

Tennessee Market Highlights

UF Extension

October 23, 2009
Number :41

Livestock Comments by Emmitt L. Rawls

Fed cattle traded early this week with prices \$1 to \$2.50 higher on the week. Prices were \$85 to \$86 in the S. Plains and \$84.50 in Nebraska on moderate volume. Some Friday sales occurred in Kansas at \$85 to \$85.50 and in Texas at \$86. Some improvement in cutout values supported the higher prices though packer margins have narrowed. The 5 area weighted average prices thru Thursday were \$84.59 live and \$131.62 dressed compared to \$81.23 and \$125.19 a week ago. A year ago prices were \$89.79 live and \$136.69 dressed. Thursday's cutout compared to a week ago was up \$2.38 on the Choice and \$1.38 on the Select. At midday Friday the Choice was \$138.54 +.79, while Select was \$133.40 only up .06. The Choice Select spread was \$6.14 compared to \$3.19 last week. Feeder steers and bulls on Tennessee auctions were called steady. Feeder heifers were called steady with instances of \$1 to \$2 higher. Slaughter bulls were called steady to firm, while slaughter cows were called steady to \$1 higher. Average receipts per sale were 814 on 11 sales, compared to 657 on 11 sales last week and 689 on 11 sales a year ago. Improved weather for moving cattle and the first frost probably accounted for the increased movement. With most producers having plentiful hay and feeder prices lower than expected, we could see some cattle carried over into late fall or early winter. On average prices are stronger early in the year. Weather issues and higher oil prices are pushing corn prices higher, and they have risen about \$1 per bushel since early September. Higher corn generally means cheaper feeder cattle, but we have had some recent improvement in fed cattle futures which offsets some of the higher feed costs.

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Crop comments by Chuck Danehower

Corn, soybeans, and wheat finished up for the week while cotton was down. Price strength was seen on continued harvest delays but was counteracted by outside influences at the end of the week. The U.S. Dollar is just slightly weaker for the week at 75.57, down .19. The Dow Jones Industrial Average was trading at 9983 before the close, flat for the week. Crude Oil ended the week up 2%, trading at 80.39 before the close. There is not any historical data to support harvest delays resulting in yield reductions nationwide. Certainty, it can and has happened in some areas, but most likely we are still looking at a large crop of corn and soybeans. Some price support has come from inflation concerns which have yet to materialize and funds buying because they think there is value in owning commodities. Some of this is because of the commodities perceived value buy for no other reason than prices are substantially off the highs of 2008. I would much rather have solid fundamentals supporting prices rather than speculation, but a rally here at harvest is welcome. There is some concern that if the speculative money pulls out then we could be in for a drop in prices.

Corn:

New Crop: December 2009 futures closed at \$3.98 a bushel on Friday, up \$.26 bushel for the week. Support is at \$3.98 bushel with resistance at \$4.12 bushel. Weekly exports sales were 9.2 million bushels, below expectations and behind pace to reach USDA estimates. As of October 18, the crop condition ratings for corn were 70% in the good to excellent rating compared to 70% the previous week and 62% a year ago

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Slaughter cows: steady to \$1 higher

Slaughter bulls: steady to firm

Feeder steers: steady

Feeder heifers: steady, instances \$1 to \$2 higher

Fed cattle: 5 area live price of \$84.59 is up \$3.36 and the dressed price is up \$6.43 at \$131.62

Feeder cattle index: Wednesdays index \$

Corn: December 2009 futures closed at \$3.98 a bushel on Friday, up \$.26 bushel for the week

Soybean: November futures closed at \$10.06 bushel, up \$0.29 bushel from last week

Wheat: December 2009 futures contract closed at \$4.99 bushel, up \$0.31 bushel from last week

Cotton: December 09 futures closed at 67.38 cents/lb. down .83 cents/lb. from last week

Livestock Comments by *Emmit L. Rawls*

Recent history of profitability in cattle feeding has been dismal at best, at least for those employing no risk management. Much equity has been lost by feedlots and some who typically buy cattle to put on feed. Retaining ownership to a custom feedlot is not for the faint hearted. However, at today's prices for feeder cattle and corn, positive returns are projected for both steers and heifers placed now and marketed in April with proper price risk management on feed and the cattle. The Tennessee Beef Evaluation is one method to explore this marketing alternative. Buyers are still preferring low risk cattle that have been properly weaned and vaccinated for blackleg and respiratory disease. Value has been created with pre-conditioned cattle, but marketing thru a graded sale or alliance sale featuring such cattle is the best way to capture that value which has been created. Even for cattle which are not preconditioned, marketing well managed cattle without defects through a graded sale has proven to fetch more dollars than other marketing alternatives. While these sales are not available in all locations, they can be if producers are interested enough to work with an interested market operator to hold such a sale.

