

Cow Country Reporter



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How could a fire in the box room of a major beef packing plant in Kansas cause our calf market to drop \$10.00-\$15.00 cwt. the week of August 12th you ask? Well according to Dave Foster, your CEO, the system is broke! The CME Futures market does not function on industry fundamentals but on “knee jerk” reactions to worldly crisis. Most of you have heard or read about the fire at Tyson’s Fresh Meat Plant in Holcomb, Kansas on August 10, 2019. They harvest 6,000 head a day and the speculations were with this plant closure; slaughter would be reduced to cause an over supply of ready to market slaughter steers and heifers. The reality is that the slaughter cattle market dropped \$7.00-\$10.00 cwt. to finish out August. The slaughter numbers for the week ending August 16 ended with only 1,002 head less than the week before the fire and the packers were able to raise the choice boxed beef cutout value from \$216.37 (the day of the fire) to a high of \$241.74 with this value ending August 30 at \$231.77. Yes, according to your CEO, it borders on criminal and yes after

a “grassroots” prodding led by the Missouri Cattlemen’s Association and several other state associations, Secretary Perdue called on USDA Packers and Stockyard to do an investigation. We will wait to see what happens. Oh, did I mention during this time the packer’s PROFIT went from \$250.00 per hd. to \$500.00 per hd.

In the meantime, the year to date U.S. number of feeder cattle and stocker calves sold in auctions, direct sales and video/internet marketing is running nearly 500,000 head behind 2018.

Our Louisiana calves began in mid-August their fall run and will continue until Thanksgiving with the bulk of our calves sold by early to mid-October. Remember, the majority of our good Louisiana calves weigh less than 600 lbs. so our market is the stocker/backgrounder and moisture conditions look good for the wheat pasture grazing. Check with your marketing agent to get posted on the market before bringing your calves to sell. Enjoy the fruits of your labor and let’s have some meetings in September to discuss the situation.

Dave Foster, CEO

FALL AND WINTER STOCKER GRAZING PROSPECTS

By: Derrell S. Peel, Oklahoma State University Extension Livestock Marketing Specialist

By late August some wheat producers are looking ahead to fall and winter grazing prospects. Much of Oklahoma has received rain the past two weeks with amounts quite variable in different regions. It appears that available moisture and favorable soil temperatures will support plans for early planted wheat for fall and winter grazing. Additionally, generally good fall native and introduced pasture conditions may provide more flexibility for fall grazing programs.

An early peek at winter grazing budgets highlights the huge uncertainty impacting feeder cattle markets. While the impacts of the Tyson plant fire will likely diminish relatively quickly in the next few weeks, feeder cattle markets are still nervous and defensive about the corn market situation; increasingly shaky macro-economic conditions; and continued global economic turmoil. Expectations about the 2019 corn crop vary widely as do the emotions about the crop situation. The latest private crop tour estimates suggest a significantly lower corn yield than current USDA estimates and acres harvested remains an unknown. One thing that seems clear is that much of the corn crop is sharply delayed in maturity and the risk associated with an early or even normal frost in the Corn Belt is high.

The latest USDA Cattle on Feed report presented slightly friendly news with July placements at 97.9 percent of last year, somewhat lower than expected, and a strong July marketings number of 106.9 percent of one year

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FALL AND WINTER STOCKER GRAZING PROSPECTS

ago. The total feedlot inventory, for feedlots over 1000 head capacity, on August 1 was 11.1 million head, 100.2 percent of last year.

Virtually all aspects of a winter wheat grazing budget are subject to variation at this point. Seasonal patterns for calf prices would suggest lower calf purchase prices by October but it sometimes happens in Oklahoma that good fall forage and wheat pasture conditions provide enough stocker demand to hold prices closer to steady through the fall. Again, corn market developments into corn harvest may have a significant impact on feeder markets this fall and perhaps beyond.

I have run several generalized winter grazing budgets that vary from decent profitability to little or no returns for winter grazing depending, of course, on cattle purchase and sale prices, but also on cattle performance, health costs and forage costs. The cost to establish dual-purpose wheat pasture depends on wheat prices (assuming some yield loss from winter grazing) and costs for additional fertilizer and seed. Cattle producers renting wheat will pay a market price above the wheat pasture cost.

The uncertainty and volatility impacting feeder cattle markets is likely to continue this fall and winter. This increases the risks of winter stocker production but may also present short term opportunities for either buying or selling cattle or both. At this point forage conditions appear favorable with decent prospects for stocker cattle production. The best advice at this point is to evaluate and reevaluate possibilities frequently and remain as nimble as possible both offensively and defensively. It is, after all, nearly football season.

PERDUE ANNOUNCES INVESTIGATION INTO MARKET REACTION TO TYSON BEEF PLANT FIRE

Ag chief promises swift enforcement if any unfair practices are uncovered.

