

Tennessee Market Highlights

UF Extension

January 8, 2010

Number :1

Livestock Comments by *Emmit L. Rawls*

The story of the week has been the weather from the Midwest to the South. The bone-chilling temps and blizzard conditions definitely impact cattle weights and performance. Although cattle eat more when it's cold, the energy from that feed is put to use keeping the animal warm and not to putting on pounds. The increase in the amount of feed fed and the decrease in weight gained both directly impact cost of gains and can impact quality. Also impacted by the cold weather is the ability to move cattle to packing houses. All of this can give support in the short-term to prices as supply is tightened. Fed cattle trade has been very slow this week with few trades taking place mid-week in the North at \$136-138 dressed and \$84-85 live, \$1-3 higher than last week. Asking prices remain at \$138+ dressed in the North and \$87-88 live in the South. With packers needing to cover slaughter needs to meet what is hoped to be an increase in demand following the holiday season, they may have to move higher to meet feeders asking prices. The 5-area weighted average prices thru Thursday were \$84.17 live and \$136.47 dressed compared to \$84.13 and \$135.21 last week. Year ago prices were \$83.97 live and \$133.61 dressed. Cutout values on Thursday rose to \$140.74 on Choice and \$135.24 on Select, up \$1.99 and \$2.21 compared to last Thursday, respectively. At midday Friday, cutouts continued to gain ground with Choice up \$1.16 at \$141.90 and Select up \$1.35 at \$136.59. The Choice/Select spread was \$5.31.

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Crop comments by Chuck Danehower

Best wishes for a safe and profitable New Year! Corn and wheat are up with cotton and soybeans prices down for the week on this first trading week of 2010. The commodity markets were set for a good week until Thursday when overnight news from China indicated that they were raising interest rates to tighten credit and slow economic growth. Along with affecting the U.S. Dollar and quieting inflation talk, many Chinese traders liquidated positions. Cotton and soybeans have been most affected by this news. It has been widely anticipated that index funds would reallocate and start buying commodities, particularly corn and wheat as the New Year starts. It does not appear to have happened yet, but has offered support to the corn and wheat markets the last few weeks. We will have to wait and see if the buying on the scale rumored materializes. The March U.S. Dollar before the close is down .90 for the week at 77.67, support is at 77.32 with resistance at 78.66. The Dow Jones Industrial Average at mid day was trading at 10,582 up 154 points for the week. February Crude Oil was trading before the close at 82.67 a barrel, up 3.31 a barrel. January 12 will be an informative day as USDA will release their monthly supply and demand report, crop production annual summary, grain stocks, and winter wheat seedings. The January report is typically known to have some surprises, so prices could get interesting next week. Comments on this report will be posted at <http://economics.ag.utk.edu/outlook.html> on the afternoon of January 12. *continued page 2*

Slaughter cows: \$1 to \$2 higher

Slaughter bulls: \$1 to \$2 higher

Feeder steers: steady to \$5 higher with weights 500-700 lbs mostly \$3 to \$5 higher

Feeder heifers: steady to \$5 higher with weights 500-700 lbs mostly \$3 to \$5 higher

Fed cattle: 5 area live price of \$84.17 is up \$.04 and the dressed price is up \$1.26 at \$136.47

Corn: March 2010 futures closed at \$4.23 a bushel on Friday, up \$0.09 bushel for the week

Soybeans: March futures closed at \$10.22 bushel, down \$0.27 bushel for the week

Wheat: March 2010 futures contract closed at \$5.69 bushel, up \$0.27 bushel for the week

Cotton: March 2010 futures closed at 72.44 cents/lb. down 3.16 cents/lb. for the week

Livestock Comments by *Emmit L. Rawls*

Both the tightened supplies due to cold weather and what seems to be an increase in demand based on cutout values should be supportive to fed cattle prices in the near-term. On Tennessee auctions this week compared to markets before the holiday break, feeder steers, bulls and heifers were called steady to \$5 higher with those weighing 500 to 700 lbs mostly \$3 to \$5 higher. Slaughter cows and bulls were called \$1 to \$2 higher. Market reporters indicated buyers targeted heavier calves due to the current weather being unfavorable for lighter weights. Auction receipts were called light this week also due to the cold weather. As of midday Friday, fed cattle trade was still light to moderate with most trades at \$84.50-86 live and \$137 dressed, \$0.50 to \$2 higher than last week.

