

# Tennessee Market Highlights

UF Extension

October 30, 2009  
Number :42

## Livestock Comments by Emmitt L. Rawls

Fed cattle sold \$1 to \$2 higher this week at \$87 to \$88 in the South and \$133 to \$136 dressed in the North, with most of the trade on Wednesday and Thursday. The 5 area weighted average prices were \$86.84 live and \$133.86 dressed compared to \$85.59 and \$131.62 a week ago. A year ago prices were \$91.19 and \$140.34. Sales occurred just as cutout values were peaking for the week. The Choice cutout on Thursday was up \$3.41 from a week ago with the Select up \$2.66. At midday Friday the Choice was \$140.92 down .24 with the Select at \$135.64 down .36. The Choice Select spread was \$5.28 compared to \$6.14 a week ago. We are now in the period of expected tightest supply of fed cattle this fall. Fed cattle weights are declining slightly. There have been many deliveries on the live cattle futures contract since those prices exceeded what could be garnered from packers. Fed cattle numbers are expected to increase towards December due to higher late summer placements on feed. The corn market has had a 47 cent range this week, which has made feeder cattle futures quite volatile as well. Thursday's cattle futures were lower with corn futures higher, both negative to feeder cattle. Early snow in the Western Plains will reduce processing and total tonnage of beef and could provide some support to cash prices in the very near term. Feeder steers, bulls and heifers on the Tennessee auctions were called steady with last week. Cows were steady to firm and slaughter bulls were called steady. Average receipts per sale for the week were 764 on 11 sales, 873 on 11 sales last week and 791 on 11 sales a year ago. Last week's frost and open weather boosted numbers at the weekly auctions.

*Continued on page 2*

## Crop comments by Chuck Danehower

Corn, soybeans, and wheat finished down for the week while cotton was up. I believe it is official; October is going down as the wettest October on record, at least in West Tennessee. I suspect that it will be the same elsewhere. After dropping on Monday, the corn and soybean markets struggled trying to balance another poor week of harvest with a stronger dollar, drop in crude oil, and lower stock market. It has traded sideways during the week. The market is always forward looking and is looking toward the drier week in the Midwest and Delta for harvest to start to advance. Overall, crop conditions as reported have not continued to deteriorate, but this past week could cause a drop in the ratings. Many analysts are still expecting a large crop and sentiments' won't change until actual results come in. The U.S. Dollar is stronger for the week at 76.485, up .92. The Dow Jones Industrial Average was trading at 9746 before the close, down about 2.5% for the week. During the week, 3<sup>rd</sup> quarter Gross Domestic Product (GDP) was reported to have grown by 3.5%, higher than expected and lead to a rally in the stock market. This was supposedly a signal that the recession was over and the recovery had started. Most of the GDP growth was attributed to temporary government spending such as *Cash for Clunkers*. Just how fragile the recovery is was illustrated today as consumer spending was reported to have fallen .5% in September and consumer sentiment in October had slipped from September. The Dow gave back all its gains from Thursday and more on that news. Crude Oil ended the week down 4%, trading at 76.99 a barrel before the close. Expect volatility in commodity markets as well as outside markets

*Continued on page 2*

**Slaughter cows:** steady to firm

**Slaughter bulls:** steady

**Feeder steers:** steady

**Feeder heifers:** steady

**Fed cattle:** 5 area live price of \$86.84 is up \$2.25 and the dressed price is up \$2.18 at \$133.86

**Feeder cattle index:** Wednesday's index \$93.24

**Corn:** December 2009 futures closed at \$3.66 a bushel on Friday, down \$.32 bushel for the week

**Soybean:** November futures closed at \$9.78 bushel, down \$0.28 bushel from last week

**Wheat:** December 2009 futures contract closed at \$4.94 bushel, down \$0.54 bushel from last week

**Cotton:** December 09 futures closed at 67.64 cents/lb. up .26 cents/lb. from last week

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

This is normally the period of lowest feeder cattle prices during the year. While fed cattle numbers are expected to increase in the November to February period with some pressure on prices, getting the China market reopened to U.S. pork should be of some support to the beef market as well. What we export we do not eat in the U.S. The large supply of cheap pork in part due to reduced exports has been a drag on the entire meat complex. Restaurant performance indices continue to show that part of the food business is still struggling. However, a private consulting firm reported on DTN that the volume of meat and poultry sales in the 3<sup>rd</sup> quarter was up 12% over a year ago. This is one indication of increased consumption of “restaurant type” meals at home. Consumption of “premium” steaks was up 15.5% compared to a 13.25% rise in “regular” steaks. Covering at least part of feed needs on the recent break in corn prices should be considered.

**TECHNICALLY SPEAKING:** Based on Thursday’s closing prices. December live cattle closed at \$86.28. Support is at \$85.85, then \$84.70. Resistance is at \$87.00, then \$88.15. The RSI is 45.96. February cattle closed at \$87.07. Support is at \$86.90, then \$86.65. Resistance is at \$87.75, then \$88.12. The RSI is 53.63. April cattle closed at \$89.00. Support is at \$88.70, then \$88.50. Resistance is at \$89.62, then \$89.87. The RSI is 52.94. November feeder cattle closed at \$94.60. Support is at \$94.13, then \$92.88. Resistance is at \$95.38, then \$96.63. The RSI is 41.79. January feeders closed at \$95.02. Support is at \$94.95, then \$93.80. Resistance is at \$96.12, then \$97.00. The RSI is 40.51. Friday’s closing prices were: October live cattle \$81.65 down 3.00; December \$85.67 down 0.60; February \$86.85 down 0.22. November feeder cattle \$94.80 up 0.20; January \$95.07 up 0.05; March \$95.60 up 0.05. December corn closed at \$3.66 per bushel down 32 cents from last Friday.

