

Tennessee Market Highlights

UF Extension

January 15, 2010

Number :2

Livestock Comments by *Emmit L. Rawls*

Fed cattle sold steady to \$2 higher this week with prices mostly \$84 to \$86 and \$135 to \$137 dressed. The 5 area weighted average prices were \$84.97 live and \$136.91 dressed compared to \$84.17 and \$136.47 a week ago. A year ago prices were \$83.12 and \$135.31. Cattle sold earlier in the week that usual as cutout values surged higher. Cutout values on Thursday compared to a week ago were up \$6.15 on the Choice and \$6.60 on the Select. At midday Friday the Choice cutout was \$145.24 down .19 and the Select was \$139.94 +.08. The Choice Select spread was \$5.30 unchanged from a week ago. Is this an improvement in beef demand or just a weather market? The jury is still out. No doubt the weather has impacted harvest weights and at times movement of cattle to plants. There are some signs of an improving economy, but it is doubtful that is behind this up tick in prices. If cutout values can hold at these levels or higher it would be a clearer indication of some improvement in demand. Feeder steer and heifers were higher on Tennessee auctions this week. Weights under 600 # were cattle \$4 to \$10 higher with heavier cattle firm to \$4 higher. With more open weather and some moderation in temperatures, buyers pushed prices higher for calves suitable for the upcoming grazing season. Prices on Tuesday and Wednesday were no doubt boosted following the sharp drop in corn prices. Slaughter cow prices were \$1 to \$3 higher, while slaughter bulls were \$3 to \$4 higher. Average receipts per sale this week were 655 head compared to 575 last week and 598 a year ago. The anticipated bigger supply of fed cattle for the 1st qtr has yet to dampen market prices.
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Crop comments by *Chuck Danehower*

Corn, cotton, soybeans and wheat prices are all down for the week as the market continues to digest the January 12 USDA report. Fundamentally, the report was bearish for corn and wheat, neutral for soybeans, and neutral to friendly for cotton. For price rallies the commodity market will need help from outside markets which was not providing support today. The March U.S. Dollar before the close is down .24 for the week at 77.43. The Dow Jones Industrial Average before the close was trading at 10,575 down 43 points for the week, but down 135 points for the day. February Crude Oil was trading before the close at 77.93 a barrel, down 4.74 a barrel for the week. Comments on the January 12 USDA report, as well as historical data are posted at <http://economics.ag.utk.edu/outlook.html>. A brief summary of the supply and demand data is at the end of this report.

Corn:

Nearby: March futures closed at \$3.72 a bushel on Friday, down \$0.52 bushel for the week. Support is at \$3.65 a bushel with resistance at \$3.80 a bushel. Weekly exports sales were 12.9 million bushels, below expectations. In its latest report, USDA raised yields to a record 165.2 bushels per acre. This compares to the previous estimate of 162.9 and the trade estimate of 162.5. Tennessee yields were also raised to a record 148 bushels per acre. Demand was raised 140 million bushels with ending stocks projected to be 1.764 billion bushels, an increase of 89 million bushels from December. The trade expected ending stocks to drop.

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Slaughter cows: \$1 to \$3 higher

Slaughter bulls: \$3 to \$4 higher

Feeder steers: Under 600 lbs. \$4 to \$10 higher, over 600 lbs. firm to \$4 higher

Feeder heifers: Under 600 lbs. \$4 to \$10 higher, over 600 lbs. firm to \$4 higher

Fed cattle: 5 area live price of \$84.97 is up \$.80 and the dressed price of \$136.91 is up \$.44

Corn: March futures closed at \$3.72 a bushel on Friday, down \$0.52 bushel for the week

Soybeans: March futures closed at \$9.74 bushel, down \$0.48 bushel for the week

Wheat: March futures contract closed at \$5.10 bushel, down \$0.59 a bushel for the week

Cotton: March futures closed at 72.08 cents/lb. down .36 cents/lb. for the week

Livestock Comments by *Emmit L. Rawls*

Perhaps many of these cattle were pulled ahead with the mild weather conditions last fall. And as just indicated harvest weights will be lower due to the harsh weather conditions. Current price projections by the Livestock Market Information Center are 1st qtr. \$85 to \$87; 2nd qtr. \$87 to \$90; 3rd qtr \$83 to \$87; and 4th qtr. \$87 to \$92. The current increase in the fed cattle and feeder cattle futures provides the opportunity for those needing to manage price risk to lock in a higher price, or buy floor price protection using put options or the Livestock Risk Protection insurance. The latter would give downside protection leaving the door open for higher prices.

TECHNICALLY SPEAKING: based on Thursday's closing prices. February live cattle closed at \$86.65. Support is at \$86.23, then \$85.53. Resistance is at \$86.93, then 87.63. The RSI is 63.32. April live cattle closed at \$90.55. Support is at \$90.04, then \$89.24. Resistance is at \$90.84, then \$91.64. The RSI is 68.37. June live cattle closed at \$87.92. Support is at \$87.15, then \$86.65. Resistance is at \$88.15, then \$88.90. The RSI is 64.58. January feeder cattle closed at \$97.53. Support is at \$97.15, then \$96.30. Resistance is at \$98.00, then \$98.85. The RSI is 69.83. March feeder cattle closed at \$97.95. Support is at \$97.58, then \$96.76. Resistance is at \$98.41, then \$99.23. The RSI is 67.99. May feeder cattle closed at \$99.82. Support is at \$99.30, then \$98.60. Resistance is at \$100.20, then \$101.80. The RSI is 67.99. Friday's closing prices were: Live cattle: Feb \$87.35 +0.70, Apr \$90.52 - 0.02, Jun \$87.92 unchanged, Aug \$87.57 -0.02. Feeder cattle: Jan \$97.97 +0.45, Mar \$98.65 +0.70, Apr \$99.47 +0.67, May \$99.72 -0.10. As you may recall when the Relative Strength Index (RSI) is at or above 70, the market is said to be overbought and can be set back by any negative information. Most of the cattle contracts are near that level. However, strong fundamental supply demand factors can overrule all technical indicators. March corn closed at \$3.71 and ½, down 9 and ½. The lower corn price gives the opportunity to price feed needs by contracting with suppliers. The March corn contract has chart support at the gap at \$3.62. The March corn futures fell 51 cents per bushel from Monday to Friday of this week.