TECHNICALLY SPEAKING: based on Thursday's closing prices. February live cattle closed at \$85.93. Support is at \$85.50, then \$84.50. Resistance is at \$86.50, then 87.50. The RSI is 57.33. April live cattle closed at \$89.45. Support is at \$89, then \$88. Resistance is at \$90, then \$91. The RSI is 59.91. January feeder cattle closed at \$96.45. Support is at \$96.22, then \$95.77. Resistance is at \$96.67, then \$97.12. The RSI is 68.13. March feeder cattle closed at \$96.82. Support is at \$96.58, then \$96.08. Resistance is at \$97.08, then \$97.58. The RSI is 69.23. Both feeder cattle contracts are nearing an overbought condition which means that any "bad news" can send the market lower than would be expected. Friday's closing prices were: Live cattle: Feb \$85.82 -0.10, Apr \$89.80 +0.35, Jun \$88.02 unchanged, Aug \$87.82 -0.02. Feeder cattle: Jan \$96.35 -0.10, Mar \$96.65 -0.17, Apr \$97.60 -0.30, May \$98.60 -0.17. March corn closed at \$4.23 up 0.05.

Crop Comments by *Chuck Danehower*

Corn:

Nearby: March 2010 futures closed at \$4.23 a bushel on Friday, up \$0.09 bushel for the week. Support is at \$4.09 a bushel with resistance at \$4.28 a bushel. Weekly exports sales were 14.4 million bushels, below expectations. Although the January 12 report is the annual summary, there will still be uncertainty in the final production numbers as 2 - 3 million un-harvested acres is estimated still in the field and largely under snow. The average trade estimate is for yields of 162.5 bushel/acre versus the last USDA number of 162.9 bushel/acre. The trade also estimates total production of 12.844 billion bushels compared to the previous USDA projection of 12.921 billion bushels. Ending stocks are estimated to drop to 1.608 billion bushels from 1.675 in December. I would note that there are wide ranges on these corn estimates.

New Crop: The September 2010 contract closed at \$4.46, up \$0.08 a bushel for the week. Support is \$4.34 with resistance at \$4.48 a bushel. Analysts' estimates for 2010 acreage have been for an increase of 2 - 3 million acres of corn. Corn and soybeans may compete for acreage this winter to early spring. Fund buying or lack of buying will affect prices. Consider pricing up to 20% for 2010 production at this time.

Cotton:

Nearby: The March 2010 futures closed at 72.44 cents/lb. down 3.16 cents/lb. for the week. Support is at 71.63, resistance at 74.75 cents per pound. Weekly exports sales were about expected at 216,400 bales (208,500 for 09/10 and 7,900 for 10/11). Prices corrected hard on Tuesday from what appears to be a reaction from a Commodity Futures Trading Commission report that the price spike in 2008 was not from manipulation in cotton prices. Traders sold contracts and took profits on that news. Trade estimates for the January 12 USDA report put cotton production at 12.3 - 12.5 million bales, compared to the December estimate of 12.59 million bales. Carryover is estimated to drop to 4.2 million bales from 4.5. Keep in contact with your cotton buyer for current quotes on loan equities.

New Crop: The December 2010 futures contract closed at 74.14 cents/lb., down 2.07 cents/lb. for the week. Support is at 74.08 cents per pound, resistance at 74.90 cents per pound. Acreage is expected to increase 500,000 - 1 million acres in 2010. If the economy recovers worldwide, cotton will benefit. The recent news on tightening of credit in China would however, be considered bearish for cotton. In late 2009, I think there were opportunities for starting pricing for 2010. On rallies to 76 - 78 cents, I would consider pricing cotton for 2010, at least a percentage of the crop.

Soybeans:

Nearby: March futures closed at \$10.22 bushel, down \$0.27 bushel for the week. Support is at \$9.99 bushel, with resistance at \$10.76 bushel. Weekly exports were about expected at 26.7 million bushels. Trade estimates for the January 12 report are for an average yield of 43.7 bushels/acre versus 43.3 bushels/acre in the last USDA report. Production is estimated at 3.346 billion bushels compared to 3.319 billion bushels in December. Ending stocks are expected to be decreased 14 million bushels to 241 million bushels from USDA's December projection of 255 million bushels. Besides the credit tightening news, other news from China is that they will be switching soybean purchases to South America. With a record South American crop expected, this has been widely anticipated. It will be closely watched whether this switch over will cause cancellations of sales already on the books. Currency valuations will most likely play a key role in where the best deal is.

