



Tennessee Market Highlights

UF Extension

December 11, 2009
Number :48

Livestock Comments by Emmitt L. Rawls

Fed cattle sold most \$1 to \$3 lower this week with live prices \$78 to \$80 and dressed prices \$127 to \$129. The 5 area weighted average prices were \$79.17 live and \$127.51 dressed compared to \$81.62 and \$130.03 last week. A year ago prices were \$84.89 live and \$133.20 dressed. With sharply lower cutout values and declining futures, sellers took lower bids. While the harsh mid-western weather has typically created shortages of cattle/beef and caused prices to rise sharply, that was not the case this week. Cutout values on Thursday compared to a week ago were down \$2.66 on the Choice and down \$3.14 on the Select. At midday Friday the Choice cutout was \$135.42 up .63 and the Select was \$129.40 up .45. The Choice Select spread was \$6.02 compared to \$5.38 last week. On the Tennessee auctions this week feeder steers and bulls were called steady to \$4 lower with feeder heifers \$1 to \$2 lower. Slaughter bulls were called firm to \$1 higher and slaughter cows firm to \$2 higher. The harsh weather again dampened demand for calves to the north and northwest of Tennessee. While the futures is having some late week strength, the higher corn on Thursday and Friday offset some of that positive news for feeder prices. **Next week's livestock auctions will probably be the last of the year for most markets as many close for the two weeks around Christmas. Check with your local management for dates to be closed.** It is my view that the feeder cattle market is being overly depressed at this time for several reasons.

Continued on page 2

Crop Comments by Chuck Danehower

Corn prices finished up for the week, soybeans and wheat down while cotton prices were mixed. Retail sales data released today reported sales up 1.3% in November, the second straight monthly gain and higher than expected. This positive economic information has to lead to speculation that interest rates may need to be raised. This has strengthened the U.S. Dollar which is generally negative for commodity prices. It has not been showing as great an effect today. The U.S. Dollar is up .52 today and .64 for the week at 76.93 before the close. The Dow Jones Industrial Average was at 10,467 before the close, up slightly less than 1% for the week. Crude Oil before the close was down 5.75 a barrel or 7.6% from last Friday, trading at 69.72. Although it was not considered much of a market mover, USDA released their monthly supply and demand report on Thursday, December 10. Comments on the USDA report, as well as historical data are posted at [RLINK"http://economics.ag.utk.edu/outlook.html"](http://economics.ag.utk.edu/outlook.html) <http://economics.ag.utk.edu/outlook.html> . A brief summary is at the end of this report. **Corn:**

Nearby: March 2010 futures closed at \$4.05 a bushel on Friday, up \$0.16 bushel for the week. Support is at \$3.84 - \$3.94 bushel with resistance at \$4.10 - \$4.16 bushel. Weekly exports sales were 33.4 million bushels; above expectations, but still below the seasonal pace to reach USDA's projections. Exports were lowered 50 million bushels in the latest USDA report, increasing ending stocks to 1.675 billion bushels, slightly higher than expected. As of December 6, corn harvest was 88% complete, compared to 79% last week. This week's snow storm across the northern and western Corn Belt brought an end to harvest for the time being. *Continued on page 2*

Slaughter cows: firm to \$2 higher

Slaughter bulls: firm to \$1 higher

Feeder steers: steady to \$4 lower

Feeder heifers: mostly \$1 to \$2 lower

Fed cattle: 5 area live price of \$79.17 is down \$2.45 and the dressed price is down \$2.52 at \$127.51

Feeder cattle index: Wednesday's index: \$93.13

Corn: March 2010 futures closed at \$4.05 a bushel on Friday, up \$0.16 bushel for the week

Soybean: January futures closed at \$10.35 bushel, down \$0.08 bushel from last week

Wheat: March 2010 futures contract closed at \$5.38 bushel, down \$0.20 bushel from last week

Cotton: March 2010 futures closed at 74.31 cents/lb. up .49 cents/lb. from last week

