

Livestock Marketing Information Weekly

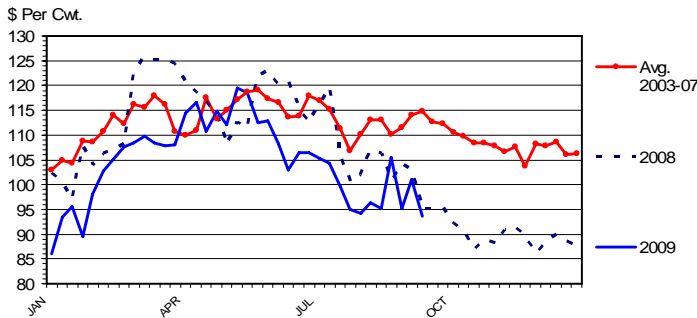
WSU Extension
<http://ext.wsu.edu>

Livestock Marketing Information Center
<http://www.lmic.info>

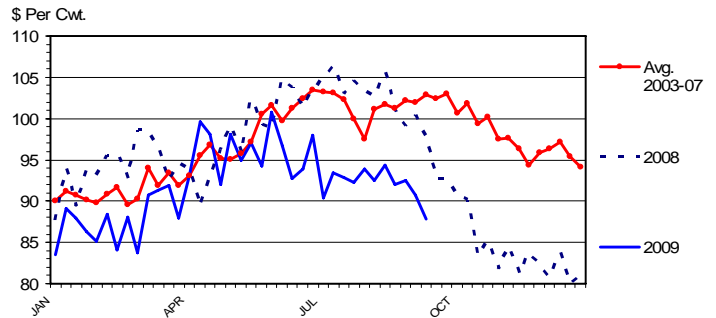


E-NEWSLETTER FOR WASHINGTON'S LIVESTOCK INDUSTRY

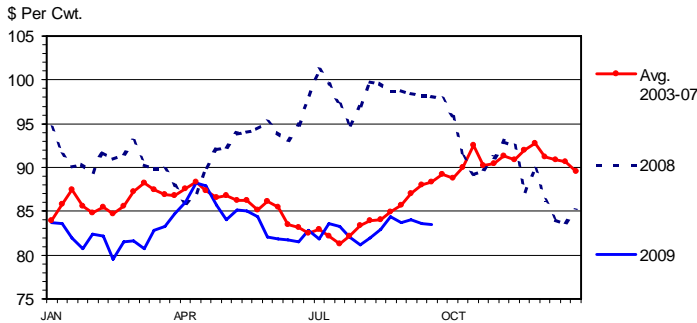
MED. & LRG. #1 & 2 STEER CALF PRICES
500-600 Pounds, Washington, Weekly



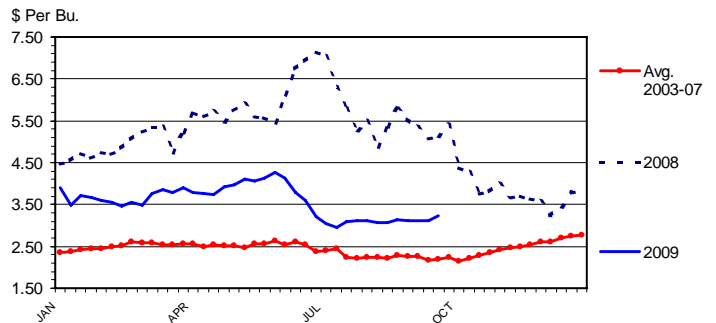
MED. & LRG. #1 & 2 FEEDER STEER PRICES
700-800 Pounds, Washington, Weekly



SLAUGHTER STEER PRICES
5 Market Weighted Average, Weekly



OMAHA CORN PRICES
Weekly



(All graphs courtesy of the Livestock Marketing Information Center – lmic.info)

this week in the cattle markets – Dillon Feuz, USU (sep 21)

Fat Cattle Weights

Slaughter steer carcass weights for the 5-state marketing area exceeded 900 pounds recently. That is the first time the weekly average has been over 900 pounds. So it is a new record. But is it a record the beef industry should be proud of? In 2001, the average fed steer carcass weight for the same market area was 803 pounds. By 2005, the average had increased to 835 pounds, and last year the average was 859 pounds. This year the average may exceed 880. That means that the average carcass weights have been increasing about 10 pounds per year this decade. Prior to 1980, the average carcass weight was less than 700 pounds and in 1990 the average was about 750 pounds. Looking at the data, the trend for increasing carcass weights has been in place for a

long time, but it appears that in more recent years there is even more weight being added.