New Crop: The November 2010 contract closed at \$9.99 bushel, down \$0.16 bushel this week. Support is at \$9.80 with resistance at \$10.35 bushel. One acreage estimate for 2010 has soybean acres increasing 2.5 million acres from 2009 at just under 80 million acres. The acreage increase is expected to come from a drop in wheat acreage. I am currently priced 15% for the 2010 soybean crop.

Wheat:

Nearby: The March 2010 futures contract closed at \$5.69 bushel, up \$0.27 bushel for the week. Weekly exports were 3.4 million

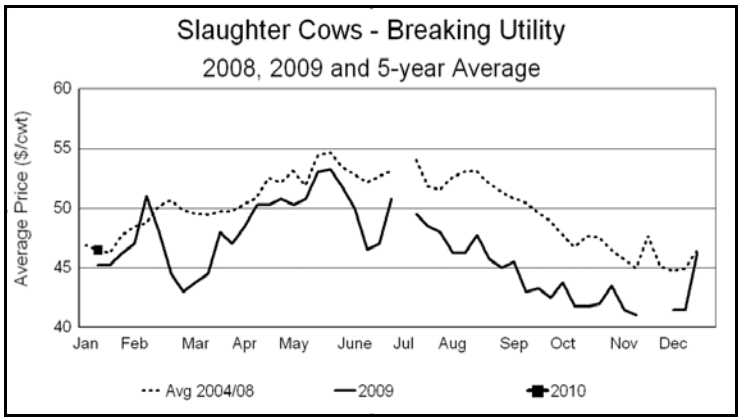
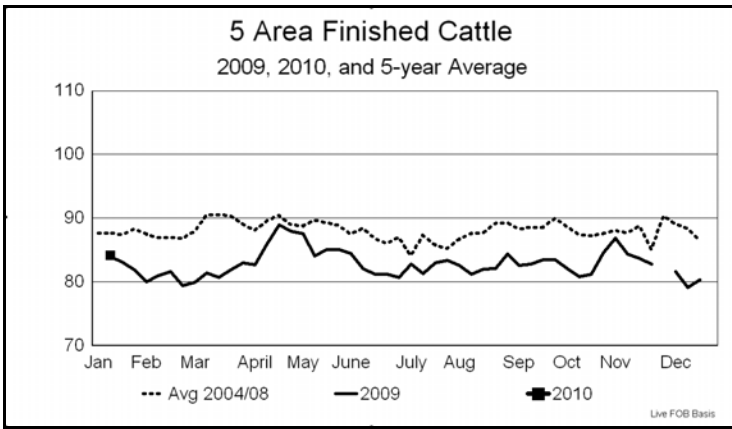
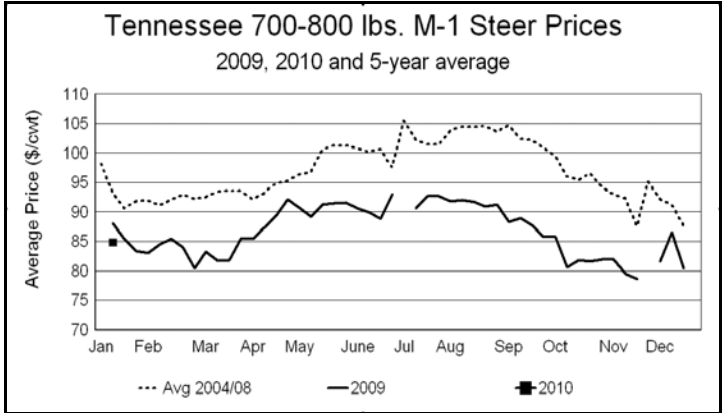
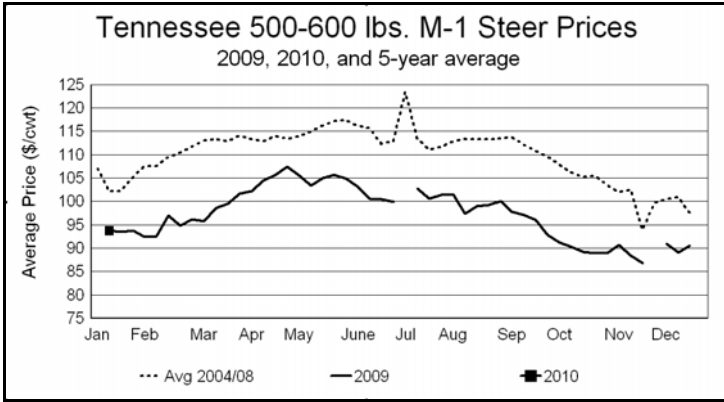
bushels, below expectations. Trade estimates put ending stocks for wheat at 921 million bushels compared to 900 million bushels in USDA's December report. Exports, most likely will be reduced.

