

Tennessee Market Highlights

UF Extension

February 5, 2010

Number :5

Livestock Comments by *Emmit L. Rawls*

A modest fed cattle trade developed in the north on Thursday with prices \$84 and \$135 to \$137 dressed. Friday sales were at \$138. Feedlots in the south had asking prices of \$87+. With declining cutouts, it could be tough to get the higher money. The fact that packers paid \$1 to \$2 higher than last week in the north indicates that packers may be short bought and or dealing with weather issues in getting cattle to the plants. Cutout values on Thursday compared to week ago were down \$1.34 on the Choice and down .59 on the Select. At midday Friday the Choice cutout was \$137.62 with Select at \$135.48. The Choice-Select spread was \$2.14. Last year it was \$3.51 and the 5 year average was \$8.81. This indicates there are ample supplies of Choice product relative to industry needs and weakness in demand for Choice product due to economic conditions for high end restaurants and consumers. The 5 area weighted average prices thru Thursday were \$83.74 live and \$136.34 dressed, compared to \$83.46 and \$135.64 a week ago. A year ago prices were \$81 and \$131.07. On the Tennessee auctions this week receipts were very limited due to snow and very wet conditions. In a very limited trade, the cows were called \$1 to \$2 higher, with bulls \$2 to \$3 higher. Feeder classes were steady to \$5 higher. Average receipts per sale this week were 600 head on 4 sales; last week 650 on 8 sales and a year ago 464 on 11 sales. Following last week's cattle inventory report, the market reacted negatively on Monday because the report showed slightly smaller reductions than it was expecting. The report really has little reason to impact nearby markets.

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Crop comments by *Chuck Danehower*

Corn, cotton, and soybeans are down and wheat prices are even for the week. Commodity markets have held up well for the week considering how negative the non agricultural influences have been. The government's monthly jobs report today showed a cut in jobs of 20,000 for January, but an improvement in the unemployment rate to 9.7%. Since the recession began in December 2007, 8.4 million jobs have been lost. Concerns in Europe this week over the level of debt that Greece, Spain, and Portugal are facing caused a drop in confidence in the euro, strengthening the dollar. The March U.S. Dollar Index before the close is up 1.03 for the week at 80.68, the highest since July, 2009. The Dow Jones Industrial Average before the close was at 9990; about 2% down for the week. March Crude Oil was trading before the close at 71.09 a barrel, down 1.80 for the week. Commodity futures prices have dropped, depending on commodity, from 7% to 13% in January. Generally, this would be considered oversold and due a rally, but this is the time of year for seasonal weakness. Any sustained rallies are going to need help from the non ag influences and that is not being provided at this time. USDA will release their long term forecast on February 11 at the 2010 Ag Outlook Forum in Arlington, VA. This is usually not considered a market mover, but does give a glimpse into at least some base line numbers for 2010. The monthly USDA supply and demand report will be out on Tuesday, February 9.

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Slaughter cows: \$1 to \$2 higher

Slaughter bulls: \$2 to \$3 higher

Feeder steers: steady to \$5 higher

Feeder heifers: steady to \$5 higher

Feeder cattle index: Wednesday's index \$98.39

Fed cattle: 5 area live price of \$83.74 is up \$.28 and the dressed price is up \$.70 at \$136.34

Corn: March futures closed at \$3.52 a bushel on Friday, down \$0.05 bushel for the week

Soybeans: March futures closed at \$9.14 bushel, down \$0.005 bushel for the week

Wheat: March futures contract closed at \$4.73 bushel, even for the week

Cotton: March futures closed at 66.62 cents/lb. down 2.41 cents/lb. for the week

Livestock Comments by *Emmit Rawls*

It did show the feeder supply outside feedlots about even with a year ago. Near term supplies of fed cattle should be manageable, with weather reducing harvest weights. Whether fed prices can surge to levels of April and June futures remains to be seen, as spring demand will be key. The lower December placements should shore up prices in the late spring and early summer. The higher futures and weaker corn today should support feeder prices in the markets next week, however we must find support in the cutout values for this recent up tick to be sustained.