Crop Comments by *Chuck Danehower*

Some of the demand increase may be contributed to low test weight in 2009 corn and an increase in volume to meet current needs. With still an estimated 500 million un-harvested bushels of corn in the field, USDA is anticipating resurveying states where corn harvest was not completed and possibly update production in the March report. It is no doubt that this was a bearish report for corn. There have been some comparisons to January 2009 when the market initially dropped on USDA news, bounced up for a short time, then trended downward. If that should happen this year, expect the bounce to be short lived.

New Crop: The September contract closed at \$3.99, down \$0.47 a bushel for the week. Support is \$3.94 with resistance at \$4.05 a bushel. Projections for 2010 acreage are for an increase in corn, especially with the drop in wheat acres. Demand for corn in ethanol is expected to increase which will necessitate some of the need for increased acreage, but not all. With an increase in ending stocks and potential increase in corn acreage, the corn market will have difficulty trading back to and or maintaining the \$4.30 - \$4.45 level. It may be difficult to maintain the \$4.00 level without weather problems this summer. Corn and soybeans may still compete for acreage in 2010, but this increase in ending stocks will reduce some of the competitiveness. Forward pricing corn futures at \$4.00 or better should seriously be considered. I would increase pricing to 40% for 2010 production at this time. Catch up pricing on any rallies as well as evaluate option strategies.

Cotton:

Nearby: The March futures closed at 72.08 cents/lb. down .36 cents/lb. for the week. Support is at 71.31, resistance at 73.27 cents per pound. Weekly exports sales were above expectations and a marketing year high at 437,000 bales (437,400 bales of upland cotton for 09/10; 3,300 bales of Pima for 09/10 and reductions of 3,700 bales of Pima for 10/11). USDA reduced cotton ending stocks 200,000 bales from December to 4.3 million bales on a cut in production. Nationwide, yields were reduced to 774 pounds, a drop of 8 pounds per acre from December. Tennessee yields were also reduced 34 pounds to 857 pounds per acre. Equities for the 2009 crop were in the 12 cent range. Keep in contact with your cotton buyer for current quotes on loan equities. The Adjusted World Price for January 15 – January 21 is 61.18 cents/lb.

New Crop: The December futures contract closed at 73.73 cents/lb., down .41 cents/lb. for the week. Support is at 72.93 cents per pound, resistance at 74.81 cents per pound. Cotton prices will be sensitive to the strength or weakness in the U.S. Dollar as well as economic recovery news. Acreage is expected to increase in 2010, but some analysts have projected demand to also increase, leaving ending stocks in the next marketing year to be constant or slightly decrease. On rallies to 76 – 78 cents, I would consider pricing cotton for 2010, at least a percentage of the crop. Equities for the 2010 cotton could be booked in the 14 cent range.

Soybeans:

Nearby: March futures closed at \$9.74 bushel, down \$0.48 bushel for the week. Support is at \$9.63 bushel, with resistance at \$9.91 bushel. Weekly exports were about expected at 27.7 million bushels. The National Oilseed Producers Association reported soybean crush at 164.4 million bushels in December, 3.3 million bushels above expectations. Soybean yields in the January 12 USDA report were a record 44.0 bushels per acre compared to the previous estimate of 43.3 and the trade expectations of 43.7 bushels/acre. Tennessee yields were also a record at 45 bushels per acre breaking the previous record by 3 bushels. USDA is also expecting to resurvey soybean acres in areas where soybean production was not completed and update production in March if necessary. Usage was increased 50 million bushels with exports increased by 35 million and soybean crush by 15 million bushels. Ending stocks decreased 10 million bushels to 245 million bushels from USDA's December projection of 255 million bushels. Global ending

stocks were increased 99.6 million bushels to 2.2 billion bushels on the anticipation of a record South American crop. USDA estimated the season average price for the 2009/10 marketing year to range from \$8.90 – \$10.40 bushel.

New Crop: The November contract closed at \$9.42 bushel, down \$0.57 a bushel this week. Support is at \$9.31 with resistance at \$9.61 bushel. The new crop contract will be influenced by China’s intentions. Some analysts are looking for China to continue buying U.S. soybeans as well as South American soybeans to build protein reserves as a matter of national security. If this holds true, export sales should be strong on this recent price break and give support to the market. If that is not China’s intention, then soybean prices could drop back to \$9.00 bushel this winter. With the drop in wheat acres, soybean acreage like corn is expected to increase. I am currently priced 15% for the 2010 soybean crop.

Wheat:

Nearby: The March futures contract closed at \$5.10 bushel, down \$0.59 a bushel for the week. Weekly exports were 6.7 million bushels, below expectations. USDA raised ending stocks 76 million bushels for the current marketing year projecting them at a burdensome 976 million bushels. This was on lower expected domestic use and exports. Seed use is lowered 6 million bushels based on the 37.1 million acres reported in the Winter Wheat Seedings report. This planted acreage is down 14% and the lowest since 1913. Tennessee reduced its wheat acreage 140,000 acre, planting 290,000 acres. Exports are projected at 825 million bushels, a reduction of 50 million bushels from last month and the lowest since 1971/72. The current pace suggests exports will have to be reduced further in future reports. U.S. is overpriced in the world market. World ending stocks also increased 172 million bushels to 7.2 billion bushels. The season average price is projected to range from \$4.70 - \$5.00 bushel.

