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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

News from your CEO

October is the month where cattlemen and farmers can see the “light at the end of the tunnel”, the question is; is the light the end of harvest season or another challenge- more drought or another wildfire? We have had some challenges this year in Louisiana agriculture, to say the least. The bright side for cow/calf producers is prices for this year’s calves in September were $70.00-$80.00 cwt. higher than the same time last year and by all account prices will continue to rise. One exception to this statement is if you haven’t sold your calves yet and they are not weaned these calves are being sharply discounted, so consider keeping these calves until Nov./Dec. and take advantage of higher prices for weaned calves. The month of September in Louisiana had many stories that are worth sharing. Kinder Livestock in Kinder, LA at their last sale in September had 2000 cattle and 900 head were cows with most going to slaughter. One producer I spoke to who preg checks his heifers had a conception rate of 75% bred when his normal rate is 85%. The September 1 Cattle on Feed report continues to show less cattle on feed. All these factors will contribute to less cattle going into 2024. Check with your marketing rep. if you haven’t sold your calves.

Enjoy this Fall weather with lower morning temperatures and yes, pray for rain! May you be blessed with a bountiful harvest.

Dave Foster, CEO

Oklahoma Cattle Market Summary

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

The fall calf marketing season is upon us. In most years, this means that auction volumes increase, and prices of calves and stockers decrease to seasonal lows. This year is likely to be different. Current prices for calves are roughly 18 percent higher than March/April prices and heavy feeder cattle prices are higher than spring by over 30 percent. Feeder cattle prices are sharply higher this year compared to one year ago. Feeder steers and heifer prices at Oklahoma auctions are higher by 45 -55 percent compared to the end of September 2022.

Volumes at Oklahoma auctions are down by 9.4 percent in 2023 through the end of September compared to one year ago. That amounts to a reduction in feeder cattle sales of over 95,000 head so far this year. The decrease in auction volumes has been greater in the second half of the year with weekly volumes down by 22.8 percent since the middle of the year. The volume of feeder cattle is expected to be smaller year over year even as seasonal volumes increase in October and November. Though there are no strong, clear indications of heifer retention yet, the percent of heifers in auction volumes has been lower in August and September, about 40 percent, compared to an average of just over 44 percent in the first seven months of the year.

Winter wheat grazing is an important cattle production activity in Oklahoma and surrounding regions of the southern plains. Demand for wheat pasture stocker cattle helps support calf prices in the fall and depends on the development of wheat pasture. The latest crop progress report shows that wheat planting is slower than usual with 18 percent of Oklahoma wheat planted as of September 24, down two percent from last year and seven percent below the five-year average of 25 percent for the date. Reemerging dry conditions is limiting wheat pasture development this fall.

The situation for cull and replacement cows is similar to feeder cattle with sharply higher prices and reduced volumes year over year. Average auction prices for cull cows in Oklahoma are about 35 percent higher this fall compared to last year. The auction volume of cull cows is down 15.5 percent for the year to date but is down 43.2 percent since mid-year. The

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Oklahoma Cattle Market Summary

volume of bred and breeding cows is down 28.0 percent for the year to date and down 45.6 percent since the end of June. Auction prices for bred cows are up roughly 50 percent year over year. I am hearing anecdotal reports of bred cow prices jumping sharply this fall.

Hay supplies are improved from a year ago and pastures are in somewhat better shape compared to last year. The latest pasture conditions rate Oklahoma with 38 percent poor to very poor compared to last year at this time when 75 percent of pastures were poor to very poor. However, many producers report that low stock water remains a serious concern in many regions. Cattle producers will enjoy near record cattle prices this fall but continue to face numerous production and cost challenges. Hopefully the emerging El Niño will bring broad-based moisture improvements this winter and set up better conditions for 2024.

Cattle farming losses likely from excessive heat, drought in Louisiana

By: Barry Lowin

Lake Charles, La. (KPLC) - Extreme heat and drought this summer have led to losses in several of Louisiana's agricultural sectors. The LSU Agcenter says the worst losses are expected in the beef cattle sector forced downsizing of cattle herds and other factors could lead to estimated losses of $135 million to $290 million.