Livestock Comments by *Emmit L. Rawls*

Consumers are uncertain about the future in general and in particular their income and employment. Many are unemployed and trying go thru the Christmas season spreading their financial resources as best they can. I mentioned several times the reduced spending on the higher valued cuts of beef, either at home or eating out at restaurants that cater to those seeking those meals. The supply of fed cattle has been expected to increase in the middle of December due to larger placements on feed from mid summer into the fall. Some of those cattle got pulled ahead due to excellent performance which could lessen some of the impact of the larger placements. Feedlot equity has been drastically reduced and taken some buyers out of the market. The fed cattle futures have followed the cash downward in recent days, and I believe overdone it for the more distant contracts. Can prices go lower? Of course they can, but I believe feeder calves and stocker calves are a good buy this week. There are risk management tools available in the form of options, futures and Livestock Risk Protection insurance to protect from the possibility of lower prices in the future. There are reports of much corn piled outside in the Corn Belt which will need a home at some point. Despite the higher corn the last two days, the basis (difference between cash and futures remains quite wide). We are buying ½ of the corn for cattle being shipped to Iowa in the Tennessee Beef Evaluation program when the cattle arrive there.

TECHNICALLY SPEAKING - based on Thursday's closing prices. December live cattle closed at \$79.10. Support is at \$79.70. Resistance is at \$79.50, then \$80.80. The RSI is 22.46, very oversold. Feb. Cattle closed at \$82.17. Support is at \$81.90. Resistance is at \$83.17, then \$83.55. The RSI is 29.20, again oversold. April cattle closed at \$85.37. Support is at \$85.15, then \$85.07. Resistance is at \$85.30, then \$86.12. The RSI is 30.24. June cattle closed at \$83.50. Support is at \$83.25, then \$83.15. Resistance is at \$83.55, then \$83.87. The RSI is 36.4. January feeder cattle closed at \$90.72. Support is at \$90.25, then \$89.75. Resistance is at \$91, then \$92.17. The RSI is 32.56, near oversold condition. March feeders closed at \$91.65. Support is at \$91.05, then \$89.75. Resistance is at \$91.85, then \$93.07. The RSI is 33.32. Friday's futures prices: December live cattle \$80.15 +1.05; Feb. \$83.27 +1.10; Apr. \$86.42 +1.05; Jun. \$84.27 +.77; Jan. Feeder cattle \$91.57 +.85; Mar. \$92.37; Apr. 94.17 +.52; May 95.20 +.50. December corn \$3.98 and 1/4 up 12 cents.

Crop comments by *Chuck Danehower*

It may be weeks or months before all the corn is out of the field. USDA will update production numbers January 12, but there is a strong possibility that even then corn production will still be up in the air. Guesses range from 75 million bushels of field loss to 200 million bushels. Fundamentally, this uncertainty should help support the market in the short term as prices most likely trade sideways.

New Crop: The September 2010 contract closed at \$4.31, up \$0.15 a bushel for the week. Support is \$4.15 - \$4.21 with resistance at \$4.32 - \$4.36 a bushel. The uncertainty in the 2009 corn production numbers should also lead some support to 2010 production year prices. Early projections anticipate higher corn usage, particularly for ethanol in the 2010/2011 marketing year. An increase in corn acreage will be needed to insure adequate supplies. Consider pricing up to 20% for 2010 production at this time.

Cotton:

Nearby: The March 2010 futures closed at 74.31 cents/lb. up .49 cents/lb. from last week. Support is at 72.79, resistance at 75.37 cents. Weekly exports sales were 289,100 bales, above expectations. As of December 6, cotton harvest is reported at 88% finished, compared to 83% last week. Although production was increased in the December 10 USDA report, ending stocks were lowered 400,000 bales to 4.5 million bales on an increase in exports. Keep in contact with your cotton buyer for current quotes on loan equities and or cash prices. Equities for loan cotton are in the 13 cent range, not quite able to reach 15 cents this week. The Adjusted World Price for December 11 – December 17 is 58.70 cents/lb.

New Crop: The December 2010 futures contract closed at 76.44 cents/lb., down .20 cents/lb. for the week. Support is at 75.34, resistance at 77.94 cents per pound. With December futures edging toward 80 cents, I would expect cotton acreage to increase in 2010. Production will be expected to increase in 2010 and prices will need improved demand to continue to increase. Consider pricing cotton for 2010, at least a percentage of the crop.

Soybeans:

Nearby: January futures closed at \$10.35 bushel, down \$0.08 bushel from last week. Support is at \$10.12, with resistance at \$10.41 bushel. Weekly exports were 34.1 million bushels; above expectations and above the seasonal pace to meet the USDA's projection. USDA did increase their export projection for the year, but less than what was expected. We may see further increases in future reports, but at some point the South American crop will hit the global market most likely curtailing our exports. Ending stocks were projected at 255 million bushels, higher than pre report guesses but less than in November. Soybean prices are feeling the effects of a stronger dollar. If exports continue to remain strong, prices should move up from current levels. The threat of a large South American crop will however, keep prices from rising dramatically. I would look for prices to trade sideways until at least the January 12 production report.