New Crop: The July 2010 futures closed at \$5.91 bushel, up \$0.25 bushel for the week. Support is at \$5.71 with resistance at \$5.94 a bushel. The Winter Wheat Seedings report is estimated to show 40.59 million acres compared to 43.31 million acres in 2009, a drop of 2.72 million acres. A bullish report is expected, but fundamentally, production will need to be reduced further or demand increased for the carryover to be reduced. Wheat has not been trading fundamentals, but more so a follower of corn and soybeans as well as a speculative value buy from funds. I would currently have up to 20% of the 2010 wheat crop priced. Because of previous year's wheat production problems, I would be hesitant to forward price too much at this growing stage.

PRICES ON 8 TENNESSEE REPORTED LIVESTOCK AUCTIONS (\$/cwt)
January 8, 2010

	This Week Low	This Week High	This Week Weighted Average	Last Week Weighted Average	Year Ago Weighted Average
Steers: Medium/Large Frame #1-2					
300-400 lbs.	101.00	127.00	110.76	-----	113.98
400-500 lbs.	93.00	113.00	102.65	-----	101.28
500-600 lbs.	85.00	104.00	93.75	-----	93.75
600-700 lbs.	82.00	95.00	87.22	-----	88.10
700-800 lbs.	77.50	89.00	84.86	-----	88.07
Steers: Small Frame #1-2					
300-400 lbs.	91.00	102.00	96.31	-----	102.95
400-500 lbs.	73.00	98.00	88.13	-----	84.63
500-600 lbs.	86.50	86.50	86.50	-----	79.43
600-700 lbs.	68.00	70.50	69.24	-----	76.50
Steers: Medium/Large Frame #3					
300-400 lbs.	91.00	115.00	103.02	-----	101.63
400-500 lbs.	85.00	99.00	92.32	-----	87.94
500-600 lbs.	73.00	92.00	85.42	-----	79.38
600-700 lbs.	75.00	83.00	78.86	-----	79.08
700-800 lbs.	70.00	81.50	77.10	-----	-----
Holstein Steer					
300-400 lbs.	-----	-----	-----	-----	-----
500-600 lbs.	57.00	67.00	62.73	-----	53.00
700-800 lbs.	55.00	60.50	60.19	-----	-----
Slaughter Cows					
Breaking Utility	42.00	51.00	46.50	-----	45.25
Cutter & Boning	39.50	50.00	44.75	-----	45.50
Canner	32.50	45.50	39.00	-----	38.00
Bull YG 1-2	50.00	63.00	56.50	-----	57.50
Heifers: Medium/Large Frame #1-2					
300-400 lbs.	83.00	104.00	90.33	-----	89.52
400-500 lbs.	80.00	94.00	86.60	-----	85.23
500-600 lbs.	70.00	90.00	81.27	-----	81.93
600-700 lbs.	70.00	85.00	77.22	-----	76.81
Heifers: Small Frame #1					
300-400 lbs.	51.00	81.50	70.54	-----	81.25
400-500 lbs.	51.00	81.50	70.54	-----	75.98
500-600 lbs.	55.00	75.00	68.52	-----	67.27
600-700 lbs.	59.00	65.00	62.24	-----	69.08
Heifers: Medium/Large Frame #3					
300-400 lbs.	72.00	91.00	82.66	-----	83.01
400-500 lbs.	70.00	86.00	79.61	-----	77.44
500-600 lbs.	59.50	79.00	74.06	-----	73.81
600-700 lbs.	65.00	73.00	70.14	-----	62.50

Cattle Receipts: This week: (8) 4,596 Week ago: None Year ago: (11) 6,575



Average Daily Slaughter (number of head)

	This week (4 days)	Last week (4 days)	Year ago (4 days)	This week as percentage of Week ago (%)	Year ago (%)
Hogs	415,250	419,500	434,500	99%	96%
Cattle	123,500	118,250	120,250	104%	103%