New Crop: The July 2010 futures closed at \$5.35 bushel, down \$0.56 bushel for the week. Support is at \$5.01 with resistance at \$5.63 a bushel. Despite the fact that winter wheat seedings dropped 6.2 million acres from 2009 and are lower than expected, the fundamentals of wheat are still bearish. It will be difficult for wheat prices to make another run at \$6.00. It will have to have help from corn and soybeans, weaker dollar, fund buying interest and probably weather problems in a wheat growing area or country. Wheat has considerable downside risk. I would currently have up to 20% of the 2010 wheat crop priced. I expect lower prices this summer, but I am hesitant to price more at the current growing stage. Put options could be used to set a floor price and leave an upside. A July \$5.40 put option would cost \$0.45 a bushel and set a \$4.95 futures floor. There are other option strategies that could lessen the cost of the put, but would require a margin account.

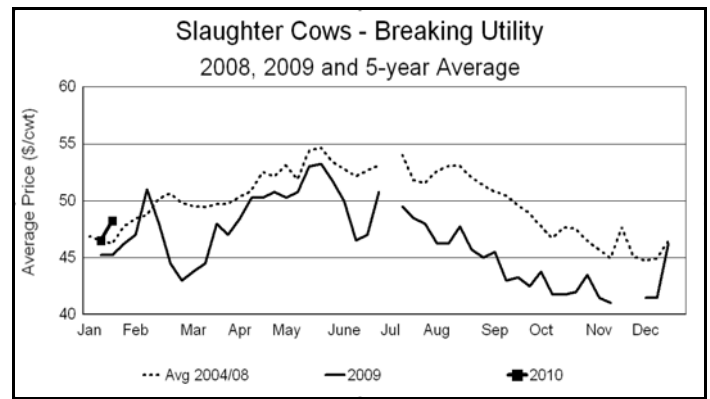
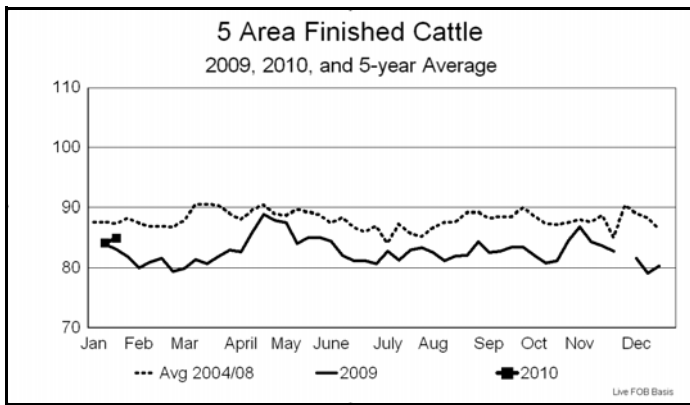
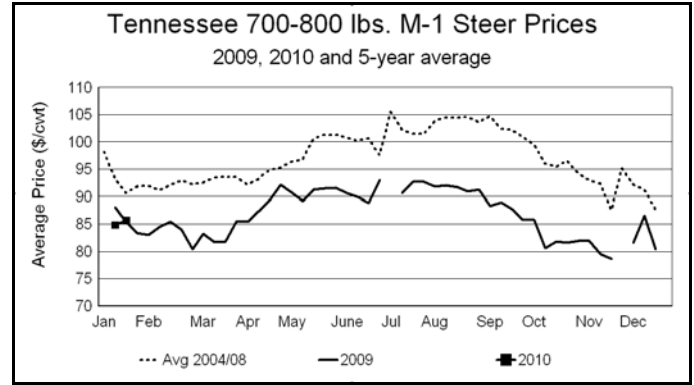
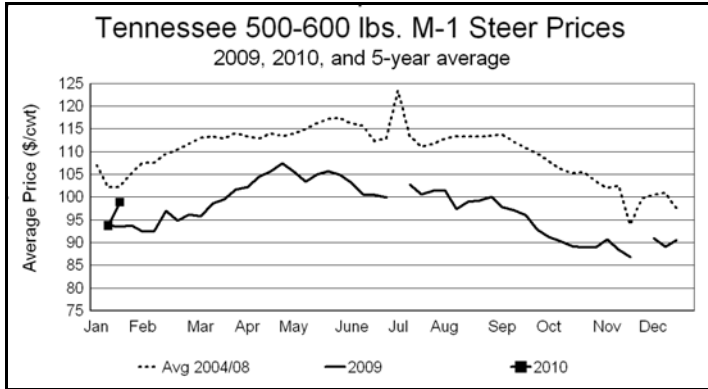
USDA U.S. 2009/10 Projected Supply & Demand (01/12/10)

	Wheat	Corn	Soybeans	Cotton
Planted (mil. acres)	59.1	86.5	77.5	9.15
Harvested (mil. acres)	49.9	79.6	76.4	7.69
Yield per acre	44.4 bu.	165.2 bu.	44.0 bu.	774 lbs.
Production (mil. bu. or bales)	2,216	13,151	3,361	12.4
Beg. Stocks	657	1,673	138	6.34
Imports	110	10	8	0.01
Supply	2,983	14,834	3,507	18.74
Total Domestic Use	1,182	11,020	1,887	3.40
Exports	825	2,050	1,375	11.0
Total Use	2,007	13,070	3,262	14.40
Ending Stocks(mil. bu. or bales)	976	1,764	245	4.30
Projected Season Avg. Price	\$4.85 bu.	\$3.70 bu.	\$9.65 bu.	\$0.61 lb.
Stocks/Use	48.6%	13.5%	7.5 %	29.9%

