

Tennessee Market Highlights

UF Extension

November 20, 2009
Number :45

Livestock Comments by Emmitt L. Rawls

Fed cattle sold early this week at mostly \$1 lower than last week. Prices in the S. Plains were \$83 to \$84, with prices of 82 to \$84 live in the North and \$129 to \$133 dressed. The 5 area prices thru Thursday were \$82.78 live and \$130.05 dressed compared to \$83.68 and \$131.18 dressed last week. A year ago prices were \$87.15 and \$139.04. Cutouts once again could not get past the \$140 level on the Choice. Cutout values on Thursday compared to a week ago were up .30 on the Choice and down \$1.30 on the Select. At midday Friday the Choice was \$139.05 down .56 and the Select was \$132.12 up .05. The Choice Select spread was \$6.97 compared to \$6.22 last week. There are reports of some cattle being pulled forward, which is consistent with some declining harvest weights. With some expectation of increasing fed supplies and "turkey time" near at hand, moving some cattle ahead of normal finished weights before price weakness could be expected. Today's cattle on feed report will yield information on fed beef supplies in the first half of 1010. Trade expectations are for cattle on feed Nov. 1 in lots of 1,000 head or more to be up 1.5%; cattle placed on feed in October up 2.5% and cattle marketed in October down 3%. **Today's cattle on feed report was about in line with trade estimates. Cattle on feed up 1%; Net placements on feed in Oct. +1.9%; Marketed in Oct. Down 3%. Report is neutral to slightly bullish on the smaller than expected placements. Placements were higher in 6 states with an 18% increase in Iowa, an 11% increase in Ok. and a 5% increase in Neb.**

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Crop comments by Chuck Danehower

Cotton, soybeans, and wheat finished up for the week, while corn was flat. Commodity markets especially soybeans have somewhat moved contrary to outside markets as the U.S. Dollar is stronger, oil is up slightly, and the stock market is flat to up slightly for the week. The U.S. Dollar is stronger for the week at 75.73, up .30. The Dow Jones Industrial Average was trading at 10,334 before the close, up 63 points for the week. The stock market has come off of its highs early in the week. Crude Oil ended the week up .63 a barrel, trading at 77.66 a barrel before the close. There appears to be many factors affecting the market including fundamentals, U. S. economy, foreign economies, and currency valuations to name just a few. Depending on whom you talk to or read we are still on shaky ground as to whether the recession has ended and the recovery started. Any of the above factors could turn negative and cause commodity prices to go down. There is still quite a bit of risk in the nearby contracts. Producers with un-priced corn, cotton or soybeans may want to consider ways to control that risk through pricing contracts, options or other methods.

Corn:

Nearby: December 2009 futures closed at \$3.91 a bushel on Friday, even for the week. Support is at \$3.85 bushel with resistance at \$4.06 bushel. Weekly exports sales were 13.9 million bushels, below expectations and below pace to reach USDA's projection. As of November 15, the crop condition ratings for corn were 67% in the good to excellent rating compared to 68% the previous week.

Continued on page 2

Slaughter cows: mostly steady

Slaughter bulls: mostly steady

Feeder steers: steady to \$3 lower

Feeder heifers: steady to \$3 lower

Fed cattle: 5 area live price of \$82.78 is down \$.90 and the dressed price is down \$1.13 at \$130.05

Feeder cattle index: Wednesday's index \$

Corn: December 2009 futures closed at \$3.91 a bushel on Friday, even for the week.

Soybean: January futures closed at \$10.46 bushel, up \$0.59 bushel from last week

Wheat: December 2009 futures contract closed at \$5.59 bushel, up \$0.20 bushel from last week

Cotton: December 09 futures closed at 70.41 cents/lb. up 3.31 cents/lb. from last week

Livestock Comments by *Emmit L. Rawls*

This contrasts with a 3% decline in Texas. In fact Nebraska actually had 10,000 head more cattle on feed than Texas. Placements by weight were as follows: under 600# down 12.1%, 600 to 699 up 4.9%; 700 to 799 # up 6.6% and over 800 # up 9.5% On the Tennessee auctions this week feeder classes were called steady to \$3 lower. Slaughter cows and bulls were called steady. Weekly average receipts per sale on 11 quoted markets were 817 head compared to 807 last week and 752 a year ago. The sharply high corn market on Monday and weaker cash fed cattle prices dampened prices paid for feeder cattle on the auctions this week. At current prices, there are risk management strategies which should assure from zero to a positive price margin on feeder and stocker cattle. Even that does not assure a profit as cost of gain needs to be managed as well. We will need to work thru the somewhat larger supply of fed cattle during the December to March period. There could be periods of higher fed cattle prices next spring with any spark in consumer demand. Therefore risk management strategies should leave the top side of the market open unless a fixed selling price would offer a return too good to turn down. This means some form of options or Livestock Risk Protection insurance. Thus there are opportunities for short term or longer term retained ownership of calves by the cow calf operator, or purchase opportunities for those who buy stocker or feeder cattle. Retail beef prices in October rose slightly to \$3.851, .013 higher than September but 7.3% lower than October 2008 when prices were \$4.109. Retail beef prices reached a low of \$3.79 in July.

