



TEXAS CATTLE FEEDERS ASSOCIATION

NEWSLETTER

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TCFA Leaders Represented Members in Washington This Week

TCFA officers, board members and staff were in Washington, D.C., this week participating in the NCBA Legislative Conference. The TCFA group, along with members of the Texas & Southwestern Cattle Raisers Association met with several members of the Texas congressional delegation and federal agency officials to discuss issues important to the cattle industry, including COOL, GIPSA, the proposed rule to expand federal authority over water and the proposed rule to allow beef imports from certain regions in Brazil and Argentina that are considered free of FMD with vaccination. Find the full list of issues at <http://tinyurl.com/tcfa-tscra-priority-issues>. TCFA leaders who attended are Chairman Jason Hitch, Chairman-Elect Tom McDonald, Vice Chairman David Baumann, Levi Berry, Jason Peeler, Scott Keeling and Andy Rogers.



TCFA and TSCRA members met with Reps. Mac Thornberry and Kay Granger while in D.C. this week.

Japan May Cut U.S. Beef Tariffs in Crucial Trade Talks

Japan is considering slashing tariffs on U.S. beef imports to less than 10 percent from the current 38.5 percent in negotiations aimed at laying the ground for a broad Pacific trade pact, reports *Reuters*. The proposed cut would be much deeper than one negotiated with Australia, which on Monday agreed to a trade deal with Tokyo including a halving of the levy on frozen beef to 19.5 percent.

Japan and the U.S. are seeking a two-way trade deal, regarded as a key part of the U.S.-led Trans-Pacific Partnership (TPP), before President Obama travels to Japan for an April 24-25 state visit. Japanese and U.S. trade officials returned to the negotiating table on Thursday, following more than 10 hours of intense talks the day before in which they made some progress, but remain apart on some major issues.

U.S. Trade Representative Michael Froman said on arrival in Japan that the U.S.-led TPP, which aims to scrap all tariffs, aimed for a higher standard than the Japan-Australia deal, particularly on beef.

Find the full story at <http://tinyurl.com/japan-us-tpp>.

USDA Encourages Early Registration for FSA Programs

USDA Farm Service Agency (FSA) Administrator Juan M. Garcia recommends farmers and ranchers who plan to participate in FSA programs register in advance. Producers are encouraged to report farm records and business structure changes to a local FSA Service Center before April 15.

Enrollment for disaster programs authorized by the 2014 Farm Bill, including the Livestock Indemnity Program and the Livestock Forage Disaster Program, will begin by April 15.

Examples of updates or changes to report include:

- New producers or producers who have not reported farm records to FSA.
- Producers who have recently bought, sold or rented land. Those producers need to ensure that changes have been reported and properly recorded by local FSA county office personnel. Reports of purchased or sold property should include a copy of the land deed, and if land has been leased, then documentation should be provided that indicates the producer had/has control of the acreage.
- Producers who have changed business structures (e.g., formed a partnership or LLC) need to ensure that these relationships and shares are properly recorded with FSA. Even family farms that have records on file may want to ensure that this is recorded accurately as it may impact payment limits.

Farm records can be updated during business hours at FSA Service Centers that administer the county where the farm or ranch is located. Producers can contact their local FSA Service Center in advance to find out what paperwork they may need. In addition, bank account information should be supplied or updated if necessary to ensure that producers receive payments as quickly as possible through direct deposit.

While any producer may report farm records and business structure changes, it is especially important for producers who suffered livestock, livestock grazing, honeybee, farm-raised fish, or tree/vine losses for 2011, 2012, 2013 or 2014, and may be eligible for assistance through one of the four disaster programs.

For further information, visit <http://tinyurl.com/fsa-farmbill>.

Chinese Market to Lead Global Demand for Beef

A Rabobank report shows that while U.S. beef markets should continue to offer profit opportunities, it is the actors on the global stage that will set the larger tone for beef prices in 2014. According to a *BEEF* magazine article, Rabobank's Food & Agribusiness Research team says beef market fundamentals remain positive.

Prices have been driven up across the globe in the first quarter of 2014 due to firm demand, further tightening supply as a result of drought-induced herd retention in the U.S., as well as adverse weather conditions in Brazil and Australia. These events have impacted competitive positions in export markets, with Brazil and Australia gaining export share in the first quarter at the expense of the U.S.