USDA Box Beef Cutout Value (\$/cwt)

	Thursday	Week ago	Year ago	Change from week ago	Change from year ago
Choice 1 - 3					
600-900 #	140.74	138.75	143.75	1.99	-3.01
Select 1 - 3					
600-990 #	135.24	133.03	136.76	2.24	-1.52

FUTURES SETTLEMENT PRICES
Crops & Livestock
Friday, January 1 , 2009 - Thursday, January 7, 2010

Commodity	Contract Month	Fri. 1	Mon. 4	Tues 5	Wed. 6	Thurs. 7
Soybeans (\$/bu)	Jan	-----	10.49	10.52	10.51	10.18
	Mar	-----	10.58	10.61	10.59	10.26
	May	-----	10.62	10.65	10.63	10.31
	Jul	-----	10.67	10.68	10.67	10.35
	Aug	-----	10.61	10.62	10.61	10.31
	Sep	-----	10.40	10.41	10.41	10.15
Corn (\$/bu)	Mar	-----	4.18	4.19	4.22	4.17
	May	-----	4.29	4.29	4.32	4.28
	Jul	-----	4.37	4.37	4.41	4.37
	Sep	-----	4.41	4.42	4.45	4.40
	Dec	-----	4.45	4.45	4.49	4.43
	Mar	-----	4.54	4.54	4.58	4.53
Wheat (\$/bu)	Mar	-----	5.58	5.53	5.67	5.58
	May	-----	5.71	5.65	5.80	5.70
	Jul	-----	5.82	5.75	5.90	5.80
	Sep	-----	5.95	5.89	6.03	5.94
	Dec	-----	6.18	6.11	6.25	6.16
Soybean Meal (\$/ton)	Jan	-----	316	319	318	307
	Mar	-----	308	311	310	298
	May	-----	304	307	305	293
	Jul	-----	304	307	305	293
	Aug	-----	302	305	303	292
	Sep	-----	297	300	298	288
Cotton (¢/lb)	Mar	-----	76.00	73.12	73.55	72.89
	May	-----	77.13	74.30	74.73	74.07
	Jul	-----	77.52	74.94	75.25	74.62
	Oct	-----	76.45	74.45	74.77	74.25
	Dec	-----	76.50	74.61	74.86	74.52
Choice Fed Cattle (\$/cwt)	Feb	-----	85.37	86.32	85.95	85.92
	Apr	-----	89.07	89.75	89.65	89.45
	Jun	-----	87.25	87.80	87.65	88.02
	Aug	-----	87.30	87.70	87.62	87.85
	Oct	-----	89.52	89.95	89.97	90.07
Feeder Cattle (\$/cwt)	Jan	-----	95.87	96.55	96.30	96.45
	Mar	-----	96.32	96.92	96.75	96.82
	Apr	-----	97.12	97.80	97.70	97.90
	May	-----	98.35	98.75	98.67	98.77
	Aug	-----	99.50	100.10	99.90	100.10
	Sep	-----	99.40	100.05	100.05	100.00
Market Hogs (\$/cwt)	Feb	-----	65.85	67.60	66.57	67.10
	Apr	-----	70.45	71.27	70.75	70.90
	May	-----	75.42	75.70	75.67	75.70
	Jun	-----	77.97	78.82	78.95	78.95
	Jul	-----	76.72	77.02	77.12	77.25

Milk Futures, Thursday , January 7, 2009 CME Futures

Month	Class III Close	Class IV Close
January	14.18	14.65
February	13.63	14.85
March	14.09	14.93
April	14.34	14.78
May	14.75	14.85

**Nashville, TN Friday Jan 8, 2009 USDA-TN Dept Market News
Tennessee Video Board Sale and Graded Sale**

**1/7/10 Hodge Video Board sale, Newport, TN
Receipts 37 loads**

Steers-Med & Lg 1-2

1 Ld 650 lbs 91.00 TN
8 Lds 725-785 lbs 85.60-90.00 TN, NC, GA
13 Lds 800-875 lbs 84.80-91.00 mostly 86.90-90.20 TN, NC, GA, SC
2 Lds 900 lbs 85.90 NC

Holstein Steers Lg 3

Heifers-Med & Lg 1-2

4 Lds 625-650 lbs 83.00-88.80 TN, GA, NC
8 Lds 750-780 lbs 77.75-84.75 SC, TN, GA, NC
1 Ld 835 lbs 79.75 GA

Mixed Loads Steers & Heifers Med & Lg 1-2

1/05/10 Fayetteville (TLP)