TECHNICALLY SPEAKING: Based on Thursday's closing prices. December live cattle closed at \$83.68. Support is at \$83.28, then \$82.61. Resistance is at \$83.96, then \$84.63. The RSI is 40.84. February cattle closed at \$85.38. Support is at \$85.16, then \$84.78. Resistance is at \$85.53, then \$85.91. The RSI is 41.74. April cattle closed at \$87.87. Support is at \$87.25, then \$87.12. Resistance is at \$88.25, then \$89.00. The RSI is 42.45. November feeders expired on 11/19. Jan. Feeder cattle closed at \$93.02. Support is at \$92.94, then \$92.82. Resistance is at \$92.02, then \$92.40. The RSI is 33.20, nearing an over sold condition. March feeders closed at \$92.85. Support is at \$92.62, then \$92.35. Resistance is at \$93.70, then \$94.10. The RSI is 30.70, an over sold condition. Today's closing futures prices were: December live cattle \$83.95 +.27; Feb. \$85.42 +.05; April \$88.05 +.17; Jun. \$85.17 +.32. Jan. Feeder cattle \$92.67 +.85; Mar. \$93.57 +.72; Apr. \$94.92 +.92. May \$95.90 +.80. December corn \$3.91 down 4 cents.

Crop comments by *Chuck Danehower*

Corn harvest is at 54% complete, compared to 37% last week, 77% last year and the five year average of 89%. There still are a lot of uncertainties concerning the size and quality of this year's crop. Slow exports and concerns on quality may keep prices from advancing. Producers with un-priced corn in storage may want to consider forward pricing for January delivery.

Deferred: The March 2010 futures contract closed at \$4.07 bushel, up \$0.01 bushel from last week. The September 2010 contract closed at \$4.30, even for the week. Support is \$4.25 with resistance at \$4.41 bushel. Consider pricing up to 15% of the 2010 crop at current levels. If prices drop to the support level of \$4.25, I would add another 5% pricing. Check with your elevator for 2010 pricing.

Cotton:

Nearby: The December 09 futures closed at 70.41 cents/lb. up 3.31 cents/lb. from last week. Support is at 64.62, resistance at 69.64 cents. Weekly exports sales were 270,100 bales, above expectations. Overall crop condition ratings as of November 15 were 40% good to excellent compared to 43% last week. Cotton harvest is reported at 60% compared to 44% last week, 63% last year and the five year average of 68%. Cotton production has a good chance of being reduced further in upcoming USDA reports from poor harvest weather and impacts from Hurricane Ida. If so, ending stocks could be reduced supporting prices. I would recommend keeping in contact with your cotton buyer for current quotes on loan equities and or cash prices. Equities for loan cotton were in the 13 cent range this week. The Adjusted World Price for November 20 – November 26 is 54.80 cents/lb so there is no LDP for this period.

Deferred: The March 2010 futures contract closed at 74.04 cents/lb., up 2.71 cent/lb. from last week. The December 2010 futures contract closed at 77.47 cents/lb., up 1.88 cents/lb. for the week. Support is at 75.73, resistance at 77.29 cents. Equities for 2010 loan cotton were quoted in the 17 cent range this week with net cash prices 69 – 70 cents per pound. Prices are starting to generate interest among producers in increasing cotton acreage for 2010. If the economy recovers, additional acreage may be needed to keep up with demand. If the economy and demand remains flat, then additional acreage will build stocks putting pressure on prices. I would look to start pricing cotton for 2010, at least a percentage of the crop.

Soybeans:

Nearby: January futures closed at \$10.46 bushel, up \$0.59 bushel from last week. Support is at \$10.02, with resistance at \$10.67 bushel. Weekly exports were 49.6 million bushels, above expectations and above pace to meet the USDA's projection. As of

November 15, 89% of the crop was harvested compared to 75% last week, 95% last year and the five year average of 96%. Although the basis has improved this week, the local markets are tending to put a premium or higher price for January delivery. It is currently enough to give a return to on farm storage. Check your local situation to determine whether commercial storage if available is economical. Soybean prices have continued to defy logic, but I would not want to be completely un-priced on stored soybeans, so look closely at a January delivery contract.

Deferred: The March 2010 contract closed at \$10.50 bushel on Friday, up \$0.58 bushel from last week. The November 2010 contract closed at \$10.22 bushel, up \$0.25 bushel for the week. Support is at \$9.99 with resistance at \$10.43 bushel. Consider pricing up to 10% of the 2010 soybean crop at current levels. If prices drop back to \$10.00, add another 5%, otherwise, watch the market.

Wheat:

Nearby: The December 2009 futures contract closed at \$5.59 bushel, up \$0.20 bushel from last week. Weekly exports were 13.3 million bushels, on the low end of expectations and still below pace to meet the USDA's export projection.

New Crop: The July 2010 futures closed at \$6.03 bushel, up \$0.19 bushel from last week. Support is at \$5.84 bushel with resistance at \$6.24 bushel. As of November 15, 90% of the winter wheat has been planted compared to 86% last week, 96% last year and the five year average of 95%. Emergence is 77% compared to 71% last week, 86% last year, and the five year average of 87%. As of November 15, the crop condition ratings for wheat were 64% in the good to excellent rating compared to 63% the previous week and 66% a year ago. Depending on your wheat crop condition, consider pricing up to 20% of the 2010 wheat crop at current levels.