Deferred: The March 2010 contract closed at \$10.43 bushel on Friday, down \$0.08 bushel from last week. The November 2010 contract closed at \$10.18 bushel, down \$0.24 bushel for the week. Support is at \$10.05 with resistance at \$10.30 bushel. I would consider pricing up to 15% of the 2010 soybean crop.

Wheat:

Nearby: The March 2010 futures contract closed at \$5.38 bushel, down \$0.20 bushel from last week. Weekly exports were 9 million bushels, below expectations, and below the seasonal pace to meet the USDA's export projection. USDA did not change export projections for the marketing year, but did lower food usage by 15 million bushels raising ending stocks to 900 million bushels.

New Crop: The July 2010 futures closed at \$5.60 bushel, down \$0.20 bushel from last week. Support is at \$5.46 with resistance at \$5.73 a bushel. As of December 6, winter wheat emergence is 93% compared to 89% last week. As of December 6, the crop condition ratings for wheat were 63% in the good to excellent rating compared to 63% the previous week. I would currently have up to 20% of the 2010 wheat crop priced. If the wheat crop is looking good, I would consider increasing the percentage priced especially if July futures move up to \$5.75 - \$6.00 bushel. Fund buying has helped support wheat prices; fundamentally they should be quite a bit lower.

USDA U.S. 2009/10 Projected Supply & Demand (12/10/09)

	Wheat	Corn	Soybeans	Cotton
Planted (mil. acres)	59.1	86.4	77.5	9.14
Harvested (mil. acres)	49.9	79.3	76.6	7.73
Yield per acre	44.4 bu.	162.9 bu.	43.3 bu.	782 lbs.
Production (mil. bu. or bales)	2,216	12,921	3,319	12.5
Beg. Stocks	657	1,674	138	6.34
Imports	110	10	8	0.01
Supply	2,983	14,605	3,465	18.93
Total Domestic Use	1,208	10,880	1,870	3.40
Exports	875	2,050	1,340	11.0
Total Use	2,083	12,930	3,210	14.40
Ending Stocks(mil. bu. or bales)	900	1,675	270	4.50
Projected Season Avg. Price	\$4.85 bu.	\$3.55 bu.	\$9.50 bu.	\$0.60 lb.
Stocks/Use	43.2%	13.0%	7.9%	31.2%

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

December 11, 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.	91.00	126.00	109.62	108.47	95.47
400-500 lbs.	85.00	109.00	97.72	99.35	88.31
500-600 lbs.	82.00	101.00	89.00	90.98	82.19
600-700 lbs.	76.00	90.00	83.49	83.79	75.81
700-800 lbs	86.00	87.00	86.52	81.58	73.32
<u>Steers: Small Frame #1-2</u>					
300-400 lbs.	71.00	98.00	90.95	101.97	82.01
400-500 lbs.	71.00	98.00	90.95	82.94	65.74
500-600 lbs.	77.00	89.00	83.95	78.02	65.74
600-700 lbs.	70.00	80.00	74.94	72.00	67.95
<u>Steers: Medium/Large Frame #3</u>					
300-400 lbs.	87.00	115.00	100.02	97.65	83.97
400-500 lbs.	77.00	98.00	87.32	87.29	79.10
500-600 lbs.	75.00	90.00	82.28	83.52	73.31
600-700 lbs.	66.00	79.00	74.03	77.47	65.12
700-800 lbs.	72.00	80.00	74.70	75.77	65.12
<u>Holstein Steer</u>					
300-400 lbs.	62.00	79.00	73.20	73.70	59.15
500-600 lbs.	53.00	65.00	59.84	57.01	55.20
700-800 lbs.	54.00	58.50	56.43	-----	53.67
<u>Slaughter Cows</u>					
Breaking Utility	37.50	45.50	41.50	41.50	42.25
Cutter & Boning	37.50	44.50	41.00	38.00	39.25
Canner	32.00	41.50	36.75	35.25	34.75
Bull YG 1-2	48.00	57.00	52.50	52.00	50.25
<u>Heifers: Medium/Large Frame #1-2</u>					
300-400 lbs.	75.00	103.00	87.16	88.61	75.76
400-500 lbs.	71.00	92.00	81.57	83.61	73.19
500-600 lbs.	68.00	85.50	76.75	77.91	70.82
600-700 lbs.	66.50	79.50	73.50	74.51	68.51
<u>Heifers: Small Frame #1</u>					
300-400 lbs.	61.00	90.00	72.37	75.99	65.65
400-500 lbs.	55.00	82.00	67.76	71.28	62.27
500-600 lbs.	50.50	75.00	65.93	69.03	61.06
600-700 lbs.	51.00	69.50	63.23	67.40	59.70
<u>Heifers: Medium/Large Frame #3</u>					
300-400 lbs.	66.00	96.00	79.83	82.03	68.90
400-500 lbs.	62.00	83.00	75.08	75.90	66.64
500-600 lbs	60.50	77.00	71.89	72.60	64.39
600-700 lbs.	59.50	73.00	67.47	69.35	61.84