PRICES ON 8 TENNESSEE REPORTED LIVESTOCK AUCTIONS (\$/cwt)
January 15, 2010

	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.	104.50	135.00	118.64	110.76	108.85
400-500 lbs.	95.50	120.00	109.20	102.65	100.41
500-600 lbs.	88.00	111.50	98.89	93.75	93.54
600-700 lbs.	81.00	102.00	90.23	87.22	88.01
700-800 lbs.	77.00	90.00	85.69	84.86	85.32
<u>Steers: Small Frame #1-2</u>					
300-400 lbs.	78.00	123.00	108.91	96.31	96.68
400-500 lbs.	86.50	92.00	89.21	88.13	89.64
500-600 lbs.	75.00	85.00	81.89	86.50	73.29
600-700 lbs.	74.00	80.00	75.64	69.24	63.30
<u>Steers: Medium/Large Frame #3</u>					
300-400 lbs.	95.00	122.50	107.41	103.02	98.07
400-500 lbs.	90.00	105.00	99.24	92.32	89.40
500-600 lbs.	76.00	94.00	88.80	85.42	83.20
600-700 lbs.	77.00	88.00	81.78	78.86	77.30
700-800 lbs.	68.00	82.00	76.80	77.10	72.83
<u>Holstein Steer</u>					
300-400 lbs.	61.00	61.00	61.00	-----	61.02
500-600 lbs.	64.00	76.00	73.42	62.73	56.00
700-800 lbs.	56.50	56.50	56.50	60.19	52.99
<u>Slaughter Cows</u>					
Breaking Utility	43.00	53.50	48.25	46.50	45.25
Cutter & Boning	42.50	52.50	47.50	44.75	44.50
Canner	34.00	47.50	40.75	39.00	37.50
Bull YG 1-2	54.50	68.00	61.25	56.50	56.00
<u>Heifers: Medium/Large Frame #1-2</u>					
300-400 lbs.	85.00	110.00	97.24	90.33	90.12
400-500 lbs.	80.00	103.00	91.55	86.60	85.61
500-600 lbs.	76.00	96.00	86.03	81.27	81.78
600-700 lbs.	72.50	86.00	80.09	77.22	77.36
<u>Heifers: Small Frame #1</u>					
300-400 lbs.	75.00	89.00	82.79	70.54	81.10
400-500 lbs.	63.00	87.50	78.06	70.54	71.90
500-600 lbs.	63.00	83.50	73.78	68.52	69.52
600-700 lbs.	65.00	74.00	70.36	62.24	69.89
<u>Heifers: Medium/Large Frame #3</u>					
300-400 lbs.	70.00	93.00	83.89	82.66	82.24
400-500 lbs.	70.00	92.00	84.05	79.61	78.46
500-600 lbs.	69.50	88.00	80.08	74.06	74.86
600-700 lbs.	70.00	76.00	72.78	70.14	73.59

Cattle Receipts: This week: (8) 5,244 Week ago: (8) 4,600 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	425,250	401,250	425,500	106%	100%
Cattle	126,500	123,500	121,250	102%	104%

USDA Box Beef Cutout Value (\$/cwt)

	Thursday	Week ago	Year ago	Change from week ago	Change from year ago
Choice 1 - 3					
600-900 #	145.19	140.74	150.75	4.45	-5.56
Select 1 - 3					
600-990 #	139.92	135.24	143.62	4.68	-3.7

FUTURES SETTLEMENT PRICES
Crops & Livestock
Friday, January 8 , 2010 - Thursday, January 14, 2010

Commodity	Contract Month	Fri. 8	Mon. 11	Tues 12	Wed. 13	Thurs. 14
Soybeans (\$/bu)	Jan	10.13	10.02	9.69	9.83	-----
	Mar	10.22	10.10	9.78	9.92	9.84
	May	10.28	10.17	9.86	10.00	9.91
	Jul	10.32	10.23	9.93	10.60	9.96
	Aug	10.28	10.19	9.89	10.01	9.90
	Sep	10.12	10.03	9.76	9.86	9.73
Corn (\$/bu)	Mar	4.23	4.22	3.92	3.84	3.81
	May	4.33	4.33	4.03	3.95	3.92
	Jul	4.42	4.41	4.11	4.04	4.01
	Sep	4.46	4.45	4.15	4.12	4.08
	Dec	4.49	4.47	4.17	4.19	4.15
	Mar	4.58	4.56	4.26	4.29	4.26
Wheat (\$/bu)	Mar	5.68	5.72	5.36	5.37	5.28
	May	5.81	5.85	5.49	5.50	5.41
	Jul	5.90	5.94	5.59	5.61	5.51
	Sep	6.04	6.08	5.73	5.76	5.66
	Dec	6.27	6.31	5.96	5.99	5.90
Soybean Meal (\$/ton)	Jan	307	305	295	301	290
	Mar	298	296	286	292	284
	May	293	291	281	286	283
	Jul	293	291	282	287	281
	Aug	292	290	281	285	278
	Sep	289	287	279	283	271
Cotton (¢/lb)	Mar	72.44	74.24	72.79	73.43	72.91
	May	73.61	75.40	73.96	74.62	74.08
	Jul	74.27	76.16	74.92	75.56	75.11
	Oct	73.97	75.36	74.31	74.66	74.31
	Dec	74.14	75.32	74.52	74.60	74.31
Choice Fed Cattle (\$/cwt)	Feb	85.82	85.05	85.45	85.70	86.65
	Apr	89.80	89.22	89.22	89.70	90.55
	Jun	88.02	87.70	87.65	87.45	87.92
	Aug	87.82	87.67	87.72	87.37	87.60
	Oct	90.07	89.97	90.00	89.95	90.22
Feeder Cattle (\$/cwt)	Jan	96.35	96.27	97.80	97.30	97.52
	Mar	96.65	96.40	98.30	97.57	97.95
	Apr	97.60	97.50	99.27	98.75	98.80
	May	98.60	98.32	99.97	99.37	99.82
	Aug	99.90	99.57	101.22	100.50	101.00
	Sep	99.95	99.42	100.80	100.70	101.05
Market Hogs (\$/cwt)	Feb	67.25	66.67	66.40	68.97	69.05
	Apr	71.42	71.30	71.02	73.32	72.75
	May	75.95	75.62	75.55	77.00	76.62
	Jun	79.47	79.35	78.97	80.37	80.02
	Jul	77.75	77.77	77.40	78.20	78.20