I think there has been a very strong economic reason for the increase in weight. Prior to 2006, corn prices averaged around \$2.50 per bushel give or take a quarter for most years since the early 1970's. That led to feedlot total cost of gain values in the \$.40-.50 per pound of gain range. In the 1970's fed cattle prices were below \$.50 per pound for most of the decade. You fed cattle enough corn to get them to grade, but then you shipped them before your cost of gain exceeded the market price. In the 1980's fed cattle prices averaged \$.65 per pound and in the 1990's they average about \$.70 per lb. During that time, the cost of gain was still in the mid \$.40's per pound. Now there was an economic incentive to feed to

LIVESTOCK MARKETING INFORMATION WEEKLY – 9/25/09

heavier weight. When every extra pound only costs \$.45 to put on and I get paid \$.65-.70 for that weight it doesn't take much of an economist to figure out that heavier cattle make a feeder more money. Now back in the 1980's, packers were telling feeders they didn't want too heavy of cattle and they threatened to discount them if they were over 850 to 900 pounds; that help keep the average down, for awhile. By the 1990's, most packers were not discounting cattle until 950 pounds; so weight kept creeping higher as there was a clear economic incentive to do so. So far this decade, fat cattle have average about \$.78 per lb. Cost of gain have increased with higher priced corn, but with the exception of a few time frames the cost to put on weight as remained below the price a feedlot receives from selling that weight. As packers have built new plants, or retrofitted old ones, they have made it more convenient to handle larger carcasses. Some of them will now accept 1,000 pound carcasses with no discounts.

From this logic, one might ask the question, why is there any concern with carcass weights. It appears that feedlots have made more money selling heavier cattle and that packers have adjusted to dealing with heavier cattle. Retailers must also have discovered they can cut steaks in different sizes and get consumers to buy them.

But what has this added weight done to the total production of beef? The nation's cow herd peaked in size in the 1970's and has generally been declining since them. In fact, the numbers are down about 30% from the peak. However, our total pounds of domestically produced beef are much higher than they were in the 1970's. Consider that with the 10 pounds of heavier weight per year this decade, then for each 80 steers slaughtered, there is effectively another steer each year. So from the start of the decade until now, for each 10

steers slaughtered today, there would have needed to be 11 steers in 2000 to produce the same total weight of beef.

Demand is downward sloping for all commodities. This means that to get consumers to eat more beef, more total pounds, the price must be lowered. Now, I could spend several more pages on this, but the point I am making is that added weight has not been free. Market prices for fed cattle are lower because of heavier weights. This brings us to a classic problem in agriculture: each producer doing what is best for him (adding more weight) results in a collective action that is bad for him (more total weight means a lower general market level price).

The Markets

The fed cattle market was lower this past week. Most trade took place on Thursday this week on a better volume than the prior week. Prices were \$82-84 on a live weight basis and were mostly \$129-131 on a dressed basis. Choice boxed beef prices were down slightly this week. The Choice-Select spread decreased a little but remains near the typical level. Feeder cattle prices were lower for 7-800 pound steers and were mixed for 5-600 pound steers this past week compared to the previous week. Nebraska prices for 7-weight steers were \$2 lower and 5-weights were \$4.50 higher. Prices for 7-weight steers in Oklahoma were down \$1 and 5-weight steers were down also \$1 compared to last week. Montana prices were \$2 lower for the heavier steers and were sharply lower for lighter steers, down \$9 for the week. Corn prices were fairly steady with last week. Dried Distillers Grain prices were \$2 per ton higher and wet distillers were \$1.50 higher per ton in Nebraska for the week. (See prices or archived articles at

<http://lmic.info/memberspublic/pubframes.html>)

LMIC Livestock Monitor (September 25, 2009)