By: Burt Rutherford, BEEF Cow/Calf Weekly

USDA Secretary Sonny Perdue promised that USDA's Packers and Stockyards Administration will investigate any unfair practices that may have resulted from the August 10 fire at the Tyson Finney County beef plant in Holcomb, Kan. The fire idled the plant for an undetermined length of time.

Market reaction to the fire was swift and severe, with feeder cattle and fed cattle prices plunging and wholesale prices skyrocketing. "Both the cash and futures markets reacted predictably the week ending August 17 to the fire that shut Tyson's Finney County, Kan., beef plant. The feedlot cattle trades were \$5-6 per cwt lower..." according to BEEF's August 20 Fed Cattle Recap.

"As part of our continued efforts to monitor the impact of the fire at the beef processing facility in Holcomb, Kan., I have directed USDA's Packers and Stockyards Division to launch an investigation into recent beef pricing margins to determine if there is any evidence of price manipulation, collusion, restrictions of competition or other unfair practices, Perdue said in a statement dated August 28.

"If any unfair practices are detected, we will take quick enforcement action. USDA remains in close communication with plant management and other stakeholders to understand the fire's impact to industry.

"I have spent this summer visiting with cattle ranchers across the country, and I know this is a difficult time for the industry as a whole. USDA is committed to ensuring support is available to ranchers who work hard to feed the United States and the world."

USDA's investigation drew quick praise from beef industry leaders. "[This] announcement by Secretary of Agriculture Sonny Perdue demonstrates the government's understanding of the extreme strain placed on the cattle industry by the plant fire in Holcomb, Kan.," said NCBA president Jennifer Houston.

"We encourage USDA to look at all aspects of the beef supply chain and to utilize internal and external expertise in this investigation. We believe it adds transparency that will build confidence in the markets among cattlemen and women.

Missouri Cattlemen's Association President Bobby Simpson agreed, saying there is no harm in conducting an investigation to ensure integrity of the markets and to respond to the justified concerns of thousands of U.S. cattle producers. "In fact, it's simply the right thing to do. No matter the result of the investigation, good can come from better understanding what took place and how to best mitigate future disruptions, he said in a statement.

"Cattle producers have sound reason to question market events that transpired after the Holcomb fire. While a sharp decrease in slaughter capacity was anticipated, slaughter actually increased some 9,000 head from the week prior to the fire," he said.

"Further, most expected this market disruption to cause uncertainty, but few could believe in one week fed cattle prices would drop 5% and Choice boxes would spike 9% while total slaughter increased. All the while, prices for feeder calves plummeted. The financial woes do not reside within one segment of the industry. It impacts the entire chain and causes lending institutions a high level of uncertainty as equity dwindles across the board.

"We applaud U.S. Department of Agriculture Secretary Sonny Perdue for listening not to conspiracy theories or charts and graphs of economists. He leaned on the expertise of the men and women who have successfully made their living in the cattle business through mercurial markets, regulatory uncertainty, unpredictable weather and much more. These producers - from the cow/calf operator to the backgrounder to the feeder to the livestock market - understand the markets. They are good at what they do and when the overwhelming majority speak, we listen and this administration does as well."

WHOLE FOODS CEO SAYS PLANT-BASED FAKE MEAT IS BAD FOR YOUR HEALTH (BUT GOOD FOR ENVIRONMENT)

The media may have fallen in love with plant-based fake meat like Beyond Meat and Impossible Foods (who produce the Beyond Burger and Impossible Burger, respectively), but one high-profile super vegan doesn't think the "meat" is good for anyone's health.

John Mackey, co-founder and CEO of Whole Foods, recently told CNBC that while the plant-based meat is better for the environment, and is more ethical than eating animals, it is made from processed ingredients that aren't healthier than actual meat.

"The [brands] who are capturing the imagination of people — and I'm not going to name these brands because I'm afraid I will be associated with the critique of it," Mackey, who has been a vegan for more than 20 years, told the outlet, "but some of these that are extremely popular now that are taking the world by storm, if you look at the ingredients, they are super, highly processed foods."

"I don't think eating highly processed foods is healthy. I think people thrive on eating whole foods," he added. "As for health, I will not endorse that, and that is about as big of criticism that I will do in public."

CNBC listed the ingredients for Beyond Meat and Impossible Foods burgers:

According to Beyond Meat's website, ingredients for its plant-based patties include water, pea protein isolate, expeller-pressed canola oil, refined coconut oil, rice protein and other natural flavors, including apple extract and beet juice extract (for color). Ingredients for Impossible Foods burger include water, soy protein concentrate, coconut oil, sunflower oil, potato protein, soy leghemoglobin (a group of protein found in animals and plants) and other natural flavors, according to its website.

LOW IN IRON? HERE'S WHY BEEF IS THE BEST MULTI-VITAMIN

World Iron Week was last week, and consumers are looking for alternatives to iron-rich beef to address anemia concerns.