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

### **Corn:**

**New Crop:** December 2009 futures closed at \$3.66 a bushel on Friday, down \$.32 bushel for the week. Support is at \$3.61 bushel with resistance at \$3.91 bushel. Weekly exports sales were 14.5 million bushels, about expected but expectations were low and off the pace to reach USDA estimates. As of October 25, the crop condition ratings for corn were 69% in the good to excellent rating compared to 70% the previous week and 64% a year ago. Nationwide, 90% of the corn crop is mature compared to 83% last week, 96% last year and the five year average of 99%. Corn harvest is at 20%, compared to 17% last week, 37% last year and the five year average of 58%. Currently, there is carry in the market indicating that storage will pay if it is \$.04 bushel per month or less. I am still inclined to sell any un-priced grain as it is harvested or if stored; contracts made for future delivery.

**Deferred:** The March 2010 futures contract closed at \$3.79 bushel, down \$0.30 bushel from last week. The September 2010 contract closed at \$4.04, down \$0.23 bushel from last week. Support is \$3.99 with resistance at \$4.26 bushel. I am currently forward contracted up to 10% of 2010 production. Check with your elevator for 2010 pricing.

### **Cotton:**

**Nearby:** The December 09 futures closed at 67.64 cents/lb. up .26 cents/lb. from last week. Support is at 65.55, resistance at 69.35 cents. Weekly exports sales were 166,000 bales (146,400 bales 09/10; 19,600 bales 10/11), above expectations. Overall crop condition ratings as of October 25 were 44% good to excellent compared to 44% last week and 48% last year. Boll opening is at 91% compared to 86% last week, 90% last year and the five year average of 91%. Cotton harvest is reported at 19% compared to 15% last week, 38% last year and the five year average of 43%. Rains in the Mid-South and South have been hard on cotton and I would expect condition ratings released on November 2 to reflect continued crop deterioration. Since the cotton market was stable this week, I would think that an additional yield drop has been factored in. Additional strength in the cotton market will be dependent on lower supply from additional crop losses and or increased demand from an economic recovery. I would recommend keeping in contact with your cotton buyer for current quotes on loan equities and or cash prices. The LDP for cotton from October 30 – November 5 is .02 cents/lb. while the Adjusted World Price is 51.98 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 70.89 cents/lb., up 1.02 cents/lb. from last week. The December 2010 futures contract closed at 75.07 cents/lb., up 1.62 cents/lb. for the week.

### **Soybeans:**

**New crop:** November futures closed at \$9.78 bushel, down \$0.28 bushel from last week. Support is at \$9.53, with resistance at \$10.06 bushel. Weekly exports were 25.4 million bushels, about expected and still above pace to meet USDA projections. China again accounted for the majority of the sales at 16.1 million bushels. As of October 25, crop conditions have the crop rated at 65% good to excellent compared to 65% last week. As of October 25, 44% of the crop was harvested compared to 30% last week, 75% last year and the five year average of 80%. Demand for U.S. soybeans is excellent, but there are concerns that with the South American crop progressing ahead of their normal pace that competition for exports will happen sooner than normal. That could be part of the reason that there is no carry in the soybean market which indicates that storage will not pay. I would look to sell un-

priced soybeans as they are harvested. If harvest starts to progress as expected and yields estimates don't drop then prices will weaken. Of course, outside influences such as the U.S. Dollar, stock market and crude oil will also be factors. Looking at the charts, since May, soybeans have twice showed a gradual average drop over a month to a month half of \$1.84 from its high. If we have started another down movement, we could drop to a range of \$8.26 - \$8.69 by early December. Producers thinking about storing may want to consider put options as price protection.

**Deferred:** The March 2010 contract closed at \$9.75 bushel on Friday, down \$0.31 bushel from last week. The November 2010 contract closed at \$9.62 bushel, down \$0.20 bushel for the week. Support is at \$9.40 with resistance at \$9.97 bushel. Some market analysts this week recommended hedging up to 25% of the 2010 crop. I would watch the 2010 market and look to price on a rally up to \$10.00.

**Wheat:**

**Nearby:** The December 2009 futures contract closed at \$4.94 bushel, down \$0.54 bushel from last week. Weekly exports were 13.5 million bushels (12.8 mb 09/10, .7 mb 10/11) below expectations.

**New Crop:** The July 2010 futures closed at \$5.37 bushel, down \$0.52 bushel from last week. Support is at \$5.30 bushel with resistance at \$5.62 bushel. As of October 25, 76% of the winter wheat has been planted compared to 69% last week, 82% last year and the five year average of 85%. Emergence is 59% compared to 48% last week, 66% last year, and the five year average of 66%. I am currently 10% priced for 2010 wheat and would encourage wheat producers to watch the market for pricing for next year. I am hesitant to price more until the crop is planted and up and growing. With the fall we have had, I would expect Tennessee as well as the Mid-South to be down on acreage, maybe substantially. A drop in acreage will help with the burdensome supply, but other factors will be needed to prop up or increase prices. The basis for 2010 delivery has improved so check with your elevator on pricing.

