy 29.7 million bushels raising their commitments to date to 451 million bushels of U.S. soybeans this marketing year. Next week's exports are expected to be slow as China begins a holiday. As of September 27, crop conditions have the crop rated at 66% good to excellent compared to 67% last week and 57% in 2008. The percent soybeans dropping leaves was advanced to 63% compared to 40% last week, 65% last year and the five year average of 77%. As of September 27, 5% of the crop was harvested compared to 8% last year and the five year average of 18%. The quarterly stocks report pegged soybean stocks on September 1 to be 138 million bushels, higher than expected and higher than last month's estimate of 110 million bushels. USDA will update this number in the October 9 report. Private estimates put soybean yields between 42.8 bushels/acre to 44 bushels/acre in next week's report. This compares to last month's USDA estimate of 42.3. Even with outstanding to date exports, a higher yield will increase harvest price pressure. The South American crop is just now starting their planting season. The projected record South American crop could keep a lid on exports and possibly cause some cancellations. Feed usage could also be questionable with an ailing livestock industry. There is enough uncertainty in yields that today's downward move could be overdone and somewhat positioning before the weekend. In the absence of any bullish information either fundamental or from outside influences, prices will be under pressure. If prices were to trade below the support of \$8.37, I might consider storage or an alternative depending on cash flow needs. I am currently 50% forward priced with another 50% priced with put options.

**Deferred:** The March 2010 contract closed at \$9.10 bushel on Friday, down \$0.22 bushel from last week. The November 2010 contract closed at \$8.87 bushel, down \$0.20 bushel for the week.

## **Wheat:**

**Nearby:** The December 2009 futures contract closed at \$4.43 bushel, down \$0.07 bushel from last week. Weekly exports were 19.8 million bushels, on the high range of expectations. As of September 27, Spring Wheat is at 94% harvested compared to 85% last week, 99% last year and the five year average of 98%. For the week, wheat posted new contract lows. The quarterly stocks report put wheat usage down 28% from the same time last year with exports being the main culprit.

**New Crop:** The July 2010 futures closed at \$4.86 bushel, down \$0.15 bushel from last week. Support is at \$4.85 bushel with resistance at \$5.04 bushel. As of September 27, 36% of the winter wheat has been planted compared to 24% last week, 37% last year and the five year average of 39%. Wheat with poor fundamentals will look to the corn and soybean markets for support. 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)**

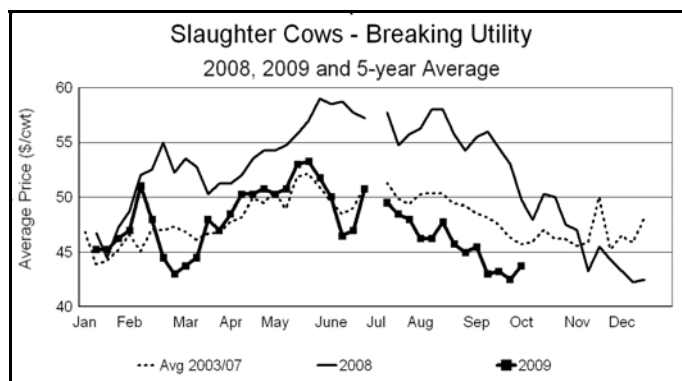
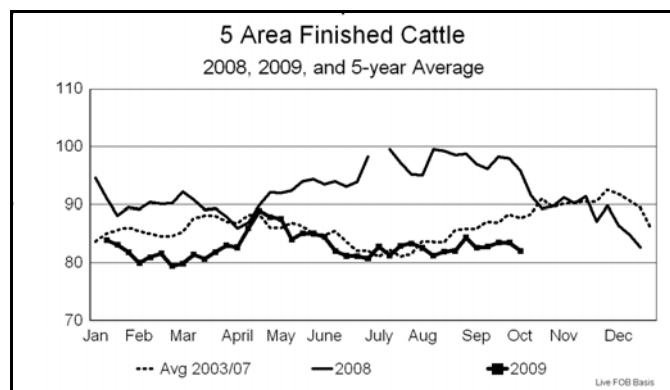
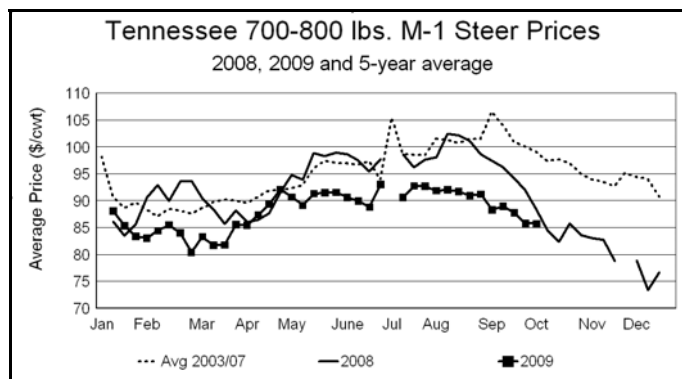
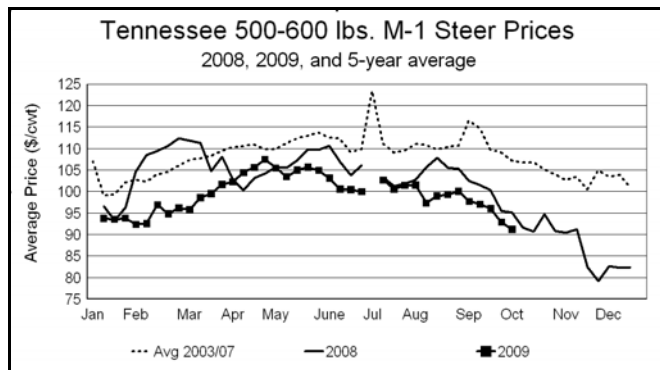
**October 2, 2009**

