

Cow Country Reporter



April 2013

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NEWS FROM YOUR CEO

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News from your CEO

Coalition urges USDA to protect mandatory COOL

Oklahoma approves horse slaughter

Feds, feeders rally as corn heads lower

April 2013: Did you know...



Cattle Producers Of Louisiana
P.O. Box 886
Prairieville, Louisiana 70769
Website: www.lacattle.org
Toll Free: 888-528-6999

Dave Foster
Chief Executive Officer
info@lacattle.org

March weather left like a lion and stayed through the first week of April. The rye grass looked good in mid-March, but winter temperatures came back and shut down any growth. I have been saying, wait until warm weather gets here and the sunshine and green grass will change the demand for our calves.

Speaking of cooler temperatures, despite them we had a good turn out at our information seminar at the McNeese Processing Plant in Lacassine April 4. There was positive feedback and we signed up a few new members. We will have another of these meetings at Louisiana Tech University in Ruston on April 23. More information will be forth coming.

You will be receiving your membership renewal notice this month, so make any necessary changes to your contact information and send in your \$50.00.

The market is like the pecan trees, waiting to bud and show some leaves. It is a bit slow in developing. Everything is set for some change. Calf and yearling numbers are down. Corn planting intentions could set records. Moisture has returned to many drought areas and grass is waiting for warmer temperatures. Warmer weather in the northeast will cause people to uncover their grills, which will increase demand for beef from the retailers,

which will allow the packers to empty their cold storages, which will cause increase marketing of live cattle and then feedlots will need to restock. Let's hope these events happen sooner than later. According to USDA, in Texas only 7% of live cattle are traded in the cash market the rest are contracted or formula priced. This trend is increasing so we in the cow/calf states need to be ready to make adjustments. Keep abreast of the markets by calling our toll free number 888-528-6999 option 3. If you want a meeting in your area please call. Sign up a new member or 3 and enjoy Spring!

Dave Foster, CEO

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Packers became more aggressive buyers and fed cattle traded \$2 to \$3 per hundredweight higher last week at \$127 to \$129. Dressed sales in Nebraska traded \$6 to \$7 per hundredweight higher at \$204 to \$205.

Boxed beef prices were lower. Choice boxed beef declined \$2.36 on the week to close Friday at \$189.07. Select boxed beef was down \$3.44 for the week to close at \$188.84. The Choice-Select was \$0.23.

Slaughter cows and bulls sold steady to \$1 lower on a live basis at auction. USDA's Cutter cow carcass cut-out value Friday morning was \$170.94 per hundredweight, down \$0.75 from the previous Friday.

COALITION URGES USDA TO PROTECT MANDATORY COOL

Drovers/CattleNetwork news source

A coalition of 229 farm, rural, faith, consumer and environmental organizations from 45 states delivered a letter urging the U.S. Department of Agriculture to protect the integrity of Country of Origin Labeling (COOL) for meat products.

The 2008 Farm Bill included mandatory COOL provisions for beef, pork, poultry, fresh and frozen fruits and vegetables and some nuts, but Canada and Mexico successfully challenged the implemented rules for meat products at the World Trade Organization as a barrier to international trade. The USDA has issued proposed new rules that simplify and clarify COOL to comply with the WTO decision.

“Consumers want more information about the source of their food, not less,” said Chris Waldrop, director of the Food Policy Institute at Consumer Federation of America. “Strengthening the Country of Origin Label provides consumers with more accurate and precise information about the source of beef and pork products they purchase.”

The proposed rules that the USDA issued in early March strengthen the COOL labels by ensuring that all meat from animals born, raised and processed in the United States will bear a “born, raised and slaughtered in the USA” label and eliminating some of the confusing, vague labeling provisions that were highlighted in the WTO ruling.

“U.S. farmers and ranchers take pride in what they produce, and consumers ought to be able to know the origins of their food,” said National Farmers Union President Roger Johnson. “NFU has long supported COOL and urges the USDA to move forward with the new, more accurate, strengthened proposed rule.”

Ben Burkett, president of the National Family Farm Coalition and a farmer from Mississippi, added: “COOL is very important for the farmer members of the Mississippi Association of Cooperatives as we market our products in our state and region. We strongly support the USDA’s revisions on this critical issue.”

Today’s letter demonstrates the broad-based support for sensible country of origin labeling rules. “Consumer and farmer advocates pushed for COOL for more than a decade to overcome the largest food processing and meatpacking companies that wanted to hide the source of the food from consumers,” said Wenonah Hauter, executive director of Food & Water Watch.

“A regulatory fix is a preferred response to the WTO because the U.S. can preserve its sovereignty while simultaneously improving the accuracy of information conveyed to consumers,” said R-CALF USA CEO Bill Bullard.

The letter was submitted to the USDA as part of the regulatory comment period and sent to USDA Secretary Tom Vilsack. The federal comment period closes on April 11, 2013, and the WTO ruling directed USDA to offer new COOL rules by May 23, 2013.

OKLAHOMA APPROVES HORSE SLAUGHTER

By: Tom Johnston, MeatingPlace

Oklahoma Gov. Mary Fallin on Friday signed House Bill 1999 ending the state’s prohibition on horse meat processing for export. The bill prohibits the sale of horse meat for human consumption in Oklahoma.