The bank says global beef demand growth will continue to come mainly from China. Although 2014 imports in China are not expected to reach the growth levels experienced in 2013, they will grow as Chinese farmers take little interest in government-supported production expansion and strong profits, and the market opening for Australian chilled fresh beef products. Chinese market opening to Brazilian beef may happen imminently.

Read *BEEF* magazine's full article at <http://tinyurl.com/global-demand>.

Ag Committee Approves Bipartisan Legislation to Reauthorize and Improve CFTC

On Wednesday, the House Agriculture Committee approved H.R. 4413, the Customer Protection and End-User Relief Act, by voice vote. Reps. Frank Lucas (R-Okla.), Collin Peterson (D-Minn.), K. Michael Conaway (R-Texas) and David Scott (D-Ga.) introduced the legislation to reauthorize and improve the operations of the Commodity Futures Trading Commission (CFTC) and address concerns relating to protecting customers from another failure, such as MF Global and Peregrine Financial. It is the product of a multi-year process that included hearing perspectives from market participants, end-users, futures customers and the CFTC.

"I appreciate the bipartisan support of this legislation, which ensures that the federal agency tasked with regulating the multi-trillion dollar derivatives market is working in the most efficient and effective way. This bill would also cement key protections for futures customers into law," said Rep. Lucas, chairman of the House Agriculture Committee. "And, it mitigates the regulatory load on America's job creators like our farmers, ranchers, small businesses, government utilities and manufacturers. I look forward to advancing this common-sense legislation in the House."

Read the bill at <http://tinyurl.com/billtxt> and a summary of the legislation at <http://tinyurl.com/cust-protect>.

USDA Raises 2014 Beef Production Forecast

USDA's latest World Agricultural Supply and Demand Estimates (WASDE) report shows higher beef production more than offset lower pork, broiler and turkey production. It also showed an increase in 2014 beef production as lower forecast slaughter in the first quarter was more than offset by higher slaughter in the second half.

The USDA raised its expectations of beef imports in 2013 as demand for processing-grade beef remains strong. The export forecast was raised on continued strong sales to Asian markets. Cattle prices for 2014 have also been raised from the March report, reflecting continued price strength for fed cattle.

Overall, the 2014 forecast of total red meat and poultry production was lowered. Porcine Epidemic Diarrhea virus will likely continue to result in lower slaughter during the remainder of the year, and though carcass weights are forecast higher, those gains will be insufficient to offset the record slaughter numbers.

The WASDE report also showed a look at grains:

- Corn and coarse grains: U.S. feed grain ending stocks for 2013-2014 are projected lower with reductions for corn, barley and oats. The season-average farm price for corn is raised to \$4.40 to \$4.80 per bushel, compared with \$4.25 to \$4.75 per bushel reported last month. The farm price for sorghum was raised to \$4.15 to \$4.55 per bushel, and both barley and oats price ranges narrowed to \$6.00 to \$6.20 per bushel.
- Soybeans and oil seeds: U.S. soybean supplies for 2013-2014 projected higher at 3.49 billion bushels, up 30 million on increased imports. Prices for soybeans and soybean products were raised. The projected range for the season-average soybean price was raised to \$12.50 to \$13.50 per bushel. Both soybean oil and soybean meal prices were also projected higher.
- Wheat: U.S. wheat ending stocks for 2013-2014 are projected 25 million bushels higher with lower imports more than offset by a reduction in feed and residual use. The report projects season-average farm price for all wheat unchanged at \$6.75 to \$6.95 per bushel.

Find the full report at <http://tinyurl.com/wasde-04-09-14>.

Last Call for TCFA Feedyard Dues Rebates

If you fed 10,000 head or more in 2013, you may apply for a dues rebate, which applies to the cumulative number of cattle fed by a single feeding entity. Rebate applications must be completed and returned to the TCFA office by April 15. Contact Jason Slane at jason@tcfa.org to request an application.

Check Out Our New Website!

The TCFA team is excited to announce the launch of our newly revamped website, which is located at the same address: www.tcfa.org. Having been completely overhauled, the new website welcomes visitors with a fresh new look and user-friendly navigation to ensure the information you are looking for is easily accessed.