	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.	90.00	124.00	107.29	109.07	108.28
400-500 lbs.	89.00	110.00	99.55	99.87	99.40
500-600 lbs.	80.50	101.00	91.23	92.86	95.13
600-700 lbs.	79.00	93.00	86.98	89.24	89.14
700-800 lbs.	75.00	95.00	85.72	85.79	88.26
<u>Steers: Small Frame #1-2</u>					
300-400 lbs.	99.00	102.00	100.46	89.38	102.01
400-500 lbs.	80.00	91.00	85.22	80.74	82.13
500-600 lbs.	65.00	81.00	76.62	76.70	77.62
600-700 lbs.	-----	-----	-----	79.68	82.67
<u>Steers: Medium/Large Frame #3</u>					
300-400 lbs.	84.00	112.00	97.35	96.36	99.20
400-500 lbs.	75.50	96.00	87.65	88.70	90.23
500-600 lbs.	74.50	89.00	83.49	83.58	83.95
600-700 lbs.	73.00	85.00	78.43	81.16	81.26
700-800 lbs.	71.00	85.00	77.87	78.07	75.00
<u>Holstein Steer</u>					
300-400 lbs.	50.00	75.00	58.05	-----	60.81
500-600 lbs.	64.00	71.00	67.49	-----	59.64
700-800 lbs.	58.00	63.00	61.23	-----	56.00
<u>Slaughter Cows</u>					
Breaking Utility	40.00	47.50	43.75	42.50	49.75
Cutter & Boning	37.50	46.00	41.75	42.75	49.25
Canner	31.00	42.50	36.75	37.50	44.00
Bull YG 1-2	51.50	61.00	56.25	55.25	63.00
<u>Heifers: Medium/Large Frame #1-2</u>					
300-400 lbs.	80.00	99.00	88.12	91.53	90.60
400-500 lbs.	74.00	92.00	83.17	85.30	87.96
500-600 lbs.	72.00	88.00	79.74	83.22	84.86
600-700 lbs.	70.00	86.50	77.15	79.62	81.93
<u>Heifers: Small Frame #1</u>					
300-400 lbs.	61.00	87.00	75.27	78.68	77.07
400-500 lbs.	60.00	80.00	70.99	74.71	75.46
500-600 lbs.	62.00	80.00	71.15	71.15	73.15
600-700 lbs.	60.00	71.00	65.85	66.18	71.51
<u>Heifers: Medium/Large Frame #3</u>					
300-400 lbs.	72.00	89.00	80.73	81.96	82.49
400-500 lbs.	68.00	85.00	77.63	79.28	81.44
500-600 lbs.	65.00	83.00	73.81	76.37	75.30
600-700 lbs.	65.00	79.00	73.40	74.87	75.30