Milk Futures, Thursday , January 14, 2009 CME Futures

Month	Class III Close	Class IV Close
January	14.35	14.49
February	13.92	14.51
March	14.32	14.70
April	14.48	14.72
May	14.88	14.87

EAST TENNESSEE LIVESTOCK CENTER JANUARY 13, 2010

1 load out of 102 heifers, est. wt. 675 lbs., range 625 to 725 lbs., selling with \$.04 slide up if over 676 lbs., 95% M-1, 5% M-2, med flesh, 50% Black & BWF, 45% ChaX & Smoky, 5% Red & RWF, wormed, no implants, hauled 20 miles to barn, selling with 1% shrink. Price: \$87.50

1 load out of 83 heifers, est. wt. 690 lbs., range 640 to 740 lbs., \$.04 slide up if over 691 lbs., 95% M -1, 5% M-2, med flesh, 90% Black & BWF, 10% ChaX & Smoky, wormed and implanted, hauled 20 miles to barn, selling with 1% shrink. Price: \$87.20

1 load out of 214 heifers, est. wt. 700 lbs., range 640 to 750 lbs., \$.04 slide up if over 701 lbs., 100% M-1, med flesh, 90% Black & BWF, 7% ChaX & Smoky, 3% Red/Rwf, wormed, no implants, hauled 25 miles to barn, selling with a 1% shrink. Price: \$87.60

1 load out of of 85 heifers, est. wt. 710 lbs., range 640 to 790 lbs., \$.04 slide up if over 711 lbs., 100% M -1, med flesh, 80% Black & BWF, 20% ChaX 7 Smoky, wormed and implanted, hauled 8 miles to barn, selling with 1% shrink. Price: \$87.35

1 load out of 80 holstein, est. wt. 800 lbs., range 725 to 875 lbs., \$.04 slide up if over 801 lbs., 90% #1, 10% #2, med flesh, wormed and implanted, hauled 8 miles to barn, selling with a 1% shrink. Price: \$70.75

**Nashville, TN Thursday Jan 14, 2010 USDA-TN Dept Market News
Tennessee Video Board Sale and Graded Sale****1/13/10 McMinnville- Graded Sale****Receipts: 1,162, Prices for Blk, Bwf and Char X only**

Steers: Med and Lg 1	Heifers: Med & Lg 1
300-350 lbs 112.50	300-350 lbs
350-400 lbs 106.50-111.00	350-400 lbs 93.00-94.00
400-450 lbs 100.50-113.50	400-450 lbs 86.00-87.00
450-500 lbs 112.00-115.00	450-500 lbs 86.50 J
500-550 lbs 106.10-111.50	500-550 lbs 87.00-87.75
550-600 lbs 93.00-96.75	550-600 lbs 84.75-85.00
600-700 lbs 90.00-91.75	600-700 lbs 82.00-85.00
700-850 lbs 88.20-89.00	700-850 lbs 82.75-85.25
850-950 lbs 82.00-83.00	850-950 lbs 73.00
Steers: Med & Lg 2	Heifers: Med & Lg 2
300-350 lbs 111.50-115.00	300-350 lbs 92.00-100.00
350-400 lbs 111.50	350-400 lbs 92.50-100.00
400-450 lbs 96.00-107.75	400-450 lbs 83.50-88.50
450-500 lbs 97.00-100.50	450-500 lbs 85.00-87.00
500-600 lbs 90.50-95.00	500-600 lbs 82.00-89.00
600-700 lbs 80.00-88.50	600-700 lbs 73.50-86.75
700-850 lbs 84.50-88.70	700-850 lbs 84.00-84.25

1/12/10 Fayetteville (TLP)

Receipts: 457 (271 Graded and Grouped)

Steers: Med & Lg 1-2 Heifers: Med & Lg 1-2
 300-350 lbs 350-400 lbs 103.50
 350-400 lbs 400-500 lbs 90.50-97.50
 400-500 lbs 104.50-110.00 500-600 lbs 81.00-91.00
 500-600 lbs 93.50-99.50 600-700 lbs 79.50-87.00
 600-700 lbs 88.00-94.00 700-800 lbs 78.50-82.50
 700-800 lbs 85.00-91.00
 887-909 lbs 79.00-84.00

Bulls: Med & Lg 1-2
 300-400 lbs
 400-500 lbs 100.50-108.00
 500-600 lbs 94.50
 600-650 lbs 83.00-89.50
 700-800 lbs 74.50-80.00