TECHNICALLY SPEAKING: Based on Thursday's closing prices. October live cattle closed at \$85.95. Support is at \$85.73, then \$85.21. Resistance is at \$86.26, then \$86.78. The RSI is 65.47. December cattle closed at \$87.38. Support is at \$86.98, then \$86.38. Resistance is at \$87.58, then \$88.18. The RSI is 70.40 an overbought condition. February cattle closed at \$87.75. Support is at \$87.20, then \$87.05. Resistance is at \$87.80, then \$88.47. The RSI is 62.06. October feeder cattle closed at \$94.45. Support is at \$94.30, then \$93.95. Resistance is at \$94.65, then \$95.00. The RSI is 47.36. November feeders closed at \$96.40. Support is at \$96.07, then \$95.57. The RSI is 61.40. January feeders closed at \$96.67. Support is at \$95.80, then \$95.15. Resistance is at \$97, then \$97.55. The RSI is 50.88. Closing futures prices on Friday were as follows: Oct. Live cattle \$86.35 +.40; Dec. \$87.40 +.02; Feb. \$87.75 unchanged. October feeder cattle \$94.25 -.20; Nov. \$95.47 -.92; Jan. \$95.80 -.87. December corn \$3.97 3/4 down 6 and 3/4.

Crop comments by *Chuck Danehower*

.Nationwide, 83% of the corn crop is mature compared to 74% last week, 92% last year and the five year average of 97%. Corn harvest is at 17%, compared to 13% last week, 28% last year and the five year average of 46%. With the recent run up in prices, I am inclined to sell any un-priced grain as it is harvested or if stored; contracts made for future delivery. I am currently 50% forward priced with another 50% in December put options. The December options expire November 20.

Deferred: The March 2010 futures contract closed at \$4.09 bushel, up \$0.26 bushel from last week. The September 2010 contract closed at \$4.27, up \$0.21 bushel from last week. Support is \$4.25 with resistance at \$4.36 bushel. It is hard to pass up \$4.00 plus for corn prices. I would look to forward contract up to 10% 2010 production at these levels and hope that it is the cheapest corn you sell in 2010. Check with your elevator for 2010 pricing.

Cotton:

Nearby: The December 09 futures closed at 67.38 cents/lb. down .83 cents/lb. from last week. Support is at 66.80, resistance at 69.48 cents. Weekly exports sales were 72,600 bales (55,400 bales 09/10; 17,200 bales 10/11), above expectations. Overall crop condition ratings as of October 18 were 42% good to excellent compared to 47% last week and 48% last year. Boll opening is at 86% compared to 79% last week, 86% last year and the five year average of 88%. Cotton harvest is reported at 15% compared to 12% last week, 30% last year and the five year average of 35%. The crop in the Mid-South and Southeast is starting to deteriorate rapidly. The states hit the hardest are Alabama, Louisiana, Mississippi, where the good to excellent ratings have dropped 30 percentage points in the last four weeks and the very poor to poor have increased on the average 26 percentage points. In the last four weeks, Tennessee has dropped 21 percentage points in its good to excellent rating, Arkansas, 12 points, and Georgia, 8 points while their very poor to poor ratings have increased 7 points for Tennessee, 18 points for Arkansas, and 3 points for Georgia. These six states have 2.3 million acres of cotton left to harvest as of October 18. Some progress was made this week, but yield losses have occurred. I would not be surprised if the November 10 USDA report reflects a drop in production of .5 – 1 million bales. This has already started being built into prices. Any additional price strength in cotton will be somewhat dependent on whether harvest delays continue and outside influences. I would note that the areas seeing the greatest delays do not have the acreage they once had and won't have the price impact they once would. With harvest in Tennessee at only 3%, very little cotton has been priced. Current loan equities are in the 8 cent range. I would recommend keeping in contact with your cotton buyer for current quotes on loan equities and or cash prices. Pricing can be set while in the module. At times, setting the cash price and taking the LDP even on cotton modules may be to your advantage. The current LDP for cotton this week is .62 cents/lb. There are many viable alternatives for pricing whether it is in the cotton loan program, using LDPs with cash prices, or an option strategy. Understand what you are doing.

Deferred: The March 2010 futures contract closed at 69.87 cents/lb., down .51 cents/lb. from last week.