Production			Prices			
Week Ending 9/26/2009	Last	Year Ago	Weekly Weighted Avg.	Last	Week Ago	Year Ago
FI Cattle Slaughter (Thou Hd)	649	660	Live Steer	83.51	83.57	97.81
FI Hog Slaughter (Thou Hd)	2346	2346	Dressed Steer	129.58	129.68	151.54
FI Sheep Slaughter (Thou Hd)	53	49	Beef Cutout (Choice 600-900)	140.48	142.04	158.60
Live Y. Chicken Sl. (Mil Hd)	163.5	165.9	USDA Hide/Offal (\$/Cwt)	8.84	9.22	11.64
			GA Auction Fdr. Str. (6-7 Cwt.)	85.72	86.23	91.26
Slaughter Cattle Live Weight	1305	1305				
Slaughter Hog Live Weight	270	267	Iowa/S. Minn. Base Hog (Wtd. Avg)	49.56	50.83	71.39
Slaughter Lamb/Sheep Live Wt.	134	132	Natl. Net Hog Carcass (Wtd. Avg)	54.77	54.60	72.39
			Feeder Pigs (40-50 Lbs)	28.80	29.17	33.50
Beef Production (Mil Pounds)	513.1	522.2	Pork Cutout	55.42	56.91	75.01
Pork Production (Mil Pounds)	471.4	467.3				
Lamb, Mutton Prod. (Mil Lbs.)	3.5	3.2	Lamb Cutout (\$/Cwt)	216.08	216.07	238.89
Previous 6 Wk. Moving Avg.			Corn, Omaha (\$/Bu)	3.21	3.02	5.26
Total Beef (Mil Lbs)	504.7	516.4	Wheat, Portland (\$/Bu)	4.38	4.44	6.38
Total Pork (Mil Lbs)	448.6	443.7	Wheat, Kansas City (\$/Bu)	4.17	4.20	6.96
Total Lamb, Mutton (Mil Lbs)	3.1	3.1	Soybeans, S. Iowa (\$/Bu)	9.41	9.49	11.19

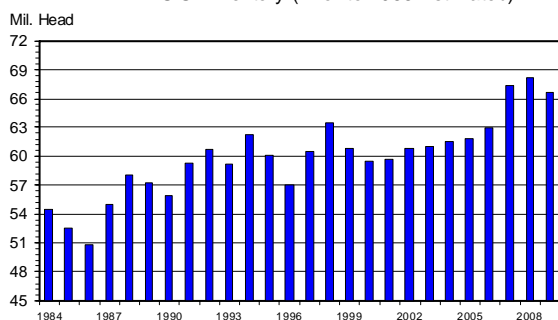
Source: Various USDA-AMS reports. Some data are preliminary.

QUARTERLY HOGS AND PIGS SHOWS CONTRACTION

According to the September 1 Quarterly Hogs and Pigs report, released on Friday, September 25th by USDA-NASS, the total number of hogs and pigs in the U.S. was 66.6 million head versus 68.2 million in 2008, a 2.3 percent year-to-year decline. It appears, hog producers have entered into contraction mode and producer intentions suggest further reductions in the breeding herd in the months ahead. However, gains in productivity (pigs per litter, slaughter weights) continue to offset some of the declines in sow numbers.

SEPTEMBER 1 ALL HOGS AND PIGS

U.S. Inventory (Prior to 1988 Estimated)



As of September 1st, the breeding herd was reported at 5.87 million head, which was down 3 percent from last year but only slightly below the 2007's. On a quarterly basis, hog producers reduced the breeding herd by 2 percent. Of note, recent sow slaughter data indicate that the breeding herd continued to shrink some during the month of September. In the June to August quarter, producers farrowed 3.5 percent less sows than a year earlier, but with another record number of pigs per litter (9.70), the pig crop was down only about 2 percent. According to the report, producers intend to farrow 3 percent less sows in the fall and winter quarters than a year ago, however that number may actually be lower as the market has not improved since the surveys were distributed.

Slaughter hog supplies are forecast to be below a year ago for the balance of 2009, as the number of market hogs at 60.75 million head was 2 percent or 1.4 million head less than 2008's. Of interest, the number of market hogs was larger than reported on June 1st, which may indicate that fewer gilts are in the breeding herd pipeline than normal. In addition, U.S. slaughter hog imports from Canada are expected to remain below a year earlier for the balance of 2009.

LMIC is forecasting that U.S. hog slaughter for 2009 will be down about 3 percent from last year, but still the second largest on record. For the year, pork production should be down about 1 to 2 percent as heavier hog weights this summer have offset some of the decline in hog numbers. Normally, tighter supplies would be supportive of hog prices, however domestic and foreign pork demand will remain sluggish. Thus for calendar year 2009, slaughter hog prices are forecast to be about 13 percent below 2008's. Current

LMIC forecasts indicate year-to-year increases in slaughter barrow and gilt prices will not occur until the second quarter of 2010. Even with corn prices below a year ago, farrow-to-finish profits look to remain in the red well into 2010.

COLD STORAGE

On Wednesday, September 22nd, USDA-NASS released the monthly Cold Storage report, which reported ending stocks of red meat at the end of August were slightly larger than last year, the result of a larger supply of frozen pork items. However on a monthly basis, frozen stocks of red meat were down about 4 percent from the end of August. As expected, frozen supplies of poultry were below a year ago, while frozen turkey stocks seasonally increased. Overall, frozen stocks of meat and poultry, especially pork, were a little below expectations.