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

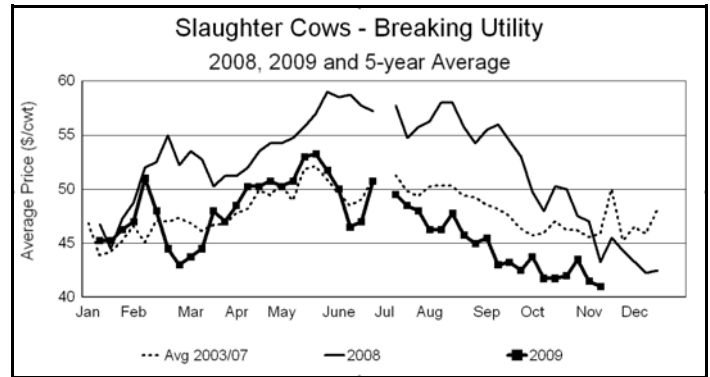
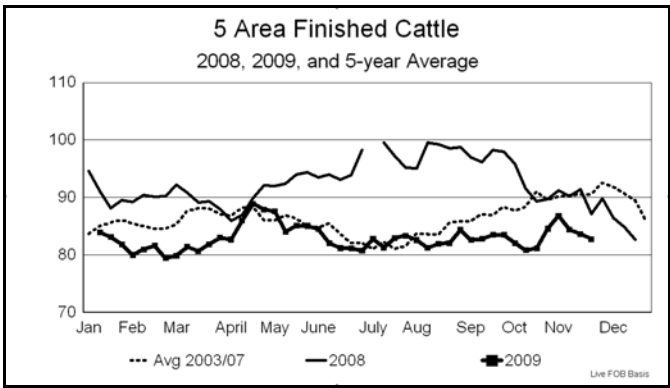
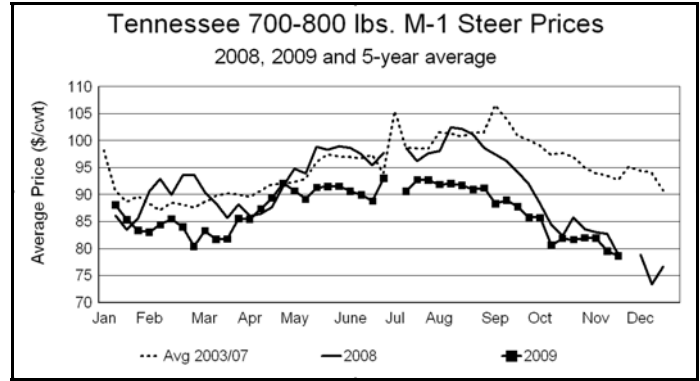
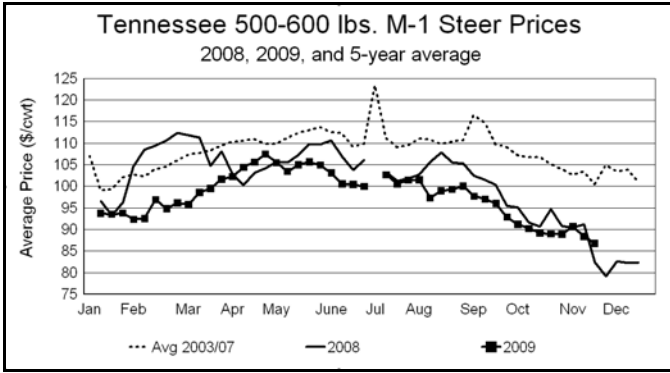
November 20, 2009

	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.	97.00	126.00	106.36	106.68	102.27
400-500 lbs.	78.50	109.00	96.75	97.37	91.76
500-600 lbs.	77.50	99.00	86.80	88.38	82.33
600-700 lbs.	76.00	88.00	81.93	83.67	79.33
700-800 lbs	73.00	84.00	78.61	79.53	78.79
<u>Steers: Small Frame #1-2</u>					
300-400 lbs.	78.00	106.00	91.05	98.00	78.01
400-500 lbs.	72.00	96.00	88.13	81.90	77.25
500-600 lbs.	65.50	86.00	76.91	78.12	72.05
600-700 lbs.	65.00	76.00	72.27	74.92	62.54
<u>Steers: Medium/Large Frame #3</u>					
300-400 lbs.	85.00	108.00	96.38	97.54	90.47
400-500 lbs.	76.00	98.00	87.56	86.51	81.64
500-600 lbs.	71.00	85.50	79.54	80.93	74.10
600-700 lbs.	70.00	79.00	74.68	75.33	71.02
700-800 lbs.	70.00	75.00	72.48	69.20	70.54
<u>Holstein Steer</u>					
300-400 lbs.	69.00	69.00	69.00	57.66	53.80
500-600 lbs.	51.00	51.00	51.00	62.56	57.23
700-800 lbs.	-----	-----	-----	57.02	58.50
<u>Slaughter Cows</u>					
Breaking Utility	34.00	44.50	39.25	41.00	45.50
Cutter & Boning	35.00	44.00	39.50	40.00	43.00
Canner	28.00	39.50	33.75	35.00	36.75
Bull YG 1-2	46.00	56.00	51.00	52.50	56.50
<u>Heifers: Medium/Large Frame #1-2</u>					
300-400 lbs.	78.00	106.00	86.34	89.33	79.73
400-500 lbs.	73.50	92.00	80.58	80.49	76.24
500-600 lbs.	69.00	86.00	76.44	75.79	73.31
600-700 lbs.	66.50	77.50	72.60	73.33	71.62
<u>Heifers: Small Frame #1</u>					
300-400 lbs.	60.00	87.00	74.87	74.65	64.04
400-500 lbs.	55.00	82.00	68.01	68.31	65.44
500-600 lbs.	51.00	75.00	67.31	65.80	63.04
600-700 lbs.	60.00	68.50	64.49	64.53	62.39
<u>Heifers: Medium/Large Frame #3</u>					
300-400 lbs.	71.00	88.00	80.14	78.09	72.87
400-500 lbs.	62.00	84.00	74.31	73.61	68.60
500-600 lbs	63.00	76.00	70.28	69.74	67.32
600-700 lbs.	60.00	73.25	68.66	68.02	65.36

