

Cow Country Reporter



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“April showers brings May flowers”! This quote was often referred to up North (Yankee Land) however, many parts of the country are in drought conditions and need rain to grow the forages needed to stocker our good Louisiana calves. Demand has been good lately for our calves suitable to go to grass and hopefully that trend will continue.

Superior Video has a sale in Natchitoches, LA April 7-8 (Gulf Coast Classic) which will showcase several thousand of our good Louisiana calves. Check out the results which will be a good indication of what our calves will bring this Summer and early Fall. Also, check out the article in this

newsletter about Amelia Kent, a CPL member.

Prices for cull cows has been high this first quarter of 2022 in spite of high beef imports. Beef Imports in December 2021 were up 30% year over year, 273 million pounds. Imports from Mexico and Brazil set records. Mexico imports of 56 million pounds, up 63%, with Brazil imports of beef up 160%. Continue to check the markets as changes continue to be an everyday occurrence.

Use our toll-free number, 888-528-6999 ext. 3 for weekly updates. Keep those calves alive and growing. May your Easter season be a blessing to you and your family.

Dave Foster, CEO

FEEDLOTS PACKED FULL...FOR NOW

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

The latest USDA Cattle on Feed revealed a March 1 feedlot inventory of 12.163 million head, a record level for March for the data series back to 1996. The feedlot total was 101.4 percent of one year ago. The March feedlot total was down slightly from the February peak of 12.199 million head, which was a record for any month in the data series back to 1996.

February feedlot placements were 1.848 million head, up 9.3 percent year over year and the highest February placements since 2019. Placements were at the upper end of the range of expectations and higher than the average trade guess. Large 2022 placements compare to February 2021, which included a massive winter storm that reduced flows of cattle into and out of feedlots. Nevertheless, placements this February were large and included both light and heavyweight feeder cattle. Monthly placements weighing over 800 pounds were up 10.4 percent year over year while placements under 700 pounds were up 8.7 percent over last year. This follows several months of mostly lightweight placements. Strong February placements were aided by dry winter grazing conditions forcing cattle to market early and strong prices that encouraged feeder sales, some earlier than planned or anticipated.

February feedlot marketings were 1.825 million head, up 4.9 percent year over year and the largest February marketings total since 2000. Big February marketings are reflected in February fed (steer + heifer) slaughter up 4.6 percent year over year and monthly beef production up 6.9 percent year over year. However, these comparisons are relative to the storm-disrupted totals from February 2021.

Looking ahead, the bulge in February feedlot placements will likely be offset by sharply lower March placements. Total feeder receipts from auctions, direct and internet sales for the first three weeks of March are down 17.0 percent year over year. In Oklahoma, combined auction feeder cattle totals for March are down 19.0 percent compared to one year ago. Feedlots will have plenty of cattle to market for another few months, but tighter placements are ahead and feedlot production will decline in the second half of the year. If drought conditions persist, feedlots may perhaps continue to borrow against the future with early weaned calves available through the spring and summer before facing the full reality of

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FEEDLOTS PACKED FULL...FOR NOW

tighter feeder cattle supplies. On the other hand, if drought conditions abate, higher cattle prices might result in increased heifer retention by the end of the year, thereby squeezing feeder supplies even more and more quickly.

AMELIA KENT NAMED TO GROUP SEEKING LAND-BASED SOLUTIONS TO GLOBAL ISSUES

Source: The Advocate via Louisiana Farm Bureau News The Daily Voice newsletter

Amelia Kent, who, along with her husband, Russell, owns and operates Kent Farms in Clinton, is among eight prominent voices in the U.S. food and agriculture sectors to come on board as farmer envoys for Solutions from the Land.

The Kents raise and market cattle in most segments of the beef industry, including cow/calf, stockers, replacement heifers, direct marketing beef and feeding cattle to finish.

Amelia Kent is a fifth-generation farmer, though she and her husband founded and built their current operation from the ground up. She chairs the Louisiana Beef Industry Council and Louisiana Farm Bureau's Livestock Advisory Committee, and she serves as a regional council representative and on the Policies and Resolutions Committee for Land O'Lakes Inc.

She is a former member of the Cattlemen's Beef Board and the CBB Executive Committee, and previously served on the Louisiana Farm Bureau Board of Directors.

She joins other nationally renowned farmers who will share Solutions' vision for a 21st Century "Agricultural Renaissance" that enable all forms and scales of agriculture to innovate, sustain productivity, enhance resilience to climate change and other shocks, and move the world toward achieving global sustainable development goals, a news release said.

"We are thrilled to welcome Amelia to our envoy team," said Solutions President Ernie Shea. "We look forward to helping her and her fellow envoys share their insights and experiences producing food, feed, fiber, clean energy and a wide range of high value ecosystem services with decision makers and agricultural stakeholders across the world."