Weighted Average Monthly Prices on Tennessee Auctions													
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Year to Date Average</u>
Fed Steers (Kansas)													
2008	<u>91.45</u>	<u>92.02</u>	<u>89.42</u>	<u>89.19</u>	<u>94.08</u>	<u>94.78</u>	<u>97.62</u>	<u>99.35</u>	<u>98.59</u>	<u>91.94</u>	<u>90.88</u>	<u>84.61</u>	<u>92.83</u>
2009	<u>82.35</u>	<u>81.74</u>	<u>82.22</u>	<u>86.39</u>	<u>84.54</u>	<u>81.85</u>	<u>82.76</u>	<u>82.80</u>	<u>84.13</u>	<u>83.89</u>	<u>84.17</u>	<u>81.55</u>	<u>83.20</u>
700-800 lbs. Steers													
2008	<u>87.03</u>	<u>92.85</u>	<u>88.45</u>	<u>90.68</u>	<u>97.80</u>	<u>97.58</u>	<u>97.68</u>	<u>101.14</u>	<u>94.11</u>	<u>84.16</u>	<u>81.28</u>	<u>76.30</u>	<u>90.76</u>
2009	<u>85.35</u>	<u>83.86</u>	<u>83.13</u>	<u>89.82</u>	<u>90.97</u>	<u>90.31</u>	<u>91.85</u>	<u>91.18</u>	<u>87.38</u>	<u>81.55</u>	<u>80.43</u>	<u>80.06</u>	<u>86.32</u>
600-700 lbs. Steers													
2008	<u>90.25</u>	<u>100.87</u>	<u>96.87</u>	<u>96.75</u>	<u>102.43</u>	<u>102.03</u>	<u>100.12</u>	<u>103.42</u>	<u>96.59</u>	<u>86.81</u>	<u>82.37</u>	<u>78.02</u>	<u>94.71</u>
2009	<u>87.39</u>	<u>87.54</u>	<u>91.25</u>	<u>97.79</u>	<u>98.69</u>	<u>94.83</u>	<u>97.28</u>	<u>94.39</u>	<u>90.35</u>	<u>83.99</u>	<u>83.48</u>	<u>83.31</u>	<u>90.86</u>
500-600 lbs. Steers													
2008	<u>98.08</u>	<u>110.45</u>	<u>108.97</u>	<u>103.62</u>	<u>107.62</u>	<u>106.62</u>	<u>102.36</u>	<u>106.11</u>	<u>99.35</u>	<u>92.38</u>	<u>87.69</u>	<u>82.39</u>	<u>100.47</u>
2009	<u>93.32</u>	<u>96.00</u>	<u>99.87</u>	<u>105.44</u>	<u>104.92</u>	<u>101.03</u>	<u>101.54</u>	<u>99.80</u>	<u>94.68</u>	<u>89.51</u>	<u>89.02</u>	<u>90.17</u>	<u>97.11</u>
400-500 lbs. Steers													
2008	<u>107.87</u>	<u>121.28</u>	<u>117.59</u>	<u>109.96</u>	<u>112.76</u>	<u>109.47</u>	<u>105.87</u>	<u>110.58</u>	<u>106.09</u>	<u>99.08</u>	<u>94.73</u>	<u>88.72</u>	<u>107.00</u>
2009	<u>100.75</u>	<u>102.78</u>	<u>104.77</u>	<u>109.82</u>	<u>110.42</u>	<u>106.82</u>	<u>107.10</u>	<u>104.67</u>	<u>101.20</u>	<u>96.09</u>	<u>97.70</u>	<u>99.30</u>	<u>103.45</u>
300-400 lbs. Steers													
2008	<u>117.40</u>	<u>127.95</u>	<u>124.80</u>	<u>116.21</u>	<u>117.65</u>	<u>115.27</u>	<u>110.97</u>	<u>116.97</u>	<u>115.37</u>	<u>107.13</u>	<u>105.04</u>	<u>97.85</u>	<u>114.38</u>
2009	<u>108.92</u>	<u>108.74</u>	<u>110.37</u>	<u>115.42</u>	<u>117.52</u>	<u>113.49</u>	<u>113.39</u>	<u>110.92</u>	<u>109.54</u>	<u>105.60</u>	<u>106.89</u>	<u>109.57</u>	<u>110.86</u>
Utility Cows													
2008	<u>46.47</u>	<u>53.89</u>	<u>52.19</u>	<u>53.16</u>	<u>56.81</u>	<u>58.45</u>	<u>57.26</u>	<u>56.90</u>	<u>54.97</u>	<u>49.77</u>	<u>45.34</u>	<u>42.68</u>	<u>52.32</u>
2009	<u>46.39</u>	<u>45.78</u>	<u>46.63</u>	<u>50.25</u>	<u>53.00</u>	<u>49.05</u>	<u>48.37</u>	<u>46.19</u>	<u>43.84</u>	<u>42.50</u>	<u>40.94</u>	<u>43.63</u>	<u>46.38</u>

Source: USDA/Tennessee Department of Agriculture Market News Service

****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 Livestock Disaster Payments Exceed \$175 Million (USDA, 1/7) -- Agriculture Secretary Tom Vilsack said today that USDA has already made more than \$175 million in disaster payments to America's livestock producers after implementing two new programs in 2009, demonstrating USDA's commitment to rapidly meeting the goals of Congress and providing farmers and ranchers with timely and effective disaster assistance.