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

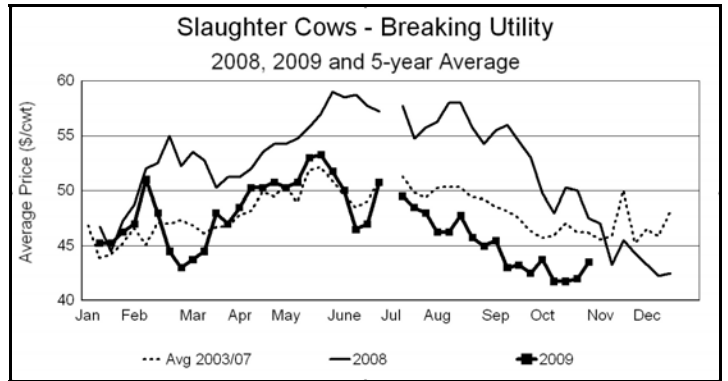
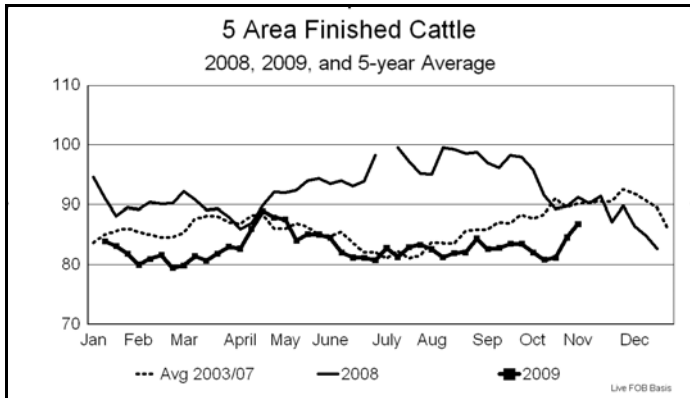
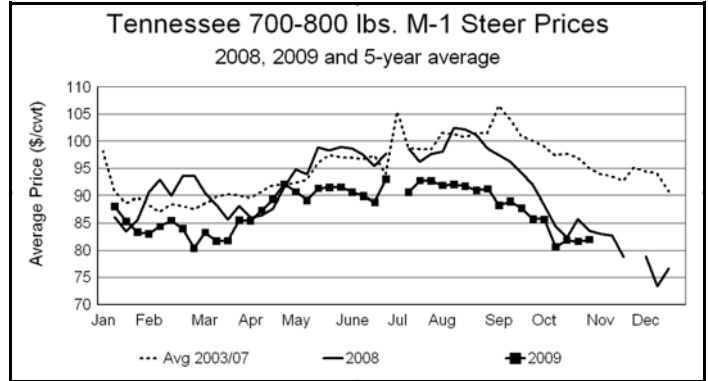
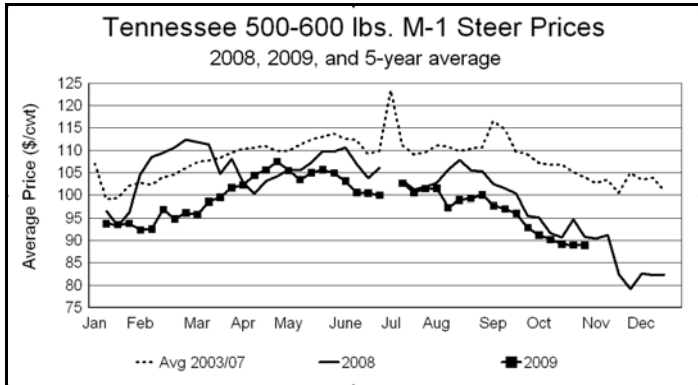
**October 30, 2009**

	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.	93.00	117.50	105.68	106.25	109.23
400-500 lbs.	85.00	106.00	95.09	96.92	99.26
500-600 lbs.	80.00	107.00	88.91	88.97	90.78
600-700 lbs.	77.50	90.50	83.63	84.27	84.62
700-800 lbs	75.00	89.00	81.98	81.64	83.56
<u>Steers: Small Frame #1-2</u>					
300-400 lbs.	78.00	103.00	93.88	95.47	88.06
400-500 lbs.	72.00	94.00	92.92	77.88	82.79
500-600 lbs.	66.00	86.00	74.85	78.68	76.88
600-700 lbs.	67.00	78.00	72.67	69.54	71.76
<u>Steers: Medium/Large Frame #3</u>					
300-400 lbs.	85.00	110.00	98.27	97.13	95.39
400-500 lbs.	76.00	94.00	86.53	86.86	89.15
500-600 lbs.	72.00	89.50	81.61	81.25	80.09
600-700 lbs.	67.00	78.50	72.15	76.11	75.81
700-800 lbs.	70.50	74.50	73.03	72.85	75.20
<u>Holstein Steer</u>					
300-400 lbs.	70.50	81.00	78.54	-----	61.70
500-600 lbs.	55.00	74.00	68.13	65.13	61.57
700-800 lbs.	56.00	65.50	59.87	58.05	-----
<u>Slaughter Cows</u>					
Breaking Utility	38.50	48.50	43.50	42.00	47.50
Cutter & Boning	37.00	46.00	41.50	40.75	47.25
Canner	33.00	40.50	36.75	65.50	34.25
Bull YG 1-2	49.50	60.00	54.75	53.50	62.25
<u>Heifers: Medium/Large Frame #1-2</u>					
300-400 lbs.	80.00	101.00	89.61	90.41	90.54
400-500 lbs.	72.50	94.00	82.52	81.68	83.75
500-600 lbs.	70.00	89.00	77.69	77.72	80.03
600-700 lbs.	67.00	80.00	74.44	75.15	77.21
<u>Heifers: Small Frame #1</u>					
300-400 lbs.	67.00	83.00	76.15	78.83	76.23
400-500 lbs.	50.00	81.00	69.42	71.54	73.07
500-600 lbs.	50.00	77.00	66.17	66.83	71.00
600-700 lbs.	55.00	65.00	60.39	65.31	66.41
<u>Heifers: Medium/Large Frame #3</u>					
300-400 lbs.	71.00	85.00	79.00	80.86	80.67
400-500 lbs.	64.00	84.00	75.56	76.76	77.14
500-600 lbs	60.00	77.00	70.94	72.17	74.69
600-700 lbs.	61.00	72.00	66.88	69.52	70.55

Cattle Receipts: This week: (11) 8,407

Week ago: (11) 9,600

Year ago: (11) 8,700



**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	430,750	429,000	434,750	100%	99%
Cattle	125,000	125,500	123,500	100%	101%