Cattle Receipts: This week: (11) 7,433

Week ago: (11) 7,675

Year ago: (11) 7,625

FUTURES SETTLEMENT PRICES
Crops & Livestock
Friday, December 4, 2009 - Thursday, December 10, 2009

Commodity	Contract Month	Fri. 4	Mon. 7	Tues. 8	Wed. 9	Thurs. 10
Soybeans (\$/bu)	Jan	10.43	10.53	10.44	10.28	10.27
	Mar	10.50	10.61	10.53	10.38	10.36
	May	10.58	10.69	10.61	10.46	10.42
	Jul	10.65	10.76	10.68	10.52	10.48
	Aug	10.62	10.72	10.64	10.48	10.43
	Sep	10.49	10.56	10.47	10.30	10.29
Corn (\$/bu)	Dec	3.74	3.69	3.69	3.68	3.77
	Mar	3.88	3.84	3.85	3.83	3.93
	May	3.99	3.95	3.96	3.94	4.04
	Jul	4.09	4.04	4.06	4.04	4.14
	Sep	4.16	4.11	4.13	4.12	4.20
	Dec	4.24	4.20	4.21	4.20	4.59
Wheat (\$/bu)	Dec	5.37	5.26	5.19	5.15	5.18
	Mar	5.58	5.48	5.40	5.35	5.37
	May	5.71	5.61	5.53	5.48	5.50
	Jul	5.81	5.71	5.63	5.58	5.60
	Sep	5.93	5.84	5.77	5.73	5.74
Soybean Meal (\$/ton)	Dec	321	321	317	314	313
	Jan	311	312	308	306	306
	Mar	306	308	305	303	303
	May	305	307	304	302	302
	Jul	307	309	306	303	303
	Aug	307	308	306	302	303
Cotton (¢/lb)	Dec	70.21	70.83	70.30	70.30	-----
	Mar	73.82	74.69	74.21	74.21	74.42
	May	74.95	75.79	75.42	75.42	75.74
	Jul	75.77	76.32	76.13	76.13	76.45
	Oct	76.16	76.72	76.81	76.81	77.03
Choice Fed Cattle (\$/cwt)	Dec	81.00	81.12	80.87	79.20	79.10
	Feb	83.20	83.30	83.12	81.92	82.17
	Apr	86.07	86.32	85.97	85.20	85.37
	Jun	83.77	83.90	83.60	83.22	83.50
	Aug	84.35	84.47	84.27	83.72	83.85
Feeder Cattle (\$/cwt)	Jan	93.35	92.85	92.05	91.05	90.72
	Mar	94.12	93.95	93.15	91.92	91.65
	Apr	95.57	95.50	95.00	94.00	93.65
	May	96.50	96.40	95.80	95.40	94.70
	Aug	98.70	98.40	98.00	97.80	97.70
Market Hogs (\$/cwt)	Dec	61.15	62.20	62.67	63.40	63.62
	Feb	66.75	66.55	65.12	65.07	65.42
	Apr	70.85	70.97	69.62	69.55	69.85
	May	74.87	74.82	74.27	74.40	74.85
	Jun	77.75	78.42	77.50	77.65	78.02

Milk Futures, Thursday , December 10, CME Futures

Month	Class III Close	Class IV Close
December	14.79	15.06
January	14.80	15.59
February	14.81	15.71
March	15.28	15.86
April	15.38	15.23