Receipts: 415 (161 Graded and Grouped)

Steers: Med & Lg 1-2	Heifers: Med & Lg 1-2
300-350 lbs	350-400 lbs 88.00-91.00
350-400 lbs	400-500 lbs 87.50-88.00
400-500 lbs 97.00-104.50	500-600 lbs 78.50-86.00
500-600 lbs 92.00-97.00	600-700 lbs 74.00-77.00
600-700 lbs 84.00-85.00	700-800 lbs
700-800 lbs 87.50	

Bulls: Med & Lg 1-2

300-400 lbs 110.50
400-500 lbs
500-600 lbs 86.50-87.50
600-650 lbs 79.50-83.00
700-800 lbs

EAST TENNESSEE LIVESTOCK CENTER JANUARY 6, 2010

1 load out of 75 heifers, est. wt. 725 lbs., range 675 to 775 lbs., \$.04 slide up if over 726 lbs., 100% M-1, med flesh, 100% Blck/BWF, wormed, selling with 2% shrink. Price: \$86.00

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

NLPA To Hold Annual Meeting in Nashville (National Livestock Producers Association, 1/6) – The National Livestock Producers Association’s Board of Directors will meet at the Sheraton Nashville Downtown in Nashville, Tenn., from Jan. 18 -20. The meeting is being held in conjunction with the American Sheep Industry Association.

In addition to electing officers for the year, the group will tour the new Columbia Livestock Center as guests of the Tennessee Livestock Producers. Scheduled speakers include Marlis Carlson from the National Council of Farmer Cooperatives and Dr. Emmit Rawls of the University of Tennessee. For more information about the meeting, please contact Scharee Atchison, NLPA Director of Operations, at 800-237-7193

One Health Initiative Center Stage at NIAA’s 2010 Annual Meeting (National Institute for Animal Agriculture, 01/04) -- “One Health: Implications for Animal Agriculture” is the theme of the 2010 Annual Meeting of the National Institute for Animal Agriculture (NIAA), March 15-17 in Kansas City, Mo. “One Health is a worldwide initiative focused on the interdependencies of human, animal and ecosystem health, and, with this concept comes significantly expanded roles and expectations placed on animal agriculture and professionals within animal agriculture,” states Dr. Tony Forshey, co-chair of NIAA’s Annual Meeting. “The general sessions and committee meetings at NIAA’s Annual Meeting will explore how the initiative may impact the various species and segments within production animal agriculture and animal health management.” A schedule of events for NIAA’s 2010 annual meeting, meeting registration, list of NIAA committees and hotel information are available at the NIAA website:

www.animalagriculture.org. Individuals are also welcome to call NIAA at (719) 538-8843 for information.

USDA Climate Bill Analysis: Ag Gains (Delta Farm Press, 12/31) -- Agriculture Secretary Tom Vilsack says he understands the concerns some have expressed over a computer model that shows major losses of cropland to forestry as a result of the cap-and-trade legislation pending in Congress. But Vilsack says he doesn’t believe the results from the afforestation forecast by the Forest and Agricultural Sector Optimization Model developed by researchers at Texas A&M are “necessarily an accurate depiction of the impacts of climate legislation.”

USDA Enhances Integrity and Defensibility of Farm Programs and Streamlines Payment Limits for Family Farmers (USDA, 12/31) -- Agriculture Secretary Tom Vilsack today announced that USDA is partnering with the Internal Revenue Service to reduce fraud in farm programs and streamlining payment limits for family farmers. The actions are intended to strengthen the integrity and defensibility of USDA farm safety net programs and help the agricultural industry to meet requirements included in the 2008 Farm Bill.

Congressional Inaction Creating Estate Planning Uncertainty (Livestock Marketing Assn., 1/5) -- Lack of final Congressional action on the federal estate tax is creating uncertainty for families, farmers, and small businesses. Here's a brief look at the situation: In early December, the U.S. House approved the Permanent Estate Tax Relief Bill which would have capped the estate tax at its current 45 percent rate on estates larger than \$3.5 million, and \$7 million per couple. However, the Senate did not have the 60 votes necessary to pass the bill. That means that unless there's last-minute Congressional action, for the first time in decades, the estate tax will drop to zero on Jan. 1, 2010.