As of August 31st, frozen stocks of beef totaled 426 million pounds, down around 3 percent compared to the same time last year and the 2003-2007 average as well. Frozen supplies of bone-in beef cuts were nearly 20 percent smaller than last year, while boneless beef cuts were just a tad smaller than 2008's (less than a half percent). From the end of July to the end of August frozen stocks of beef declined about 4 percent.

Stocks for pork in cold storage at 518 million pounds were 3 percent larger than last year and 23 percent above the prior five-year average at the end of August. Faced with sluggish demand in the domestic and export markets, pork stocks have continued to build compared to a year earlier. On a per item basis, the largest year-to-year increase was in bellies (up 54 percent), followed by spareribs (up 19 percent), variety meats (up 12 percent), with trimmings up about 8 percent. Of note, total stocks of frozen ham were down 16 percent mostly due well below year ago stocks of bone-in hams, at the same time total loins were 19 percent smaller at the end of August versus last year, while bone-in butts and picnics were down 17 and 12 percent respectively.

According to the report, frozen chicken stocks were down 15 percent from the end of August last year at 642 million pounds and 6 percent smaller than the 2003-2007 average. On a monthly basis, chicken stocks declined by about 39 million pounds from July to August. Frozen stocks of turkey continue to be larger than a year ago, with stocks as of August 31st up 2 percent from 2008's, as product for processing further built-up as well as supplies of birds for the holiday season.

MONTHLY PRODUCTION NUMBERS

Year-to-year adjustments in red meat and poultry production provide important insight into the supply status of markets. Recently, USDA-NASS released two monthly slaughter reports. In August, U.S. pork production was above a year ago, while production of most other red meats and poultry significantly declined. Those production levels have influenced live animal prices.

In the red meat complex, U.S. commercial pork production in August at nearly 1.9 billion pounds was record large for the

month and 4 percent above a year ago. Much of that year-to-year increase was due to carcass weights, that is, hog slaughter was up about 1 percent but weights increased nearly 3 percent (commercial live weight was up 7 pounds). In contrast to more pork being produced in the U.S., beef production posted a year-to-year decline in August. Even though cattle weights were above a year ago (commercial live weight up 9 pounds), beef production was 4 percent below a year earlier due to reduced head slaughtered. In August, lamb production was unchanged compared to 2008's and veal declined about 6 percent.

During August, U.S. poultry production (ready-to-cook basis) was just over 3 percent below a year ago. Within the poultry complex, percentage declines from 2008's were largest for turkey, as in August chicken production was down over 2 percent while turkey was down over 9 percent.

<http://lmic.info/memberspublic/pubframes.html>

Grimes & Plain cattle outlook

The September Cattle on Feed report came in just slightly more negative than the trade estimates. The report showed the number of cattle on feed down 1.2 percent. The trade estimate was for a decline of 1.5 percent. Placements on feed during August were up 2.4 percent. The trade estimate was for a 0.9 percent increase. Fed marketings during August were down 3.9 percent. The trade estimate was for a 4.7 percent decline.

The futures market showed a modest decline in the price of most live cattle contracts on Monday following the report. Individual contracts showed one contract up \$0.075 but the remainder of the contracts ranged from the same as Friday's close to \$0.575 per cwt lower.

The weights of cattle placed on feed during August were mixed. The number placed weighing less than 600 pounds was up 16.4 percent, the number weighing 600-699 pounds was down 3.7 percent, the number placed weighing 700-799 pounds was down 9.0 percent, and the number placed weighing 800-pounds-and-up was up 7.6 percent from a year earlier. Fed cattle marketings are expected to continue to run below a year earlier, and fed cattle prices are expected to be steady to a small increase during the fall.

Cow slaughter for the year through the week ending September 5 was up one percent from a year earlier. However, dairy cow slaughter amounted to all of the gain, plus some, and was up 14.6 percent. Beef cow slaughter was down 8.5 percent for this period compared to last year.

We expect both the dairy cow inventory and beef inventory will be down January 1, 2010, from 2009. Our current estimate is for the dairy cow herd to be down 2-3 percent and the beef cow herd to be down 1-2 percent from a year earlier on January 1.

The live feed cattle price for the week through Thursday for the five-market area at \$83.51 per cwt was down \$0.04 per cwt from a week earlier. The weighted average negotiated carcass price for the five-market area through Thursday at \$129.53 per cwt was down \$0.13 per cwt from seven days earlier.