TECHNICALLY SPEAKING: based on Thursday's closing prices. February cattle closed at \$86.55. Support is at \$86.09, then \$85.37. Resistance is at \$86.82, then \$87.54. The RSI is 57.04. April closed at \$90.07. Support is at \$89.52, then \$88.67. Resistance is at \$90.37, then \$91.22. The RSI is 55.77. June closed at \$87.82. Support is at \$87.22, then \$86.65. Resistance is at \$88.10, then \$88.50. The RSI is 53.48. March feeder cattle closed at \$97.25. Support is at \$97.03, then \$96.48. Resistance is at \$97.58, then \$98.13. The RSI is 41.72. April closed at \$98.97. Support is at \$98.77, then \$98.32. Resistance is at \$99.22, then \$99.67. The RSI is 44.70. May feeders closed at \$100.23. Support is at \$99.70, then \$98.60. Resistance is at \$101.25, then \$101.85. The RSI is 50.21. Friday's closing prices with the change from Thursday and a week ago were as follows: Feb. Live cattle Feb. \$87.42 +.87 and up 1.62 from 1/29; Apr. \$90.40 +.32 and 1.03; Jun. \$88.10 +.25 and -.02; August \$87.35 +.10 and +.03. March feeder cattle \$98.32 +1.07 and -.55; April \$99.67 +.70 and -1.28; May \$101.17 +.92 and -.63. March corn was \$3.51 and ½ down 2 and ½ from Thurs. and 5 cents from last Friday.

Crop Comments by *Chuck Danehower*

Comments on this report will be posted at <http://economics.ag.utk.edu/outlook.html> on the afternoon of February 9.

Corn:

Nearby: March futures closed at \$3.52 a bushel on Friday, down \$0.05 bushel for the week. Support is at \$3.44 a bushel with resistance at \$3.64 a bushel. Weekly exports sales were 36.5 million bushels (36.4 mb for 09/10 and 118,107 bushels for 10/11), in line with expectations, but still questionable whether it will be able to meet USDA's current projection. USDA could possibly reduce exports in the February 9 report, but an increase in corn for ethanol could offset it. The announcement this week by EPA that corn now meets all Renewable Fuels Standards 2 for fuel blends was seen as positive long term for corn. It will not have much impact in the short term. The trade is expecting corn ending stocks for 2009/10 to be slightly decreased 17 million bushels to 1.747 billion bushels

New Crop: The September contract closed at \$3.80, down \$0.05 a bushel for the week. Support is \$3.75 with resistance at \$3.90 a bushel. I would be priced 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 66.62 cents/lb. down 2.41 cents/lb. for the week. Support is at 64.71, resistance at 70.37 cents per pound. Weekly exports sales were again above expectations and for the second week in a row, a marketing year high at 668,800 bales (519,500 bales of upland cotton for 09/10; 143,500 bales of upland cotton for 10/11; and 5,800 bales of Pima for 09/10). I would not be surprised to see USDA increase exports and slightly decrease ending stocks in Tuesday's report. Equities for the 2009 crop have been in the 8 - 9 cent range. Keep in contact with your cotton buyer for current quotes on loan equities. The Adjusted World Price for February 5 – February 11 is 58.69 cents/lb.

New Crop: The December futures contract closed at 68.73 cents/lb., down 2.11 cents/lb. for the week. Support is at 67.04 cents per pound, resistance at 71.80 cents per pound. Equities for the 2010 cotton could be booked in the 11 cent range. Although fundamentals for cotton have improved, price improvement will depend heavily on a stronger economy and weaker dollar. The National Cotton Council will be releasing the results of their annual planting intentions survey this afternoon at their American Cotton Growers meeting in Memphis. Cotton Inc. is sponsoring a free Cotton Price Risk Management seminar on February 17 at The Peabody in Memphis. Call 1-919-678-2271 to reserve your spot.

Soybeans:

Nearby: March futures closed at \$9.14 bushel, down \$0.005 bushel for the week. Support is at \$8.94 bushel, with resistance at \$9.26 a bushel. Weekly exports were a marketing year low and below expectations at 14.1 million bushels with 14.0 million bushels in this marketing year and 113,000 bushels in 2010/11 marketing year. Slower export sales and some cancellations are to be expected as the South American soybeans hit the world market. Harvest has started in Brazil, but farmers have been slow selling soybeans due to low prices from currency valuations. Trade estimates for the February 9 USDA report are for soybean ending stocks to be lowered 24 million bushels to 221 million bushels.

New Crop: The November contract closed at \$9.04 bushel, down \$0.08 a bushel this week. Support is at \$8.93 with resistance at \$9.22 bushel. I am currently priced 15% for the 2010 soybean crop.

Wheat:

Nearby: March futures contract closed at \$4.73 bushel, even for the week. Weekly exports were 17.7 million bushels with 15.3 million bushels in this marketing year and 2.4 million bushels in 2010/11 marketing year. This was in line with expectations. Wheat ending stocks are not expected to change much from January, but some analysts are projecting an eventual carryover of 1 billion bushels. There are still very negative fundamentals.