EAST TENNESSEE LIVESTOCK CENTER DECEMBER 9, 2009

1 load out of 75 steers, est. wt. 825 lbs., range 760 to 860 lbs., \$.04 slide up if over 826 lbs., 90% L&M -1, 10% L&M -2, med flesh, 75% Black & BWF, 15% ChaX & Smoky, 10% Red 7 RWF, wormed and implanted, weighed on grounds, selling with a 2% shrink. Price: \$83.50

BLUEGRASS INTERNET SALE DECEMBER 9, 2009

63 head steers, bbwf, 790 lbs. \$87.80
58 head of steers, mixed, 850 lbs. \$82.00
50 head of steers, mixed, 985 lbs. \$78.40
49 head of steers, mixed, 1000 lbs. \$77.60
55 head of holsteins, 930 lbs. \$66.30
105 head of holsteins, 945 lbs. \$65.80

**Nashville, TN Thursday Dec 10, 2009 USDA-TN Dept Market News
Tennessee Video Board Sale and Graded Sale****12/09/09 McMinnville- Graded Sale****Receipts: 970, Prices for Blk, Bwf and Char X only**

Steers: Med and Lg 1	Heifers: Med & Lg 1
300-350 lbs 103.00-107.50	300-350 lbs
350-400 lbs 106.00-113.00	350-400 lbs 90.00-91.00
400-450 lbs 100.50-102.50	400-450 lbs 86.00-87.00
450-500 lbs 93.50-95.50	450-500 lbs 74.50-82.75
500-550 lbs 88.50-90.00	500-550 lbs 75.50-80.75
550-600 lbs 81.75-85.50	550-600 lbs 75.25-75.75
600-700 lbs 80.50-83.00	600-700 lbs 75.00-75.20
700-850 lbs 78.00-83.25	700-850 lbs 72.00-74.25
Weaned/vac lot 732 lbs 84.50	850-950 lbs

Steers: Med & Lg 2	Heifers: Med & Lg 2
300-350 lbs	300-350 lbs 91.50
350-400 lbs 104.00-111.00	350-400 lbs 75.00-92.00
400-450 lbs 86.50-97.50	400-450 lbs 82.50-89.50
450-500 lbs 82.00-88.00	450-500 lbs 77.00-81.50
500-600 lbs 77.50-81.50	500-600 lbs 73.75-77.00
600-700 lbs 77.00-79.00	600-700 lbs 66.00-70.00
700-850 lbs 77.00-81.75	700-850 lbs 66.00-70.75

12/08/2009 Fayetteville (TLP)

Receipts: 444 (171 Graded and Grouped)

Steers: Med & Lg 1-2	Heifers: Med & Lg 1-2
300-350 lbs	300-400 lbs 80.00-87.50
350-400 lbs	400-450 lbs
450-500 lbs 90.00-91.50	450-500 lbs 78.00-82.00
500-550 lbs 83.50-93.00	600-700 lbs 72.00-77.00
550-600 lbs 90.00-90.50	700-800 lbs 67.50-72.50
600-700 lbs 80.00-85.50 few 90.50	
700-800 lbs 75.00-76.50	

Bulls: Med & Lg 1-2
300-400 lbs 91.00-107.00
400-450 lbs few 104.50
450-500 lbs 85.50-92.50
500-550 lbs 82.00
600-650 lbs 74.00
700-800 lbs 65.00

**12/4/2009 Lower Middle TN. Cattle Assoc. Video Board Sale Columbia TN.
(Delivery current through December, 0-2% shrink and \$4.00-5.00/cwt slide)**

Total Receipts: 1,898

Steers Medium and Large 1 few 2	Heifers Medium and Large 1 few 2
4 Lds 660-690 lbs 89.00-94.10 AL,TN	1 Ld 575 lbs 81.30 VA
6 Lds 700-780 lbs 86.40-88.90 TN	1.5 Lds 660-675 lbs 76.00-82.30 TN
7 Lds 800-850 lbs 85.90-89.00 TN	2 Lds 740-760 lbs 80.10-85.15 TN,VA
3 Lds 860-880 lbs 83.70-85.20 TN	1 Ld 800 lbs 79.60 TN
1 Ld 950 lbs 82.00 TN	
1 Ld 1050 lbs 80.60 TN	

Mixed Loads Medium and Large 1 few 2 (heifers \$5 back steers)
42 steers 700 lbs 85.50, 41 heifers 660 lbs 79.50 TN

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

Upchurch Re-elected State Farm Bureau President (Tennessee Farm Bureau Federation, 12/9) -- Tennessee Farm Bureau delegates attending their 88th Annual Convention at Franklin's Cool Springs Marriott, today re-elected Cumberland County beef farmer Lacy Upchurch as their president of the nation's largest state Farm Bureau organization. Upchurch was elected by the voting delegate body to serve his third two-year term as the seventh president of the 646,240 family members Tennessee Farm Bureau Federation.