USDA Rethinks Climate Analysis (Pork, 01/04) -- USDA Secretary Tom Vilsack has requested a review on climate change analysis models being used to calculate the impacts of climate legislation on agriculture, according to Meatingplace.com. The request arises from the concern that too many farmers and ranchers converting land to forest could take too much land out of food production.

Currently the Environmental Protection Agency is using the FASOM model developed at Texas A&M University which projects proposed legislation would raise crop prices because landowners would be encouraged to convert up to 59 million acres of farmland into forests over the next 40 years.

NY Congresswoman Wants Livestock Rules Revisited (Brownfield, 1/8) -- New York congresswoman Louise Slaughter says Russia’s decision to ban imports of American pork and poultry should be a wake-up call to U.S. farmers. According to a farmfutures.com report, Slaughter, who is sponsoring legislation that would phase out the non-therapeutic use of antibiotics in food-producing animals, has called on Ag Secretary Vilsack to revisit current laws with respect to livestock safety. She says she wants to ensure that American farmers are not—in her words—further harmed by poorly considered rules.

Secretary Vilsack Announces Members of the Dairy Industry Advisory Committee; Diverse Group to Advise USDA on Long Term Solutions to Issues Facing Struggling Dairy Industry (USDA, 1/6) -- Agriculture Secretary Tom Vilsack today announced the appointment of 17 members to a federal Dairy Industry Advisory Committee. Over the next two years, the committee will review the issues of farm milk price volatility, dairy farmer profitability and consolidation, and offer suggestions on ways USDA can best address the needs of a struggling dairy industry. Representatives will include: producers and producer organizations, processors and processor organizations, handlers, consumers, academia, retailers, and state agencies involved in organic and non-organic dairy at the local, regional, national, and international levels.

Still No Final Congressional Action on Estate Tax Law (Livestock Marketing Assn. 1/13) -- Here’s a summary update on Congressional action – and inaction – so far on the federal estate tax: Last month, the U.S. House passed a permanent extension of the estate tax at 2009 rates, which carries a \$3.5 million exemption for individuals, and \$7 million for couples, while taxing the rest of the value of the estate at 45 percent. However, after some wrangling in the Senate, that body failed to take action on estate tax legislation as it wrapped up its 2009 business.

Therefore, the estate tax expired on Jan. 1 for one year only. On Jan. 1, 2011, unless Congress acts, the estate tax will come roaring back, with a very low \$1 million exemption, with anything above that figure taxed at 55 percent. However, most Congressional

observers predict the Senate will take action early this year. What shape any final bill will take is obviously unknown at this time. The best advice for anyone with an estate plan is to meet with a qualified professional to re-evaluate that plan.

Climate Bill, Federal Debt Top Concerns of AFBF Delegates (American Farm Bureau, 1/12) -- Delegates at the 91st American Farm Bureau Federation annual meeting voted to oppose cap-and-trade climate legislation and to support balancing the federal budget over the next eight years.

The delegates approved a special resolution stating that cap-and-trade legislation would raise farmers' and ranchers' production costs, and the potential benefits of agricultural offsets are far outweighed by the costs to producers. Due to these and other concerns, the delegates strongly opposed "cap and trade proposals before Congress" and supported "any legislative action that would suspend EPA's authority to regulate greenhouse gases under the Clean Air Act."

Bill Back Horse Slaughterhouses (CattleNetwork.com, 1/12) -- A Greene County lawmaker wants to make the slaughtering of horses for human consumption legal in Missouri. But state Rep. Jim Viebrock has a lot of hurdles to clear.

Viebrock, R-Republic, is sponsoring state legislation aimed at bypassing a federal ban on meat inspectors working in horse slaughtering plants by getting processors to pay for the inspections.

In September 2006, Congress barred any federal funds from being spent by the U.S. Department of Agriculture (USDA) on inspecting the nation's three remaining horse slaughtering plants in Illinois and Texas -- effectively putting them out of business. But Congress did not outright ban the slaughter of horses and shipping the meat overseas to markets in Europe and Asia, where the meat is a delicacy. Viebrock said the proposed legislation would create state-level USDA inspectors by allowing the Missouri Department of Agriculture to levy inspection fees on slaughterhouses. The state's Department of Agriculture would pass those fees onto USDA, requiring no federal funds, he said.

American Meat Institute Tells U.S. Trade Representative that Mandatory Country-of-Origin Labeling Violates International Trade Obligations (American Meat Institute, 1/8) -- The American Meat Institute (AMI) today told the Office of the U.S. Trade Representative that mandatory country-of-origin labeling (COOL) violates the United States' international trade obligations for many reasons and that the U.S. must honor these obligations. The comments were provided in response to a December 4, 2009, Federal Register Notice. Canada and Mexico in late 2009 filed a case against the United States with the World Trade Organization (WTO), a move that came as no surprise given those countries' outspoken opposition to the labeling law when it was under consideration by Congress. In comments, AMI Senior Vice President of Regulatory Affairs and General Counsel Mark Dopp said that equitable enforcement of international trade rules is a high priority for everyone and that all too often, market access for U.S. meat products has been threatened or cut off with little or no legitimate justification.

Two Years Of Work In Taiwan Goes Up In Smoke (Beef, 1/8) -- Taiwan announced this week that it would reverse its position on the bilateral trade protocol it had just agreed to after two years of long and hard negotiations. The border won't be closed, but new and additional restrictions will make it far more difficult to access the market.

Sadly, as increasingly has been the case, this has nothing to do with science or legitimate safety concerns; it's just politics. In denouncing Taiwan's position, Gregg Doud, National Cattlemen's Beef Association (NCBA) chief economist, said, "In our view, the issues expressed by politicians in Taiwan have absolutely no basis in scientific fact and fly in the face of Taiwan's own risk assessment. To suggest that there are any safety concerns related to U.S. beef is outrageous." He went on to point out that "the agreement would have brought Taiwan into compliance with science-based World Organization for Animal Health (OIE) guidelines, and that U.S. beef producers are sick and tired of being used as a political football."