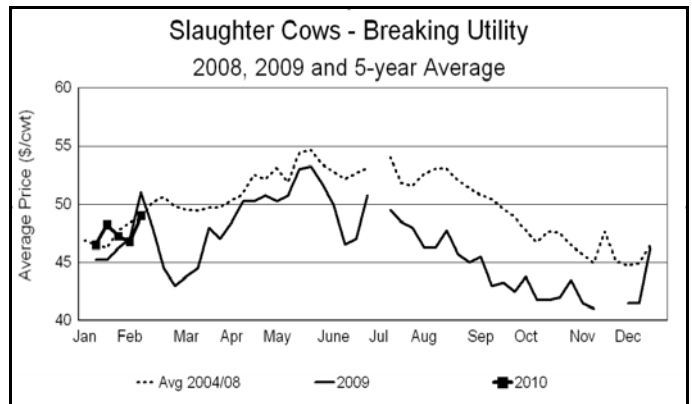
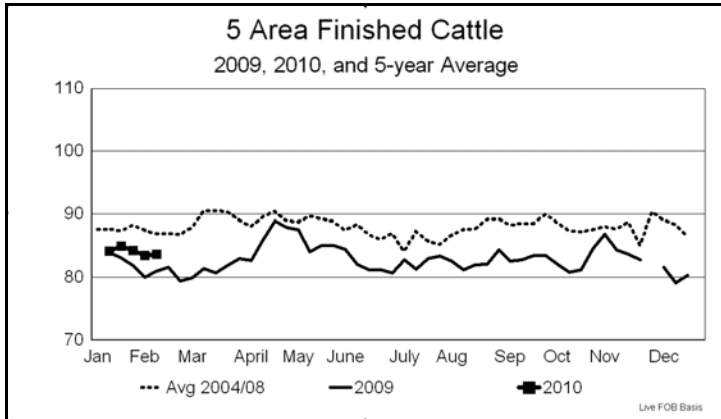
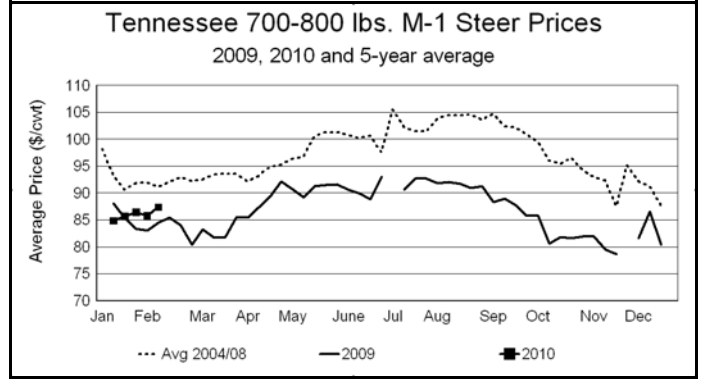
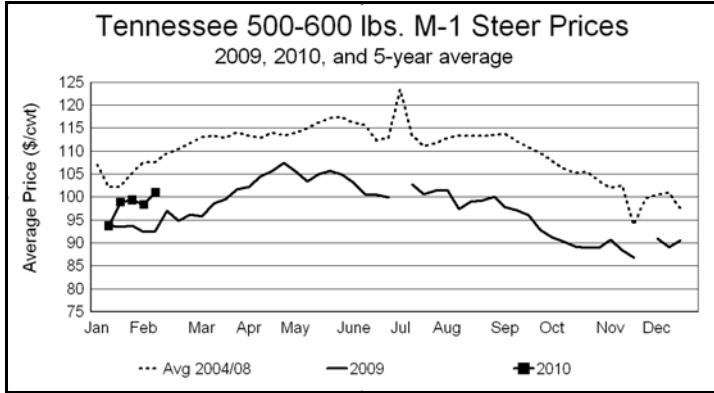
New Crop: July futures closed at \$5.01 bushel, even for the week. Support is at \$4.84 with resistance at \$5.17 a bushel. I would currently have up to 20% of the 2010 wheat crop priced. Put options could be used to set a floor price and leave an upside. A July

\$4.90 put option would cost \$0.37 a bushel and set a \$4.53 futures floor. There are other option strategies that could lessen the cost of the put, but would require a margin account.