But during the year without an estate tax, many smaller estates, under the above threshold would be subject to major tax changes in 2010, including the repeal of the estate and generation-skipping transfer tax; retention of the gift tax with a \$1 million exemption, and repeal and replacement of the stepped-up basis, which allows estate executors to increase the basis of estate property up to \$1.3 million, or \$3 million in the case of property passing to a spouse.

USDA Seeks Proposals for Federal-State Marketing Improvement Funds (Meatingplace.com, 12/31) -- The U.S. Department of Agriculture has invited state departments of agriculture, state agricultural experiment stations and other state agencies to submit proposals that help to market, transport and distribute United States-produced food and agricultural products domestically and internationally. Selected proposals will be funded through the Federal-State Marketing Improvement Program (FSMIP). The FSMIP is a matching grant program administered by the Agricultural Marketing Service, with funds allocated on the basis of one round of competition. USDA is particularly interested in proposals that involve collaboration among the states, academia, producers and other stakeholders and in proposals that have state, regional or national significance. Federal funds awarded to any project must be matched by non-federal funds or in-kind resources.

Endangered Species Act Ruling Threatens Food Production (American Agri-Women, 01/02) -- Judging from the varied reactions of viewers watching last Sunday's 60 Minutes TV segment, "California: Running Dry", the state's three-year-drought is more complicated than simply the weather, according to the president of a national coalition of farm and ranch women. "If you look at comments on the CBS website, you can see how emotional people are," said Chris Wilson, president of American Agri-Women. "But if people studied the facts of this case, they would see the devastating effects of the Endangered Species Act on not only rural people but Americans everywhere, not just California, because these farmers feed the world."

Wisconsin Premises ID Case Goes to the Judge (Brownfield, 12/30) -- That court challenge to Wisconsin's premises registration law is now in the hands of the judge. Clark County District Attorney Darwin Zwieg has filed his final brief in the case against an old order Amish farmer for failing to comply with the state's required registration. Emanuel Miller says premises ID will eventually lead to animal ID which is against his Amish beliefs. Circuit Court Judge Jon Counsell has been hearing arguments in the case for three months and now must determine the constitutionality of the law.

Intensive Efforts Continue toward Restoring Russian Market Access for U.S. Pork (U.S. Meat Export Federation, 01/04) -- Over the past 14 months, Russia has been effectively closing its doors to U.S. pork by delisting nearly 30 processing plants. Paul Clayton, U.S. Meat Export Federation senior vice president for export services, explains that with only a handful of small U.S. facilities still eligible to export to Russia, the situation is every bit as damaging as a full market closure. Clayton says USMEF is working with pork industry organizations and several agencies of the U.S. government to restore access to Russia for U.S. pork, and that the issue is considered a top priority by all parties involved. Through October 2009, U.S. pork exports to Russia declined by more than 40 percent compared to the same period in 2008, due in part to limited market access.

RFID Deadline Extended for Tagging Alberta Cattle (Manitoba Cooperator, 01/02) -- Alberta's cattle producers will have until individual cattle are 10 months old to apply radio frequency identification (RFID) tags to their animals, starting March 1. The provincial government said last week that it would repeal its *Traceability Livestock Identification Regulation* and replace it with a new *Traceability Cattle Identification Regulation* taking effect March 1, 2010. The new rules will also expand the reporting requirements for move-in information to include some smaller feedlots. Under the new regulations, cattle producers get 10 months, up from eight months, from an animal's birth date to apply its industry-approved RFID tag and register the animal's birth date.

Joint Statement from USTR, USDA on Taiwan's Actions to Unjustifiably Restrict U.S. Beef Imports in Violation of our

Bilateral Agreement (USDA, 1/5) -- The Office of the United States Trade Representative and the U.S. Department of Agriculture today released a statement regarding the decision by Taiwan's Legislative Yuan to bar import of some U.S. beef and beef products. The following statement is from Deputy United States Trade Representative Demetrios Marantis and Undersecretary for Farm and Foreign Agricultural Services Jim Miller:

"We are deeply disappointed with the decision by Taiwan's Legislative Yuan to amend the Food Sanitation Act (FSA) to unjustifiably bar the import of certain U.S. beef and beef products.