“Our purpose in this project has been to provide an engaging website that accurately reflects TCFA’s image in the fed cattle industry,” says TCFA Communications Manager Kayla Lanford. “I think our efforts have been successful, and I hope visitors of the site agree.”

We invite you to explore the website and ask that you report any issues or suggestions to info@tcfa.org.

TCFA Fed Beef Challenge

Don’t miss out on the 2014 TCFA Fed Beef Challenge, which will be the largest contest in over a decade, featuring for the first time a Holstein steer division. Fifty pens from across Cattle Feeding Country are entered to compete for a custom saddle, prize money, jackets and above all else, bragging rights.

Join us at the Amarillo Livestock Auction Wednesday, April 16, to catch the action, which begins at 3:30 p.m. when the cattle are available for viewing. The evaluation contest begins at 4:00 p.m., followed by the TCFA Education Foundation Calcutta at 5:30 p.m. You will also enjoy a steak dinner, sponsored by the TCFA Allied Industries Committee, at 6:00 p.m.

For more information, visit <http://tinyurl.com/tcfa-fbc>, or contact Jason Slane at jason@tcfa.org.

Inspiring Restaurants to Innovate with Beef

To help foodservice operators get more value for their top-selling beef cuts in foodservice – sirloin, top loin and ribeye – the checkoff introduced new cut utilization tools on BeefFoodService.com, reports *Drovers-CattleNetwork*. The site offers insights about how to cut and menu these three cuts in new, innovative dishes – like the Ribeye Ramen, Beef Bim Bop or Steak Shawarma – that resonate with millennials. Since its February launch, the cutting tools have registered among the top 10 most-viewed items on the website. Check out the checkoff funded website at www.beeffoodservice.com.

Saginaw Rancher Re-Elected TSCRA President; Group Installs New Directors

The Texas and Southwestern Cattle Raisers Association (TSCRA) installed new officers Sunday during the closing session of the 137th Annual Cattle Raisers Convention in San Antonio. Pete Bonds, Saginaw, was elected president; Richard Thorpe, Winters, first vice president; Robert McKnight, Fort Davis, second vice president; and Eldon White, Fort Worth, executive vice president.

New TSCRA directors elected at convention are Kevin Busher, Winters; Brooks Hodges, Guthrie; James Palmer, Roaring Springs; Claudia Wright, Richmond. New executive committee members include Crawford Edwards, Fort Worth; Jay Evans, Austin; Coleman Locke, Hungerford; and James L. Donnell, Fowlerton.

Barrett Clark, Breckenridge; Steve Lewis, San Antonio; Evalyn Moore, Richmond; Les Nunn, Pauls Valley, Okla.; and Tom Roach III, Amarillo, were elected as honorary directors. All members with honorary titles serve as ex officio members of the board. Find more information at <http://tinyurl.com/tscsra-elect>.

Join Us for the Upcoming Cattle Care & Handling Seminar

TCFA, in conjunction with Texas A&M AgriLife Extension Service, will host Cattle Care & Handling seminars for member feedyards on April 22 at Dawn Custom Cattle Feeders in Dawn and April 23 at Dean Cluck Feedyard in Gruver. Topics include understanding principles of cattle handling, movement of non-ambulatory cattle, proper euthanasia, moving and pulling cattle horseback, and receiving and shipping cattle. Dr. Ron Gill, Dr. Tom Noffsinger, Dr. Ted McCollum and Dr. Dennis Sigler will provide the one-day programs from 9:00 a.m. to 4:30 p.m. at each location. For more information and to register, visit <http://tinyurl.com/cattlecure-brochure>.

Grain Grading Workshops Planned for May in Amarillo

Two, one-day, grain-grading workshops will be hosted on May 6 and May 7 at the Texas A&M AgriLife Research and Extension Center in Amarillo. Each workshop will begin with registration at 8:30 a.m., followed by the program from 9:00 a.m. to 4:30 p.m.

A registration fee of \$70 per person is required to cover the costs associated with instruction, lunch materials and equipment. Pre-registration is required, as each workshop is limited to 60 participants. Register online today at <http://tinyurl.com/reg-grain-grading>. For more information, view the brochure at <http://tinyurl.com/gg-brochure>, or contact Steve Amosson at samosson@ag.tamu.edu.