**PRICES ON 4 TENNESSEE REPORTED LIVESTOCK AUCTIONS (\$/cwt)
February 5, 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.	107.00	129.00	115.73	113.52	106.81
400-500 lbs.	99.00	113.00	107.48	106.44	101.84
500-600 lbs.	93.00	107.50	100.96	98.33	92.56
600-700 lbs.	85.00	100.00	92.57	90.80	86.64
700-800 lbs.	82.00	91.50	87.37	85.79	84.41
<u>Steers: Small Frame #1-2</u>					
300-400 lbs.	89.00	108.00	98.00	104.66	97.73
400-500 lbs.	-----	-----	-----	94.92	88.61
500-600 lbs.	-----	-----	-----	83.94	86.45
600-700 lbs.	-----	-----	-----	81.17	82.35
<u>Steers: Medium/Large Frame #3</u>					
300-400 lbs.	104.00	110.00	107.47	105.83	94.02
400-500 lbs.	92.00	104.00	96.99	94.33	91.80
500-600 lbs.	80.00	94.00	89.01	87.44	82.61
600-700 lbs.	87.00	87.00	87.00	80.98	78.63
700-800 lbs.	82.00	82.00	82.00	76.59	77.64
<u>Holstein Steer</u>					
300-400 lbs.	-----	-----	-----	75.00	48.00
500-600 lbs.	59.00	70.50	68.48	-----	-----
700-800 lbs.	----	-----	-----	----	48.50
<u>Slaughter Cows</u>					
Breaking Utility	44.50	53.50	49.00	46.75	51.00
Cutter & Boning	43.00	54.50	48.75	47.50	48.75
Canner	34.00	48.00	41.00	39.75	40.50
Bull YG 1-2	51.00	67.50	59.25	59.00	57.25
<u>Heifers: Medium/Large Frame #1-2</u>					
300-400 lbs.	90.00	106.00	96.46	93.93	90.71
400-500 lbs.	86.00	98.00	93.14	89.46	85.34
500-600 lbs.	81.00	94.00	87.56	83.84	80.57
600-700 lbs.	77.00	88.00	82.37	79.67	76.17
<u>Heifers: Small Frame #1</u>					
300-400 lbs.	80.00	92.00	86.18	79.34	77.57
400-500 lbs.	74.00	88.00	83.48	77.13	75.62
500-600 lbs.	72.00	77.00	74.01	73.94	67.57
600-700 lbs.	65.00	66.00	65.47	72.53	69.28
<u>Heifers: Medium/Large Frame #3</u>					
300-400 lbs.	81.00	92.00	86.37	89.23	82.13
400-500 lbs.	75.00	89.00	84.62	82.11	78.26
500-600 lbs.	75.00	84.50	81.14	77.76	73.92
600-700 lbs.	70.50	76.00	73.10	72.70	69.56

Cattle Receipts: This week: (4) 2,400 Week ago: (8) 5,200 Year ago: (11) 5,100



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	419,500	403,500	427,000	104%	98%
Cattle	122,250	122,250	123,500	100%	99%

USDA Box Beef Cutout Value (\$/cwt)

	Thursday	Week ago	Year ago	Change from week ago	Change from year ago
Choice 1 - 3					
600-900 #	138.71	140.05	138.85	-1.34	-0.14
Select 1 - 3					
600-990 #	136.10	136.69	135.34	-0.59	0.76

FUTURES SETTLEMENT PRICES
Crops & Livestock
Friday, January 29 , 2010 - Thursday, February 4, 2010