Fallin said she signed the bill, which takes effect Nov. 1, because it will provide for the processing of horses that otherwise would suffer abuses such as starvation or export to other countries for processing in potentially inhumane conditions not regulated by the U.S. government.

“Unfortunately, the 2006 federal ban on horse processing plants has made [horse abuse] worse,” Fallin said. “After the implementation of that ban, the Government Accountability Office reported a 60 percent increase in abused, neglected and starved horses. The U.S. Department of Agriculture has also noted that over 166,000 horses were sent to Canada and Mexico for processing just in 2012. These animals traveled long distances, in potentially inhumane circumstances, only to meet their end in foreign processing plants that do not face the same level of regulation or scrutiny that American plants would.”

Oklahoma currently has no processing facilities, which would have to comply with federal regulations under USDA as well as state and local laws, Fallin notes.

HB 1999 was sponsored by Representative Skye McNeil in the Oklahoma House of Representatives and Senator Eddie Fields in the Senate. It passed 82-14 in the House and 32-14 in the Senate.

Forty-six states, not including Oklahoma, currently allow horsemeat processing.

FEDS, FEEDERS RALLY AS CORN HEADS LOWER

Greg Henderson, Editor, Associate Publisher, Drovers CattleNetwork

Yearling feeder cattle moved \$5 per hundredweight higher last week, reversing a downward trend that had gripped the market the previous three weeks. Soft demand for lightweight calves continued, however, as prices were called unevenly steady to \$5 lower.

An early-spring snowstorm and demoralized producers held auction receipts down, which may pay dividend for those inclined to sell cattle this week. Many analysts believe the market found a bottom last week and the trend is headed higher in the coming weeks.

The market's about-face occurred on Thursday when USDA's grain stocks and prospective plantings report pegged planting intentions at 97.28 million acres, which would be the largest since 1936. Corn stocks were also above expectations at 5.4 billion bushels. Corn futures dropped the 40-cent limit on the news, and feeder cattle futures jumped the \$3 limit.

"Trading became active on Thursday in sale barns like Ogallala, Neb., Dalhart, Tex., and Salina, Kan.," says USDA Market News reporter Corbitt Wall. The activity picked up "even in the still parched areas of southwest Kansas, where Pratt had a short load of mixed-colored and put-together steers in a thin-fleshed and empty condition that weighed 606 pounds and brought \$177.50 per hundredweight. March 28th is when the feeder and stocker cattle market found a bottom with a springboard to bring demand and attitudes out from under the cloud that has plagued them since right after the first of the year. Just a day earlier, it seemed there was no relief in sight from high feed costs and the late spring might cause more farmers to plant soybeans."

Last week's auction receipts totaled 162,000, compared to 224,100 the previous week and 196,400 last year. Direct sales of stocker and feeder cattle totaled 59,700 with video/Internet sales at 26,000. The weekly total was 247,700, compared to 279,500 last year.

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Greg Henderson, Editor, Associate Publisher, Drovers CattleNetwork | Updated: 03/31/2013

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APRIL 2013: DID YOU KNOW...

Source: Certified Angus Beef

We must make the most of fewer cattle. February placements on feed, for a big swath of the country, were the lowest since 1976. That's when Professional Cattle Consultants (PCC) started collecting the data on new arrivals as a percent of capacity for clients in 14 states, say Shawn Walter and Ron Hale of PCC in their March newsletter.

That kind of news makes everybody in the beef industry stop and think—whether you are a cow-calf rancher looking for opportunities, a feeder filling pens, a packer filling hooks or a company selling widgets to producers.

How does this affect a program like the Certified Angus Beef ® (CAB®)? Well, a supply shortage changes things for everyone, including the 15,000-plus licensees that sell our brand. They understand the four factors that shape their ability to supply a great eating experience for consumers.

1) Cattle numbers; 2) Percentage of black-hided (Angus-type) cattle; 3) CAB® acceptance rates; 4) Carcass utilization

Industry data suggests we'll see about 25 million fed cattle in 2013, across the U.S. That still sounds like a lot, but keep in mind that a 1% decline takes out 250,000 cattle. To the CAB brand, that's a loss of 10 million pounds of product to sell. The effort to make that up puts more pressure on finding ways to channel better genetics and management in the Angus-type population and marketing as many pounds of each carcass as possible.

So how are we doing? So far, so good. The percentage of black-hided cattle has remained steady at 62% (even though the percentage of non-eligible dairy steers in the fed mix is increasing). Our CAB acceptance rates are up 2 to 3 percentage points, at 25% to 26%, compared to 22% to 23% a year ago. Equally important, our licensed restaurants and retailers are finding ways to use more of the carcass with innovative new cuts and strategies. That is especially true for grind sales, and we find reasons for optimism in the export markets and their demand for cuts that are not as popular here.

CATTLE PRODUCERS OF LOUISIANA
P.O. BOX 888
PRAIRIEVILLE, LOUISIANA 70769
WEBSITE: WWW.LACATTLE.ORG
TOLL FREE: 888-528-6999