Cattle Receipts: This week: ( 11) 8,273

Week ago: ( 11) 7,950

Year ago: (7) 7,100



**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	434,000	431,000	430,500	101%	101%
Cattle	123,500	125,750	126,000	98%	98%

**USDA Box Beef Cutout Value (\$/cwt)**

	Thursday	Week ago	Year ago	Change from week ago	Change from year ago
Choice 1 - 3					
600-900 #	136.25	140.34	153.69	-4.09	-17.44
Select 1 - 3					
600-990 #	131.08	133.58	147.10	-2.5	-16.02



**FUTURES SETTLEMENT PRICES****Crops & Livestock****Friday, September 25, 2009 - Thursday, October 1, 2009**

Commodity	Contract Month	Fri. 25	Mon. 28	Tues. 29	Wed. 30	Thurs. 1
Soybeans (\$/bu)	Nov	9.26	9.19	9.17	9.27	9.18
	Jan	9.31	9.24	9.22	9.33	9.24
	Mar	9.32	9.24	9.22	9.33	9.25
	May	9.31	9.20	9.18	9.28	9.21
	Jul	9.32	9.21	9.19	9.29	9.21
	Aug	9.27	9.16	9.12	9.23	9.16
Corn (\$/bu)	Dec	3.34	3.39	3.41	3.44	3.41
	Mar	3.47	3.51	3.54	3.57	3.53
	May	3.55	3.60	3.63	3.66	3.62
	Jul	3.64	3.68	3.71	3.74	3.70
	Sep	3.72	3.76	3.79	3.82	3.78
	Dec	3.83	3.87	3.89	3.93	3.89
Wheat (\$/bu)	Dec	4.50	4.56	4.47	4.57	4.53
	Mar	4.70	4.75	4.67	4.77	5.72
	May	4.84	4.90	4.81	4.89	4.85
	Jul	5.01	5.05	4.96	5.03	4.97
	Sep	5.16	5.20	5.11	5.19	5.11
Soybean Meal (\$/ton)	Oct	289	289	288	289	285
	Dec	284	285	285	286	281
	Jan	282	282	282	283	278
	Mar	279	278	278	279	275
	May	277	275	275	275	271
	Jul	278	275	275	274	271
Cotton (\$/lb)	Oct	60.60	61.50	60.05	61.34	59.84
	Dec	61.94	62.90	61.45	62.84	61.34
	Mar	63.94	65.00	63.59	65.00	63.56
	May	65.19	66.30	64.89	66.27	64.87
	Jul	66.24	67.39	65.99	67.29	65.84
Choice Fed Cattle (\$/cwt)	Oct	86.05	86.10	85.65	85.60	84.10
	Dec	85.35	85.77	85.60	86.12	84.97
	Feb	85.75	86.07	85.80	86.37	85.32
	Apr	88.00	88.05	87.87	88.67	87.47
	Jun	84.72	84.72	84.35	84.85	83.92
Feeder Cattle (\$/cwt)	Oct	96.60	96.45	95.80	96.50	94.95
	Nov	96.72	96.55	95.77	96.62	94.92
	Jan	97.80	97.67	96.87	97.50	95.87
	Mar	98.55	98.07	97.40	97.90	96.85
	Apr	99.80	99.35	98.70	99.05	97.82
Market Hogs (\$/cwt)	Oct	49.95	49.87	50.27	50.07	49.42
	Dec	49.02	49.72	50.17	49.60	48.62
	Feb	55.57	56.60	57.45	56.90	56.02
	Apr	60.50	61.60	62.50	61.90	61.17
	May	67.97	68.65	69.40	69.00	68.40

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**Milk Futures, Thursday , October 1, CME Futures**

Month	Class III Close	Class IV Close
September	15.85	13.80
October	12.72	11.06
November	13.75	11.35
December	14.18	11.84
January	14.24	11.81

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**Nashville, TN Wednesday Sept 30, 2009 USDA-TN Dept Market News  
Tennessee Video Board Sale and Graded Sale**