Commodity	Contract Month	Fri. 29	Mon. 1	Tues 2	Wed. 3	Thurs. 4
Soybeans (\$/bu)	Mar	9.14	9.10	9.25	9.08	9.14
	May	9.25	9.21	9.36	9.19	9.25
	Jul	9.33	9.29	9.46	9.28	9.33
	Aug	9.27	9.24	9.41	9.24	9.30
	Sep	9.17	9.14	9.27	9.12	9.18
	Nov	9.11	9.09	9.21	9.07	9.10
Corn (\$/bu)	Mar	3.56	3.59	3.65	3.53	3.54
	May	3.68	3.70	3.76	3.64	3.65
	Jul	3.77	3.80	3.86	3.75	3.75
	Sep	3.84	3.87	3.94	3.83	3.83
	Dec	3.91	3.94	4.01	3.90	3.90
	Mar	4.02	4.05	4.12	4.01	4.02
Wheat (\$/bu)	Mar	4.74	4.75	4.87	4.69	4.76
	May	4.88	4.89	5.01	4.83	4.90
	Jul	5.00	5.01	5.13	4.95	5.02
	Sep	5.16	5.17	5.29	5.11	5.18
	Dec	5.41	5.44	5.56	5.39	5.46
Soybean Meal (\$/ton)	Mar	274	272	274	269	271
	May	269	267	268	263	264
	Jul	268	265	267	263	263
	Aug	266	264	266	261	262
	Sep	263	262	263	259	260
	Oct	261	258	258	255	255
Cotton (¢/lb)	Mar	69.03	68.22	69.26	69.82	68.99
	May	70.63	69.86	70.72	71.35	70.50
	Jul	71.47	70.80	71.64	72.14	71.45
	Oct	70.55	70.12	70.59	71.65	70.50
	Dec	70.84	70.19	70.96	71.43	70.76
Choice Fed Cattle (\$/cwt)	Feb	85.80	85.25	86.22	86.45	86.55
	Apr	89.37	88.70	89.87	90.10	90.07
	Jun	87.82	87.22	87.77	88.05	87.85
	Aug	87.32	86.92	87.40	87.37	87.25
	Oct	89.97	89.50	89.90	89.77	89.57
Feeder Cattle (\$/cwt)	Mar	98.87	97.72	97.22	97.40	97.15
	Apr	100.95	99.67	99.30	99.37	98.80
	May	101.80	100.85	100.30	100.42	99.90
	Aug	102.85	102.10	101.90	101.87	101.37
	Sep	102.00	102.00	101.97	101.80	101.15
	Oct	102.50	101.70	101.80	101.80	101.25
Market Hogs (\$/cwt)	Feb	66.50	64.37	65.40	66.12	66.15
	Apr	68.60	66.15	66.85	67.07	66.92
	May	73.65	71.30	72.12	73.02	72.62
	Jun	76.72	74.65	75.27	75.90	75.65
	Jul	75.65	73.72	74.37	74.67	74.57

Milk Futures, Thursday , February 4, 2009 CME Futures

Month	Class III Close	Class IV Close
January	14.48	13.81
February	14.05	12.90
March	13.57	13.13
April	13.36	13.30
May	13.55	13.73

EAST TENNESSEE LIVESTOCK CENTER FEBRUARY 3, 2010

1 load out of 200 heifers, est. wt. 700 lbs, range 650 to 750 lbs, \$.04 slide up if over 701 lbs, 100% M-1, med flesh, 90% Black 7 BWF, 7% Chax & Smoky, wormed, no implants, hauled 25 miles to barn, selling with 1% shrink. Price: \$88.25

1 load out of 90 heifers, est. wt. 700 lbs, range 650 to 750 lbs, \$.04 slide up if over 701 lbs, 100% M-1, med flesh, 70% Black 7 BWF, 25% Chax & Smoky, 5% Red/RWF, wormed and implanted, hauled 8 miles to barn, selling with a 1% shrink. Price: \$88.00

1 load out of 80 Holstein, est. wt. 775 lbs, range 725 to 830 lbs, \$.04 slide up if over 776 lbs, 100% #1, med flesh, wormed, no implants, weighed on grounds, selling with 2% shrink. Price: \$72.60

**Nashville, TN Thursday, Feb 4, 2010 USDA-TN Dept Market News
Tennessee Video Board Sale and Graded Sale****2/4/10 Hodge Video Board Sale, Newport, TN**

Receipts 36 loads

Steers-Med & Lg 1-2

2 Lds 635 lbs 93.40 TN
6 Lds 760-780 lbs 83.25-92.00 TN, NC, GA
10 Lds 800-890 lbs 86.20-92.50 mostly 86.20-89.80 TN,NC,GA
2 Lds 900 lbs 85.90 NC

Heifers-Med & Lg 1-2

3 Lds 600-675 lbs 85.50-88.00 TN
8 Lds 750-790 lbs 82.70-88.00 TN, GA, NC, SC

Holstein Steers Lg 3

1 Ld 650 lbs 72.50 NC
1 Ld 900 lbs 68.00 GA

Mixed Loads Steers & Heifers Med & Lg 1-2

1 Ld Steers 725 lbs 85.25 GA
Heifers 615 lbs 81.25
1 Ld Steers 700 lbs 89.25 NC
Heifers 600 lbs 83.25

1 Ld Steers 815 lbs 88.00 GA
Heifers 795 lbs 83.00

2/3/10 McMinnville - Graded Sale

Receipts: 1,055

Steers: Med and Lg 1	Heifers: Med & Lg 1
300-350 lbs	300-350 lbs 85.00-99.50
350-400 lbs 117.00-118.00	350-400 lbs 96.50
400-450 lbs 111.50-117.00	400-450 lbs 92.50-94.50
450-500 lbs 110.50-114.75	450-500 lbs 85.00-91.00
500-550 lbs 108.75-110.25	500-550 lbs 86.75-92.00
550-600 lbs 99.25-100.50	550-600 lbs 85.30-87.00
600-700 lbs 93.00-94.00	600-700 lbs 84.35-86.00
700-850 lbs 87.00-90.60	700-800 lbs 82.00-85.10
850-900 lbs 81.00-85.80	800-900 lbs 74.00