Soybeans:

New crop: November futures closed at \$10.06 bushel, up \$0.29 bushel from last week. Support is at \$9.88, with resistance at \$10.19 bushel. Weekly exports were 36.3 million bushels, above expectations and still above pace to meet USDA projections. China accounted for 75% of the sales. As of October 18, crop conditions have the crop rated at 65% good to excellent compared to 65% last week and 57% in 2008. The crop is about all mature as the percent soybeans dropping leaves was advanced to 95% compared to 89% last week, 95% last year and the five year average of 97%. As of October 18, 30% of the crop was harvested compared to 23% last week, 64% last year and the five year average of 72%. As in corn, harvest delays have been supportive of the price rally, but today's close showed prices are also dependent on outside influences. Soybean prices quickly dropped \$.20 bushel on today's strength in the dollar, weakness in crude oil, and a drop in the stock market. I am currently 50% forward priced with another 50% priced with put options. November put options expired today. For crops still in the field and that were protected by put options, I would take the value still in the put option and purchase a January 2010 put. An out-of-the-money put at \$9.80 would cost \$.40 bushel while a \$10.00 put would cost \$.50 bushel. The additional cost would be very little, but still offer some price protection.

Deferred: The March 2010 contract closed at \$10.06 bushel on Friday, up \$0.21 bushel from last week. The November 2010 contract closed at \$9.82 bushel, up \$0.08 bushel for the week. Support is at \$9.75 with resistance at \$9.98 bushel.

Wheat:

Nearby: The December 2009 futures contract closed at \$5.47 bushel, up \$0.49 bushel from last week. Weekly exports were 23.1 million bushels, above expectations and closing the gap on the pace to meet USDA projections.

New Crop: The July 2010 futures closed at \$5.89 bushel, up \$0.49 bushel from last week. Support is at \$5.63 bushel with resistance at \$6.04 bushel. As of October 18, 69% of the winter wheat has been planted compared to 64% last week, 77% last year and the five year average of 78%. Emergence is 48% compared to 39% last week, 56% last year, and the five year average of 54%. Wheat has rallied despite having weak fundamental and some days have actually led the rally. Harvest delays in corn, cotton, and soybeans are no doubt going to play a part in the acres seeded to wheat. In the Mid-South, there has been very little interest in planting wheat due to profit potential as much as planting conditions. With an improvement in July futures as well as an improvement in basis, producers may want to revisit their profit projections. Current wheat prices for July definitely throw it back in the mix, but in Tennessee the profit may rest on the back of the double crop soybeans. For now, wheat prices make the least sense of any of the commodities. Direction wise, I would expect wheat to trade with corn and soybeans. I am currently 10% priced for 2010 wheat and would encourage wheat producers to take advantage of this recent strength to start pricing for next year. I would price more, but I would to make sure the crop gets planted and emerges.

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

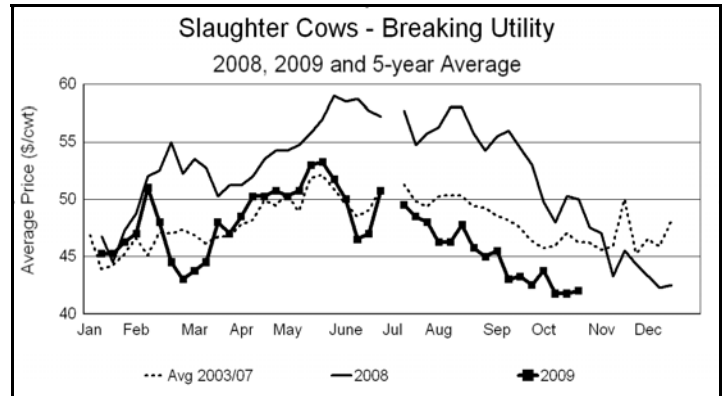
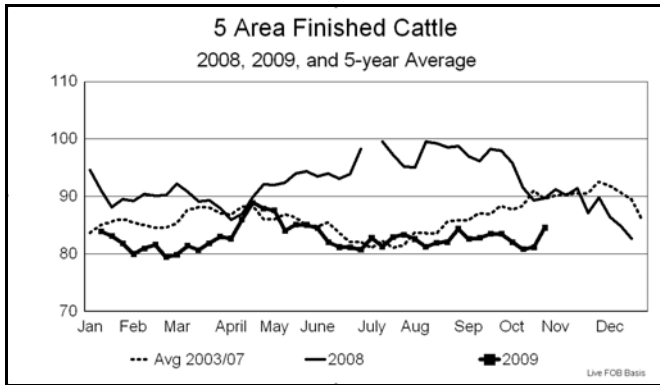
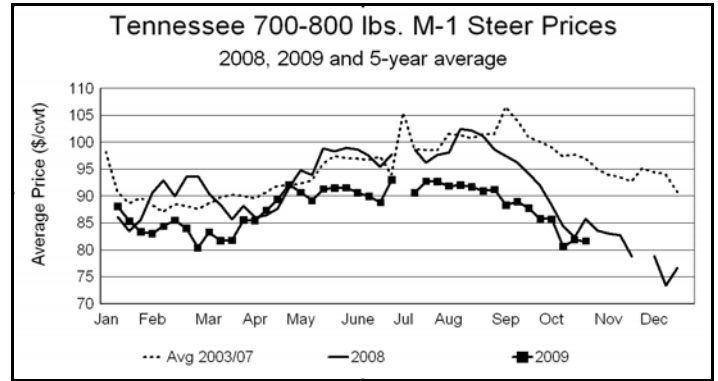
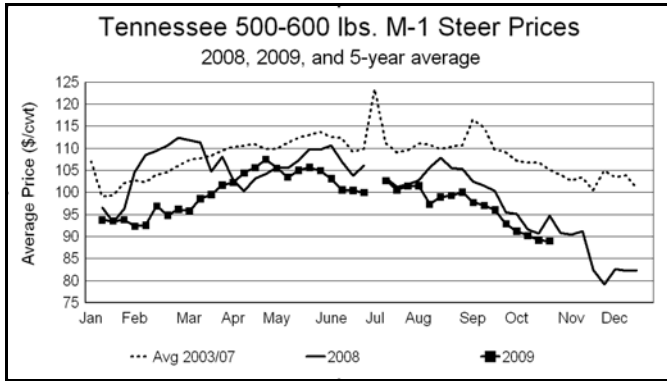
October 23, 2009