Melamine Still a Problem in China (Brownfield Network, 01/04) -- Despite imprisonments and executions, it seems melamine contamination is still a problem in China's dairy industry. Citing the official Chinese news agency, the New York Times says officials have closed down the Shanghai Panda dairy and arrested the general manager; deputy general manager and corporate representative after illegally high traces of melamine were found in the company's products. The Wall Street Journal says Shanghai Panda was selling milk powder that had been recalled in 2008 and should have been destroyed. Shanghai Panda was one of the 22 dairies involved in the 2008 melamine scandal which led to the deaths of six infants, hundreds-of-thousands getting sick, a world-wide product recall and the eventual bankruptcy of the state-owned Sanlu dairy. A number of individuals were imprisoned and two were executed for their part in the scandal.

Last month, three people from another dairy company in China were arrested and accused of producing and selling more than 5 tones of melamine tainted milk powder. The Chinese government says none of the tainted powder made it to the market.

Napoleon Livestock Opens New Sale Barn (Bismarck Tribune, 12/26) -- Recently reopened after construction of a new facility, Napoleon Livestock Auction is getting rave reviews from cattle buyers and sellers for its comfort and amenities. Paul Bitz co-owns the barn with his father, George Bitz, brother, Jim Bitz, and Ray Erbele. George Bitz was a long-time auctioneer who used to do six auctions a week, and Erbele was a cattle buyer, purchasing cattle for feedlots through sale barns, for more than 20 years. Paul and Jim Bitz grew up going to sale barns. So the group took "the best things out of a lot of barns" in planning theirs, Paul Bitz said.

Why Would One Support COOL But Not NAIS? (Beef, 12/30) -- The reasons for MCOOL's implementation and the failure to introduce NAIS have been well chronicled in *BEEF*. What mystifies me is how MCOOL supporters pushed so hard for a mandatory program to be imposed on the industry that was likely to produce little benefit, yet many of the same people vociferously opposed a mandatory ID program that appears to be so necessary. Support for one and not the other is contradictory and irrational, to say the least.

Long-time Vegetarians Returning to Beef: Newsweek (Livestock Marketing Assn., 1/5) -- A column in the latest issue of *Newsweek* magazine, titled, "No More Sacred Cows," reports on how some long-time vegetarians are now being called "flexitarians," and are eating some meat. The column refers to beef in particular and notes that the beef may come from specialty production systems – such as grass-fed, "organic," "natural," etc. – that help some former vegetarians feel more comfortable about including it in their diets.

New ISU Web Page Can Help You Manage Livestock Financial Issues (Wallace's Farmer, 12/26) -- At a time when Iowa livestock producers continue to grapple with the tough economy, Iowa State University Extension wants to make it easier for producers to find ISU educational resources they need. The new Web page, "Managing Financial Tough Times for Livestock Producers," at www.extension.iastate.edu/livestock/managingFinancialLivestock.htm, has materials organized on seven sub-pages. They are--Iowa Concern; Ag Decision Maker; Center for Agricultural Law and Taxation; financial management tools specific to beef, dairy and pork producers; and tips to help parents talk to kids about the financial situation. It includes ISU Extension hotlines, spreadsheets, contacts, and information files specific to your livestock species.

Unpacking the HSUS Gravy Train (The Center for Consumer Freedom, 12/30) -- There are only two things certain in life, as the saying goes, and a byproduct of one of them requires nonprofit organizations to file paperwork with the IRS. So now that the deceptively named "Humane Society" of the United States has submitted its "Form 990" for 2008, we thought it was time to take a close look. More detail equals a clearer picture of exactly what HSUS is doing -- and what it's not doing -- with all its money. HSUS reported spending almost \$20 million on "campaigns, legislation, and litigation"—enough to worry any livestock farmer or hunter looking to keep their chosen lifestyle alive. The group collected over \$86 million in contributions, and spent more than \$24 million on fundraising, including \$4 million on professional fundraisers. Think about it: 28 cents of every dollar contributed to HSUS goes back out the door to raise more money. HSUS even paid a single "lockbox" company more than \$4.2 million to count and process its cash hauls. We won't comment on that company's curious "ALF" initials (for Arizona Lockbox & Fulfillment). The bottom line is the same as it ever was: HSUS rakes in millions from unsuspecting Americans who may confuse the animal rights group with an unaffiliated local humane society. And with all this cash flying around, it's no surprise that 41 HSUS employees made at least

\$100,000 last year. All told, HSUS paid out over \$30.9 million in salaries, wages, and other employee compensation.

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