Cattle Receipts: This week: (11) 8,986

Week ago: (11) 8,85

Year ago: (11) 8,275



Average Daily Slaughter (number of head)

	This week (3 days)	Last week (4 days)	Year ago (3 days)	This week as percentage of Week ago (%)	Year ago (%)
Hogs	433,000	423,000	436,000	102%	99%
Cattle	122,250	119,250	122,750	103%	100%

USDA Box Beef Cutout Value (\$/cwt)

	Thursday	Week ago	Year ago	Change from week ago	Change from year ago
Choice 1 - 3					
600-900 #	139.61	139.31	157.79	0.3	-18.18
Select 1 - 3					
600-990 #	132.07	133.37	146.87	-1.3	-14.8

FUTURES SETTLEMENT PRICES

Crops & Livestock

Friday, November 13, 2009 - Thursday, November 19, 2009

Commodity	Contract Month	Fri. 13	Mon. 16	Tues. 17	Wed. 18	Thurs. 19
Soybeans (\$/bu)	Jan	9.87	10.01	10.29	10.27	10.39
	Mar	9.92	10.16	10.36	10.32	10.45
	May	9.96	10.18	10.38	10.35	10.46
	Jul	10.02	10.23	10.42	10.39	10.50
	Aug	10.03	10.23	10.41	10.37	10.46
	Sep	9.96	10.18	10.34	10.25	10.29
Corn (\$/bu)	Dec	3.90	4.02	4.02	3.98	3.95
	Mar	4.06	4.17	4.17	4.14	4.11
	May	4.16	4.27	4.27	4.23	4.20
	Jul	4.24	4.35	4.35	4.31	4.29
	Sep	4.30	4.41	4.40	4.35	4.33
	Dec	4.37	4.48	4.46	4.40	4.38
Wheat (\$/bu)	Dec	5.39	5.62	5.75	5.66	5.62
	Mar	5.60	5.84	5.96	5.88	5.84
	May	5.73	5.96	6.09	5.99	5.95
	Jul	5.83	6.07	6.19	6.09	6.06
	Sep	5.99	6.22	6.34	6.24	6.20
Soybean Meal (\$/ton)	Dec	301	304	209	311	318
	Jan	288	292	302	302	311
	Mar	284	288	298	297	306
	May	284	287	297	296	304
	Jul	286	288	298	296	304
	Aug	286	289	298	296	304
Cotton (\$/lb)	Dec	67.10	68.44	67.89	68.54	68.82
	Mar	71.33	72.67	71.97	72.55	72.97
	May	72.84	74.03	73.13	73.78	74.27
	Jul	74.04	75.08	74.09	74.81	75.41
	Oct	74.70	75.82	74.79	75.51	76.15
Choice Fed Cattle (\$/cwt)	Dec	83.32	83.57	84.07	83.07	83.67
	Feb	85.15	85.12	85.65	84.97	85.37
	Apr	87.70	87.55	88.05	87.87	87.87
	Jun	84.72	84.57	85.12	84.80	84.87
	Aug	85.12	85.15	85.40	85.12	85.30
Feeder Cattle (\$/cwt)	Nov	93.15	93.10	93.15	92.95	-----
	Jan	92.57	92.37	92.77	91.72	92.85
	Mar	93.60	93.30	93.65	92.92	94.00
	May	94.55	94.35	94.80	94.02	95.00
	Aug	95.50	97.10	95.77	95.10	97.00
Market Hogs (\$/cwt)	Dec	55.00	54.95	56.40	56.45	55.97
	Feb	61.85	62.35	63.97	64.22	63.27
	Apr	66.75	67.20	68.10	67.85	67.35
	May	71.47	71.72	72.95	72.50	72.32
	Jun	75.02	75.57	76.22	76.12	75.92

Milk Futures, Thursday , November 19, CME Futures

Month	Class III Close	Class IV Close
November	14.06	13.49
December	14.20	13.74
January	14.35	13.85
February	14.53	13.98
March	14.90	13.86

**Nashville, TN Friday Nov 20, 2009 USDA-TN Dept Market News
Tennessee Video Board Sale and Graded Sale****11/19/2009 Athens Pre-Conditioned Sale****Receipts: 1400 Prices for Blk, Bwf & Char X only**