**9/29/09 Columbia (TLP) Graded Sale, Alliance-PVP Certified,  
Age and source verified. Cattle were located in Columbia  
and Cookeville, TN.**

Receipts 775

Steers; Med & Lg 1	Heifers: Med & Lg 1
Load 579 lbs 101.60	Load 589 lbs 92.00
2 loads 693 lbs 98.90	37 head 577 lbs 85.90
Part load 675 lbs 93.00	Load 670 lbs 88.35
2 loads 762-780 lbs 91.40-92.00	Part load 665 lbs 86.80
Part load 868 lbs 85.95	33 head 758 lbs 85.50
	13 head 496 lbs 87.00
	10 head 849 lbs 75.25

**09/29/2009 Fayetteville (TLP)**

**Receipts: 609(273) Graded and Grouped)**

Steers: Med & Lg 1-2	Heifers: Med & Lg 1-2
400-500 lbs 91.50-101.00	400-500 lbs 80.00-88.50
500-600 lbs 80.00-96.50	500-600 lbs 74.00-83.00
600-700 lbs 83.00-92.50	600-700 lbs 78.50-79.50
700-800 lbs 84.25	700-800 lbs -----

Bulls: Med & Lg 1-2  
400-500 lbs 85.50-97.50  
500-600 lbs 86.00-89.50  
600-700 lbs 77.00-80.50  
700-800 lbs -----

**9/25/09 Sweetwater- Feeder Cattle Sale**

**Receipts: 992, Prices for Blk, Bwf and Cont X only**

Steers: Med and Lg 1	Heifers: Med & Lg 1
300-400 lbs 107.50-112.00	300-400 lbs 90.00-92.00
400-450 lbs 114.00	400-450 lbs 90.50
450-500 lbs 102.00-106.00	450-500 lbs 86.00-89.00
500-550 lbs 99.00-102.50	500-550 lbs 82.00-85.75
550-600 lbs 92.00-97.00	550-600 lbs 75.00-83.25

600-700 lbs 88.75-90.50      600-700 lbs 73.00-80.75  
700-800 lbs 85.50-87.80      700-800 lbs 75.50-77.90  
800-900 lbs 73.00-83.50      800-900 lbs 75.00

Steers: Med & Lg 2      Heifers: Med & Lg 2  
300-350 lbs 104.00-105.00      300-400 lbs 81.50-86.00  
350-400 lbs 100.00-109.00      400-450 lbs 76.00-87.00  
400-450 lbs 97.50-101.50      450-500 lbs 80.00-84.00  
450-500 lbs 92.00-99.00      500-550 lbs 75.00-83.00  
500-550 lbs 85.00-97.00      550-600 lbs 75.00-78.75  
550-600 lbs 87.50-91.00      600-700 lbs 76.00-77.00  
600-700 lbs 82.25-82.50      700-800 lbs 76.00-79.50  
700-800 lbs 76.00-81.50  
800-900 lbs 74.00-77.25

**9/24/09 Athens- Feeder Cattle Sale**  
**Receipts: 818    Prices for Blk, Bwf and Char X.**

Steers: Med & Lg 1      Heifers: Med & Lg 1  
400-500 lbs 106.00-109.00      300-400 lbs 80.00-91.00  
500-600 lbs 94.00-100.25      400-500 lbs 82.00-84.00  
600-700 lbs 85.50-90.00      500-600 lbs 74.50-82.00  
700-800 lbs 81.00-87.20      600-700 lbs 76.25-79.70  
800-900 lbs 84.00      700-800 lbs 71.00-77.00  
800-900 lbs 66.00-70.75

Steers- Med & Lg 2      Heifers: Med & Lg 2  
400-500 lbs 84.50-99.00      300-400 lbs 83.00  
500-600 lbs 79.00-86.50      400-500 lbs 74.00-79.00  
600-700 lbs 81.00      500-600 lbs 72.00  
700-800 lbs 75.00-77.00      600-700 lbs 73.00

Bulls Med & Lg 1-2  
300-400 lbs 115.00  
400-500 lbs 97.00  
500-600 lbs 81.00-85.25  
600-700 lbs 79.00-82.25  
700-800 lbs 77.00

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**Nashville, TN    Friday Oct 02, 2009 USDA-TN Dept Market News**  
**Tennessee Video Board Sale and Graded Sale**