Beef prices Friday morning showed the wholesale price of Choice beef at \$139.09 per cwt, down \$1.09 per cwt from a week earlier. Select beef at \$132.59 per cwt was down \$1.01 per cwt from Friday morning seven days earlier.

Feeder steer and heifer prices this week at Oklahoma City were \$1-3 per cwt lower than a week earlier. Steer and heifer calves were \$3-7 per cwt lower than seven days earlier.

The prices for medium- and large-frame Number One steers this week at Oklahoma City by weight group were: 400-500 pounds \$101-123 per cwt, 500-600 pounds \$96-108.25 per cwt, 600-700-pound calves \$90-95.25 per cwt, 600-700-pound yearlings \$96.50-106.75 per cwt, 700-800 pounds \$96-102.50 per cwt and 800-1,000 pounds \$87-96.60 per cwt.

Slaughter this week under Federal Inspection was estimated at 649 thousand head, down 1.3 percent from a year earlier.

<http://agebb.missouri.edu/mkt/bull2c.htm>

Grimes & Plain hog outlook

Cold storage stocks of pork at the end of August were down 4 percent from the end of July but up 3 percent from the end of August 2008. The cold storage stocks compared to July are down a little more than normal for 2001-2008. The cold storage stocks at the end of August were 1.2 percent below the July 31 stocks.

The bad news is that cold storage stocks at the end of August were nearly 22 percent above the 2001-2008 stocks. These are quite large stocks to be going into the heavy slaughter of fall and will be somewhat negative to prices.

Sow slaughter has increased recently and the last four weeks were up 1.9 percent from last year after adjusting for herd size. Gilt slaughter for the four weeks ending September 12 was up substantially. This data supports the belief that producers speeded up the decline in the breeding herd starting in mid-August. Therefore, the September breeding herd will not likely show this increase in the rate of decline.

Feeder pig prices nationally have been substantially stronger with a \$4-7-per-head gain last week following a good increase the previous week.

The prices nationally showed 10-pound pigs averaging \$25.92 per head and 40-pound averages at \$28.81 per head. The formula-priced pigs had 10-pound pigs at \$33.72 per head and 40-pound pigs at \$35.67 per head. Spot-priced pigs at 10 pounds were \$19.67 per head and 40-pound pigs were at \$27.53 per head. United Tel-o-auction feeder pig prices this

week were \$5-7 per cwt above two weeks earlier. All of the United pigs weighed 50-60 pounds and sold from \$41-48.50 per cwt.

Live barrow and gilt weights last week in Iowa-Minnesota were 0.7 pound lighter than a week earlier but 5.2 pounds heavier than a year earlier. For the week ending September 12, barrow and gilt carcass weights were four pounds above 12 months earlier.

Pork cutout this week Thursday afternoon showed the cutout of 100 pounds of carcass at \$53.63 per cwt, down \$3.41 per cwt from last week. Loins at \$69.66 per cwt were down \$6.37 per cwt, Boston butts at \$52.56 per cwt were down \$5.68 per cwt, hams at \$42.86 per cwt were down \$4.47 per cwt and bellies at \$67.83 per cwt were up \$1.03 per cwt from seven days earlier.

Live hog prices Friday morning were \$0.75 to \$2.50 per cwt lower compared to a week earlier. Weighted average negotiated carcass prices were \$0.41 to \$1.43 per cwt lower compared to seven days earlier. The top live prices Friday morning were: Peoria \$29.00 per cwt, Zumbrota, Minnesota, \$32.00 per cwt and interior Missouri \$35.75 per cwt. The weighted average negotiated carcass prices by area were: western Cornbelt \$48.78 per cwt, eastern Cornbelt \$47.47 per cwt, Iowa-Minnesota \$48.78 per cwt and nation \$48.12 per cwt. Slaughter this week under Federal Inspection was estimated at 2,346 thousand head, no change from a year earlier.

The trade expects the hogs and pigs crop report to show total hog numbers down 1.8 percent, the breeding herd down 2.6 percent and the market herd down 1.7 percent. These numbers are a little friendlier than our estimates.

The September Hogs and Pigs report came in a little more bullish than the trade estimates. The kicker here is the recent Hogs and Pigs reports have been a little more bullish than the trade reports, but slaughter has run above most USDA report estimates.