Steers: Med & Lg 2	Heifers: Med & Lg 2
300-350 lbs	300-350 lbs 99.50
350-400 lbs 110.00-118.00	350-400 lbs 97.00-98.50
400-450 lbs 109.00-115.00	400-450 lbs 88.50-93.50
450-500 lbs 92.50-113.00	450-500 lbs 84.75-90.00
500-600 lbs 94.50-100.75	500-600 lbs 84.30-92.75
600-700 lbs 87.50-92.50	600-700 lbs 81.25-84.25
700-850 lbs 85.25-87.50	700-850 lbs 77.50-84.75
900-1000 lbs 72.00-84.50	850-950 lbs

2/2/10 Fayetteville (TLP)

Receipts: 301 (159 Graded and Grouped)

Steers: Med & Lg 1-2	Heifers: Med & Lg 1-2
300-350 lbs	300-400 lbs 93.00-97.50
350-400 lbs	400-500 lbs 89.50-91.50
400-500 lbs	500-600 lbs 85.00-87.00
500-600 lbs	600-700 lbs 77.00-77.50
600-700 lbs 85.00-87.00	
700-800 lbs 86.25	
800-900 lbs	

Bulls: Med & Lg 1-2
300-400 lbs
400-500 lbs 101.50-112.00
500-600 lbs 95.50
600-700 lbs 80.00-82.00

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

One Health's 'What,' 'So What' To Animal Agriculture Focus Of NIAA's 2010 Annual Meeting (Cattle Network, 2/2) --
"One Health" is a worldwide strategy for expanding interdisciplinary collaborations and communications in all aspects of health care for humans and animals. Opening General Session speakers at the 2010 annual meeting of the National Institute for Animal Agriculture, March 15-17, in Kansas City, Mo., will zero in on the "What?" and "So What?" of the One Health concept as these two questions relate to animal agriculture.

"NIAA's Opening General Session speakers will look at how the One Health initiative and strategies shift the focus from surveillance to intervention and prevention and how challenges need to be faced collectively rather than in individual silos and

disciplines,” states Dr. Tony Forshey, co-chair of NIAA’s Annual Meeting Planning Committee. “When individuals leave the Tuesday morning Opening General Session, they will be up to speed about One Health and its implications for animal agriculture.”

Stronger Markets Bring Positive Attitude to Sheep Convention (American Sheep Industry Assn., 2/2) -- The year began with stronger markets for lamb and wool which helped provide a positive attitude to industry participants at the American Sheep Industry Association (ASI)/National Lamb Feeders Association Convention in Nashville, Tenn., Jan. 20-23, 2010. Cull-ewe prices are the highest seen in years, wool markets are expected to be active, pelt prices are up this winter and lamb meat export numbers are strikingly higher indicating additional interest being shown around the world for U.S. lamb products

Obama Budget Cuts Farm Programs (Delta Farm Press, 2/2) -- Agriculture advocacy groups have reacted with a flurry of unhappy responses to President Obama’s Feb. 1 release of his proposed 2011 budget.

"The proposed budget “reflects the serious challenges facing the country,” said Obama the day of its release. “We’re at war. Our economy has lost 7 million jobs over the last two years. And our government is deeply in debt after what can only be described as a decade of profligacy.”

Obama’s attempt to control government spending (pegged at over \$1.5 trillion for this year) would mean payment cuts not only to large farmers (more than \$2 billion over a decade) and agriculture-related insurance (some \$8 billion over a decade) — but also, to the consternation of some environmental groups, would reduce the growth of conservation programs. Crop insurance has been on the Obama administration’s radar for months. The latest budget comes after the December release of a proposal for a new Federal Crop Insurance Program. According to the budget proposal crop-insurance companies currently benefit from huge windfall profits. *For the full budget proposal, see*

USDA 2011 Budget.

USDA Reports Lowest Cattle Inventory in More Than 50 Years (Brownfield, 1/29) -- One livestock analyst calls USDA’s semi-annual cattle inventory numbers not all that surprising, at least until you make some historical comparisons. University of Nebraska-Lincoln Extension Livestock Marketing Specialist Darrell Mark says the report shows the smallest inventory since 1959 and the smallest calf crop since 1950. USDA reported the total cattle and calf inventory as of January 1, 2010 at 93.701 million head, down 1% from a year ago, with all cows and heifers that have calved at 40.456 million, a 1% decrease, including a 1% decline in beef cows and a 3% drop in milk cows.