**10/1/09 Hodge Video Board sale, Newport, TN**  
**Receipts 64.5 loads**

Steers-Med & Lg 1-2  
Ld 590 lbs 97.25 Ga  
Ld 650 lbs 88.25 TN  
Ld 700 lbs 96.50 GA, Blk, BWf  
5 Lds 710-750 lbs 86.00-94.40 TN, NC, SC, ARK  
32 Lds 800-875 lbs 83.00-90.10 mostly 84.75-88.75 TN, NC, VA  
Ld 950 lbs 82.00

Holstein Steers Lg 3  
Ld 785 lbs 71.75 TN

Ld 825 lbs 72.00 TN

Heifers-Med & Lg 1-2

2 Lds 625-650 lbs 82.75-87.00 TN

10 Lds 725-775 lbs 81.50-84.90 NC, VA, TN,

Ld 750 lbs 88.00 ARK

Ld 850 lbs 79.20 VA

Mixed Loads Steers & Heifers Med & Lg 1-2

.5 Ld 510 lbs 87.50 GA

Ld 625 lbs Strs & Hfrs 91.40 GA

Ld Strs 650 lbs 94.70 GA

Hfrs 630 lbs 89.70

Ld Strs 700 lbs 93.30 GA

Hfrs 600 lbs 82.50

Ld Strs 725 lbs 88.50 GA

Hfrs 615 lbs 82.50

Ld 700 lbs Strs & Hfrs 84.50 GA

Ld Strs 750 lbs 91.10 NC

Hfrs 670 lbs 85.10

Ld Strs 815 lbs 85.50 TN

Hfrs 785 lbs 80.50

### 9/24/09 Athens- Feeder Cattle Sale

Receipts: 818 Prices for Blk, Bwf and Char X.

Steers: Med & Lg 1

400-500 lbs 106.00-109.00

500-600 lbs 94.00-100.25

600-700 lbs 85.50-90.00

700-800 lbs 81.00-87.20

800-900 lbs 84.00

Heifers: Med & Lg 1

300-400 lbs 80.00-91.00

400-500 lbs 82.00-84.00

500-600 lbs 74.50-82.00

600-700 lbs 76.25-79.70

700-800 lbs 71.00-77.00

800-900 lbs 66.00-70.75

Steers- Med & Lg 2

400-500 lbs 84.50-99.00

500-600 lbs 79.00-86.50

600-700 lbs 81.00

700-800 lbs 75.00-77.00

Heifers: Med & Lg 2

300-400 lbs 83.00

400-500 lbs 74.00-79.00

500-600 lbs 72.00

600-700 lbs 73.00

Bulls Med & Lg 1-2

300-400 lbs 115.00

400-500 lbs 97.00

500-600 lbs 81.00-85.25

600-700 lbs 79.00-82.25

700-800 lbs 77.00

### EAST TENNESSEE LIVESTOCK CENTER SEPTEMBER 30, 2009

1 load of 130 steers, est. wt. 730 lbs., range 75 to 775 lbs., \$.04 slide up if over 731 lbs., 100% L&M -1, med flesh, 80% Black 7 BWF, 15% ChaX & Smoky, 5% Red 7 RWF, wormed, no implants, hauled 25 miles to barn, selling with 1% shrink. Price: \$91.50

1 load out of 79 steers, est. wt. 935 lbs., range 875 to 975 lbs., \$.04 slide up if overs 936 lbs., 90% L&M -1, 10% L&M -2, med

flesh, 80% Black 7 BWF, 15% ChaX & Smoky, 5% Red 7 RWF, wormed, no implants, hauled 25 miles to stockyards, no shrink. Price: \$83.85

1 load out of 135 heifers, est. wt. 675 lbs., range 640 to 740 lbs., \$.04 slide up if over 676 lbs., 100% M -1, med flesh, 75% Black 7 BWF, 20% ChaX & Smoky, 5% Red 7 RWF, wormed, no implants, hauled 25 miles to barn, selling with 1% shrink. Price: \$87.00

1 load out of 90 heifers, est. wt. 700 lbs., range 650 to 750 lbs., \$.04 slide up if over 701 lbs., 100% M -1, med flesh, 70% Black 7 BWF, 25% ChaX & Smoky, 5% Red & RWF, wormed and implanted, hauled 8 miles to barn, selling with 1% shrink. Price: \$86.75