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

	Thursday	Week ago	Year ago	Change from week ago	Change from year ago
Choice 1 - 3					
600-900 #	141.16	137.75	141.81	3.41	-0.65
Select 1 - 3					
600-990 #	136.00	133.34	135.42	2.66	0.58



**FUTURES SETTLEMENT PRICES**  
**Crops & Livestock**  
**Friday, October 23, 2009 - Thursday, October 29, 2009**

Commodity	Contract Month	Fri. 23	Mon. 26	Tues. 27	Wed. 28	Thurs. 29
Soybeans (\$/bu)	Nov	10.06	9.87	9.73	9.68	9.85
	Jan	10.07	9.89	9.76	9.70	9.87
	Mar	10.07	9.88	9.78	9.71	9.87
	May	9.99	9.81	9.74	9.67	9.84
	Jul	9.97	9.80	9.75	9.68	9.86
	Aug	9.93	9.77	9.73	9.65	9.83
Corn (\$/bu)	Dec	3.98	3.78	3.71	3.69	3.79
	Mar	4.09	3.90	3.83	3.81	3.92
	May	4.17	3.99	3.92	3.90	4.01
	Jul	4.25	4.07	3.99	3.99	4.09
	Sep	4.27	4.10	4.06	4.05	4.16
	Dec	4.30	4.15	4.12	4.13	4.24
Wheat (\$/bu)	Dec	5.48	5.27	5.03	4.95	5.04
	Mar	5.67	5.46	5.22	5.14	5.23
	May	5.79	5.58	5.34	5.26	5.36
	Jul	5.89	5.67	5.44	5.37	5.47
	Sep	6.00	5.84	5.62	5.54	5.64
Soybean Meal (\$/ton)	Dec	303	295	288	291	295
	Jan	297	288	282	285	289
	Mar	293	285	279	282	287
	May	289	281	277	279	283
	Jul	288	280	277	279	284
	Aug	287	280	276	278	283
Cotton (\$/lb)	Dec	67.38	67.41	67.05	66.88	67.57
	Mar	69.87	70.01	69.76	69.73	70.54
	May	71.19	71.24	71.07	70.98	71.89
	Jul	72.30	72.33	72.26	72.24	73.34
	Oct	72.85	72.88	72.81	72.95	74.05
Choice Fed Cattle (\$/cwt)	Oct	86.35	86.12	86.12	85.55	84.65
	Dec	87.40	87.15	87.10	86.92	86.27
	Feb	87.75	87.37	87.67	87.42	87.07
	Apr	89.47	89.25	89.42	89.35	89.00
	Jun	86.40	86.22	86.22	85.97	85.65
Feeder Cattle (\$/cwt)	Oct	94.25	93.85	93.85	93.65	-----
	Nov	95.47	95.87	95.85	95.50	94.60
	Jan	95.80	96.00	96.35	95.92	95.02
	Mar	96.67	96.67	96.87	96.30	95.55
	Apr	97.40	97.50	97.60	97.25	96.42
Market Hogs (\$/cwt)	Dec	53.02	53.40	55.42	55.95	57.20
	Feb	60.45	60.82	61.70	62.22	63.17
	Apr	65.20	65.45	65.95	66.20	66.25
	May	70.92	71.00	71.22	71.47	71.87
	Jun	74.07	74.15	74.35	74.67	74.92

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**Milk Futures, Thursday , October 29, CME Futures**

<b>Month</b>	<b>Class III Close</b>	<b>Class IV Close</b>
October	12.78	11.65
November	13.80	12.78
December	14.71	13.25
January	14.80	13.36
February	14.88	13.49

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**10/29/09 Athens-Holstein Steer Sale****Receipts: 1649**

Holstein Steers Large-1	Large 2
200-300 lbs 71.00-75.00	
300-350 lbs 74.00-76.50	300-350 lbs 71.50
350-400 lbs 72.50-73.00	350-400 lbs 72.50-74.00
400-450 lbs 70.25	400-450 lbs 67.00-71.25
450-500 lbs 68.00-69.75	450-500 lbs 69.00-73.25
500-600 lbs 68.00-73.50	500-600 lbs 69.00-73.50
600-700 lbs 63.75-68.90	600-700 lbs 62.50-65.25
700-800 lbs 60.00-67.80	700-800 lbs 58.00-64.75
800-900 lbs 59.50-64.50	800-900 lbs 54.50-57.50

Large-3

200-300 lbs 64.75
300-400 lbs 62.50
400-500 lbs 54.50
500-600 lbs 48.50
600-700 lbs 48.00
700-800 lbs 49.00

**10/28/09 McMinnville- Graded Sale****Receipts: 1246, Prices for Blk, Bwf and Char X only**

Steers: Med and Lg 1	Heifers: Med & Lg 1
300-350 lbs 112.00	300-350 lbs 87.00
350-400 lbs 100.00-111.00	350-400 lbs 85.50-87.50
400-450 lbs 101.00-104.50	400-450 lbs 75.00-82.50
450-500 lbs 98.50-101.50	450-500 lbs 80.75-84.20
500-550 lbs 93.00-96.50	500-550 lbs 78.75-80.05
550-600 lbs 84.00-87.75	550-600 lbs 75.00-75.25
600-700 lbs 82.25-85.25	600-700 lbs 73.75-79.00
700-850 lbs 83.25-85.10	700-850 lbs 73.50-77.50
850-950 lbs -----	

Steers: Med & Lg 2	Heifers: Med & Lg 2
300-350 lbs 107.00	300-350 lbs 82.00-87.00
350-400 lbs 87.00-99.00	350-400 lbs 80.00-81.50
400-450 lbs 85.50-101.00	400-450 lbs 76.00-80.50
450-500 lbs 89.00-95.00	450-500 lbs 75.50-78.75
500-600 lbs 83.50-86.00	500-600 lbs 74.50-77.75
600-700 lbs 81.25-83.75	600-700 lbs 73.00-75.75
700-850 lbs 80.00-81.00	700-850 lbs 69.00-73.00