Sponsor Spotlight

TCFA is proud to recognize its top sponsors whose efforts help deliver top-notch service to members.

This week's spotlight shines on



Micro is a proud and long-time sponsor of TCFA! Since 1971, Micro has supplied the beef industry with innovative solutions that improve animal value and productivity while also providing process verification of management, food safety and traceability requirements. They accomplish this by uniquely integrating advanced health, feed, animal, and information management systems with consumable products technologies such as animal health and micro feed ingredient products. In addition to its track record of cutting-edge innovation, Micro is best known for its unparalleled commitment to customer service. Please contact your Micro representative by calling (800) 858-4330 or visit them online at www.microbeef.com.

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TCFA MARKET REPORT



April 11, 2014

AVERAGE PRICE

	Steers	Heifers
This Week*	\$147.00	\$147.00
Last Week**	\$148.00	\$148.00
Net Change	-\$ 1.00	-\$ 1.00

SALES

	This Week**			Last Week***		
	Steers	Heifers	Total	Steers	Heifers	Total
Cash	1,467	66	1,533	3,568	2,327	5,895
Formula	57,873	21,910	79,783	56,306	15,859	72,165
Total	59,340	21,976	81,316	59,874	18,186	78,060

Year Ago	Steers	Heifers	Total	** Preliminary
	49,075	16,846	65,921	***Final

The most recent Weekly Comprehensive Cutout report provides information for the first 14 weeks of the year. The total volume of loads reported for this time frame is 90,476 loads of boxed beef, just 2 percent below the same time frame a year ago and 12.2 percent below the five-year average. This is not surprising to most, as the industry has the smallest cow herd since the 1950s, and both fed and non-fed beef supplies will be constricted further as cattle numbers rebuild. An interesting aspect of the current beef market is values. The average weekly comprehensive cutout value for 2014 is 222.69, which is 17.1 percent above a year ago and 32.3 percent above the five-year average. The Primal Rib value has an annual average of 305.55, which is 9.6 percent above a year ago and 25.9 percent above the five-year average. The Primal Loin is valued at 280.35, which is 12.3 percent over a year ago and 25.6 percent above the five-year average. The Primal Round is valued at 210.99, which is 26.5 percent above a year ago and 39.9 percent above the five-year average. This is all the more impressive with this year's rather harsh winter that would cause most to expect beef demand to be depressed.

TCFA Area Sales

Steers	447	1150-1200	Lbs.	55-65%	Choice	147.00
	1,020	1150-1225	Lbs.	55-65%	Choice	CTF*
Heifers	66	1100-1175	Lbs.	55-65%	Choice	147.00

*Convert to Formula

TCFA LIVE CATTLE BASIS (CASH MINUS FUTURES)	LIVE	4/11/14	Wkly Chg	04/04/14	04/12/13	5-Yr Avg
	Spot	2.15	-2.40	4.55	1.19	0.74
Apr 14	2.15	-2.40	4.55	1.19	0.74	
Jun 14	11.23	-1.52	12.75	6.29	4.65	
Aug 14	13.23	-2.20	15.43	5.64	3.75	
Oct 14	8.78	-1.85	10.63	1.94	-0.37	
Dec 14	6.82	-1.88	8.70	0.32	-5.01	
Feb 15	5.85	-2.25	8.10	-0.76	-2.88	