	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.	94.00	120.00	106.25	105.22	109.56
400-500 lbs.	88.00	109.00	96.92	95.99	101.42
500-600 lbs.	80.00	97.00	88.97	89.15	94.64
600-700 lbs.	78.00	95.00	84.27	83.84	89.13
700-800 lbs	74.50	86.00	81.64	81.86	85.81
<u>Steers: Small Frame #1-2</u>					
300-400 lbs.	84.00	110.00	95.47	87.70	98.25
400-500 lbs.	87.00	93.00	77.88	83.19	87.94
500-600 lbs.	71.00	83.00	78.68	74.60	78.66
600-700 lbs.	65.00	79.00	69.54	71.38	78.38
<u>Steers: Medium/Large Frame #3</u>					
300-400 lbs.	84.00	112.50	97.13	92.25	97.28
400-500 lbs.	77.00	97.00	86.86	87.35	90.52
500-600 lbs.	70.00	88.50	81.25	81.02	85.60
600-700 lbs.	68.00	82.50	76.11	76.29	81.75
700-800 lbs.	66.00	76.00	72.85	74.25	79.71
<u>Holstein Steer</u>					
300-400 lbs.	-----	-----	-----	54.34	64.28
500-600 lbs.	59.00	70.00	65.13	67.60	52.27
700-800 lbs.	50.50	69.50	58.05	65.07	56.01
<u>Slaughter Cows</u>					
Breaking Utility	37.00	47.00	42.00	41.75	50.00
Cutter & Boning	36.50	45.00	40.75	41.50	48.75
Canner	30.00	41.00	35.50	35.75	43.00
Bull YG 1-2	49.50	57.50	53.50	53.00	62.50
<u>Heifers: Medium/Large Frame #1-2</u>					
300-400 lbs.	80.00	102.00	90.41	86.39	90.42
400-500 lbs.	74.00	94.00	81.68	81.22	86.74
500-600 lbs.	70.00	87.50	77.72	77.19	83.47
600-700 lbs.	68.50	82.00	75.15	73.89	79.63
<u>Heifers: Small Frame #1</u>					
300-400 lbs.	66.00	88.00	78.83	74.89	75.82
400-500 lbs.	57.00	82.50	71.54	70.12	75.68
500-600 lbs.	56.00	75.00	66.83	66.64	70.37
600-700 lbs.	55.00	73.00	65.31	65.52	67.89
<u>Heifers: Medium/Large Frame #3</u>					
300-400 lbs.	67.00	90.00	80.86	78.88	81.47
400-500 lbs.	67.00	86.00	76.76	75.59	81.13
500-600 lbs	63.00	79.00	72.17	71.44	76.68
600-700 lbs.	57.00	73.50	69.52	68.79	73.15

Cattle Receipts: This week: (11) 8,955

Week ago: (11) 7,225

Year ago: (11) 7,575



Average Daily Slaughter (number of head)

	This week (4 days)	Last week (4 days)	Year ago (4 days)	This week as percentage of Week ago (%)	Year ago (%)
Hogs	429,000	433,000	431,000	99%	100%
Cattle	125,500	124,500	126,750	101%	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 #	137.75	135.37	143.30	2.38	-5.55
Select 1 - 3					
600-990 #	133.34	131.96	135.82	1.38	-2.48

FUTURES SETTLEMENT PRICES
Crops & Livestock
Friday, October 16, 2009 - Thursday, October 22, 2009