SENATORS REVISE CATTLE PRICE DISCOVERY AND TRANSPARENCY ACT

By: Greg Henderson

Four Senators calling for legislation to reform U.S. cattle markets have released an updated version of the Cattle Price Discovery and Transparency Act.

The revised bill would establish 5-7 regions in the U.S. where minimum levels of fed cattle purchases must be made through "approved pricing mechanisms." Violations of the regulation would result in a maximum penalty of \$90,000 for packers that have slaughtered 5% or more of the nation's harvest over the past five years. The bill would also create a publicly available library of marketing contracts.

The four Senators introducing the bill are: Deb Fischer (R-Neb.), Chuck Grassley (R-Iowa), Jon Tester (D-Mont.), and Ron Wyden (D-Ore.). The senators first introduced the bill in November.

"Our family farmers and ranchers have told us about the need for both robust price discovery and transparency in the cattle markets," said Senator Fischer, a member of the Senate Agriculture Committee. "The updates to our legislation incorporate a variety of stakeholder feedback to achieve our goal of ensuring more fairness in cattle markets."

Fischer said she hopes the Senate Ag Committee will hold a hearing on the bill in the coming weeks.

Senator Grassley said the revised bill comes after several months of working with staff at the U.S. Department of Agriculture to make technical changes that will allow them to best implement the bill.

"I frequently hear from Iowa's independent cattle producers about their struggle to get a fair price for their cattle while the nation's four largest packers operate with record profits. I pushed for hearings in the Senate's Agriculture and Judiciary committees to shine a light on these unfair market practices, and I've continued working with a bipartisan group of senators to develop a solution," said Grassley, also a member of the Senate Ag Committee and ranking members of the Senate Judiciary Committee.

"It takes several steps to improve cattle price transparency and will make much-needed market reforms to help independent producers in Iowa and across the country. This bipartisan bill is the best opportunity we have to make real reform in the cattle market this year, and I'll continue to work with my colleagues to get this across the finish line," Grassley said.

"Increasing price discovery will give producers more control and better information when they sell their livestock, and is a key step in making markets more competitive," Tester said

"Oregon's ranchers shouldn't face an unfairly tilted marketplace that favors corporate meat packers and undercuts their small family businesses from producing nationally renowned beef for consumers. This bipartisan legislation shows how both parties can come together to level the playing field by restoring market fairness, efficiency, and transparency for U.S. cattle ranchers," said Senator Wyden, Chair of the Senate Finance Committee.

The updated bill would:

1. Require the Secretary of Agriculture to establish 5-7 regions encompassing the entire continental U.S. and then establish minimum levels of fed cattle purchases made through approved pricing mechanisms. Approved pricing mechanisms are fed cattle purchases made through negotiated cash, negotiated grid, at a stockyard, and through trading systems that multiple buyers and sellers regularly can make and accept bids. These pricing mechanisms will ensure robust price discovery and are transparent.
2. Establish a maximum penalty for covered packers of \$90,000 for mandatory minimum violations. Covered packers are defined as those packers that during the immediately preceding five years have slaughtered five percent or more of the number of fed cattle nationally.
3. The bill also includes provisions to create a publicly available library of marketing contracts, mandating box beef reporting to ensure transparency, expediting the reporting of cattle carcass weights, and requiring

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SENATORS REVISE CATTLE PRICE DISCOVERY AND TRANSPARENCY ACT

a packer to report the number of cattle scheduled to be delivered for slaughter each day for the next 14 days. The contract library would be permanently authorized and specify key details about the contents that must be included in the library like the duration of the contract and provisions in the contract that may impact price such as schedules, premiums and discounts, and transportation arrangements.

R-CALF United Stockgrowers of America “Fighting for the Independent U.S. Cattle Producer”

For Immediate Release
March 29, 2022

R-CALF USA Issues Statement on the Modified Compromise of the 50/14 Bill

Billings, Mont. – Yesterday, Senators Deb Fischer (R-Neb.), Chuck Grassley (R-Iowa), Jon Tester (D-Mont.), and Ron Wyden (D-Ore.) jointly released a modified compromise of the earlier introduced 50/14 bill, also known as the spot market protection bill. The newly modified compromise bill is called the Cattle Price Discovery and Transparency Act of 2022. R-CALF USA strongly opposed the initial version of the compromise bill and called on the Senate Agriculture Committee to reject the bill pending the conclusion of R-CALF USA’s Cattle Antitrust Litigation.

