

Cow Country Reporter



March 2015

Volume 7 Issue 3

News from your CEO

In This Issue

News from your CEO

2015 beef production smaller than expected so far

World food prices continue to fall in February

Meat of the Matter: Tactical turnaround

Move would amend Neb. livestock ownership bill



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

March came in like a lion and I pray it goes out like a lamb. Last fall in my conversations with members and others around our state, my general consensus was most producers had an abundant hay harvest. Good thing! Our producers in north Louisiana have been hard hit lately with rain, snow, sleet and cold temperatures. This fact coupled with very little sunshine has halted ryegrass growth and diminished hay supply. When the temperatures do warm up and the sun comes out our ryegrass ought to take off like "a wildfire". Cattle receipts at our local stockyards have been light which has made it tough on the buyers to fill orders. The norm for Jan/Feb marketing is reduced numbers but this year seems to be lighter than normal and weather has certainly added to this situation. March is a good time to get a fix on where the cattle markets are headed. Wheat pasture feeders will be moving to market and growers who want to graze off their wheat will be looking for our good Louisiana calves. Also, it is a time where cow buyers are looking to ramp up their numbers to fill their orders. When the grass starts to grow and the sun comes out to warm the soil and lift one's spirits, we all will be in a better frame of mind to deal with adversities. Let us know how CPL can assist you with your cattle operation and make sure you call our toll free number and

select option #3 to get "posted" on the market. Enjoy the beginning of Spring!

Dave Foster, CEO



**"The day the Lord created hope was probably the same day He created Spring."
- Bern Williams**



Spring breaths new life into the world around us

2015 BEEF PRODUCTION SMALLER THAN EXPECTED SO FAR

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

USDA estimates beef production through the end of February to be down 5.2 percent from the same period last year. Total cattle slaughter is down 7.0 percent year over year including a 6.4 percent decrease in steer slaughter and a 8.7 percent decrease in heifer slaughter. Total cow slaughter is down 6.6 percent including a 4.0 percent increase in dairy cow slaughter and a 17.9 percent decrease in beef cow slaughter.

Overall cattle carcass weights are currently 20 pounds above year ago levels. Average cattle carcass weights are a function of both the carcass weights of various classes of cattle and also the composition of slaughter by class of cattle. Currently, steer carcass weights are up 19 pounds over last year and heifer carcass weights are up 15 pounds. Cow carcass weights are up 29 pounds year over year mostly the result of more dairy cows in the cow slaughter total. So far this year dairy cows represent 58 percent of total cow slaughter compared to 52 percent one year ago.

Increased steer and heifer carcass weights reflect feedlot response to market conditions the past several months. Feedlot inventories have been slightly above year earlier levels since November, mostly as a result of delayed feedlot marketings of cattle. Total feedlot placements of cattle the past six months are down 3.8 percent year over year. In the same six months, feedlot marketings are down 7.2 percent. Data from Kansas feedlots shows that feedlots fed cattle an extra 16 days the past six months compared to the same period a year earlier. This led to increased final weights despite the fact that placement weights were smaller. Interestingly, feedlot performance was poorer during the past six months with decreased average daily gains, increased feed/gain ratios and increased death loss.

What to expect in the coming months? Fed cattle marketings typically increase seasonally from February to June. Current estimates suggest that total marketings will increase seasonally through May but could be slightly smaller than the same period last year with February and March marketings up slightly year over year and down from year ago levels in April and May. Carcass weights also typically decline to seasonal lows in April or May. While feedlots to have some incentive to feed cattle longer, winter weather may pull cattle and carcass weights down faster than expected in March. The current cold and snow across much of the country will have impacts in the majority of cattle feeding areas.

Winter weather may have also affected February feedlot placements. In Oklahoma, combined auction receipts in February were down 17 percent from last year with auction volumes down 47 percent in the last two weeks of February, in part due to adverse weather and road conditions. Though some wheat pasture cattle moved to market in late January and early February, some wheat pasture cattle may have been pushed into early March. Most wheat in Oklahoma is at or near first hollow stem and cattle need to be removed immediately for grain harvest in dual-purpose wheat.

WORLD FOOD PRICES CONTINUE TO FALL IN FEBRUARY

By: Reuters

Global food prices fell 1% in February to their lowest in more than four-and-a-half years, with cereals, meat and sugar declining, oils steady and only dairy prices rebounding sharply, the United Nations food agency said on Thursday.

The U.N. Food and Agriculture Organization's (FAO) price index, which measures monthly changes for a basket of cereals, oilseeds, dairy, meat and sugar, averaged 179.4 points last month, 1.8 points below its reading in January.

High global production, low crude oil prices and limited demand from major importers including China have helped cap food prices for the past year and the index has now been declining since April 2014 to reach its lowest since July 2010.

Cereal stocks at the end of the 2014-15 season are now forecast to reach 630.5 million tonnes, up almost 8 million tonnes from a previous reading to reach their highest levels in 15 years. FAO's forecast for world cereal production in 2015 reached 2.542 billion tonnes, 8 million tonnes above the forecast made in January. Cereals prices were down 3.2 percent from January, with wheat prices sharply lower on better production prospects and large inventories. Meat prices fell 1.4 percent, pulled down by cheaper beef, mutton and lamb that outweighed stable poultry prices and higher pork prices. Following eight months of decline, pork prices were bolstered by the announcement of European subsidies for private storage.

Sugar prices fell 4.9 percent from January on higher output from Brazil, the world's largest sugar producer and exporter, together with a weakening in the Brazilian real currency and the announcement of sugar export subsidies from India.