Steers: Med & Lg 1

Heifers: Med & Lg 1-2

	300-400 lbs 87.00-92.50
350-400 lbs	400-500 lbs 80.00-90.40
400-500 lbs 92.00-100.00	500-600 lbs 78.50-81.50
500-600 lbs 90.00-99.50	2 lds 648-694 lbs 78.00-82.50
600-700 lbs 85.25-88.00	800-900 lbs 70.00
3 loads 626-655 lbs 89.50-91.10	
2 loads 738-795 lbs 81.25-84.00	
2 loads 820-840 lbs 84.60-85.00	

Steers: Med & Lg 2

Heifers: Med & Lg 2

300-400 lbs	300-400 lbs 85.00
400-500 lbs 90.00-98.50	400-500 lbs 80.00-87.00
500-600 lbs 87.00-91.75	500-600 lbs 75.00
600-700 lbs 80.00-85.25	600-700 lbs 76.00-78.00
700-800 lbs 74.00-80.00	700-800 lbs 70.00-73.00
800-900 lbs 76.00-78.50	

11/18/09 McMinnville- Graded Sale**Receipts: 1244, Prices for Blk, Bwf and Char X only**

Steers: Med and Lg 1

Heifers: Med & Lg 1

300-350 lbs	300-350 lbs
350-400 lbs 110.00	350-400 lbs 76.00-82.50
400-450 lbs 95.00-98.50	400-450 lbs 75.00-81.00
450-500 lbs 94.50	450-500 lbs 78.00-81.00
500-550 lbs 89.00-91.00 few 93.25	500-550 lbs 75.50-77.50
550-600 lbs 82.25-86.00 few 89.50	550-600 lbs 72.00-75.00
600-700 lbs 80.00-82.25 few 84.25	600-700 lbs 72.50-75.25
700-850 lbs 79.25-80.75	700-850 lbs 71.00-77.50
850-950 lbs -----	850-950 lbs 61.50

Steers: Med & Lg 2

Heifers: Med & Lg 2

300-350 lbs	300-350 lbs 76.00-84.00
350-400 lbs 101.00-109.00	350-400 lbs 87.50-92.00
400-450 lbs 93.50-105.00	400-450 lbs 78.00-87.00

450-500 lbs 92.00-92.50	450-500 lbs 77.50-79.50
500-600 lbs 83.25-85.50	500-600 lbs 75.00-76.00
600-700 lbs 77.75-82.25	600-700 lbs 70.00-73.00
700-850 lbs 76.50-77.50	700-850 lbs 75.00-76.00
	850-950 lbs 57.50-62.50

11/17/2009 Fayetteville (TLP)

Receipts: 653 (244 Graded and Grouped)

Steers: Med & Lg 1-2	Heifers: Med & Lg 1-2
300-350 lbs	300-400 lbs 85.00-90.00
350-400 lbs	400-500 lbs 74.50-87.00
400-500 lbs 90.00-102.00	500-600 lbs 68.50-80.00
500-600 lbs 89.50-91.50	600-700 lbs 73.50-76.50
600-700 lbs 75.00-88.50	700-800 lbs 74.50
700-800 lbs 73.50-82.75	

Bulls: Med & Lg 1-2
 300-400 lbs 106.50
 400-500 lbs 90.00-96.00
 500-600 lbs 80.00-81.00
 600-700 lbs 69.50-75.50
 700-800 lbs 66.00-69.50

11/13/09 Sweetwater- Graded feeder cattle sale

Receipts: 725, Prices for Blk, Bwf and Cont X only

Steers: Med and Lg 1	Heifers: Med & Lg 1
300-400 lbs -----	300-400 lbs -----
400-450 lbs 87.00-96.00	400-450 lbs 84.00-85.00
450-500 lbs 96.00	450-500 lbs 81.50-84.50
500-550 lbs 86.50-92.75	500-550 lbs 74.00-80.75
550-600 lbs 83.00-89.00	550-600 lbs 77.00-79.00
600-700 lbs 80.00-82.25	600-700 lbs 70.00-76.90
700-800 lbs 78.00-80.50	700-800 lbs 73.25-73.90
800-900 lbs 74.00-75.85	800-900 lbs 66.00-71.00

Steers: Med & Lg 2	Heifers: Med & Lg 2
300-350 lbs 93.00-95.00	300-400 lbs -----
350-400 lbs 95.00-99.50	400-450 lbs 75.00-81.00
400-450 lbs 85.00-97.00 few 1044	450-500 lbs 70.00-81.00
450-500 lbs 80.00-94.00	500-550 lbs 70.00-80.00
500-550 lbs 72.00-89.00	550-600 lbs 68.00-79.00
550-600 lbs 75.00-88.25	600-700 lbs 73.50-76.75
600-700 lbs 75.50-79.80	700-800 lbs 65.00-74.75
700-800 lbs 75.25-77.25	

Tennessee Weekly Summary for November 18, 2009

Bred Cows Medium and Large 1 Young
 Head Wt Range Avg Wt Price Range Avg Price
 1 1200-1300 1200 790.00 790.00 1-3 Months Bred

Bred Cows Medium and Large 1 Middle Aged
 Head Wt Range Avg Wt Price Range Avg Price