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### Tennessee Weekly Summary for September 25, 2009

#### Bred Cows Medium and Large 1 Young

Head	Wt Range	Avg Wt	Price Range	Avg Price
1	900-1000	915	750.00	750.00 4-6 Months Bred
2	900-1000	968	720.00-750.00	734.96 7-9 Months Bred

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

Head	Wt Range	Avg Wt	Price Range	Avg Price
1	900-1000	955	660.00	660.00 4-6 Months Bred
1	1300-1400	1330	710.00	710.00 4-6 Months Bred

#### Bred Cows Medium and Large 1 Aged

Head	Wt Range	Avg Wt	Price Range	Avg Price
1	1000-1100	1080	540.00	540.00 4-6 Months Bred

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

Head	Wt Range	Avg Wt	Price Range	Avg Price
1	900-1000	940	590.00	590.00 7-9 Months Bred
1	1200-1300	1245	680.00	680.00 4-6 Months Bred

#### Bred Cows Medium 2 Aged

Head	Wt Range	Avg Wt	Price Range	Avg Price
1	900-1000	990	370.00	370.00 4-6 Months Bred

#### Bred Cows Medium and Large 3 Middle Aged

Head	Wt Range	Avg Wt	Price Range	Avg Price
1	1000-1100	1055	600.00	600.00 4-6 Months Bred

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### Nashville, TN Friday, Oct 2, 2009 USDA-TN Dept Ag Market News

#### Tennessee Bred & Pairs Replacement

#### 10/01/2009 Athens

Receipts: 200

#### Cow & Calf Pairs: Medium and Large 1

4-6 years 1050-1150 lbs baby to 150 lb calves 975.00-1110.00/pair

6-8 years 1000-1350 lbs baby to 250 lb calves 880.00-1050.00

9+ years 950-1100 lbs baby to 200 lb calves 680.00-810.00

#### Bred Replacements: Medium and Large 1

3-5 years 1000-1100 lbs 5-7 months bred 660.00-740.00/head

6-8 years 1050-1350 lbs 5-8 months bred 675.00-800.00

5-8 years 950-1150 lbs 2-5 months bred 525.00-650.00

9+ years 950-1100 lbs 4-6 months bred 475.00-540.00

**For more information please go to [www.NLPA.org](http://www.NLPA.org)**

**Deal Would Offer \$350M for Struggling Milk Farmers (New York Times, 9/30)** -- Lawmakers from dairy-producing states announced agreement Wednesday on \$350 million in aid for struggling milk farmers. Some \$290 million would go for direct support of dairy farmers under a program to be devised by the Agriculture Department, according to Rep. David Obey and Sen. Herb Kohl, both Wisconsin Democrats. An additional \$60 million would cover purchases of surplus cheese and other dairy products in hopes of raising prices.

Food banks and other nutrition programs would get the goods. The Senate had approved the \$350 million in August, but without binding direction on how the money would help farmers.

**The contentious issue of dairy subsidies clouded talks between House and Senate negotiators trying to reach a compromise. Supporters of smaller dairy operations in Wisconsin, Vermont and other states faced off against lawmakers such as Sen. Dianne Feinstein, D-Calif., whose state is home to huge dairy operations. Lawmakers disclosed the agreement before an afternoon negotiation on a \$23.3 billion agriculture spending bill for the budget year that starts Thursday.**

**Thune: "Cow Tax" Prohibition Is a Victory for South Dakota Producers (Cattle Network, 9/28)** -- Senator John Thune today hailed a provision in the Fiscal Year 2010 Interior and Environment Appropriations Bill that prohibits the Environmental Protection Agency (EPA) from taxing producers for naturally occurring livestock emissions. Senator Thune has worked in a bipartisan manner to prevent the imposition of a so-called "cow tax."

Earlier this year, Senator Thune introduced a bill (S. 527) with Senator Charles Schumer (D-NY) that would amend the Clean Air Act to prevent the EPA from creating an emissions permit system for naturally occurring livestock emissions. Senator Thune's concerns about the cow tax issue result from rules proposed by the EPA after the Supreme Court ordered it to decide whether to regulate greenhouse gases, including methane and carbon dioxide, as pollutants under the Clean Air Act. Earlier this year, the Obama administration made the decision to move forward with an Endangerment Finding that would pave the way for the regulation of these greenhouse gases.