Commodity	Contract Month	Fri. 16	Mon. 19	Tues. 20	Wed. 21	Thurs. 22
Soybeans (\$/bu)	Nov	9.77	9.96	9.83	10.08	10.05
	Jan	9.82	10.00	9.85	10.10	10.07
	Mar	9.85	10.30	9.86	10.08	10.07
	May	9.82	9.98	9.81	10.01	10.00
	Jul	9.82	9.97	9.81	10.00	9.98
	Aug	9.80	9.95	9.78	9.97	9.94
Corn (\$/bu)	Dec	3.72	3.86	3.85	3.98	4.03
	Mar	3.84	3.98	3.97	4.10	4.15
	May	3.92	4.07	4.06	4.18	4.23
	Jul	4.00	4.14	4.13	4.26	4.30
	Sep	4.06	4.20	4.18	4.28	4.32
	Dec	4.12	4.25	4.24	4.31	4.35
Wheat (\$/bu)	Dec	4.99	5.17	5.18	5.42	5.52
	Mar	5.18	5.36	5.36	5.60	5.69
	May	5.30	5.48	5.48	5.71	5.80
	Jul	5.40	5.59	5.58	5.80	5.88
	Sep	5.55	5.73	5.69	5.90	5.96
Soybean Meal (\$/ton)	Dec	295	298	293	299	301
	Jan	292	295	287	292	295
	Mar	290	292	284	288	291
	May	287	289	281	284	287
	Jul	287	288	281	283	286
	Aug	287	288	280	283	285
Cotton (\$/lb)	Dec	68.21	66.47	67.23	68.38	68.55
	Mar	70.38	68.97	69.61	70.61	70.68
	May	71.23	70.40	71.02	71.94	71.93
	Jul	71.88	71.92	72.39	73.01	73.03
	Oct	72.55	72.54	72.95	73.61	73.58
Choice Fed Cattle (\$/cwt)	Oct	84.10	84.70	84.90	86.60	85.95
	Dec	85.80	86.45	86.15	87.07	87.37
	Feb	86.40	86.85	86.50	87.42	87.75
	Apr	88.42	88.95	88.57	89.37	89.57
	Jun	85.52	85.97	85.57	86.37	86.67
Feeder Cattle (\$/cwt)	Oct	94.55	94.80	94.25	94.50	94.45
	Nov	95.12	95.52	95.20	96.22	96.40
	Jan	95.95	96.02	95.65	96.72	96.67
	Mar	97.05	96.70	97.40	97.15	97.17
	Apr	97.95	97.77	98.20	98.05	98.05
Market Hogs (\$/cwt)	Dec	54.10	54.05	52.87	53.67	53.72
	Feb	60.80	60.82	59.75	60.60	60.72
	Apr	65.42	65.40	64.70	65.42	65.47
	May	70.87	70.92	70.30	70.95	70.97
	Jun	74.02	74.07	73.22	74.02	74.27

Milk Futures, Thursday , October 22, CME Futures

Month	Class III Close	Class IV Close
October	12.72	11.60
November	13.69	12.38
December	15.48	13.23
January	14.69	13.36
February	14.74	13.49

**Nashville, TN Wednesday Oct 21, 2009 USDA-TN Dept Market News
Tennessee Video Board Sale and Graded Sale****10/20/2009 Fayetteville (TLP)****Receipts: 593(227) Graded and Grouped)**

Steers: Med & Lg 1-2	Heifers: Med & Lg 1-2
300-350 lbs	300-350 lbs
350-400 lbs	350-400 lbs
400-500 lbs 93.00-99.00	400-500 lbs 75.50-87.50
500-600 lbs 85.00-95.50	500-600 lbs 70.00-79.00
600-700 lbs 81.50-83.00	600-700 lbs 73.50-76.00
700-800 lbs 81.00-83.50	700-800 lbs 75.00-77.00

Bulls: Med & Lg 1-2
350-400 lbs 105.00-110.00
400-500 lbs 90.00-98.00
500-600 lbs 75.00-89.00
600-700 lbs 73.00-75.50

Tennessee Weekly Summary for October 16, 2009**Bred Cows Medium and Large 1 Middle Aged**

Head	Wt Range	Avg Wt	Price Range	Avg Price
1	1000-1100	1035	700.00	700.00 4-6 Months Bred
1	1100-1200	1170	610.00	610.00 4-6 Months Bred
1	1300-1400	1350	860.00	860.00 7-9 Months Bred
1	1300-1400	1330	680.00	680.00 4-6 Months Bred

Bred Cows Medium and Large 1 Aged

Head	Wt Range	Avg Wt	Price Range	Avg Price
1	1300-1400	1385	560.00	560.00 7-9 Months Bred