The entire agricultural industry is experiencing impacts from excessive heat and drought, but beef cattle, are getting hit on several fronts.

Donna and Sam Fontenot are fifth-generation cattle farmers.

"Looking at the ground, looking at this grass, what does this cow have to eat, they're not going to eat this," Cattle Farmer Sam Fontenot said. "They're going to eat that right there, right in here, the rest of this is dead, there's nothing here."

"So what you're seeing is very, very short Bermuda grass here with a lot of goat weeds and bitter weeds coming in here, but nothing that the cattle can really grow on," Cattle Farmer Donna Fontenot said.

With very little rain, pastures are drying up.

"We've always seen conditions in farming good and bad, we've been through it all; we've been through good times, bad times, but this is probably the worst drought we've ever seen in this area," said Donna Fontenot.

Forced liquidation and early weaning are management strategies that producers have to do to manage the amount of forage they have because the grass is not growing.

"A lot of producers are going to end up liquidating instead of trying to keep their pastures full," Donna said. "That's going to have a direct impact eventually on the consumers, they're going to see it in the grocery stores."

Bradley Laningham has been buying beef from the Fontenot's for a couple of years.

"We've delivered some beef to Bradley today, some a beef bundle; it's got a brisket in it. it's got some rib eyes, it's got some really nice chuck roast, ground beef, and some t-bones," Donna said.

"I mean the drought is affecting a lot of people right now. It doesn't matter if it's farmers or any other body that deals with commercial meat or produce or like the fisheries as well." Laningham said.

"You know the drought is not just Southwest Louisiana. It goes into west Texas and it goes all the way to parts of Georgia and Northern Louisiana, you know, it's a big, big area that's been affected by this drought," Donna said.

According to the U.S. Department of Agriculture Economic Research Service, many producers have been forced to sell between 10% and 30% of their permanent herds, leading to future losses as ranchers will have fewer calves reared in coming years.

USDA begins issuing $1.75B through emergency relief programs

Payments will help farmers and ranchers recover from natural disasters in 2020, 2021 and 2022.

The U.S. Department of Agriculture (USDA) announced that it will begin issuing more than $1.75 billion in emergency relief payments to help eligible farmers and livestock producers recover following natural disasters in 2020, 2021 and 2022.

"USDA provides substantial economic support for America's farmers and ranchers through its critical farm program payments. These payments are reflective of the incredible and cumulative financial hits brought on by devastating natural disasters that agricultural producers nationwide have endured while fulfilling their commitment to produce our food, fiber, and fuel," said Agriculture Secretary Tom Vilsack. "This additional assistance helps offset the tremendous losses that these producers faced and is a valuable investment, not only for farmers and ranchers but in the economic successes of our communities – rural and urban – and in our nation's food security for generations to come."

Emergency Livestock Relief Program

This week, FSA will issue more than $581 million in 2021 and 2022 drought and wildfire emergency relief to eligible ranchers.

FSA is closing out the Emergency Livestock Relief Program (ELRP) for losses suffered in 2021. ELRP Phase Two payments are estimated at $115.7 million. Ranchers who lost grazing acres due to drought and wildfire and received assistance through ELRP Phase One will soon receive an additional payment through ELRP Phase Two. This second payment will be equal to 20% of the 2021 gross ELRP Phase One payment. ELRP Phase Two payments to producers will be automatic with no application required. In April 2022, FSA staff processed more than 100,000 payments through ELRP Phase One and paid eligible ranchers more than $600 million for 2021 grazing losses.

In 2022, ranchers continued to experience significant loss of grazing acres due to drought and wildfire. To help mitigate these losses, eligible ranchers will receive ELRP disaster assistance payments for increases in supplemental feed costs. To expedite payments, determine producer eligibility and calculate the ELRP 2022 payment, FSA is using livestock inventories and drought-affected forage acreage or restricted animal units and

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USDA begins issuing $1.75B through emergency relief programs

grazing days due to wildfire already reported to FSA by ranchers when they submitted their Livestock Forage Disaster Program applications. ELRP payments for 2022 losses are estimated at $465.4 million and will be automatic with no application required.