**New Charges Filed Against Westland/Hallmark (National Meat Assn., 9/28)** -- New allegations have been brought against Westland/Hallmark Meat Co. An amended complaint, stating that the plant had supplied beef to the nation's school lunch program from slaughtered downer cows for four years before the recall, was filed late last month in the U.S. District Court in Riverside by the U.S. Department of Justice. DOJ intervened in the case, which was initiated by the Humane Society of the U.S. (HSUS), with the new complaint after months of additional research and interviews that uncovered the new allegations against the now-defunct packing plant. Among them, the company failed to disclose that one of its partners, Aaron Magidow (deceased), had two felony convictions related to illegal industry practices.

The new filing alleges the government paid Westland/Hallmark millions of dollars to which it was not entitled because the company lied about meeting all the conditions for the 140 government contracts it held between 2003 and 2008. The lawsuit seeks unspecified damages and a jury trial. The original filing by the Humane Society sought \$150 million, as reported by the Associated Press.

**Dairy is Very Big Business in Saudi Arabia (Brownfield Network, 9/29)** -- Another U.S. Grains Council delegation visiting World Dairy Expo was from Saudi Arabia. Aman Abdulaziz Indrees is Executive Director for a 46,000-cow dairy operation in Saudi Arabia. The farm is owned by the National Agricultural Development Company (NADEC). The company started 25 years ago and now owns a number of similar dairy farms and also grows crops and other agricultural products. There are a few smaller, family-owned dairy farms in the country but most are similar to the NADEC operations. Of course, heat is a big factor for the dairy cows so the facilities are air-conditioned. Most of the dairy cattle originally came from the southern United States because they can handle the heat although they do buy from Australia, New Zealand.

**Europe's Beef About Hormones (Bovine Veterinarian, 9/30)** -- A story on National Public Radio's "All things considered" broadcast on Tuesday addressed the European Union's ban on beef from hormone-treated cattle. In an interview with a French beef producer, the story focuses on traceability, suggesting that European consumers demand full traceability of beef back to an individual animal at an individual farm. It also states that Europeans believe the use of hormones results in beef that is unhealthy and possibly dangerous. The broadcast, and summary article are available on NPR's Web site.

**Japanese Warming to U.S. Beef (Brownfield Network, 9/29)** -- A new survey by the U.S. Meat Export Federation indicates that, over the past three years, the number of Japanese consumers who feel U.S. beef is once again safe to eat has more than doubled—from 12 percent in 2006 to 30 percent in 2009. And the percentage of those consumers who feel U.S. beef is unsafe has

declined from 63 percent in '06 to 31 percent in '09, The balance—39 percent—have no firm opinion. USMEF says it is encouraging news, but access for U.S. beef remains limited in Japan. When asked what would encourage them to buy U.S. beef, the survey participants cited several factors. The top factor: 41 percent indicated that approval of U.S. beef by the Japanese government still is important to them.

**Lifting Of Funding Ban On Chinese Chicken Risk Assessment Could Help U.S. Pork Producers (National Pork Producers Council, 9/25)** -- The National Pork Producers Council today commended conferees on the agriculture appropriations bill, on text slated for the FY 2010 agriculture appropriations conference report regarding the use of appropriated funds by USDA with respect to potential imports of poultry products from China. The conference agreement would allow USDA to use appropriated funds in FY 2010 to promulgate or implement a rule allowing imports of processed poultry or poultry products from China only after the Secretary of Agriculture notifies Congress that certain conditions have been met.

**R-CALF Urges Justice to Block JBS-Pilgrim's Merger (Feedstuffs, 9/30)** -- R-CALF USA has urged the U.S. Department of Justice to block the merger of beef and pork processor JBS USA and chicken integrator Pilgrim's Pride Corp. "to protect and preserve a competitive market" for independent cattle producers, according to an announcement. In a letter to the department's antitrust division, R-CALF noted that Justice stopped JBS USA from acquiring National Beef Packing Co. last year (*Feedstuffs*, Oct. 27, 2008) on the grounds that the acquisition would make JBS USA the largest beef packer in the U.S. and decrease competition among packers in their cattle procurement. R-CALF said the acquisition of Pilgrim's Pride "would create the same problem."