**10/27/2009 Fayetteville (TLP)**

**Receipts: 204 Graded and Grouped)**

Steers: Med & Lg 1-2	Heifers: Med & Lg 1-2
300-350 lbs	300-400 lbs 73.00-85.00
350-400 lbs	
400-500 lbs	400-500 lbs 74.00-84.50
500-600 lbs 82.00-86.00	500-600 lbs 70.00-77.00
600-700 lbs 75.00-82.50	600-700 lbs 65.50-76.00
700-800 lbs 74.50-85.00	700-800 lbs

Bulls: Med & Lg 1-2  
350-400 lbs 99.50  
400-500 lbs 83.00-100.00  
500-600 lbs 74.00-80.00  
700-800 lbs 71.50-72.50

**10/23/09 Sweetwater- Graded feeder cattle sale**

**Receipts: 779, Prices for Blk, Bwf and Cont X only**

Steers: Med and Lg 1	Heifers: Med & Lg 1
300-400 lbs -----	300-400 lbs 87.00
400-450 lbs 100.00-104.00	400-450 lbs 77.50-85.50
450-500 lbs 98.50	450-500 lbs 81.50-84.50
500-550 lbs 90.00-94.75	500-550 lbs 81.00-82.50
550-600 lbs 87.00	550-600 lbs 78.50
600-700 lbs 80.00-84.00	600-700 lbs 72.00-75.00
700-800 lbs 80.00-82.50	700-800 lbs 73.50
800-900 lbs 75.50-79.50	800-900 lbs -----

Steers: Med & Lg 2	Heifers: Med & Lg 2
300-350 lbs 93.50-94.50	300-400 lbs 82.00
350-400 lbs 95.25	400-450 lbs 79.00
400-450 lbs 90.50-93.50	450-500 lbs 78.50
450-500 lbs 93.50	500-550 lbs 70.00-76.50
500-550 lbs 85.50	550-600 lbs 67.00-73.25
550-600 lbs 84.00	600-700 lbs 64.50-73.25
600-700 lbs 75.00-80.00	700-800 lbs 68.00-72.25
700-800 lbs 74.00-81.50	

**Weaned and Vaccinated**

Steers Med & Lg 1-2	Heifers Med & Lg 1-2
400-500 lbs 90.00-93.00	400-500 lbs 78.00-84.50
500-600 lbs 88.50-92.20	500-600 lbs 79.50-83.50
600-700 lbs 90.90	600-700 lbs 82.50
700-800 lbs 88.40	700-800 lbs 82.30
800-900 lbs 82.50	800-900 lbs 76.75

**10/12/09 Cookeville- Feeder cattle sale**

**Receipts: 523 Prices for Blk, Bwf and Char X only**

Steers: Med and Lg 1	Heifers: Med & Lg 1
300-395 lbs 95.50-99.00	300-395 lbs -----

400-475 lbs 90.00	400-475 lbs 79.25-84.75
480-550 lbs 91.50-94.00	480-550 lbs 75.50-83.50
555-625 lbs 84.50-86.50	555-625 lbs 75.75-78.50
630-700 lbs 81.00-86.40	630-700 lbs 75.00-80.50
705-775 lbs 80.00-83.50	705-775 lbs 73.50-74.25
780-850 lbs 84.50-85.00	780-850 lbs 69.50-76.75
855-950 lbs 78.50-80.25	800-900 lbs -----

Steers: Med & Lg 2	Heifers: Med & Lg 2
300-395 lbs -----	300-395 lbs 72.00-80.00
400-475 lbs 87.00-87.50	400-475 lbs 76.00-83.00
480-550 lbs 86.00-90.00	480-550 lbs 72.00-75.00
550-625 lbs 84.00-86.00	555-625 lbs 75.00
630-700 lbs 81.00	630-700 lbs 72.00-77.50
705-775 lbs 80.00	705-775 lbs 73.00-73.50
780-850 lbs 76.50-86.00	

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### EAST TENNESSEE LIVESTOCK CENTER OCTOBER 28, 2009

1 load out of 85 heifers, est. wt. 675 lbs., range 640 to 740 lbs., \$/04 slide up if over 676 lbs., 90 M -1, 10% M -2, med flesh, 79 Black 7 BWF, 6 ChaX & Smoky, wormed and implanted, hauled 5 miles to barn, selling with 2% shrink. Price; \$86.60

1 load out of 90 heifers, est. wt. 680 lbs., range 625 to 740 lbs., \$.04 slide up if over 681 lbs., 100% M -1, med flesh, 70% M -1, med flesh, 25% ChaX & Smoky, 5% Red 7 RWF, wormed and implanted, hauled 8 miles to barn, selling with 1% shrink. Price: \$86.50

### BLUEGRASS STOCKYARD INTERNET SALE OCTOBER 28, 2009

225 head mixed steers, 700 lbs \$87.25  
 130 head steers, bbwf, 760 lbs. \$94.00  
 65 head steers, bbwf, 760 lbs. \$93.75  
 62 head steers, mixed, 800 lbs. \$88.20  
 58 head steers, mixed, 850 lbs \$83.75  
 55 head of steers, bbwf, 900 lbs \$83.75  
 55 head of holsteins, 980 lbs \$68.00

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### Tennessee Weekly Summary for October 16, 2009

#### Bred Cows Medium and Large 1 Young

Head	Wt Range	Avg Wt	Price Range	Avg Price	
1	1000-1100	1050	700.00	700.00	4-6 Months Bred

#### Bred Cows Medium and Large 1 Aged

Head	Wt Range	Avg Wt	Price Range	Avg Price	
1	1300-1400	1370	530.00	530.00	4-6 Months Bred