A slight rise in palm oil prices, following floods in Malaysia and an increase in biodiesel subsidies in Indonesia, lifted the vegetable oil price index by 0.4 percent.

Dairy prices showed the strongest gains, rising 4.6 percent from January to post their first increase in a year. The rise was caused by drought in New Zealand and limited export supplies from Australia, together with a curb in European production to avoid breaching output quotas.

MEAT OF THE MATTER: TACTICAL TURNAROUND

By: Dan Murphy

When the Dietary Guidelines slam meat's eco-impact, industry's response shouldn't be to attack the committee for being off-base (even though they are). There's a better way to respond.

As disturbing as it has been to find out that the Dietary Gurus — I call them that because their proclamations are based on ideology, not science — are bashing beef for reasons that are unrelated to nutrition, the industry's response has been equally problematic.

By now, you're well aware that the Scientific Report of the Dietary Guidelines Advisory Committee recommended that people reduce the amount of meat they eat because it's exacerbating global warming.

They determined that sustainable diets higher in plant-based foods — vegetables, fruits, whole grains, legumes, nuts and seeds — and lower in animal foods are more health-promoting and are associated with less of an environmental impact.

The committee explained that the "average U.S. diet" has a larger environmental footprint in terms of greenhouse gas emissions and land, water and energy use, compared with three other dietary patterns that have fewer calories from meat and dairy and more from plant-based foods: The so-called "Healthy U.S.-style Pattern," the Mediterranean diet and a vegetarian diet.

Every word of those two preceding paragraphs is controversial, if not downright inaccurate. As has been argued many times before in this space, the "better-than" calculation that assumes people will be healthier by cutting out meat, as if they'll automatically substitute fruits and veggies for burgers and chops, is wildly flawed.

In fact, we've all been part of that exact nutritional experiment. It's called the previous five Dietary Guidelines, and for an entire generation now, we've been told that saturated fat and cholesterol are bad, so we must reduce our consumption of animal foods — which we've done. But the result has been a significant increase in consumption of highly processed, high-carb, high-sugar foods responsible for a monumental obesity crisis.

Now, of course, the Dietary Gurus have declared that cholesterol is no longer a villain. "[Cholesterol] is not considered a nutrient of concern for overconsumption," the committee stated, noting that the evidence "shows no appreciable relationship" between heart disease and how much dietary cholesterol anyone consumes.

But we still have to scale back on the beef and pork, not save our hearts, but to save the planet.

The pathway to victory

Unfortunately, the industry's response to that dictum has targeted the committee's motivation, not its recommendation. Instead of working to dispel the notion that livestock are destroying the planet, various authorities and spokespeople have attempted to discredit the committee members themselves.

Don't get me wrong: It's not as the Gurus' newfound zeal to curb global warming by culling the cattle and hog herds has a whole lot of validity. It doesn't.

It's just that bashing the messenger when you disagree with the message is — at best — a short-term fix. Even then, it's not very effective. Most of the time, the smear-the-speaker approach is a last resort, to be used only when the accusation itself can't be refuted.

It's similar to how many industry leaders have responded to the charge that saturated fat found in red meat is detrimental to cardiovascular health. Instead of explaining why such a charge isn't true, many industry people have worked overtime to push the message that "today's lean meats don't really have much fat!"

That's a mistake, for two reasons. First, the argument proceeds as the opponent has framed it: A "he said-she said" debate in which there's rarely a definitive victory. Second, even if consumers could be convinced that beef or pork contains way less saturated fat than previously believed, they're still being urged to eat something that's only "slightly bad" for you.

The only way to win — and it ain't easy — is to win on the facts. To deploy common sense. To use historical examples with which we're all familiar. To eventually convince the majority of meat-eaters that the animal foods on which they grew up, on which humanity has thrived for millennia, on which 95 percent of the world depends for quality nutrition are hearty, healthy and wholesome, including the fat.

And the only way to stifle the debate over whether livestock production is the scourge of the solar system is to patiently and persistently present the truth — scientifically, anecdotally, emotionally.

Bovines aren't going to ruin life on the planet. Millions upon millions of them have roamed Terra Firma for eons, and as science makes production ever more efficient (not just genetics, but energy use, crop yields, water conservation, etc.), the industry's carbon footprint will decrease even further.

That's the only way to refute the conventional "wisdom" that labels producers as lousy stewards of the Earth.

Dan Murphy is a food-industry journalist and commentator

MOVE WOULD AMEND NEB LIVESTOCK OWNERSHIP BILL

Source: Meatingplace Editors

An amendment filed to Nebraska Legislative Bill 176 would exempt packers from restrictions on ownership of swine in certain situations.

The amendment would exempt the “ownership, keeping, or feeding of swine by a packer at one or more contract swine operations in this state if the packer does not own, keep or feed swine in this state except for the purpose of the slaughtering of swine or the manufacturing or preparation of carcasses of swine or goods originating from the carcasses in one or more processing facilities owned or controlled by the packer.”

Nebraska’s Competitive Livestock Markets Act prohibits packers from owning, controlling or feeding livestock for more than five days prior to slaughter.

Legislative Bill 176 would amend the act to allow packers to own and control the hogs. Contract farming is allowed in neighboring Iowa, and the bill would make Nebraska more competitive, according to its sponsor.

The bill faces fierce opposition from independent cattle ranchers. The Ranchers Cattlemen Action Legal Fund has argued the bill could pave the way for meatpackers to “chickenize” the hog and cattle industries by opening the door for large integrators to control the supply chain

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