Feds Want Dairy Deal Undone (Wisconsin Radio Network, 1/22) -- A federal antitrust lawsuit will seek to undo Texas-based Dean Foods’ acquisition of Wisconsin-based Foremost Farms USA’s consumer products division. U.S. Department of Justice antitrust regulators say the deal eliminates substantial competition in milk sales in three states. Wisconsin Attorney General J.B. Van Hollen joined his counterparts in Michigan and Illinois in the lawsuit, filed in federal court in Milwaukee. The lawsuit seeks to undo the 2009 deal, and also seeks to require that Dean notify the Justice Department at least 30 days in advance of any future acquisition of a milk-processing operation. Antitrust regulators said in court documents that Dean had substantially weakened competition in certain dairy markets when it acquired two Wisconsin dairy processing plants from Foremost. <http://www.wrn.com/2010/01/feds-want-dairy-deal-undone/>

Indiana House Rejects Confined Livestock Bill (Chicago Tribune, 1/28) -- The Indiana House has rejected a bill that would prohibit new confined livestock feeding operations from being built within two miles of a state park or reservoir. The House voted 57-40 against the bill on Thursday. Proponents said the bill was needed to protect state parks and reservoirs from being polluted by manure spills from confined livestock operations. Opponents said the bill was unnecessary because the state already regulates confined livestock operations.

Potter Sausage Co. is Assessed A Civil Penalty in the Amount of \$10,000 (GIPSA, 1/28) -- On January 13, 2010, the U.S. Department of Agriculture's Grain Inspection, Packers and Stockyards Administration (GIPSA) entered into a decision without hearing by reason of consent with Potter Sausage Co., Durant, Oklahoma.

The Rationale for an OTM Compensation Program (Canadian Cattlemen’s Assn., 2/1) -- Recently the CCA, the Dairy Farmers of Canada, the Canadian Federation of Agriculture and the Quebec Beef Producers Federation came together to request that a payment of \$31.70 be made to abattoirs for every head of over thirty month (OTM) cattle slaughtered in Canada. The request was made because government regulation in Canada now makes it so expensive to kill older cattle that OTM cattle are increasingly leaving Canada for slaughter and more and more beef is being imported into the Canadian market.

The figure \$31.70 is the average cost differential to process an OTM animal in Canada versus the U.S., due to the different approaches the two countries take in disposing of Specified Risk Materials (SRM). The payment to the Canadian abattoirs will compensate for the government regulations in order to keep these cattle in Canada, so that Canadians can eat beef produced under Canadian regulations.

Korean Retail Giant Targets U.S. Beef to Bolster Sales (Cattlemen's Beef Board, 2/3) -- South Korean retailing giant E-Mart is looking to U.S. beef as one of the key tools to help it rebound from stagnant sales in 2009, and the early returns look extremely positive. Sales in the big-box retail sector lagged behind general economic growth in South Korea last year, and management at E-Mart has seized on the concept of Everyday Low Prices (EDLP) to help it attract new customers, differentiate it from other big-box competitors and drive sales. U.S. beef is one of the key products E-Mart has identified to adhere to the EDLP program throughout the year.

Mexico's Economic Recovery Bodes Well for Pork (Pork, 1/26) -- **Mexico's economy is showing solid signs of recovery, and that's good news for U.S. exports for both pork and beef in the year ahead.** Last year, Mexico's economy dropped by 7 percent, based on global economic woes, but also due to a major hit involving the Novel H1N1 discovery and outbreak last April. For 2009, Mexico will end up ranking as the No. 1 volume destination for U.S. pork. Mexico ranks No. 1 in both volume and value for U.S. beef exports, notes Chad Russell, the U.S. Meat Export Federation's regional director for Mexico.

China's Ambassador Says Pork Trade "In Process" (Brownfield Network, 2/2) -- China's Ambassador to the U.S. told reporters in Missouri on Monday that China was in the process of resuming pork trade with the U.S. "I think during the last strategic and economic dialogue the Chinese decided to resume import of American pork. So, I think, we are in the process of implementing that decision," says Chinese Ambassador Zhou Wenzhong, who was invited to the capital city by Missouri Governor Jay Nixon. But the National Pork Producers Council Chinese says China has not yet taken any shipments since its government officials said in December the country would begin accepting U.S. pork soon. U.S. trade officials and NPPC's Vice President and Counsel for International Affairs, Nick Giordano, were in China last week to work on details and to talk about other trade issues, including the use of ractopamine in pork production.

