

Cow Country Reporter



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News from your CEO

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The Executive Committee of CPL consisting of 3 active members, takes a 4-5-day trip every Summer to visit various cattle operations, back grounders, feedlots, packing plants and agriculture universities. This year Mike Kovac, Dave Sanson and myself headed to the Southeast (Mississippi, Alabama, Georgia) to visit a Polled Hereford Ranch, Line One Horned Hereford Ranch, Brangus-Ultrablack Ranch, a feedlot and a bio-diversity ranch. Our first stop was at Stokes Farm in Porterville, MS. A Polled Hereford Ranch that consisted of Hereford cows and bulls from the R.W. Brown genetics. The next morning, we stopped in Uniontown, AL. at the BDA Farm. This 6000-acre farm raises laying hens, cattle, bees, sheep, hogs and vegetables all on natural forages, yes, the laying hens (4000 head) were on pasture. The eggs, honey and vegetables are processed and packaged on the farm and the cattle, lambs, hogs are processed off the farm and then the meat is shipped back to be delivered to customers. Allen Williams with Understanding Ag was our host. We left this unique enterprise and headed to Chatel Farms in Reidsville, GA. to tour an 8000 head feedlot where director of farm operations Colin Matthews showed us the operation. Our main reason for the visit was to see their confinement barns. The 3 barns

had pens that held 100-110 head each and they finished 4000 head "under roof". This feedlot is a part of FPL Foods, a major cow slaughter plant in Augusta, GA whose goal is to produce high quality beef from 50% Angus Cross cattle. The next day we headed for Gadsden, AL. where we stopped at Debter Farms, a Line 1 Horned Hereford cattle operation. These Hereford cattle were moderate framed, long bodied and heavily muscled. Perry Debter told us his mama cows milked and weaned a healthy, heavy calf. They have an annual bull sale in October (Oct. 23, 2021). Our final stop was at Town Creek Farm, West Point, MS. Joy Reznicek Sundeck was our host. They raise purebred Brangus and Ultrablack bulls and replacement females by developing practical, functional, forage-based genetics. These moderate frame forage-based bulls and females were designed for the commercial cow/calf producer to reduce their production costs while producing a marketable calf. After traveling 1865 miles and incurring no cost to CPL, we your Executive Board can provide our members with contact information for all these operations. Just contact me for specific details. The feeder calf market still has some life in it and demand should remain good for calves going to wheat, so check with your marketing rep. today if you haven't sold your calves.

Dave Foster, CEO

BENEFITS OF ROTATIONAL GRAZING

By: Paul Beck, Oklahoma State University Extension Beef Cattle Nutrition Specialist

There is a quote in the 1922 USDA Yearbook of Agriculture I like to refer to..."The cheapest of all feed is pasture because it furnishes a balanced ration at a low cost and the cow does her own harvesting...but, in comparatively few cases is the fullest possible use made of pasture." There is currently a lot of interest in improved grazing management, this is nothing new as the quote above indicates, and has certainly been the case for the last 30 years that I have been involved in grazing management.

Rotational provides plants within pastures rest from repeated defoliation by grazers by separating the entire pasture unit into several paddocks. Paddocks are grazed in turn and livestock are moved on to the next paddock and grazing is prohibited on the most recent paddock until the next grazing event in the cycle. These systems can be as simple with weekly rotations or complex with daily rotations. My preference is to have at least 4 paddocks with 7 day grazing event and 21-day rest for each

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BENEFITS OF ROTATIONAL GRAZING

grazing cycle, to get many of the benefits from rotational grazing; but I have worked with producers that have 30 paddocks and rotate large herds of over 200 cows daily.

Cattle grazing a single pasture at a moderate stocking rate have the advantage of being able to select their diet from every plant from the entire grazing area. This can lead to improved performance, because diet quality, protein, and digestible energy can be maximized by the grazing animal since there are few limits to their diet selection. When we split pastures into multiple paddocks we limit access to preferred areas, plant species, or plants; which will limit intake, selectivity, and performance... That is until the most desired plants in continuously grazed pastures are over utilized and die out of the stand. Recent research was conducted looking at the impact of grazing management (continuous vs rotational grazing) on stand counts of alfalfa interseeded into bermudagrass, and after 3 years alfalfa was 25% of the stand in rotationally grazed pastures but only 10% in continuous pastures.

It is often said that continuous grazing can lead to pastures that are overgrazed, yet underutilized. Continuous grazing leads to poor utilization of forage, fertilization and land resources, estimated utilization of forage in continuous grazing is 25 to 35%. Rotational grazing increases grazing efficiency to 65% in well managed controlled grazing rotations. This is why it is often said that stocking rates can be doubled with rotational grazing. Another grazing experiment looked at continuous or rotational grazing of spring calving cows on bermudagrass pastures. Continuous grazed pastures were stocked at a moderate stocking rate, while rotationally grazed pastures were stocked at either a moderate or at double the moderate stocking rate. Pregnancy rates were not impacted by grazing management or the increased stocking rate, but cows lost more weight and body condition with high stocking rates in rotational grazing. Calf weaning weights were greatest with continuous grazing and were reduced by 20 pounds in moderately stocked rotationally grazed pastures. Doubling the stocking rate with rotational grazing reduced weaning weights by 38 pounds compared to continuous grazing, but increased total weaning weight per acre by 185%. Additionally, hay requirements were reduced by 60 to 80% with rotational grazing.