DFA Family Loses Leader Tom Camerlo (Dairy Farmers of America, 12/4) -- We are deeply saddened to announce the passing of our friend and Chairman of the Board Tom Camerlo. Tom, who committed a lifetime of service to the global dairy industry and served as DFA's chairman since 2003, passed away December 3, 2009, after a courageous battle with cancer.

"Tom's commitment to the dairy industry ran deep, and was second only to his devotion to his family," said Rick Smith, DFA president and CEO. "The entire DFA family extends our heartfelt sympathy to the Camerlo family. We share in grieving the passing of our colleague, a dear friend, and a man whose lifetime commitment and leadership.

Thompson Named New Director of Middle Tennessee & Dairy Research and Education Centers (Tennessee Farm Bureau Federation, 12/9) -- The University of Tennessee Institute of Agriculture has named Kevin Thompson as the new director of the Middle Tennessee and Dairy Research and Education Centers. He will assume his new role in January 2010. Thompson has most recently served as the **Director of Producer Genetics for Tennessee Livestock Producers**, Tennessee Farm Bureau Federation in Columbia, Tennessee. There he facilitated the Tennessee Beef Alliance and established Tennessee's largest bull-leasing program for TLP.

Congress Must Pause, Rethink Climate Change Bill to Protect Farmers and Consumers (National Council of Farmer Cooperatives, 12/7) -- The National Council of Farmer Cooperatives (NCFC) expressed its strong concerns over climate change legislation that, according to an assessment by the U.S. Department of Agriculture (USDA) of research by EPA and others, could lead to substantial shifts in agricultural land use, higher food and feed prices, and moving food production, and the jobs dependent on it, from the U.S. to other countries "This analysis reaffirms NCFC's opposition to cap and trade legislation as currently drafted. We believe that Congress should pause and rethink their current approach to address the issue of carbon emissions," said NCFC President & CEO Chuck Conner. "As written, the cap-and-trade bills would severely distort American agriculture, would have potentially devastating consequences for the dairy and livestock sectors, would destroy American jobs, and would increase the prices that consumers pay at the supermarket cash register. In short, Congress needs to hit the reset button." The reaction came after testimony by USDA Chief Economist Joe Glauber before the House Agriculture Subcommittee on Conservation, Credit, Energy & Research last week. In his remarks, Glauber said that some 85% of revenue generated by the carbon offsets under the House-passed climate change bill would come from planting trees on crop and pastureland. By 2030, Glauber said, 27 million acres would be taken out of production; by 2050, it would be nearly 60 million acres that would come out of production, with 35 million acres coming from cropland (a 14% drop relative to current baseline) and 24 million acres from pastureland (a 9% drop from baseline).

Bill to Ban Antibiotics From Food Animals Introduced In The House (AgriMarketing.com, 12/7) -- A bill introduced this week by Rep. Louis Slaughter (NY) would require the Food and Drug Administration to withdraw the sub-therapeutic use of seven classes of antibiotics in food animals. Specifically, the Preservation of Antibiotics for Medical Treatment Act 2009 would target penicillins, tetracyclines, macrolides, lincosamides, streptogramins, aminoglycosides and sulfonamides. A coalition of 20 livestock organizations is opposing the bill, which they say will cause increased animal disease and death.

Ag Futures Trading Would Be Taxed Under Senate, House Bills (Livestock Marketing Assn., 12/8) -- Sen. Tom Harkin (D-Ia.) last Friday said he will introduce a bill taxing securities transactions. He said it would be similar to a bill introduced last Thursday in the House, which would tax stock transactions at a rate of 0.25%, and futures transactions, including ag futures, at the smaller rate of 0.02%. Harkin said the bill isn't aimed at punishing Wall Street for its role in the nation's financial woes. "We're just looking for revenue...for a way to get out of the hole we're in."