By: Amanda Radke

Want to live to be 100? Cut back on red meat — that's the recommendation of CNN's Dr. Sanjay Gupta in a video segment for CNN Health titled, "Cut this food and extend your life."

Gupta uses the usual scare tactics to encourage consumers to eliminate animal fats and proteins from their diets. In this outdated and misguided segment, he cites saturated fats and nitrates as causes of heart disease and early deaths. The short segment is another painful reminder about how nutritional messaging about beef is disregarded by dietitians and physicians and is lost in mainstream reporting.

Per usual, plant-based eating is the popular trend of the moment, but at what cost?

We know that beef is an excellent source of 10 essential nutrients that our bodies need to thrive. What's more, this nutritional powerhouse packs a healthy dollop in a small serving.

According to Beef. It's What's For Dinner., "When it comes to high-quality proteins, beef provides many nutrients in a smaller serving size than some other choices (with unbeatable taste at that)! For example, you'd have to eat at least 8 oz. of cooked chicken breast to get the same amount of iron in just 3 oz. serving of cooked beef. When comparing zinc, you'd need to eat 20 oz. of cooked chicken breast!"

Last week was World Iron Week, a weeklong celebration that brings awareness of iron deficiencies and the challenges that come from being anemic.

Blogger Mikki Williden wrote a great blog post about this titled, "Red meat doesn't kill you (and a problem with nutrition science)," where she cites the opportunity for producers to promote nutrient dense beef during World Iron Week.

On her blog "Eat...Enjoy," Williden writes, "It is challenging being an advocate for eating red meat, and (in a lot of cases) encouraging clients (particularly young and not-so-young women) to eat MORE red meat, in a climate of meat avoidance. It isn't a popular message, particularly with the bad press that red meat consumption (and production) has received over the last few years."

In this blog post, which you can read here, Williden unpacks the errors in today's nutritional science and reassures consumers that beef is a great, nutrient-dense choice that is not going to kill you.

Wanting to learn more about World Iron Week, I googled it, and one of the first articles I saw was titled, "I'm scared to eat beef. But how do I get enough iron?"

While she does offer a list of plant foods to obtain non-heme iron from, Leslie Beck, dietitian and BodyScience Medical national director, explains how beef is a great source of iron. She writes, "Beef has more iron than many other foods and the type of iron it contains — called heme iron — is well absorbed by the body. Three ounces of sirloin steak, for example, provides half a day's worth of iron for men and postmenopausal women. (Men and women over 50 require eight milligrams of iron each day; younger women need 18 mg.)"

Even the American Red Cross — who tests blood donors for iron levels every single day — recommends meat and eggs as the best source of iron and explains how heme iron (found in foods like beef) is the most effective source to address anemia concerns.

According to the American Red Cross, "Food has two types of iron — heme and non-heme iron. Heme iron is found in meat, fish and poultry. It is the form of iron that is most readily absorbed by your body. You absorb up to 30 percent of the heme iron that you consume. Eating meat generally boosts your iron levels far more than eating non-heme iron.

"Non-heme iron is found in plant-based foods such as fruits, vegetables and nuts. Foods with non-heme iron are still an important part of a nutritious, well-balanced diet, but the iron contained in these foods won't be absorbed as completely. You absorb between two and 10 percent of the non-heme iron that you consume."

While I don't think that iron is the hot topic concern with consumers right now, I do think that nature got it right with beef. Forget supplementing or eating buckets of spinach. A three-ounce serving of beef has exactly what our bodies and brains need to thrive. And that's a message worth sharing, don't you think?

The opinions of Amanda Radke are not necessarily those of beefmagazine.com or Farm Progress.

JBS SA MONITORS SUPPLIERS WITH SATELLITES

By: Greg Henderson

JBS SA monitors the origin of cattle it buys in Brazil using satellites, according to a Reuters report.

Citing heightened concerns about environmental preservation and sustainable beef production, JBS Chief Executive Gilberto Tomazoni said the company is using satellite technology to monitor a 450,000 square-km (280,000 square mile) area of Brazil to guarantee it is not buying cattle from deforested areas.

“We need to offer what the consumer wants. We cannot do that without worrying about the environment and animal welfare,” Tomazoni said. “This is fundamental to our business.”

Speaking at an industry event in São Paulo, Tomazoni said a new generation of consumers believe that “modern agriculture” destroys the planet. He called that perception misguided given that such up-to-date methods allow JBS and others to produce more food with far fewer resources.

His remarks come as fires burning in parts of the Amazon rainforest have sparked a global outcry against Brazil for allegedly failing to protect what is widely viewed as a key bulwark against global climate change.

Last month, local media reported JBS had been buying cattle from ranchers operating on deforested land in the Amazon, a claim denied by the company, which is the world’s largest producer of beef, chicken and leather products.

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