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

Head	Wt Range	Avg Wt	Price Range	Avg Price	
2	700-800	783	570.00	570.00	4-6 Months Bred
2	800-900	823	500.00-510.00	505.02	4-6 Months Bred
1	900-1000	965	500.00	500.00	7-9 Months Bred

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

Head	Wt Range	Avg Wt	Price Range	Avg Price	
1	1000-1100	1090	620.00	620.00	4-6 Months Bred
1	1100-1200	1105	540.00	540.00	7-9 Months Bred

1	1100-1200	1105	510.00	510.00	4-6 Months Bred
1	1200-1300	1230	540.00	540.00	4-6 Months Bred
1	1400-1500	1440	650.00	650.00	4-6 Months Bred

Bred Cows Medium and Large 2 Aged

Head	Wt Range	Avg Wt	Price Range	Avg Price	
1	1000-1100	1050	420.00	420.00	4-6 Months Bred

A producer ask me this week at a local auction what my comments might be this week. Well Jerry here we go, although boxed beef prices have moved upward the past few weeks and fed cattle prices are following reaching 88.00, feeder cattle buyers have not received word to increase prices paid. As weather continues to be a factor with rain several days out of the week and temperatures that moderate, calf health is the issue. If you have by definition a medium frame heifer that weighs 500-650 lbs and its mother has done a great job raising it, this fleshy calf will find light demand and prices that average in the 60s with lows in the 50s. The only option for producers if possible is to hold calves over till next year and sell a weaned calf that has been through a health program. Currently with light to moderate demand more calves sell at the mid to lower part of the price ranges as the weighted averages bear this out.

**Louis Langell**

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

**NCFC Applauds Pension Relief Bill Introduced by Reps. Pomeroy and Tiberi (National Council of Farmer Cooperatives, 10/27)**—The National Council of Farmer Cooperatives (NCFC) today expressed its strong support for legislation—introduced by Congressmen Earl Pomeroy (D-N.D.) and Pat Tiberi (R-Ohio)—to help defined benefit pension plans meet their obligations to current and future retirees in an economically sustainable manner. The Pomeroy-Tiberi bill would help companies—including farmer cooperatives—that sponsor pension plans whose contributions have skyrocketed due to the steep decline in the economy and financial markets. The bill would give plan sponsors additional time to meet funding benchmarks. Conner said that an informal survey of NCFC’s membership showed that the year-over-year pension contribution for many plans would double in 2010.

**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. If you are interested in being considered for one of these positions, email Peter Orwick at [porwick@sheepusa.org](mailto:porwick@sheepusa.org) or call 303-771-3500, ext. 33. All nominations must be received at the ASI office on or before Nov. 6, 2009.

**Baseball Player Goes to Washington to Study Animal ID (Pittsburgh Pirates Web Site, 10/22)** -- One week after the Pittsburgh Pirates' season ended, Ross Ohlendorf began an eight-week internship with the Department of Agriculture in Washington, D.C. It's a highly unusual endeavor for a professional baseball player, but to those who know Ohlendorf well, his plans to conduct research in conjunction with the National Animal Identification System comes as no surprise.

How Ohlendorf ended up in D.C. is an interesting story in itself. U.S. Secretary of Agriculture Tom Vilsack grew up in Pittsburgh as a Pirates fan. He was invited to PNC Park this summer to throw out the ceremonial first pitch, which, fittingly, was caught by Ohlendorf, who asked to receive the pitch once he learned that it was Vilsack who was taking the mound. Ohlendorf talked to Vilsack briefly that day and later contacted him again to ask if he could be put to work this fall. Ohlendorf already had plans to live in the nation's capital since his girlfriend resides there, and he remains interested in the agricultural realm. He helps his family run a cattle ranch in Texas.

**House Bill Tightens Market Oversight (Delta Farm Press, 10/26)** -- Following deals and compromises that ended only shortly before the hearing began, the House Agriculture Committee last week passed HR 3795 — more commonly known as the “derivatives oversight” legislation — by a bipartisan voice vote. While the legislation strengthens regulation of derivatives — an industry worth nearly \$450 trillion — that are often pointed to as a chief villain in the current financial crisis, Peterson is sure to face criticism for exempting some of the transactions from tough scrutiny he'd promised in earlier hearings. By doing so, Peterson bucked the Obama administration and many in his own party who wanted all over-the-counter (OTC) derivatives to be under federal regulation, to pass through a clearinghouse or be traded on exchanges to ensure terms are public.

**President Obama Signs \$350 Million Appropriations Bill (Dairylea, 10/23)** -- On Wednesday, President Barack Obama signed the FY2010 Agriculture Appropriations Bill, which earmarks \$350 million to the dairy industry. Under the bill, \$60 million will be used in governmental purchasing of dairy products and the remaining \$290 million will be sent as direct payments to dairy producers. It remains unclear exactly how and when the payments will be directed but USDA Secretary Tom Vilsack is committed to getting them out quickly.

**Subcommittee Reviews the Economic Conditions Facing Pork Producers (U.S. House Agriculture Committee, 10/22)** -- Congressman David Scott, Chairman of the House Agriculture Committee's Subcommittee on Livestock, Dairy and Poultry, held a hearing on Oct. 22, to discuss the economic crisis that U.S. pork producers are experiencing. Since September 2007, the U.S. pork industry has lost an estimated \$4.6 billion dollars, with producers losing an average of more than \$21 dollars for each hog they sell today. Rising feed and energy costs, the global economic downturn, trade barriers, and misperceptions about the recent outbreak of H1N1 influenza have seriously impacted pork producers. Written testimony provided by the witnesses is available on the Committee website: <http://agriculture.house.gov/hearings/index.html>.