At a rate of 0.02%, the tax on a 5,000 bushel corn futures contract, at \$4/bushel (\$20,000) would amount to \$4. And the \$100,000 exemption would apply to futures contracts – so for a person who didn't have any other exemptions, that would amount to five \$20,000 contracts. Some futures industry analysts say that while the tax wouldn't have much of a direct effect on farmers, it would be much tougher on large, commercial hedgers.

House Extends Estate Tax Rate (Crains Detroit Business, 12/3) -- The U.S. House of Representatives passed a bill that would permanently extend the estate tax rate and exemption at 2009 levels, according to the Michigan Nonprofit Association. H.R. 4154 would lock in the estate tax at 2009 levels with estates valued at \$3.5 million or less being exempt from federal estate taxes and estates valued at more facing a maximum tax of 45 percent, said MNA's public policy manager Tiffany Aurora, in an email. The bill, which passed the house by a vote of 225-200, now goes before the U.S. Senate Finance Committee, she said.

DeLauro Calls for Closure of Beef Packers, Inc. (www.Delauro.House.Gov, 12/7) — Congresswoman Rosa DeLauro (CT-3) today called for the closure of Beef Packers, Inc. in the wake of a 22,723 pound recall of beef suspected to be contaminated with salmonella Newport. The Cargill-owned company has a history of food safety violations, including a nearly 860,000 pound recall earlier this year of meat contaminated with the same strain of salmonellosis suspected in this recall. The company has also been the subject of a recent investigation by USA Today regarding their participation in the National School Lunch Program, and has been suspended from the program three times for safety concerns.

Carcass Disposal Method Creates 'Liquid Cow' (Red Deer Advocate, 12/4) -- An Alberta, Canada company, Biosphere Technologies Inc., has developed a new method to safely dispose of livestock carcasses and other organic waste. It has experimented with thermal hydrolysis, which breaks down organic material with high-temperature, saturated steam and pressure

in what the firm calls the Biorefinex system. What emerges from this process is a “liquid cow,” and the company is assessing its market potential. The molasses-like substance can be used as organic fertilizer, or it can be broken down into biochemical products like fatty acids, amino acids, minerals and other elements. It might also be used to create biogas, which in turn could generate electricity and thermal energy, according to Canadian news reports. The system kills microorganisms and bacteria, and was recently shown to be effective in destroying the infectious proteins responsible for transmissible brain-wasting diseases like mad cow disease.

Brochure Details Canadian Beef Labeling (Meatingplace.com, 12/9) -- Canada's Beef Information Centre (BIC) has launched an eight-page, color brochure on Canadian beef labeling. The brochure aims to provide a clear and concise explanation of the current regulations and enforcement responsibilities of various Canadian government agencies. It highlights the acts and regulations that pertain to beef labeling, and enables readers to quickly understand what needs to be on a label and where to go for more information. To order the brochure, which is available in both English and French, [click here](#).

Japan Increases U.S. Pork Imports (Pork, 12/3) -- U.S. pork exports to Japan first broke the \$1 billion mark in 2005, and surpassed \$1.5 billion for the first time last year. Through the first three quarters of 2009, pork exports to Japan have continued this remarkable run by increasing another 3 percent over the record pace of 2008. U.S. Meat Export Federation President and CEO Philip Seng is optimistic about the prospects for further growth in 2010. He says USMEF continues to find promising new marketing opportunities for U.S. pork in Japan's retail and foodservice sectors.

Canadian Co-op Buys Iowa Cheese Factory (Brownfield, 12/8) -- Canadian dairy cooperative Agropur is buying the Green Meadows Foods cheese factory in Hull, Iowa. The plant will operate as part of Agropur's U.S. cheese company Trega Foods. Green Meadows started operations just over a year ago with the capacity to process around 875 million pounds of milk per year. The plant was built by Shep and Natalie Ysselstein primarily to handle the milk from their 7,000-cow dairy farm at Rock Valley, Iowa. The company also had a contract for milk from Land O'Lakes.

The Agriprocessors Bankruptcy: Can the Bankruptcy Trustee Recover Payments? (Waukon Standard, 12/9) -- Agriprocessors, a slaughterhouse and meatpacking plant in Postville that utilizes glatt kosher processing of cattle, chicken, turkey, duck, lamb and veal, filed for Chapter 11 bankruptcy November 4, 2008. The company, the nation's largest kosher meatpacking plant, filed bankruptcy upon facing a drop in demand for their products and higher costs associated with a May 2008 immigration raid. Agriprocessors is being operated at the present time by Chapter 11 bankruptcy trustee, Joseph E. Sarachek of Triax Capital Advisors.