**Solvency of 3 South Dakota Livestock Auctions Questioned (Cattle Trader, 9/28)** -- The U.S. Department of Agriculture's Grain Inspection, Packers and Stockyards Administration filed a complaint against McLaughlin Livestock Inc., Mitchell Livestock Auction Inc. and Watertown Sales Barn Inc. The complaint says the liabilities of the three barns exceed their assets. The auctions will get a chance to defend themselves at a hearing. State Veterinarian Dustin Oedekoven (OH'-dih-koh-ven), who is executive director of the South Dakota Animal Industry Board, says if the allegations are proven, the auctions could be suspended and fined.

**Latest PETA Probe Shows Importance of Checking Out Job Applicants (Livestock Marketing Assn., 9/30)** -- A new undercover investigation by People for the Ethical Treatment of Animals is a reminder that everyone in animal agriculture, including markets, must find out as much as possible before hiring a potential employee. PETA has released a video and still photographs showing animal abuse by workers at a Pennsylvania dairy farm that allegedly supplies milk to the Land O'Lakes company. A PETA representative worked undercover on the farm in Pennsylvania "for several months," according to a PETA statement accompanying the video. PETA is also reporting that two persons have been charged with cruelty to animals. The group is urging consumers to boycott Land O'Lakes products, become vegans and, of course, end consumption of dairy products. Land O'Lakes is investigating the claims, it said in a statement issued Tuesday. Here's a link to the PETA video and news release:

<http://bit.ly/1aNgre>

Don't hire any new employees without asking for references, and checking them out thoroughly, LMA officials warned. Placing their employees "undercover" is a favorite tactic of groups like PETA and the Humane Society of the U.S. – which means employers, especially in the livestock industry, must do a better job of pre-employment screening.

**Jamison Sheds Light on Activists' Agenda (AgriNews, 9/30)** -- Wes Jamison, associate professor of communication at Palm Beach Atlantic University, has been to Indiana quite a few times in the past few years. His humor and realistic, straight-to-the-point messages about how the promoters of animal rights, animal welfare and the animal movement are prying into the minds and hearts of agriculture's consumers are a great way to get producers to sit up and pay attention.

Recently, at the Midwest Pork Conference, Jamison explained to the producers that the way they are raising tomorrow's pork loins by using techniques such as gestation crates today is out of reach for a consumer to understand. Jamison said the role of pets has shifted and made the consumers' understanding of livestock and animals used for food and agriculture to be completely skewed. He said the entire role of animals have changed for four specific reasons: urbanization, anthropomorphism, evolutionary biology and equality.

**Pollan Meets a 'Sea of Green' (National Meat Assn., 9/28)** -- University of Wisconsin-Madison became the center of the modern-farming controversy last week when author Michael Pollan was invited to speak to students as part of the school's "Go Big Read" program. More than 7,000 copies of Pollan's manifesto *In Defense of Food* were purchased by the university and given to incoming freshmen. However, the book buy and Pollan's appearance caused an uproar in the local farming community

and brought what the Dairy Business Association described as a “sea of green” to the author’s audience in Madison on the night of his speech. Farmers, students, agriculture professional, and people thankful for our safe abundant food supply came to the event wearing green T-shirts with the inscription “In Defense of Farming: Eat food. Be healthy. Thank farmers.” With no other planned speakers to balance the discussion, those representing agriculture felt it necessary to attend the event to offer themselves as reasonable and respectful people willing to talk about their farms. Some of the leading agriculture professionals in the state were on hand to answer questions.

**Kosher Slaughterhouse Exec Pleads Guilty (Cattle Trader, 9/29)** -- The former chief financial officer for a kosher slaughterhouse in northeast Iowa has pleaded guilty to conspiring to make false statements to a bank. Mitchel Meltzer is the latest executive of Agriprocessors Inc. to reach a deal with prosecutors. Agriprocessors was the site of a May 2008 immigration raid that led to the arrest of 389 illegal workers and eventual charges against former executive Sholom Rubashkin and several managers.

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