**NCBA Continues to Call for Death Tax Reform (National Cattlemen's Beef Assn., 10/27)** – The National Cattlemen's Beef Association (NCBA) is continuing to urge Congress to pass legislation providing additional relief and permanency in the tax code for America's farmers, ranchers and other small business owners. As part of these ongoing efforts, NCBA is supporting H.R. 3905, the Estate Tax Relief Act of 2009, introduced last week by Congresswoman Shelley Berkley (D-Nev.), along with Representatives Kevin Brady (D-Texas), Devin Nunes (R-Calif), and Artur Davis (D-Ala.). Over a 10-year period, H.R. 3906 would increase the estate tax (“death tax”) exemption to \$5 million while decreasing the rate to a level of 35%.

Currently, the death tax is set at 45% for estates worth more than \$3.5 million (or \$7 million for a couple). The President's budget proposed freezing the estate tax at this level so it could be dealt with at a later date. If Congress does nothing, in 2011, it would revert to pre-2001 tax levels, and estates worth more than \$1 million would be taxed at a 55% rate.

**Wisconsin Man Convicted of Failing to Register Cattle (Seattle Times, 10/26)** -- A western Wisconsin farmer is the first person convicted of violating a law requiring owners to register their livestock with state officials. Patrick Monchilovich of Cumberland was found guilty of violating the 2005 law and ordered to pay nearly \$400 in fines and costs. The law requires owners to register property where livestock are held in a state database, including what species are on the premises.

**GIPSA Is Making Revisions to the P&S Regulations (National Meat Assn., 10/26)** -- GIPSA is amending one section of the regulations under the Packers and Stockyards Act (P&S Act) to incorporate by reference the 2009 edition of the National Institute of Standards and Technology (NIST) Handbook 44, “Specifications, Tolerances, and Other Technical Requirements for Weighing and Measuring Devices,” and to require that scales used by stockyard owners, market agencies, dealers, packers, and live poultry dealers to weigh livestock, livestock carcasses, live poultry, or feed for the purposes of purchase, sale, acquisition, payment, or settlement, meet applicable requirements of the 2009 edition of NIST Handbook 44. GIPSA is also amending that section of the regulations to add “swine contractors” to the list of regulated entities to which the section applies. The

incorporation by reference of a certain publication listed in this rule is effective as of November 19, 2009. This rule can be viewed in its entirety at <http://edocket.access.gpo.gov/2009/E9-25040.htm>.

**Saskatchewan Farmers Who Trace Livestock to Get Rebate From Government (Ag Week, 10/28)** -- Saskatchewan farmers who voluntarily trace their livestock will get money from the government to help cover their costs. Agriculture Minister Bob Bjonnerud says the province has set aside \$5 million so it can provide a rebate of up to 70 per cent. The rebate is intended to help pay for the purchase or lease of identification devices and computer software. Cattle, bison, sheep, goat, hog and cervid producers will be eligible, as will feedlot operators, auction marts, veterinary clinics and meat processors. There will be a cap of between \$50,000 and \$100,000, depending on the facility. The rebate is retroactive to April 1 and the deadline for applications is January 31, 2013.

**U.S. Blocks Canada & Mexico's Request For WTO To Review COOL (CattleNetwork, 10/23)** -- Reuters reports the United States has blocked a request Mexico and Canada submitted to the World Trade Organization to review new Country of Origin Labeling (COOL) rules for all meat imported to the U.S. WTO allows the plaintiff to reject the first request submitted in a dispute, but a second request may be filed at the next WTO meeting held on November 19.

**Taiwan's Decision to Expand U.S. Beef Imports Stirs Controversy (Meatingplace.com, 10/26)** -- Taipei Mayor Hau Lung-bin said Monday the central government of Taiwan should reconsider its decision last week to expand access to U.S. beef imports, including bone-in products and variety meats that present a risk of carrying bovine spongiform encephalopathy. The concerns of the mayor, a member of the ruling party in Taiwan's parliament, were shared by opposition lawmakers and a consumers group that threatened to boycott all U.S. products, according to local media reports.

**EU Blocks US Call on Poultry Ban (Hurriyetaidailynews.com, 10/25)** -- The European Union blocked U.S. efforts to have the World Trade Organization decide whether its ban on imports of American poultry break global trade rules. The EU won't be able to prevent a second request, likely next month. Chicken and turkey from the U.S. are processed using a cleansing technique called pathogen-reduction treatments, which is forbidden in the EU. The U.S. lodged a complaint against the ban in January, saying no scientific evidence backs up the EU argument that the use of the treatments poses a health risk, and announced on Oct. 8 it would ask WTO judges to rule on the case.

**Sheep Meat Producers Agree to Cooperate (ABD Rural / American Sheep Industry Assn., 10/26)** -- Australia's sheep meat industry will share its expertise with overseas rivals in an effort to halt falling world consumption. The commitment was made at the first ever world congress of sheep producers held in Europe. The congress heard that high production costs and growing competition from other products was driving down global demand. Kate Joseph, from the Sheep Meat Council of Australia, said it is in the industry's interest to share skills in marketing and breeding.

**Concerns Remain as Cattle Industry Works With ID Tags (DTN Progressive Farmer, Ellinghuysen.com, 10/26)** -- More than 100,000 cattle and 30,000 calves make their way through Milwaukee Stockyards each year after they are unloaded. As they move along a 7-foot-wide, 14-foot-long alley, nothing seems out of the ordinary. Cattle slowly walk or race along, bump into their companions, turn a corner and enter a pen of bellowing beef. But hidden behind the alley's plywood walls on either side are eight boxes of electronics -- four on each side -- ready to read radio frequency identification tags on the ears of cattle that pass through. It's the first high-volume RFID reader in the country.