2	900-1000	963	660.00-710.00	685.45	4-6 Months Bred
1	1000-1100	1085	800.00	800.00	4-6 Months Bred
1	1000-1100	1095	760.00	760.00	7-9 Months Bred
3	1100-1200	1132	740.00-760.00	753.28	4-6 Months Bred
2	1200-1300	1225	610.00-780.00	695.69	1-3 Months Bred
1	1200-1300	1250	710.00	710.00	4-6 Months Bred
1	1300-1400	1395	730.00	730.00	4-6 Months Bred
1	1400-1500	1425	690.00	690.00	4-6 Months Bred

Bred Cows Small 1-2 Middle Aged

Head	Wt Range	Avg Wt	Price Range	Avg Price	
2	700-800	783	370.00-590.00	479.65	4-6 Months Bred
1	800-900	860	550.00	550.00	7-9 Months Bred
1	900-1000	905	500.00	500.00	1-3 Months Bred

Bred Cows Medium and Large 2 Young

Head	Wt Range	Avg Wt	Price Range	Avg Price	
1	1000-1100	1080	710.00	710.00	4-6 Months Bred

Bred Cows Medium and Large 2 Middle Aged

Head	Wt Range	Avg Wt	Price Range	Avg Price	
1	1000-1100	1045	580.00	580.00	1-3 Months Bred
3	1000-1100	1037	560.00-680.00	638.10	4-6 Months Bred
1	1200-1300	1245	660.00	660.00	4-6 Months Bred
1	1300-1400	1325	560.00	560.00	4-6 Months Bred
1	1400-1500	1460	580.00	580.00	4-6 Months Bred

Bred Cows Medium and Large 2 Aged

Head	Wt Range	Avg Wt	Price Range	Avg Price	
1	1100-1200	1100	470.00	470.00	4-6 Months Bred
1	1200-1300	1255	440.00	440.00	4-6 Months Bred

Stock Cows Medium and Large 1 Young

Head	Wt Range	Avg Wt	Price Range	Avg Price	
1	900-1000	920	44.50	44.50	
1	1000-1100	1095	50.00	50.00	

Stock Cows Medium and Large 1 Middle Aged

Head	Wt Range	Avg Wt	Price Range	Avg Price	
1	1000-1100	1095	42.50	42.50	

Stock Cows Medium and Large 2 Middle Aged

Head	Wt Range	Avg Wt	Price Range	Avg Price	
1	900-1000	970	42.00	42.00	
1	1100-1200	1130	42.00	42.00	

****The following news summary is from the National Livestock Producers Association****

For more information please go to www.NLPA.org

Justice Department and USDA Set Dates for Workshops to Explore Competition and Regulatory Issues in the Agriculture Industry (USDA, 11/13) – The Department of Justice and the U.S. Department of Agriculture (USDA) announced today the dates and locations of joint public workshops that will explore competition and regulatory issues in the agriculture industry. The workshops, which were first announced by Attorney General Eric Holder and Agriculture Secretary Tom Vilsack on Aug. 5, 2009, are the first joint Department of Justice/USDA workshops ever to be held to discuss competition and regulatory issues in the agriculture industry. The current schedule for the workshops is as follows:

March 12, 2010 - Issues of Concern to Farmers - Ankeny, Iowa

May 21, 2010 - Poultry Industry - Normal, Ala.

June 7, 2010 - Dairy Industry - Madison, Wisc.

Aug. 26, 2010 - Livestock Industry - Fort Collins, Colo.

Dec. 8, 2010 - Margins - Washington, D.C.

The Department of Justice and USDA are also asking for comments in advance of the workshops. Interested parties should submit written comments in both paper and electronic form to the Department of Justice no later than **Dec. 31, 2009**. All comments received will be publicly posted. Two paper copies should be addressed to the Legal Policy Section, Antitrust Division, U.S. Department of Justice, 450 5th Street, NW, Suite 11700, Washington, D.C. 20001. The electronic version of each comment should be submitted to agriculturalworkshops@usdoj.gov. Additional updates and information, including agendas and speakers, will be posted on the Antitrust Division's events website at www.usdoj.gov/atr/events.htm.

Agriculture Committee Reviews Financial Stability Improvement Act Draft Language (U.S. House Ag Committee, 11/17)

– The House Agriculture Committee held a hearing Tuesday to review discussion draft language that would create a systemic financial risk regulator and oversee financial firms considered “too big to fail.” The Committee called the hearing to review the Financial Stability Improvement Act discussion draft because of provisions that fall under the Agriculture Committee’s jurisdiction.

Draft legislation was released by the House Financial Services Committee on October 29, based on a proposal put forth by the Treasury Department earlier this year. The language creates a Financial Services Oversight Council made up of several agencies – including the Commodity Futures Trading Commission – which would be given powers to identify certain financial players and activities that could pose a systemic risk to the economy. The Federal Reserve would be given broad powers in the draft, with the ability to impose standards despite the objections or expertise of Council member agencies.

NAIS: Simpler Technology Fuels Fire (CattleNetwork.com, 11/16) -- No sooner have most people pronounced NAIS dead-on-arrival, than a number of recent events may have breathed life back into the U.S.A.'s National Animal Identification Scheme. A combination of market forces aligned with a simplified tracking technology, and some rare positive news may have reinvigorated USDA's moribund, voluntary animal traceability initiative.