There are costs associated with rotational grazing such as fencing, development of water resources, and possibility of reduced animal performance, but there are also many advantages. Increased forage utilization but with improved retention of desired forage species, potential increased total productivity of the ranch, reduced drought risk among many others. But, one producer told me his favorite benefit of rotational grazing is that when he goes to check cattle, he only has to look on 1/8th of the place and most of the time the cattle come find him to put them on fresh grass.

Dr Beck discusses continuous vs rotational grazing during a Rancher's Thursday Lunchtime Series from June 26, 2020. OSU Extension: Continuous vs. High Intensity Rotational Grazing - YouTube

LABOR SHORTAGE SPURS PAY INCREASES, SIGNING BONUSES AT PLANTS

By: Susan Kelly

Meat processors are boosting wages and offering incentives such as signing bonuses and paid college tuition as they struggle to attract enough workers to keep plants humming at capacity.

JBS USA's Tim Schellpeper, president of the fed beef division, testified at last week's Senate judiciary committee hearing on the food supply chain that the meat giant is investing more than \$150 million in annualized pay increases in its beef division alone to attract and retain new workers.

"The most significant challenge facing our industry today is labor availability. To operate our facilities safely, efficiently, and at capacity, we need consistent, skilled labor," Schellpeper said.

Wages across JBS beef facilities now average more than \$22 per hour, and starting pay is about \$20 per hour, Schellpeper said. The company's Better Futures program launched in March is another worker retention tool, covering the cost of tuition to community colleges for employees and their dependents.

Elsewhere, Wayne Farms' Decatur, Ala., poultry plant is offering \$1,500 "sign and stay" bonuses for employees on the job for three months. Starting pay is up to \$16.35 an hour for second-shift deboning line associates, with benefits that include medical insurance and an onsite clinic, the processor advertised last week in a post on its Facebook page.

Clemens Food Group in Hatfield, Pa., is offering a new \$18.50 an hour rate for production positions at its pork operations, the company posted on its Facebook page.

Tyson Foods has increased starting wages for production workers at its prepared foods plant in Zeeland, Mich., to \$19.20 an hour, plus a \$1-per-hour premium for the second and third shifts. The pay rate was \$16.10 an hour previously, the Holland Sentinel reported. Employees are also eligible for medical, dental and vision benefits, retirement funds and participation in a stock purchase plan.

JBS' Pilgrim's unit can't debone as much chicken as it needs, which is affecting its product mix, due to the labor shortage, CEO Fabio Sandri told analysts last week on the company's earnings call.

Efforts to increase automation in its plants coupled with reductions in unemployment benefits in many states are expected to help alleviate the labor challenges, Sandri said.

PEEL: CATTLE SLAUGHTER AND CARCASS WEIGHTS IN 2021

By: Derrell Peel - Oklahoma State University

Daily slaughter data through July 17, the first 170 days of the year, has a total cattle slaughter of 17.94 million head, compared to 17.07 million head in 2020 and 17.87 million head for the year-to-date in 2019. Yearling (steer + heifer) slaughter makes up 78.5 percent of total cattle slaughter at 14.09 million head thus far in 2021.

Average weekly yearling slaughter the first 28 weeks of 2021 is 501,392 head, fractionally higher than for same period in 2019. However, Monday-Friday (M-F) slaughter thus far in 2021 has averaged 2.7 percent lower than 2019 and is covered by a 31.0 percent increase in Saturday slaughter of steers and heifers. The 2021 average Saturday yearling slaughter total is 50,430 head compared to 38,492 head in 2019. Saturday slaughter accounts for 10.4 percent of total yearling slaughter in 2021 compared to 7.6 percent of slaughter for the same period in 2019.

The daily M-F yearling slaughter has averaged 91,471 head in 2021, ranging from a Monday average of 90,110 head to a Thursday average of 92,699 head. The challenges for packers to maintain consistent slaughter levels is apparent. Single day maximum slaughter totals range from 95,580 head (Wednesday, July 7) to the single biggest slaughter day this year at 97,282 head (Tuesday, February 23). On average, daily yearling slaughter was at 95 percent of the daily maximum. The sum of daily maximums for Monday - Friday suggest that it is possible to slaughter 561,607 head in a week but the weekly maximum thus far in 2021 is 537,447 (week ending May 22), indicating the challenge of maintaining slaughter across a full week. The labor challenges for packers are particularly acute on Mondays, which have the lowest daily average slaughter level in 2021 and are much more variable. Monday slaughter totals are 8 times more variable than Thursdays, which has the smallest standard deviation of daily slaughter. Thus, Monday slaughter averages 90,110 with a daily range from 57,928 to 95,727 head while Thursday averages 92,699 head ranging from 85,600 to 96,907 head. It should be noted that the Monday low of 57,928 head occurred during the massive winter storm in mid-February when numerous plant operations were disrupted.