Bred Cows Small 1-2 Young

Head	Wt Range	Avg Wt	Price Range	Avg Price
1	700-800	780	660.00	660.00 1-3 Months Bred
1	800-900	865	580.00	580.00 4-6 Months Bred

Bred Cows Small 1-2 Middle Aged

Head	Wt Range	Avg Wt	Price Range	Avg Price
1	700-800	790	460.00	460.00 1-3 Months Bred

Bred Cows Medium and Large 2 Young

Head	Wt Range	Avg Wt	Price Range	Avg Price	
1	900-1000	965	660.00	660.00	1-3 Months Bred

Bred Cows Medium and Large 2 Middle Aged

Head	Wt Range	Avg Wt	Price Range	Avg Price	
1	900-1000	915	550.00	550.00	7-9 Months Bred
1	900-1000	925	540.00	540.00	1-3 Months Bred
2	900-1000	941	570.00-580.00	575.10	4-6 Months Bred
1	1000-1100	1010	640.00	640.00	7-9 Months Bred
3	1000-1100	1043	420.00-520.00	470.80	1-3 Months Bred
4	1000-1100	1040	480.00-575.00	510.23	4-6 Months Bred
2	1100-1200	1155	535.00-570.00	552.20	1-3 Months Bred
1	1100-1200	1190	600.00	600.00	7-9 Months Bred
3	1100-1200	1165	490.00-600.00	543.99	4-6 Months Bred
1	1200-1300	1255	630.00	630.00	7-9 Months Bred
1	1200-1300	1235	555.00	555.00	1-3 Months Bred
2	1400-1500	1453	645.00-650.00	647.48	4-6 Months Bred

Bred Cows Medium and Large 2 Aged

Head	Wt Range	Avg Wt	Price Range	Avg Price	
1	900-1000	980	400.00	400.00	4-6 Months Bred
2	1000-1100	1025	450.00-470.00	460.00	4-6 Months Bred

Bred Cows Medium and Large 3 Middle Aged

Head	Wt Range	Avg Wt	Price Range	Avg Price	
1	900-1000	900	440.00	440.00	1-3 Months Bred
1	1000-1100	1010	460.00	460.00	4-6 Months Bred

Bred Cows Medium and Large 3 Aged

Head	Wt Range	Avg Wt	Price Range	Avg Price	
1	900-1000	975	330.00	330.00	1-3 Months Bred
1	900-1000	950	425.00	425.00	4-6 Months Bred

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

Sheep Center Board Solicits Nominations (American Sheep and Goat Center, 10/16) -- The American Sheep and Goat Center (ASGC) announced that it is accepting nominations for three voting director positions whose terms expire in 2010. Total membership to the board of directors has been set at nine directors. The three open seats are currently held by Greg Ahart of California, Larry Miller of Maryland and Clark Willis of Utah. All three board members are eligible for reappointment. The board members manage and oversee the activities of ASGC.

Since nominations may only be submitted by national organizations whose membership consists primarily of active sheep or goat producers in the United States, the American Sheep Industry Association (ASI) will be submitting nominations to this board. If you are interested in being considered for one of these positions, email Peter Orwick at porwick@sheepusa.org or call 303-771-3500, ext. 33. All nominations must be received at the ASI office on or before Nov. 6

Obama Signs Dairy Aid Package (Dairy Herd News, 10/21) -- President Obama today signed legislation to provide \$350 million in emergency assistance for hard-pressed dairy farmers. Sen. Bernie Sanders (I-Vt.) – who sponsored an amendment that added the dairy funds to the Department of Agriculture appropriations bill – joined the president at the White House for the Oval Office bill-signing ceremony. The measure provides \$290 million for direct support to dairy farmers. Another \$60 million will be used to purchase cheese and other dairy products for food banks and nutrition programs.

Vilsack Announces \$71.7 Million in Loan Assistance to Help Rural Businesses (USDA, 10/21) -- Agriculture Secretary Tom Vilsack today announced \$71.7 million in loan guarantees to assist 20 rural businesses in funding made available by the American Recovery and Reinvestment Act. The funding announced today is being made available through USDA Rural Development's Business and Industry Guaranteed Loan Program. Altogether, \$1.7 billion is available to businesses across the country through Recovery Act Business and Industry Guaranteed Loan Program funding.

Eligible Business and Industry Loan Program applicants include private businesses, cooperative organizations, corporations, partnerships, non-profit groups, federally recognized Indian tribes, public bodies and individuals. The funds will be targeted to creating and retaining quality jobs and serving difficult-to-reach populations and areas hardest hit by the current economic downturn. Learn more about the program by visiting www.rurdev.usda.gov/rbs/busp/b&i_gar.htm.