R-CALF USA CEO Bill Bullard issued the following statement in response to the modified compromise’s announcement:

“R-CALF USA remains deeply disappointed that Congress has not yet taken any meaningful action to address the serious crisis in the cattle industry that is now entering its eighth year.

“We don’t yet know how many U.S. cattle operations have been needlessly destroyed by the prolonged, structurally broken marketplace as the U.S. Department of Agriculture ceased publishing annual reports on the number of U.S. cattle operations several years ago.

“What we do know based on what USDA does still report is that we’ve lost another 1,000 small independent feedlots just between 2020 and 2021.

“Based on the combination of widespread drought and the broken marketplace, we fear our industry’s losses of cattle farmers and ranchers and cattle feeders are substantial and ongoing.

“We asked Congress to take decisive action to restore the competition purged from our cattle markets by the largest packers that shifted large volumes of cattle out of the competitive cash market and placed them in non-competitive captive supply arrangements. Some or all of these captive supply arrangements are akin to packer ownership and control of cattle.

“While we reserve our opinion regarding the modified compromise bill pending our ongoing analysis, we remain concerned that at its heart, the proposal authorizes the USDA to take up to two more years before it even establishes minimum cash volume requirements; to set those minimum requirements at the same inappropriate level that they’ve been at during the past two years; and then to keep them at that inappropriate level following the required review after the first two years of implementation and periodic reviews after each five-year increment.

“We were hoping Congress would provide a measured response to this serious crisis and we will continue wading through this complicated proposal to determine if it provides any meaningful reform worthy of America’s independent cattle producers’ support.”

WHAT YOU NEED TO KNOW ABOUT USDA ANNOUNCING PAYMENTS TO LIVESTOCK PRODUCERS HAMMERED BY DROUGHT, SOARING FEED COSTS

By: Jim Wiesemeyer

USDA announces updated livestock disaster aid, while also outlining a new crop-related disaster effort. USDA says the launch of the Emergency Livestock Relief Program (ELRP) will address increases in supplemental feed costs in 2021. The ERLP will use data from the 2021 Livestock Forage Disaster Program (LFP) to make payments to affected producers – producers do not have to apply for the aid if they were approved for an LFP payment.

They key to the program is no sign-ups will be required. There will be a pay cap, but details have not been released on that front.

Phases of the Payments

- Phase 1 of the payments is expected to total \$577 million, basing the payments on percentage of an eligible producers’ gross 2021 LFP payment – 90% for historically underserved producers and 75% for all other producers. And, the payments will be subject to a payment limit.
- Phase 2: USDA said it was evaluating impacts of 2021 drought and wildfires on livestock producers as it develops the Phase 2 component.

Funding Background

The ELRP is being funded under aid included in the Extending Government Funding and Delivering Emergency Assistance Act signed into law in September 2021. That included \$10 billion in assistance to agricultural producers with \$750 million specifically for livestock producers for losses due to drought and wildfires in calendar 2021. USDA doesn’t use the term WHIP+, but this is the program most producers will know it by.



WHAT YOU NEED TO KNOW ABOUT USDA ANNOUNCING PAYMENTS TO LIVESTOCK PRODUCERS HAMMERED BY DROUGHT, SOARING FEED COSTS

More Drought Aid

USDA also announced it was setting up a two-phase approach for diversified, row crop and specialty crop operations affected by an eligible natural disaster event in calendar 2020 or 2021.

First phase of the assistance will use existing crop insurance or noninsured crop disaster assistance program data to calculate payments with funds and will issue details in the coming weeks.

Second phase will fill additional gaps in assistance for eligible producers who did not participate in risk management programs.

There was no expected total amount for payments under the crop-related effort.

USDA also said it will provide additional relief through the Emergency Assistance for Livestock, Honeybees and Farm-raised Fish Program (ELAP) to help producers with above-normal cost of hauling livestock to forage. USDA pointed out the ELAP compensation will be retroactive for 2021 but will be available for losses in 2022 and subsequent years.

HULETT: NORTHERN FEEDERS FIND EXTRA MONEY

By: Brad Hulett

Cattle feeders in the South found themselves in the continual rut of \$138. Packers continue to have healthy supplies around them and made sure not to get in each other's way during the week's trade. Feeders in the South continue to have no option but to take what bids are offered and knowing if you pass you may not get a bid the following week.

Feeders on the Western side still found it difficult to find a bid much better than the \$138, but over in the East \$140 was more widespread. Dressed bids crept up towards the mid \$220's.

Cattle numbers have remained tight in eastern Nebraska and Iowa. This region has the best chance to push the market higher in the near future. The only thing that might make it harder for this region to push cattle prices higher is harvest reduction by packers in the area.

Brad Hulett is Director, Customer Development & Regional Manager, Kansas, at Consolidated Beef Producers, Inc.

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