International Year of Biodiversity: Farmers Say That Conserving Biodiversity is a Shared Responsibility (International Federation of Agricultural Producers, 1/12) -- Monday, January 11th, marked the launch of the **International Year of Biodiversity** under the theme Biodiversity is Life – Biodiversity is Our Life. It is a theme of critical interest to farmers throughout the world since biodiversity and agriculture are interdependent; both are also key elements to address climate change and food security. Conserving biodiversity is a shared responsibility of stakeholders worldwide, and farmers are willing to do their part.

The International Federation of Agricultural Producers (IFAP) will be highlighting, throughout this year, the crucial role played by farmers to conserve ecosystems. IFAP will also be challenging national governments and the international community to put in place programs to help secure the planet's biodiversity, while at the same time, ensuring that farmers have the necessary tools to increase food production by 70 percent by 2050 to feed a growing world population.

Big Fines for Farmers Who Let Their Livestock Starve (New Zealand Herald, 1/12) -- North Canterbury farmer John Dalmer

has been fined \$17,500 and ordered to pay court and inquiry costs of more than \$60,000 for letting his stock starve. Ministry of Agriculture and Forestry (MAF) and animal welfare officials visited Dalmer's farm in July 2006 after a complaint about the lack of feed for nearly 4000 sheep. They said the animals were "grossly underfed". Four cattle and 380 sheep had to be euthanised. Dalmer's case was one of two MAF prosecutions last year over mistreatment of livestock.

MAF got 689 complaints about the mistreatment of livestock in the first 10 months last year, resulting in 615 investigations. It said prosecutions, of which there were two last year and none in 2008, were a last resort. It generally focuses on educating and working with farmers.

South St. Paul / Livestock Schemes End in Tax Case (TwinCities.com, 1/13) -- A Randolph, Minn., cattleman once suspected of faking up to \$2.6 million in livestock sales and pocketing the proceeds was ordered Tuesday to pay back less than one-tenth of that amount. The alleged schemes unfolded over a matter of years at the Central Livestock Association's two South St. Paul auction houses, costing the association a pretty penny while one of its most trusted employees enjoyed the highlife in Las Vegas with his spouse.

Barry May appeared in Dakota County District Court to be sentenced to nine months in jail for tax fraud, staggered over the course of five years. If he complies with the terms of probation, he'll have the chance to spend more than half that time on electronic home monitoring. May, 46, is the owner of May's Calf Farm in Randolph. Calls to his home were not returned Tuesday. Hampered by a complicated paper trail, prosecutors said they were unable to pull together enough records to charge May with theft. Instead, the Dakota County attorney's office in March charged May and his wife with four counts of filing a fraudulent tax return and four counts of underpaying taxes.

Farmers Fight Back Against Animal Rights Groups (Ag Weekly, 1/12) -- It's little wonder that farmers fret about the future of the livestock industry. In the past two years, feed costs skyrocketed, pork and dairy prices plummeted, and animal rights groups stepped up efforts to improve living conditions for farm animals.

Some farmers are hoping to strike back with proactive efforts to ward off unwanted legislation and boost the struggling industry. "A line must be drawn between our polite and respectful engagement with consumers and how we must aggressively respond to extremists who want to drag agriculture back to the day of 40 acres and a mule," said Bob Stallman, president of the American Farm Bureau Federation.

"The time has come for us to face our opponents with a new attitude," he told some 5,000 members gathered in Seattle for the group's annual convention Sunday. "The days of their elitist power grabs are over."

Long-time West Side Auction Yard Back in Business (West Side Connect, 1/10) -- The rhythmic beat of an auctioneer's chant rang out through the sale arena at West Side Auction Monday morning, music to the ears of dozens on hand for the reopening of the long-time livestock yard. The grand opening of the Highway 33 auction yard was in part the launch of a new business venture for the partnership which also operates Turlock Livestock, and part reunion for many on hand whose ties to the local yard span decades and generations. The venture is being operated by the Cozzitorto family in partnership with Max Oliveira and Steve Faria. The same group operates Turlock Livestock Auction Yard. The Cozzitorto family traces its roots with that business back some 35 years, and also has ties to the West Side yard, Chuck Cozzitorto noted.

Misguided, Biased Reporting on Livestock Antibiotics (Drovers, 1/11) -- The Animal Agriculture Alliance is disappointed by the many unsubstantiated claims portrayed as fact in the widespread Associated Press article entitled "Pressure Rises to Stop Antibiotics in Agriculture." Released on Dec. 29, the story was the third installment of a five-part series about antibiotic resistance in the United States. Unfortunately, the authors did not offer a balanced analysis of the complex issue, instead relying on biased sources to portray America's food producers in a negative light.

Food producers rely on science to produce a safe, secure, and affordable food supply to an ever-increasing population. Modern agriculture systems protect animals from harsh weather conditions and disease while improving food quality. Antibiotics are a judiciously-used tool employed by farmers and ranchers with veterinarian oversight to further their goal of raising healthy animals.

New Veal Retail Campaign Kicked Off In January (Cattlemen's Beef Board, 1/11) -- -- January-February 2010 kicks off the Veal Retail Health and Diet campaign with over 1,600 retail stores participating. This campaign builds on the success of last year's VealMadeEasy.com retail efforts and includes Colavita Olive Oil as a retail partner for the second year in a row. For more information go to VealMadeEasy.com.

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