Our quick estimate is for slaughter in the fourth quarter to be down 1.9 percent and 51-52 percent lean live hogs to be \$32-35 per cwt. For the first quarter, our estimate is for slaughter to be down 3.7 percent from last year and 51-52 percent lean live hogs to be at \$35-38 per cwt. A more detailed report will

be on the MU Ag Electronic Bulletin Board by noon, September 28. (<http://agebb.missouri.edu/mkt/bull1c.htm>)

pnw dairy monitor (august 2009)

In the September Feed Outlook report by USDA-ERS, forecast U.S. feed grain supplies for 2009/10 are increased with higher corn production, reflecting favorable growing conditions for corn across the western Corn Belt and the northern half of the Great Plains. Corn yields are expected to reach a new record. With larger feed grain production, all 2009/10 feed grain prices are projected lower. Corn production in 2009 is forecast at 12.954 billion bushels, up 193 million bushels from last month and 853 million bushels above 2008. Based on September 1 conditions, the average corn yield is forecast at a record 161.9 bushels per acre, compared with 159.5 bushels per acre last month and actual 2008 yield of 153.9 bushels per acre. Reflecting increasing supplies, the forecast corn price for 2009/10 is lowered 25 cents on the high end of the range, and lowered 5 cents on the low end of the range to \$3.05- \$3.65 per bushel. In 2008/09, the season average price received by farmers is expected to be \$4.08 per bushel.

With the decline in feed costs of both forages and grains, and a still optimistic futures projection of milk prices the cost-price squeeze will hopefully begin to lessen as we move into fall. Although cold storages are plentiful with dairy products, with schools in session and the holiday buying season opening up some of the surplus could move to market and give support to prices.

Corn prices are nearing what may be the lows for the year. Some reports of local corn belt prices being at \$2.70 or less may represent opportunities that won't last for long or be seen again for awhile.

While some optimism is justified, caution is still the watchword. While the impact of the recession may be lessening the economy is still in ill health. Any recovery will be long and slow. That will continue to keep a lid on demand as unemployment will continue to rise well into 2010. Many companies will be reluctant to add jobs until they see a clear picture of increased demand. That is quite a ways off. (Full report at http://www.ag.uidaho.edu/aers/r_PNW.htm.)

USDA MARKET NEWS – MOSES LAKE

Washington feeder cattle report

(Davenport & Toppenish) Compared to last week, feeder cattle steady to 3.00 higher, except steers over 800 lbs steady to 2.00 lower. Slaughter cows 1.00-2.00 lower. Slaughter bulls steady. Slaughter cows made up 22 percent of the offering; Slaughter bulls 15 percent, and feeders 63 percent of the supply. The feeder supply included 61 percent steers and 39

percent heifers. Near 52 percent of the run weighed over 600 lbs. http://www.ams.usda.gov/mnreports/ml_ls795.txt

Columbia Basin hay report

Compared to last week: All classes of Domestic Cattle Alfalfa traded mostly steady. Export Alfalfa and Timothy traded steady on all classes. Retail/Feed store/Horse hay traded

generally steady with moderate trading activity with volume increasing in recent weeks. Buyer demand light to moderate for all classes of hay. Most producers are now focusing on harvesting their final Alfalfa cutting of the year. Weather has been extremely mild throughout the Basin this past week. Alfalfa hay \$80-160, details:

http://www.ams.usda.gov/mnreports/ml_gr310.txt

national feeder & stocker cattle summary

Compared to last week, weaned calves and yearlings sold 1.00-3.00 lower with the increased arrival of unweaned bawling calves selling 3.00-6.00 lower as the discount on these types increases as the fall progresses. Price spreads grew within narrow weight ranges as buyers become progressively more selective and we head into the heart of the fall run. Auction receipts were fairly heavy again this week, but direct sales were very light as buyers can't interest calf sellers in current bids and many fall yearlings have already been contracted and most already shipped. Adequate grazing across much of the major cattle production areas is allowing sellers the option of holding cattle, but those turned-out on the Rocky Mountain slopes and foothills are starting to get early warning signs to evacuate. Measurable snowfall and road closings are reaffirming old timer's claims that recent weather patterns have forecasted a rough winter. Farther east across the Plains and the Midwest, weather continues to be ideal with mild highs and modest lows accompanied by timely rains that are not so much needed now that grain farmers are readying for harvest. Wheat drills are running wide open in the Southern Plains with decent soil moisture levels and a bright outlook for winter wheat grazing which should soon boost the demand for lightweight stocker calves. Farmer feeders are also expected to become more active in the feeder cattle market, but most would rather wait until the bulk of their crop is in the bin before they take on new arrivals. However, a few seed cap bidders were on hand at Bassett Livestock Auction in Nebraska this past Wednesday. There were over 1000 head of top quality 8 weight steers that averaged 99.02 and another 1100 head weighing from 900-975 lbs that averaged 94.18. Fed cattle sales were mostly steady this past week in the Southern Plains at 84.50 and continue to trade within a narrow range from the low to mid 80.00's since April. Finished cattle prices have failed to realize a spark from tight numbers of beef cattle and seventeen straight months of less cattle on feed than the previous year. Cattle feeders continue to take weights to higher levels before marketing showlists and have in effect erased the