Emergency Relief Program Phase Two

FSA is also closing out Phase Two of the Emergency Relief Program (ERP) this week through the delivery of more than $1.17 billion in crop disaster assistance payments to producers of eligible crops who suffered losses, measured through decreases in revenue, due to qualifying natural disaster events that occurred in calendar years 2020 and 2021. ERP Phase Two was intended primarily for producers of crops that were not covered by federal crop insurance or FSA's Noninsured Crop Disaster Assistance Program (NAP). Previously, through ERP Phase one, FSA staff processed more than 300,000 applications and paid an estimated 217,000 eligible producers more than $7.4 billion.

Peel: Feedlot Inventories Slowly Diminish

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

The latest USDA-NASS Cattle on Feed report pegs the September 1 feedlot inventories at 11.094 million head, down 2.2 percent year over year. The September feedlot total was up slightly from the August summer low, which was the lowest monthly on-feed total since September of 2019. Feedlot inventories have been lower year over year for the past twelve months.

Figure 1 shows monthly feedlot totals and a 12-month moving average, which provides a good measure of the underlying trend for the past year. The 12-month moving average peaked in September 2022 at 11.836 million head. The September 2023 12-month moving average is 11.507 million head, down 2.8 percent from the peak. Figure 1 also shows the 2014 cyclical low of 10.375 million head, a likely target for feedlot inventories in the coming months. Following the drought a decade ago, the 12-month moving average dropped below 11 million head in April 2013 and remained below that level for 58 months through January 2018. This was the period of rapid herd expansion in the last cattle cycle and a similar situation is likely going forward, beginning in 2024.

Monthly feedlot placements in August were down 5.1 percent year over year; the lowest August placements since 2019. Placements have decreased year over year for ten of the last twelve months, with total placements down 897 thousand head in the last year. A 12-month moving average of placements shows that the peak annual average monthly placements occurred in December 2019, consistent with the cyclical peak in the calf crop in 2018. However, pandemic delays from 2020 into 2021and drought enhanced placements in 2021 and 2022 have kept feedlot placements high until the last few months. The current 12-month moving average of placements for August just dropped to the lowest level since May of 2017. Average placements are expected to continue declining for the foreseeable future.

Feedlot marketings in August were down 6.0 percent year over year. Total marketings for the year to date are down 3.4 percent. Feedlot marketings are, of course, highly correlated with slaughter. Monthly feedlot marketings are 90 percent correlated with yearling (steer plus heifer) slaughter and account for an average of 86.6 percent of monthly federally inspected steer and heifer slaughter. Marketings from small feedlots, with less than 1000 head capacity, make up the difference. Yearling slaughter for the first eight months of the year is down 3.2 percent year over year. The year over year decrease in yearling slaughter consists of a 4.9 percent year-to-date decrease in steer slaughter and a 1.1 percent year-to-date decrease in heifer slaughter.

Heifer retention is expected to increase sharply at some point in the coming months which will drop the number of heifers in feedlots and decrease heifer slaughter. The July quarterly data showed that heifers currently make up 39.9 percent of feedlot inventories. When heifer retention begins in earnest, this percent will drop to about 32 percent. This suggests that average feedlot inventories will likely drop another 1.0 - 1.2 million head at least in the next 8-18 months. Feedlot inventories will likely decline to a level close to the 2014 low in Figure 1 and stay relatively low for many months.

Derrell Peel, OSU Extension livestock marketing specialist, says the cattle market should remain strong into the fall on SunUpTV from September 16, 2023. https://www.youtube.com/watch?v=47jPRbeSYns

U.S. House Votes to Reject Attack on Checkoffs

By: Greg Henderson

The U.S. House of Representatives on Wednesday overwhelmingly rejected an attack on federal commodity checkoff programs. Two Republican proponents argued the famer-funded research and promotion programs fail to fully disclose how the revenue is spent by the programs and they sought to have USDA barred from operating the programs.