Now the bankruptcy court has informed livestock sellers that sold livestock to Agriprocessors in the 90-day timeframe preceding the company's bankruptcy filing that they have 10 days from a letter dated November 23, 2009 to repay 80 percent of what Agriprocessors paid them for their livestock. Apparently, at the present time it appears that the bankruptcy court has approved an extension to the due date for repayment to December 15, 2009.

Bankers Should Focus on the Future (Beef, 12/8) -- Wall Street may slog along for the next seven years, but it could prove to be an opportunity for Main Street bankers as America moves away from a nation of spenders to a nation of savers. So says Dr. David Kohl, professor emeritus of agricultural and applied economics at Virginia Polytechnic Institute. Kohl delivered his annual talk on the ag economy at the American Bankers Association National Agricultural Bankers Conference, held recently at San Antonio, Texas.

FDA Provides Free Risk Assessment Tool (U.S. Food and Drug Administration, 12/7) — The FDA has created an online tool to help farmers and producers assess and mitigate vulnerabilities in their production processes. The risk assessment tool called Agriculture CARVER + Shock is designed to help the food industry at the farm level implement food production security methods. The software is free and available at <http://www.fda.gov/Food/FoodDefense/CARVER>.

CARVER was originally developed by the U.S. military to identify areas that might be vulnerable to attack. The FDA and USDA adapted the model to the food and agriculture sector. The software currently evaluates potential vulnerabilities in the supply chains of different foods and food processes.

Margin Requirements - How Strict? (Crop News Weekly, 12/8) -- As the country continues to dig its way out of financial crisis and legislation for market oversight takes shape, a group of market “end-users” testified before the Senate Agriculture Committee on Nov. 18. The group of four — representing smaller, rural businesses as well as those that operate on a global scale

— warned against too-strict regulations on derivatives trading and onerous capital/margin requirements. Acting as a counterweight on the panel, Robert A. Johnson, director of Economic Policy at The Roosevelt Institute, argued against most of the exemptions sought by end-users.

How Private? (Beef Magazine, 12/1) -- Liability is more concerning than confidentiality when it comes to producers' NAIS data, but producers have lots of law in their favor. No one wants anyone, least of all the government, poking around in their business. That's one reason even producers who support the National Animal Identification System (NAIS) are rightly concerned about data confidentiality. It boils down to wondering how safe producer-submitted data is from prying public eyes when it's part of a federal database. Though there's nothing ironclad where interpretation of the law is concerned, Elizabeth Springsteen, staff attorney with the National Agricultural Law Center, says producers face similar confidentiality protection with and without NAIS.

Don't Blame Cows for Climate Change (UC Davis News & Information, 12/7) -- Despite oft-repeated claims by sources ranging from the United Nations to music star Paul McCartney, it is simply not true that consuming less meat and dairy products will help stop climate change, says a University of California authority on farming and greenhouse gases. UC Davis Associate Professor and Air Quality Specialist Frank Mitloehner says that McCartney and the chair of the U.N.'s Intergovernmental Panel on Climate Change ignored science last week when they launched a European campaign called "Less Meat = Less Heat." The launch came on the eve of a major international climate summit, which runs today through Dec. 18 in Copenhagen. McCartney and others, such as the promoters of "meatless Mondays," seem to be well-intentioned but not well-schooled in the complex relationships among human activities, animal digestion, food production and atmospheric chemistry, says Mitloehner.

Cattle Rustler Sentenced To 20 Years In Prison (Statesman.com, 12/8) --Williamson County does not take cattle rustling lightly. Judge Ken Anderson sentenced Monte Sharp, who admitted stealing more than 1,000 cattle from a local broker, to 20 years in prison Monday. It is the largest cattle rustling case in Williamson County history, District Attorney John Bradley said.

"The surprising sentence of 20 years in prison should put all thieves on alert, particularly during the upcoming holiday season, that stealing is not tolerated in Williamson County," he said. Sharp was charged after he never paid the \$700,000 he owed after ordering 1,061 head of cattle in 2005 from Jim Schwertner, the owner of Capitol Land & Livestock Co.

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

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