shortage of headcounts, through tonnage. The latest actual slaughter data posted an all-time record high average steer carcass weight of 869 lbs, which was a full 5 lbs heavier than the previous record. Feedyards were enticed to produce these giants by the lightening of discounts on carcasses over 950 or 1000 lbs. But, this week many Northern Plains feedlots saw additional penalties on heavy cattle and the bulk of their cattle trade lower (at mostly 82.00) because of heavyweight pressure. And, at the same time many Nebraska feedlots are still feeding cattle that were sold weeks ago and have yet to be picked up. This week's reported auction volume included 43 percent over 600 lbs and 42 percent heifers. This week's prices are on the web at:

http://www.ams.usda.gov/mnreports/sj_ls850.txt

nw direct feeder cattle summary

Compared to last week's close, feeder cattle steady to 1.00 lower. Trade slow to moderate with light to moderate demand. The feeder supply included 65 percent steers and 35 percent heifers. Near 79 percent of the run weighed over 600 lbs. Prices are FOB weighing point with a 1-4 percent shrink or equivalent and with a 5-10 cent slide on calves and a 3-6 cent slide on yearlings. Delivered prices include freight, commissions and other expenses. This week's prices are on the web at:

http://www.ams.usda.gov/mnreports/ml_ls135.txt

national sheep summary

Compared to last week slaughter lambs mostly steady to 6.00 lower; slaughter ewes mostly steady to 5.00 lower; feeder lambs steady to 5.00 lower. At San Angelo, TX 9231 head sold in a one day sale. Equity Electronic Auction sold 475 slaughter lambs in Wisconsin, Iowa and Illinois. In direct trading slaughter ewes steady; feeder lambs 2.00-3.00 lower in Texas and steady to 2.00 higher in the western US. 4300 head of negotiated sales of slaughter lambs were steady to 1.00 higher and 19,200 head of formulated sales were 5.00 higher. 12,726 lamb carcasses sold with 65 lbs and down lower; 65 lbs and up 3.90-4.97 lower. (All sheep sold per hundred weight (CWT) unless otherwise specified.) This week's prices are on the web at:

http://www.ams.usda.gov/mnreports/sa_ls855.txt

superior video

http://www.ams.usda.gov/mnreports/am_ls753.txt

NEWS

CWT Completes Eighth Herd Retirement Round

09/16/2009 -- Associated Press Online: Cooperatives Working Together said its audits show a total of 225,783 dairy cows have been retired so far this year in an effort to address a supply-and-demand imbalance that has fueled a severe financial crisis in the dairy industry. Jim Tillison, CWT's chief operating officer, said still more herd reductions are possible this year due to the continuing milk price squeeze farmers are in. In its most recent round of herd retirements, the majority of the 74,114 cows culled were sent to processing plants, CWT said. Also removed were 2,958 bred heifers. In all, CWT said it removed 274 herds in 38 states.

Note - Summary source - meatingplace.com

See <http://www.cwt.coop/index.html> for further details

Eight countries join WTO panel to discuss Korea-Canada beef row

The Korea Herald, September 23, 2009

The United States, Japan and six other countries have offered to participate in the dispute settlement panel established by the World Trade Organization to resolve the protracted beef trade row between Korea and Canada, Seoul officials said yesterday. Manifestation of the participating countries allows both Korea and Canada to hypothesize on the success potential of their case. "The third-party panel members have come forward, and we can only hypothesize on why these particular countries have decided to participate and what position they hold on this beef trade case, as such information is only for the WTO to know," an Agriculture Ministry official told reporters. He spoke on condition of anonymity due to the sensitive nature of the issue. The ministry official said the members include the European Union, China, Brazil, Argentina, Taiwan and India. Korea imposed a ban on Canadian beef in May 2003, following the confirmation of a case of mad cow disease, or scientifically known as bovine spongiform encephalopathy. Before the ban, Korea was Canada's fourth-largest beef export market, valued at \$50 million in 2002.