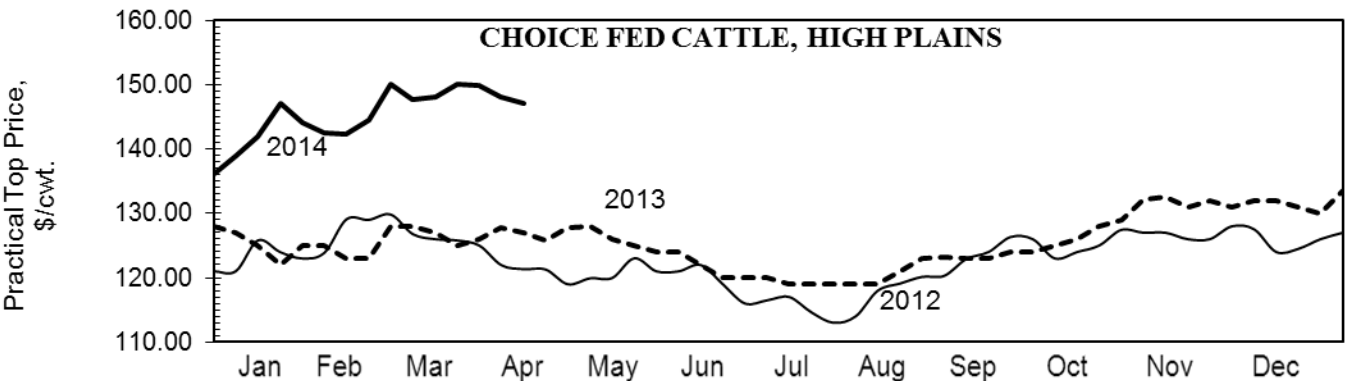
GRAIN SALES

	Price Per cwt.	Basis Per bu.
North Plains		
Corn	\$10.11 – 10.29	+65¢ to +75¢
Milo	\$ 9.58 – 9.67	+35¢ to +40¢
South Plains		
Corn	\$10.74 – 11.00	+\$1.00 to +1.15
Milo	\$ 9.99 – 10.20	+ 58¢ to + 70¢

TCFA FEEDER CATTLE BASIS (CASH MINUS FUTURES)	FEEDER	04/04/14	Wkly Chg	03/28/14	04/05/13	5-Yr Avg
	Spot	-5.14	-0.79	-4.35	-3.32	-1.76
Apr 14	-5.14	-0.79	-4.35	-3.32	-1.76	
May 14	-5.88	-0.38	-5.50	-5.05	-2.20	
Aug 14	-7.66	-0.63	-7.03	-11.95	-5.75	
Sep 14	-7.62	-1.07	-6.55	-13.45	-5.46	
Oct 14	-7.57	-1.22	-6.35	-14.75	-6.73	
Nov 14	-7.04	-1.79	-5.25	-15.33	-5.19	
Jan 15	-3.44	-1.94	-1.50	-13.65	-3.96	

CARCASS CUTOFF

U.S. Exports	Sales	Shipments	Date	Ch. 1-3	Se. 1-3	Fab	Trmgs	Total
				600-900	600-900	Loads	Loads	Loads
Corn	25.9	51.6	Thurs. 04/10	225.00	214.30	160	34	194
Milo	0.1	4.2	Wed. 04/09	225.46	215.23	163	79	242
			Tues. 04/08	226.99	216.97	119	47	167
			Mon. 04/07	227.93	215.99	85	25	110
			Fri. 04/04	228.74	217.37	120	46	166



Cash prices per cwt. f.o.b. elevator:
Basis – CBOT May Futures,
Thursday close

MEAT PRODUCTION

Slaughter (head)			Production (million lbs.)			Total F.I. Meat Production for the week ending April 12, 2014 is 1.2% below last week and 2.3% below a year ago.
<u>04/12/14</u>	<u>04/05/14</u>	<u>04/13/13</u>	<u>04/12/14</u>	<u>04/05/14</u>	<u>04/13/13</u>	
Cattle	573,000	583,000	607,000	453.7	463.1	
Hogs	2,020,000	2,030,000	2,078,000	891.7	902.1	913.1

Average Weights						
	<u>This Week</u> <u>04/12/14</u>		<u>Last Week</u> <u>04/05/14</u>		<u>Year Ago</u> <u>04/13/13</u>	
	Live	Dressed	Live	Dressed	Live	Dressed
Cattle	1319	794	1324	796	1301	787
Hogs	285	214	285	214	277	208

Live Carcass – Retail Prices				
	<u>This Week</u> <u>04/11/14</u>	<u>Last Week</u> <u>04/04/14</u>	<u>Month Ago</u> <u>03/14/14</u>	<u>Year Ago</u> <u>04/12/13</u>
Live, \$/cwt.	147.00	148.00	148.00	127.04
Carcass Price Index	216.46	220.49	223.53	181.89
Retail, \$/lb.	4.79	4.94	4.60	4.47

Average live weight of cattle slaughtered in Panhandle area plants last week was 1248 lbs. (39% heifers), compared with the previous week of 1239 lbs. (41% heifers), and a year ago of 1230 lbs. (38% heifers).