Gary Sutherland, the Wisconsin livestock market's owner and manager, explained why eight boxes were needed. "I think quite often cattle do not tend to walk in a straight line," he said. "They tend to bob and weave and everything else. So you take a maximum distance of 42 inches and somewhere in that 14 feet they're getting closer." The closer the cow gets to a reader, the more likely it will capture the identification number, called the 840 animal ID.

**Cattle Producers Predicted to See Profitable 2010 (Beef, 10/26)** -- A weak U.S. dollar has encouraged investment in commodities, resulting in positive activity for agriculture, according to a Texas AgriLife Extension Service economist. "With regards to index investments, they (investors) buy these as a hedge against inflation, and when you have investment dollars coming out of the closet, many are putting money into commodities and that's good for agriculture," said Dr. Mark Welch, AgriLife Extension grain marketing economist. A weak dollar allows foreign investors more purchasing power for U.S. products, and this has led to investment opportunities in commodities such as oil, which hit \$78 a barrel recently. Index funds will also seek other commodities outside the energy sector, Welch said.

**CWT Will Take Another 26,412 Dairy Cows (Brownfield, 10/27)** -- Cooperatives Working Together (CWT) has tentatively accepted 154 bids representing 26,412 cows and 517 million pounds of milk production in the latest round of the herd retirement

program. 465 bred heifers are also in this round. Producers in 33 states submitted 168 bids in this round which started on October 15th. For the second time, bids were capped at \$5.25 per hundredweight. This is the third round of the program this year and obviously the smallest response; the first round removed 101,040 cows and 1.96 billion pounds of production, the second yielded 74,113 cows and 1.52 billion pounds of milk.

**Getting the Facts Straight (Cattlemen's Beef Board, 10/26)** -- The checkoff is setting the record straight on antibiotics, in response to the recent Pew Commission on Industrial Farm Animal Production and the Union of Concerned Scientists campaign that blames livestock production for "hogging" antibiotics. The checkoff has produced an updated antibiotic use fact sheet, developed an Antibiotic Approval Process fact sheet and created a new fact sheet explaining human illness and treatment versus cattle illness and treatment. These were used in conjunction with a "Beef 101" educational event for influencers in Washington, D.C. this month and will be used with media covering the issue.

**Colorado Feedlot Wage Survey 2009 (Drovers, 10/22)** -- What began as an effort to collect wage data from feedlots across the USA, soon turned into a Colorado Feedlot Wage Survey. No doubt feedlot producers are a fiercely independent lot and it took the efforts of Rachel Motteram, of the Colorado Livestock Association, to get the trust of a group of 20 Colorado producers to answer the questions. Two additional respondents, one from Oklahoma and one from Missouri, brought our total to twenty-two respondents. Despite the small numbers, the results are quite interesting and we thank each of the feedlot producers for their willingness to participate. The survey is based on a dairy wage survey I have been conducting since 2003. Additional questions were developed with the help of feedlot producers and Rachel Motteram.

**US: Call to Suspend Hog & Poultry Farm Loans (WorldPoultry.net, 10/26)** -- "Over \$264 mln in the past 2 years has been dumped into new and expanding hog and poultry facilities as prices remain low and oversupply persists," says the Land Stewardship Project website. The Campaign for Family Farms and the Environment (CFFE) has delivered a letter with 25,323 signatures to Secretary of Agriculture Tom Vilsack calling for a suspension of Farm Service Agency (FSA) direct and guaranteed loans to new or expanding specialised hog and poultry facilities, says a press release on the Land Stewardship Project website.

**Get Your Flu Shots ASAP (Pork, 10/22)** -- To achieve the best human and animal health protection possible, the National Pork Board is advising producers, farm personnel and others who have contact with pigs to get the regular seasonal flu vaccination as soon as possible. When available, this group also should get the novel H1N1 vaccination as well. Although this year is different with the addition of the novel H1N1 flu strain, the typical flu season starts in October and can last through May.

**Food Safety Programs Alter Farming (Beef, 10/26)** -- With food safety regulatory change on the horizon for U.S. producers, Rabobank recently found that approximately 40 percent of farmers have begun to alter their farming practices and methods. According to a new Rabobank Farm & Ranch Survey, of those making changes, 64 percent are keeping better records, which is the first step toward better food safety

**Market Leader Tallgrass Beef to Carry DNA TraceBack(R) Seal of Authenticity (PRNewswire, 10/26)**-- Tallgrass Beef, a market leader in branded grass-fed beef production, will use DNA TraceBack® from IdentiGEN to provide a reliable and accurate traceability system so that every cut of Tallgrass beef can be traced back to the family farm where the animals were raised. IdentiGEN's DNA TraceBack, which has earned the U.S. Department of Agriculture's certification as a "Process Verified Program" (PVP), is a product verification system providing meat companies with a process to manage food safety and quality assurance. Tallgrass Beef packages at the retail meat case will carry IdentiGEN's DNA TraceBack seal, a guarantee to consumers that each cut came from Tallgrass' pasture-based, humane production and processing system.

**More GHG Blame Heaped On Livestock (Cow Calf Weekly, 10/26)** -- Get ready for another onslaught of news on livestock and climate change. A paper entitled "Livestock and Climate Change" by Robert Goodland and Jeff Anhang is now claiming that cows, pigs and chickens are *the* key actors in climate change. Fossil fuels and SUVs are now off the hook. The authors contend that "unaccounted, overlooked and misallocated livestock-related greenhouse gas emissions (GHGs)" vastly underestimate the environmental impact of the lifecycle and supply chain of animals raised for food. They say such emissions account for at least half of all human-caused GHGs. This contrasts greatly with an earlier UN Food and Agriculture Organization estimate that set the level at 18% of annual worldwide GHG emissions as being attributable to cattle, buffalo, sheep, goats, camels, pigs, and poultry. Goodland and Anhang claim their analysis says livestock and their byproducts actually account for at least 32.6 billion tons of CO2/year, or 51% of annual worldwide GHG emissions.

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