First the news headlines. Even though the U.S. House of Representatives had voted to cut off funding for the NAIS as part of the Farm Bill, a joint House-Senate conference committee agreed a few weeks ago to continue funding the program to the tune of \$5.3 million for fiscal year 2010-2011. This funding is a reduction from the \$14.2 million authorized for last year and less than the \$14.6 million the Senate approved, but the program will continue. However, a growing number of Congressional members have made it clear they want to see effective leadership from USDA to dispel some of the more egregious NAIS rumors running unchallenged in the countryside (e.g., backyard farmers with only a few chickens for home use or sale to friends will have to tag and track each animal). They also want to expand the number of farms and ranches that have registered with the NAIS premises database from the current anemic 35% to closer to the 90% needed for an effective national system.

H-2A Legislative Action Alert (American Sheep Industry Assn., 11/13) -- Because of the uniqueness of the sheep industry, sheep producers have successfully participated under special provisions of the H-2A program designed by the Department of Labor since the 1950s. The most significant difference is that sheepherders can be authorized to work in the United States for up to three years for the same employer without departing the country, while other H-2A workers can only work for the same employer for up to 10 months before departing the United States or going to work for another employer.

Chairmen Split Over Climate Bill (The Hill, 11/17) -- Clear differences have emerged among the Democratic chairmen of the six Senate committees with jurisdiction over climate change legislation. Sen. Max Baucus (D-Mont.), chairman of the Senate Finance Committee, and Sen. Jay Rockefeller (D-W.Va.), chairman of the Commerce Committee, who both represent states with significant coal industries, would like to proceed cautiously.

“Most of the country doesn’t know what cap-and-trade is. They have no idea. I would say half the Senate have no idea what cap-and-trade is and could not explain it,” Rockefeller told The Hill on Tuesday. He said climate legislation should not reach the floor before July of next year, putting the controversial bill on the schedule only months before Election Day.

Internet-Based Livestock Trading Expands (Radio New Zealand, 11/17) -- In the latest development, PGG Wrightson has expanded its Ag-online auction service to include sheep, beef cattle and deer. The company set up the livestock auction website in February for dairy cattle. In the first three months turnover was more than \$1 million, and the site led to another 30 sales off-line. PGG Wrightson livestock general manager John McCombe says it expanded to site to include other livestock in response to interest from farmers. He regards the internet-based system as an additional tool, saying stockyards and private sales will still dominate as farmers will want to see livestock in high-value transactions.

H1N1 Reported in Hong Kong, Taiwan Pigs (Pork, 11/12) -- Authorities in both Hong Kong and Taiwan have confirmed their first cases of Novel H1N1 2009 influenza virus in swine. The confirmation date was Nov. 5, and was reported by Beijing's state-run China News Service. According to the Hong Kong Food and Health Bureau, the Novel H1N1 virus was found in two pigs. However, authorities were unable to trace the source of those infected pigs.

Taiwanese Protest Imports Of US Beef (CattleNetwork.com, 11/16) – Thousands of Taiwanese have taken to the streets to protest a government decision to lift a six-year ban on imports of some kinds of U.S. beef. Participants in the opposition-led protest Saturday demanded the government continue to ban bone-in beef, ground beef and offal, and renegotiate with the U.S. about beef imports to safeguard against mad cow disease.

Livestock's Dainty Water Usage Footprint (The Land, 11/12) -- Livestock tread more lightly in terms of their carbon and water usage footprints than they have been given credit for, a study has found. Research funded by Meat and Livestock Australia suggests that the water and emissions footprints of red meat production may be a fraction of earlier assumptions. For instance, the water footprint of beef has been widely quoted as ranging from 15,000 to 105,000 litres per kilogram of beef produced. But a life cycle analysis by the University of NSW undertaken for MLA, found that under revised assumptions, the water footprint of beef production systems in southern Australia ranges from 27 to 540 l/kg, and 18 to 214 l/kg for lamb.

Superior Livestock Auction Under New Ownership (Drovers, 11/16) -- Superior Livestock is now owned by SLAI, LLC which is a wholly owned entity of Farm Credit West, ACA. Farm Credit West, according to a company release, is a strong supporter of the livestock industry and is proud to be the new owner of Superior Livestock—the largest livestock auction company in the U.S. and # 1 in the livestock marketing industry.

The Debt Finance Landscape for U.S. Farming and Farm Businesses (USDA Economic Research Service, 11/16) -- Income and wealth for farm businesses have changed noticeably this decade. Debt levels have been rising, asset levels have outpaced debt despite a recent fall in land prices, and equity has more than doubled for farm businesses. However, recent declines in farm income and falling land prices have raised concerns about the financial position of U.S. farms. Total farm sector debt reached a record \$240 billion in 2008, a \$26-billion increase over 2007. Debt is expected to decline to \$234 billion in 2009. The distribution of debt among farm operators has also been changing. In 1986, nearly 60 percent of farms used debt financing. By 2007, the number had dropped to 31 percent. In essence, farm debt has become more concentrated in fewer, larger farm businesses. Lenders and farm operators indicate that real estate accounts for the largest use of farm debt. Debt repayment capacity utilization (DRCU) of farm operators has dropped since the 1980s. DRCU dropped from 27 percent in 2000 to 22 percent in 2007. Larger farms are more likely to use more of their debt capacity.