Full text: http://www.koreaherald.co.kr/NEWKHSITE/data/html_dir/2009/09/24/200909240065.asp

Russia to cut need for poultry imports: Cherkizovo

By Aleksandras Budrys and Robin Paxton, Reuters

September 16, 2009: MOSCOW - Russia will rely on imports for no more than 10 percent of its poultry and pork within three to four years as growing domestic output squeezes U.S. and other suppliers from the market, a senior executive said on Wednesday. Sergei Mikhailov, chief executive of leading Russian meat producer Cherkizovo told the Reuters Russia Investment Summit that broiler meat production in Russia had risen by 15-16 percent annually in the last five years. First Deputy Prime Minister Viktor Zubkov said in April that Russia aimed to reach self-sufficiency in poultry meat and pork by 2011, with exports a possibility by 2012.

Full text: <http://tinyurl.com/krh4yq>

Senate Panel Struggles With Biolabs

By Nick Wilson, Courthouse News Service

WASHINGTON - A year after the FBI concluded that the 2001 anthrax attacks were performed by a government scientist, a Senate subcommittee convened a hearing to try to establish responsibility for oversight of biological labs that study dangerous pathogens. Senator Benjamin Cardin, D-Md., appeared frustrated when he said that 15 federal agencies oversee labs, but "no one agency has principal responsibility."

"Shouldn't we have more direct responsibility?" Chairman Cardin asked of the panel that convened Tuesday before the Subcommittee on Terrorism and Homeland Security. "And does anyone have a handle on the inventories we have?" he said, referring to biological agents. Jean Reed, a deputy assistant in the Defense Department agreed that there should be some agency with ultimate oversight of the labs. Fifteen agencies oversee labs that receive their funding. Cardin said this means labs working with the same pathogen might not be under the same restrictions. He asked whether there should be blanket security codes for each category of pathogen, depending on the danger. Cardin and agency representatives also proposed more intense background checks for those dealing with high-risk pathogens, suggested that pathogens be categorized, that systemwide security codes be developed, and suggested methods to assess the mental stability of scientists. Full text: <http://tinyurl.com/kobnpo>

OTHER RESOURCES

USDA market news reports for individual PNW auctions

Klamath Livestock Auction (Klamath Falls, OR)
http://www.ams.usda.gov/mnreports/JO_LS140.txt
Stockland Livestock Auction (Davenport, WA)
http://www.ams.usda.gov/mnreports/ML_LS756.txt
Toppenish Livestock Auction (Toppenish, WA)
http://www.ams.usda.gov/mnreports/ML_LS754.txt

USDA Market News: www.ams.usda.gov

Selected PNW livestock auction home pages

Central Oregon Livestock Auction (Madras, OR)
<http://www.centraloregonlivestockauction.com/marketreports.htm>
Producers Livestock Marketing Association
(Vale, OR & Jerome, ID)
<http://www.producerslivestock.com/>
Stockland Livestock Exchange (Davenport, WA)
<http://www.stocklandlivestock.com/>
Lewiston Livestock Market (Lewiston, ID)
<http://www.lewistonlivestockmarket.com>

Video auction home pages

Superior Livestock Auction
<http://www.superiorlivestock.com/>
Western Video Market
<http://www.wvmcattle.com/>
Northern Livestock Video Auction
<http://www.northernlivestockvideo.com/>

Hot topics

WSU Avian flu
<http://anr.wsu.edu/AvianFlu.htm>
WSU - West Nile Virus
<http://wnv.wsu.edu/>
Northwest Pilot Project (AID)
<http://www.northwestpilot.org/>

USDA National Animal Identification System
<http://animalid.aphis.usda.gov/nais/index.shtml>
NCBA BSE page
<http://www.bseinfo.org/>
USDA Country-of-origin labeling
<http://www.ams.usda.gov/cool/>

The most recent editions of this newsletter are posted on the WSU Extension Central Washington Animal Agriculture Team website (<http://animalag.wsu.edu>). In this newsletter, clicking on a link will open the website containing the report or will load the PDF from the web in your browser window. If you have any problems please email me at HUDSONT@WSU.EDU. Several of the articles are in Adobe Acrobat (PDF) format, and you may need Adobe Reader 7 or 8 for the hotlinks to work. Go to <http://www.adobe.com/products/acrobat/readstep2.html> to download Adobe Acrobat Reader for free. To subscribe automatically, send a blank email to SUBSCRIBE-livestockmarkets@lyris.cahnrs.wsu.edu.

Tipton D. Hudson

WSU Extension – Kittitas County
Director, Rangeland & Livestock Management
507 Nanum St., Rm. 2, Ellensburg, WA 98926-2886
(509) 962-7507 / fax (509) 962-7574
HUDSONT@WSU.EDU

Cooperating agencies: Washington State University, U.S. Department of Agriculture, and Washington counties. WSU Extension programs and employment are available to all without discrimination. Evidence of non-compliance may be reported through your local WSU Extension office.