GOP Reps. Victoria Spartz of Indiana and Tom Massie of Kentucky led the attack on checkoff programs, but their efforts convinced only 13% of their colleagues as the amendment failed 49-377.

The House also rejected an amendment that would bar USDA from requiring electronic tracking of cattle.

Rep. Harriet Hageman, R-Wyo., sought to bar USDA's Animal and Plant Health Inspection Service from requiring electronic IDs for cattle and bison. That amendment failed, 97-336.

Speaking to defend the checkoffs and the animal ID plan, House Agriculture Committee Chairman Glenn "GT" Thompson, R-Pa., argued the anti-checkoff proposal was led by animal rights activists that ultimately want to reduce consumption of animal products.

"These programs are voluntarily created by producers, for producers, and they don't receive taxpayer dollars for any of their activities, or for USDA oversight of their activities," Thompson said.

Regarding the animal ID plan, Thompson said that "traceability resources are paramount when dealing with an animal disease outbreak."

Senators address rural veterinarian shortage

Stabenow, Crapo introduce Rural Veterinary Workforce Act.

By: Joshua Baethge, Policy editor, Farm Progress

Sens. Debbie Stabenow, D- Mich., and Mike Crapo, R- Idaho, introduced legislation this week to address what they say is a critical shortage of veterinarians in rural communities. The Rural Veterinary Workforce Act includes tax incentives intended to encourage more veterinarians to practice in rural communities.

Efforts to pass similar legislation have failed before. According to Stabenow and Crapo, more than 500 counties across 46 states have reported critical veterinarian shortages. They say this bill is needed to improve care for livestock and poultry while also addressing local food safety and health concerns.

“Quality veterinary care is essential to the agricultural economy and public health in rural communities in Michigan and across the country,” Stabenow says. “But too many communities lack the veterinary services they need. This bipartisan bill will provide incentives to veterinarians to practice in underserved areas, where quality veterinary care is needed to ensure healthy livestock and a safe food supply.”

Additional Senators signing onto the bill include Angus King, D-Maine, Cindy Hyde-Smith, R- Miss., Tina Smith, D-Minn., Lisa Murkowski, R-Alaska, Kirsten Gillibrand, D-N.Y., Jerry Moran, R-Kan., Amy Klobuchar, D-Minn., John Boozman, R-Ark., Dianne Feinstein, D-Calif., Susan Collins, R-Maine, Patty Murray, D-Wash., and James Risch, R-Idaho.

Bill supporters say the Veterinary Medicine Loan Repayment Program Congress created in 2003 has become inadequate. Federal tax withholding laws limit the amount beneficiaries truly receive. The Rural Veterinary Workforce Act would create tax exemptions for payments received under this and similar programs. That change would allow vets to receive tax incentives similar to doctors and other health professionals.

American Veterinary Medical Association president Dr. Rena Carlson says the bill will help keep the nations’ livestock healthy and food supply safe.

“The AVMA has been a long-time champion of the proposed legislation,” Carlson says. “After the legislation received a historic level of support in the previous Congress, we look forward to working with the congressional champions to enact this bill and help rural communities across the country access the many essential services veterinarians provide.”

More than 100 national and state organizations signed a public letter urging Congress to pass the bill. A similar House bill was introduced by Reps. Adrian Smith, R-Neb., John Larson, D-Conn., Michelle Fischbach, R-Minn., and Jimmy Panetta, D-Calif. earlier this summer.

Joshua Baethge covers a wide range of government issues affecting agriculture. Before joining Farm Progress, he spent 10 years as a news and feature reporter in Texas. During that time, he covered multiple state and local government entities, while also writing about real estate, nightlife, culture and whatever else was the news of the day.

Baethge earned his bachelor’s degree at the University of North Texas. In his free time, he enjoys going to concerts, discovering new restaurants, finding excuses to be outside and traveling as much as possible. He is based in the Dallas area where he lives with his wife and two kids.

CATTLE PRODUCERS OF LOUISIANA
P.O. BOX 886
PRAIRIEVILLE, LOUISIANA 70769
WEBSITE: WWW.LACATTLE.ORG
TOLL FREE: 888-528-6999