USDA Issues Recommended Decision on Proposed Amendments to All Federal Milk Orders (USDA, 10/21) -- The U.S. Department of Agriculture today issued a recommended decision to adopt amendments to the producer-handler definition in all Federal milk marketing orders. This decision is based on testimony and evidence given at a public hearing held May 4-19 in Cincinnati, Ohio. The decision recommends that the producer-handler definitions of all Federal milk marketing orders be amended to limit exemption from pooling and pricing provisions of the orders to those producer-handlers with total route disposition of fluid milk products of 3 million pounds or less per month.

The public has 60 days to file comments. Send comments by using the Federal eRulemaking portal at <http://www.regulations.gov>.

USDA Confirms 2009 Pandemic H1N1 Influenza Virus Present in Minnesota Fair Pig Sample (USDA, 10/19) -- Agriculture Secretary Tom Vilsack today announced that USDA's National Veterinary Services Laboratories (NVSL) has confirmed the presence of 2009 pandemic H1N1 influenza virus in a pig sample collected at the Minnesota State Fair submitted by the University of Minnesota. Additional samples are being tested. More information about USDA's 2009 pandemic H1N1 efforts is available at www.usda.gov/H1N1flu.

Senators Want COOL for Dairy (Brownfield Network, 10/20) -- Three U.S. Senators have introduced legislation to require Country of Origin Labeling (COOL) on dairy products. Senators Russ Feingold of Wisconsin, Al Franken of Minnesota and Sherrod Brown of Ohio say current COOL regulations do not include products like milk, cheese, yogurt and butter. Feingold says consumers looking for quality dairy products from the United States should be able to quickly and easily identify them in the store. Franken notes it would help American products stand out in a crowded marketplace.

GAO Directed to Study Horse Welfare Since Slaughter Plants Closed (Livestock Marketing Assn., 10/20) -- The final version of the 2010 agriculture appropriations bill, worked out by a Senate-House conference committee, directs the Government Accountability Office (GAO) to study the status of horse welfare in the U.S. since horse slaughter plants were closed. The last U.S. plant closed in 2007. The conference committee report accompanying the spending bill directs the GAO to consider how the horse industry has responded to the plant closings in terms of horse sales, exports, adoptions and abandonments. The committee report asks for GAO to issue its report by March 1, 2010. The GAO is also instructed to review the impact the closures have had on farm income and state and local government organizations.

Pilgrim's Pride Receives Early Antitrust Clearance (Beef , 10/21) -- Pilgrim's Pride Corp. today announced that it has received early antitrust clearance from the Federal Trade Commission (FTC) and Department of Justice for the company's previously announced stock purchase agreement with JBS USA Holdings Inc. (JBS U.S.A.), a subsidiary of JBS S.A. Last month, Pilgrim's Pride and six of its subsidiaries (the Debtors) filed a joint plan of reorganization and related disclosure statement with the U.S. Bankruptcy Court for the Northern District of Texas. Under the terms of the joint plan of reorganization, Pilgrim's Pride has entered into an agreement to sell 64% of the new common stock of the reorganized Pilgrim's Pride to JBS U.S.A. for \$800 million in cash.

Federal Judge Shuttles Idaho Grazing Allotment (Associated Press, 10/19) -- A federal judge has ordered a western Idaho rancher to keep his sheep off his family's traditional grazing ground on public land, at least temporarily, to protect wild native bighorns. U.S. District Judge Lynn Winmill ruled Wednesday that a pact between a Salmon River rancher and the state to keep his domestic herd separate from bighorns on a Bureau of Land Management allotment fell short of a 2009 law aimed at helping Idaho's ranching industry and protecting the native wild sheep.

Emergency Loan Bails Out Hog Farm (TheSpec.com, 10/20) -- Haldimand County Hydro cut off power to the 40-hectare Bartside Farms, located just south of Binbrook, because of an \$11,000 unpaid bill. But power was restored Friday at about 6 p.m. when the Bartels received an emergency loan for the owed amount from Farm Credit Canada, a federal loan agency. The Bartels are waiting word on several other FCC loans to push the farm back to some form of sustainability. But they say their problems are symptomatic of an ongoing crisis in the Ontario hog industry.

Hay Torched in Protest (Dairy Herd News, 10/20) -- French farmers struggling with slumping grain prices blanketed the Champs-Elysees with bales of hay and set them ablaze Friday and blocked highways around the country as they demanded government help. About 150 farmers blocked traffic and unloaded hay and tires onto the most famous shopping street in Paris. The protesters set the hay on fire but firefighters quickly extinguished the flames. Grain farmers were staging nationwide protests to call attention to their debts and other difficulties that have mounted as food prices have fallen from record highs in 2007.