Steer carcass weights in the latest data are 888 pounds, down 11 pounds year over year. This follows the sharp increase in carcass weights in 2020. Current steer carcass weights are 23 pounds heavier than this date in 2019. Current heifer carcass weights are 813 pounds, down 16 pounds from 829 pounds last year but up 22 pounds from the same date in 2019.

Cattle carcass weights will rise seasonally in the remainder of the year but are expected to remain lower year over year. Lower steer and heifer carcass weights likely reflects several influences including feedlots becoming more current in marketings, higher feed prices and perhaps a return to longer term carcass weight trends. Beef production for the remainder of 2021 is predicted to be four to five percent lower year over year as a result of lower slaughter totals and lighter carcass weights.

See Dr. Derrell Peel's Sunup TV segment on the July Cattle on Feed Report. Livestock Marketing (7/31/21) - YouTube

JOHN PHIPPS: HAVE CHINESE INVESTORS STOLEN AMERICAN AGRICULTURE?

By: U.S. Farm Report

Recently, reporters at website Politico, offered this ominous observation.

"Chinese firms have expanded their presence in American agriculture over the last decade by snapping up farmland and purchasing major agribusinesses, like pork processing giant Smithfield Foods. By the start of 2020, Chinese owners controlled about 192,000 agricultural acres in the U.S., worth \$1.9 billion, including land used for farming, ranching and forestry, according to the Agriculture Department."

This is simply bad reportage. While 192,000 acres seems like big number it begs for some context. Digging down into the source report from the ERS, we discover that while Chinese investors, not the government, have increased their ag holdings, the large majority is "other agriculture land". I tried semi-hard to find a definition for this category, and the best I can tell you is what it isn't: cropland, pasture, or forest. Zooming in on cropland, which is what most farmers care about, Chinese investors own measly 33,000 acres. But how about those Canadians, eh? Or compare China to Germany. Chinese-owned cropland numbers are roughly similar to Denmark, and I don't see Congress obsessed about a Viking raid.

Foreign ownership of U.S. farmland, especially cropland, is trivial, and the Chinese ownership share of that foreign ownership is even more trivial. To be sure, when Chinese investors bought Smithfield Foods, the largest American meatpacking company, eyebrows were raised, but the check was didn't bounce, and shareholders seemed satisfied. Ask worriers to name any other agribusiness bought by the Chinese. The xenophobic fears of a Chinese economic invasion in agriculture are unsupported by evidence.

The congressional hysteria is merely another facet of what I think will become a steady drumbeat of anti-China rhetoric. Don't get me wrong. I find little to admire in the Chinese government, although under Hu Jintao's leadership before President Xi, rapid Chinese economic progress was helping to counter the growing authoritarianism we see today. It has since become a more corrupt and oppressive regime. That said, I have considerable respect the Chinese people, who have essentially gone from no economy to a U.S. rival in my lifetime, despite their government.

Chinese investors haven't stolen American agriculture. China is just becoming our go-to excuse for all our problems. Anti-China rhetoric sounds like what you say when the other team is a lot better than you anticipated.

VOTERS REJECT SOUTH DAKOTA BEEF PLANT

By: Greg Henderson

East Dakota Beef's proposed 20,000-square-foot beef plant has been rejected by voters in Lincoln County, SD. In April East Dakota Beef proposed the new beef plant that would process up to 120 head per day and employ up to 60 workers.

County Commissioners in May approved the company's request to rezone land the plant was slated to occupy, but the county was required to hold a referendum on the rezoning after receiving a petition from residents with enough certified signatures. Residents told the county they were concerned about the project's impact on local traffic, property values and the environment. The company had planned to limit use of nearby roads and install a water treatment system to prevent odors.

East Dakota Beef planned to process cattle from eastern South Dakota and western Minnesota.

Lincoln County is in southeastern South Dakota directly north of Sioux Falls, which is in Minnehaha County. Lincoln County currently has an estimated population of 61,000 and has seen significant population growth since 2000. The 2000 census counted 24,131 residents, but nearly doubled to 44,828 by the 2010 census.

HULETT: PRICES SLOWLY ON THE RISE

By: Brad Hulett

South saw a glimmer of hope in last week's cattle trade. Most fed cattle in the South brought \$120 with a few more bringing something on both sides of that. The region saw decent movement, but still not totally in the clear of the backlog.

The market in the North is beginning to have a wider trading range depending on which side of the region you are in. The cash trade in the North was \$121-\$124 and dressed cattle were \$293-\$196, with cattle in the East bringing the higher end of the range.

The futures market continues to point towards higher prices as we go forward. Producers are beginning to find themselves in situations where they have the ability to pass bids, and make the packer chase the higher end of cattle till we get into the fall.

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