Meat Industry Bracing for CBS Antibiotic Piece (Meatingplace.com, 2/2) -- Barring another big news story, the *CBS Evening News* has now scheduled its two-part series on antibiotic use in livestock production to run Feb. 3-4, and based on some of the interviews conducted for the piece, the pork industry is expecting to take a hit.

U.S. Pork Industry to Get Smaller; Risk Management Required (Pork, 1/29) -- The nation's pork industry is likely to become smaller, says Steve Meyer, agricultural economist and president of Paragon Economics. In addition, Meyer believes retail pork prices will rise through 2010 and into 2011. The comments were made in a presentation at Iowa Pork Congress. Although a reduction has already occurred in the U.S. swine breeding herd, more reduction is needed to support a return to profitability for pork producers, according to Meyer. "The U.S. needs to be at around 5.5 million to 5.6 million sows to support profitability for producers which is about 250,000 fewer sows than we currently have, he says.

Minnesota Will Take Action To Close Dairy (Dairy Today, 1/22) -- The Minnesota Pollution Control Agency (MPCA) announced this week that it will take action to force the closure of a large, 1,500+ cow dairy near Thief River Falls. Excel Dairy has exceeded hydrogen sulfide emission limits nearly 700 times in the past two years, say MPCA officials. In 2008, the Minnesota Department of Public Health declared the dairy a public health hazard. The dairy's current permit expires April 28, and it's likely the MPCA will vote not to renew the permit at its board meeting March 23.

Beef Board Elects Leadership (Cattlemen's Beef Board, 2/2) -- The Cattlemen's Beef Board elected officers and representatives to its 2010 Executive Committee and the Beef Promotion Operating Committee during its annual meeting in San Antonio, Texas, on Jan. 30. Newly elected Beef Board Chairman Dan Dierschke was the 2009 vice chairman of the Board. He was originally appointed by the U.S. Secretary of Agriculture in 2006. Dierschke is a fifth-generation cow-calf producer and farmer.

Nightline Shows 'Disturbing' Scenes at Dairy (Dairy Herd, 1/27) -- The producers of the ABC News program "Nightline" focused the fact that the cows were inside. "The cows are fed a special diet of grain and nutrients once a day, and kept perpetually pregnant through artificial insemination so milk production levels will remain high." Here's an exchange between Ross and the person who runs the farm, Lyn Odell: Ross: "They call you a factory farm. You don't really care for the animals." Odell: "I think they can't be farther from the truth. Our animals are critically important to our well-being, so we work hard to treat them well." Here is a video clip of Tuesday night's broadcast, entitled "Disturbing Reality of Dairy Land."

Celebrate "I Heart Beef" This February (Beef, 2/2) -- This week, we said goodbye to January and hello to February. This means we are one month closer to spring, and we will celebrate the favorite holiday for people in love, Valentine's Day. In case you didn't know, it's also heart health month, and the beef checkoff program is using dollars to remind consumers of America's passion for beef, while also promoting beef as a good addition to a heart healthy diet. The campaign is called, "I Heart Beef," and I'm excited to take part in all it entails! According to a checkoff survey of consumers, "In this month of romance, beef is the preferred choice of Americans (62%) because nothing says love like a great steak dinner for Valentine's Day. In addition, 53% of Americans identify filet mignon as the food most associated with candlelight romance and 50% of Americans think filet mignon is the best way to show their love."

NCBA Members Elect Officers and Approve New Organizational Structure Concept, Policies for 2010 (National Cattlemen's Beef Assn., 1/30) -- The annual Cattle Industry Convention concluded today with the National Cattlemen's Beef Association (NCBA) board of directors meeting and annual membership meeting. During the meetings, members voted on leadership and policies to ensure the organization's success in 2010. More than 6,000 people attended this year's convention in San Antonio, Texas. Steve Foglesong, owner of Black Gold Ranch in Illinois, was officially elected to succeed Gary Voogt as NCBA's new president.

In a landmark vote, the board approved a new organization structure, as presented today by the Governance Task Force. The board also demonstrated confidence in NCBA by voting unanimously to approve a dues increase to help ensure the organization is on sound financial footing. Dues now start at \$100 for cow-calf members. Feeder assessments increased from 10 cents to 12.5 cents per head. Earlier in the week, the Allied Industry Council also expressed its support of NCBA by voting to increase its member dues from \$17,500 to \$25,000.

Four Activist Movements That are Doomed To Fail (Texas Farm Bureau, 2/1) -- Hope for agriculture, I'm here to tell you, is not lost. The bad news is these activist groups are strong, well funded, very vocal and successful in promoting their agenda. The good news is they're ultimately doomed to fail.

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