EU Exec to Approve GM Maize if Ministers Disagree (Budapest Business Journal, 10/19) -- The European Commission will make a quick decision to authorize three varieties of GM maize so as to relieve pressure on the livestock sector if EU ministers fail to agree, the EU farm chief said. EU farm ministers are expected to reach a stalemate over approval of the genetically modified maize from **Monsanto** and **Pioneer Hi-Bred**, a unit of **Dupont**, paving the way for default approval by the 27-country bloc's executive Commission. In recent months, shipments of soy with traces of unauthorized GMOs have been blocked from entering the EU in Spain and Germany, raising concerns that Europe could face a shortage of high-protein soybean and soy meal, used as livestock feed.

Russia Lifting All Restrictions on Pork (MeatInternational.com, 10/15) -- Starting from October, 15 Russia will lift all the restrictions on pork imports implemented in spring 2009 in order to prevent the spread of A/H1N1 in the country, sources in the Russian Federal Service for Veterinary and Phytosanitary Surveillance (Rosselkhoznadzor) have said. Following the outbreak of A/H1N1 in Mexico, Russia has consistently imposed restrictions on the importation of all the meat and meat products from such countries with high prevalence of the new virus such as Mexico, the United States, the Caribbean countries, Canada, Spain and the UK.

Activists Seek Suspension of USDA Loans for Hog, Poultry Facilities (Feedstuffs, 10/20) -- A coalition of small farm and food activist groups, led by the Campaign for Family Farms and the Environment (CFFE), sent a petition Oct. 20 to Agriculture Secretary Tom Vilsack calling for a suspension of Farm Service Agency (FSA) direct and guaranteed loans to new or expanding specialized hog and poultry facilities. The petition had 25,323 signatures, according to CFFE.

Based on USDA data, FSA direct and guaranteed loans for new hog and poultry building construction for fiscal years 2008 and 2009 totaled a whopping \$264,466,341, a statement from CFFE reported. Meanwhile, the organizers of the petition reported that USDA "over the last 10 months has also employed a strategy of conducting bonus pork and poultry buys in an attempt to stabilize and lift prices. USDA to date has purchased \$55 million and \$42 million worth of surplus pork and poultry, respectively, in an effort to provide assistance to these stressed livestock markets."

Dairy Cattle Sales Come to Hereford (High Plains Journal, 10/20) -- On Oct. 6, Hereford Livestock Auction re-opened under the ownership of the Cattleman's Livestock Commission of Dalhart, Texas. In a change from the norm, this new auction barn will offer monthly open and bred dairy female sales on the second Tuesday of each month, as well as regular weekly packer cow sales on the remaining Tuesdays.

Increase in State Beef Checkoff, to \$2/head, Passes in North Carolina (Livestock Marketing Assn., 10/20) -- With less than 5 percent of the state's producers voting, North Carolina cattlemen have passed an increase in the state beef checkoff rate, from \$1 per head to \$2. The vote was 839 in favor, and 306 against. A spokeswoman for the North Carolina Cattlemen's Association told LMA this morning the increase "probably" won't be effective until early 2010. Markets will be contacted "and new forms will be sent" to them, she said. She estimated that the state has approximately 25,000 cattle producers.

Cal Poly Postpones Reduction of Dairy Herd Thanks to Alumni and Supporters (Cal Poly News, 10/20) -- Cal Poly announced today (Oct. 20) that it is putting on hold its plan to reduce the size of its dairy herd. In announcing the decision, Dave Wehner, dean of the College of Agriculture, Food and Environmental Sciences, said alumni and dairy industry supporters have come forward with offers to help the university find a solution to the problem of maintaining the herd in an economically sustainable way.

Several industry professionals sent letters volunteering to help Cal Poly develop a business strategy that would help keep as many

of the university's 400 agriculture animals as possible while the university navigates the tough economy. Current market conditions for milk have resulted in milk prices that are substantially lower than the cost of actually producing it – a phenomenon that all the nation's dairies are experiencing.

Checkoff-funded Consumer Veal Index Benchmarked in 2009 (Cattlemen's Beef Board, 10/16) -- In July 2009, new questions were added to the existing checkoff-funded Consumer Beef Index to specifically track additional attitudes and perceptions regarding veal. The tool provides meaningful, evaluative consumer-focused data that helps the checkoff assess the impact of the beef industry's efforts to build demand. The Index measures a representative sample of U.S. consumers in an effort to summarize how veal is being incorporated into meals, the kinds of proteins chosen by consumers and how that evolves over time, and the relative strengths and weaknesses of veal.

Emmit Rawls
Professor
Agricultural Economics

Chuck Danehower
Extension Area Specialist
Farm Management

University of Tennessee Extension
Department of Agricultural Economics
314 Morgan Hall • 2621 Morgan Circle

1-800-345-0561- for up-to-date market news

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