Pork Producers, Bankers Face Challenges (Brownfield Network, 11/17) -- A University of Missouri ag economist says the financial crisis facing hog producers is likely to get worse before it gets better. Ron Plain says until pork production is scaled back, the situation will not improve. He says farmers must cut production 15 percent from the peak for hog prices to return to break-even. Plain went on to warn that bankers will begin forcing the issue. Under their financial rules, Plain says, bankers don't have much wiggle room and they will not be renewing many hog loans. Plain made his comments at the annual Swine Institute in Columbia, Missouri.

The Beef Checkoff Is Starting a Food Fight! (Cattlemen's Beef Board, 11/12) -- Agriculture in general – and beef, in particular – seems to be in the sights of various groups and individuals who continue to spread negative information and misinformation about how beef is produced and about its safety and nutritional qualities. In the midst of this, beef producers, dairy farmers and beef importers are finding it difficult to sit on the sidelines while their livelihoods are under attack. With that in mind, your checkoff-funded producer-communications and issues-management teams are working hand-in-hand to engage producers in a one-week 'Food Fight', starting Nov. 16, during which producers and importers are encouraged to speak up and help Americans realize what they have to be thankful for as they prepare for the Thanksgiving holidays. To join the fight, contact your state beef council or the Beef Board office. To give or read thanks from consumers, visit Thank a Farmer!

Re-build Committee Concludes First Meeting (American Sheep Industry Assn., 11/13) -- The inaugural meeting of the committee to re-build the industry was conducted in Colorado on Nov. 10 and 11, 2009, with active discussion on the need to halt declines in sheep industry production. Chairman Guy Flora, a producer from Ohio, relayed that the members agreed continued declines in production threatens the industries infrastructure, including lamb and wool processing, and industry services such as trucking. The committee approved an industry survey to be conducted this fall to gather more information on sheep industry plans and industry input for ways to strengthen numbers.

Animal ID: Age & Source Verification – Capturing the Advantage (CattleNetwork.com, 11/12) -- Age and Source Verification has been a topic of increasing interest in the beef industry and provides an opportunity for cow-calf producers to potentially add value to their calf crops. Beef export agreements between the U.S. and trading partners require that the exported beef originate from animals meeting age requirements (less than 20 months for Japan, less than 30 months for several other countries). Therefore, beef processors are in need of a supply of cattle with age verification records. Depending on supply, the value of age verification is typically \$25 to \$45 per head at harvest. This value is received by the entity supplying the cattle to the packer which is typically the cattle feeder (or producer in case of retained ownership). Consequently, cattle feeders are often willing to pay premiums for feeder cattle which are age verified since they have the opportunity to capture this value upon selling the cattle at harvest.

Development of Fallen Stock Disposal Standards (The Beef Site, 11/13) -- Dealing with fallen stock disposal is a reality for any livestock owner and understanding the regulations surrounding the process is likely the biggest challenge. In light of recent Food and Drug Administration regulations, researchers at the University of Kentucky (UK) College of Agriculture are defining a more natural way of disposing of dead animals to control the spread of pathogens and disease outbreaks.

Roseville Livestock Auction Shuts Down (Sacramento Bee, 11/10) -- Several longtime frequenters of the Roseville Livestock Auction were caught off guard by the auction's recent closing. Its last day was Oct. 31. Seemingly, overnight the phone line was dead and Web site shut down. The end of the large animal livestock auction might be temporary, said Jeff Ronten, a vice president of Denios Farmers Market and Swap Meet, which owns the Church Street property.

Undercover Video Alleges Pig Abuse (Pork, 11/16) -- The animal rights group Mercy for Animals has released a video to Fox News alleging a series of abuses at a swine facility including footage of employees tossing young pigs. Additional scenes from the video show injured pigs going uncared for and pregnant sows being housed in gestation crates.

The national animal rights group's investigation involves a large swine facility in central Pennsylvania owned by Country View Family Farms. A Mercy for Animals employee who applied for a job at the farm wore a hidden camera to record the 12-minute video while he worked inside the pig barns for three months earlier this year.

“Drop That Burger,” Says Forbes Article (Beef Daily, 11/18) -- It seems like articles like this one are getting to be a dime a dozen these days. *Forbes Magazine* recently published an article titled, “Drop That Burger,” written by Matthew Herper. The article is about a Stanford University biochemist, Patrick Brown, who is tired of studying DNA molecules in his lab and is ready to tackle the problems in animal agriculture. His solution: “Eliminate animal farming on planet Earth.” Food producers, get ready. This man has found his target, and it is you.

Classic Thanksgiving Dinner Cost Declines for 2009 (American Farm Bureau Federation, 11/12) – Menu items for a classic Thanksgiving dinner including turkey, stuffing, cranberries, pumpkin pie and all the basic trimmings dropped 4 percent in price this year, according to the American Farm Bureau Federation. AFBF's 24th annual informal price survey of classic items found on the Thanksgiving Day dinner table indicates the average cost of this year's feast for 10 is \$42.91, a \$1.70 price decrease from last year's average of \$44.61

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