Estimated Hide and Offal Value from an average 1,000-lb. slaughter steer this week was \$16.07 per cwt. live weight, compared to \$16.12 last week and \$14.47 last year.

WEEKLY BEEF EXPORTS (Metric Tons)

	<u>04/03/14</u>	<u>03/27/14</u>	<u>04/04/13</u>
Weekly Exports	12,400	12,200	12,500
Weekly Net Sales	18,500	13,800	10,300

FUTURES

Live Cattle	April			June			August			October		
	High	Low	Close	High	Low	Close	High	Low	Close	High	Low	Close
Mon.	143.43	142.33	143.03	135.15	134.35	134.93	132.83	131.95	132.68	137.58	136.65	137.50
Tues.	143.60	142.75	143.33	135.55	134.70	135.28	133.45	132.45	132.65	138.40	137.18	138.35
Wed.	143.93	143.00	143.75	135.90	134.95	135.63	133.50	132.60	133.28	138.38	137.58	138.28
Thurs.	144.15	143.25	144.00	135.75	134.75	135.20	133.35	132.60	133.13	138.25	137.48	138.03
Fri.	145.20	144.03	144.85	136.35	135.28	135.78	134.08	133.08	133.78	138.58	138.28	138.23
Weekly	145.20	142.33	144.85	136.35	134.35	135.78	134.08	131.95	133.78	138.58	136.65	138.23

Feeder Cattle	April			May			August			September		
	High	Low	Close	High	Low	Close	High	Low	Close	High	Low	Close
Mon.	177.85	176.80	177.50	178.90	177.53	178.85	180.65	179.23	180.50	180.68	179.13	180.65
Tues.	178.43	177.15	178.30	179.20	178.23	178.88	180.95	179.95	180.58	181.00	179.80	180.98
Wed.	179.00	177.88	178.88	180.25	178.40	180.23	181.95	180.30	181.85	182.08	180.48	182.05
Thurs.	178.93	178.10	178.28	180.23	179.18	179.68	182.00	181.20	181.93	181.85	181.03	181.85
Fri.	179.70	178.08	179.50	180.50	179.20	180.08	182.83	181.50	182.48	182.50	181.35	182.30
Weekly	179.70	176.80	179.50	180.50	177.53	180.08	182.83	179.23	182.48	182.50	179.13	182.30

AUCTION REPORT

	Amarillo	Okl. City	San Angelo	Tulia	Amarillo
Volume--	744	5,283	905	2,211	Not enough comparable sales this week for an accurate price comparison with last week on feeder cattle.
Feeder Steers:					Oklahoma City Compared to last week, feeder steers steady to \$2 higher. Feeder heifers \$2-\$3 higher. Feeder calves mostly steady.
Med. 1 3/4	220.00-267.00	231.00-266.00	234.00-252.50	243.00	
4/5	218.00-231.00	210.00-255.50	214.00-234.00	212.00-250.00	
5/6	-----	198.00-224.00	201.00-218.00	211.00-222.00	
6/7	-----	180.00-215.00	186.00-200.00	180.00-205.25	
7/8	-----	167.00-187.00	173.00	170.00-187.50	
Med. 1 & 2 3/4	-----	254.00	220.00-230.00	-----	
4/5	203.00-242.00	217.00	205.00-212.00	223.00	
5/6	151.00-185.00	190.00-214.50	192.00-197.00	205.00-206.00	
Feeder Heifers:					San Angelo Compared to last week, feeder cattle firm to \$2 higher.
Med. 1 3/4	227.00	219.00-235.00	218.00-234.00	210.00-230.00	
4/5	209.00-213.00	195.00-219.25	200.00-212.00	203.00-214.50	
5/6	-----	179.50-200.00	184.00-207.00	175.00-204.00	
6/7	-----	169.00-193.00	181.00	169.00-176.00	
7/8	-----	158.50-180.00	152.00-159.00	157.50-165.50	
Med. 1 & 2 3/4	192.00-216.00	210.00-217.00	214.00	217.00	
4/5	175.00-208.00	196.00-202.00	188.00-196.00	-----	Tulia Compared to last week, feeder cattle under 750 lbs. steady to firm, feeders over 750 lbs. steady to weak.

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