

**DeSoto County
Beef Newsletter**

2150 NE Roan Street, Arcadia, FL 34266

May 2008 / Volume 30 Number 5



CALENDAR OF EVENTS

**Tropical Breeds of Cattle
Ankole-Watusi Bull**

May

29 UF/UGA Corn Silage Field Day, Plant Science Research & Education Center, Citra, FL

June

16-17 Cattlemen's College, 1:00 PM and 8:00 AM, Marco Island Marriott, Marco Island, FL

17-19 Florida Cattlemen's Convention and Allied Trade Show, Marco Island Marriott, Marco Island, FL

"GREEN" PRODUCT FAD MAY HAVE PEAKED

Recent surveys indicate American consumers are being turned off by the hype surrounding organic products for three reasons: price, skepticism and confusion. The percentage of consumers who believe organic products are good for them is down to 45 percent, while those who believe they're good for the environment has fallen to 48 percent, according to the latest survey from the consulting firm WSL Strategic Retail. Both measures stood at 54 percent approval rating two years ago. The higher cost of organic products versus mass market alternatives is a primary deterrent to many consumers. On average, organic products still sell for a lofty premium, as much as 50 to 100 percent more than non-organic alternatives. **Source—Drovers Alert, Thursday, May 1, 2008 Vol. 10, Issue 19.**

COMMISSION RECOMMENDS PHASE-OUT OF SOME CONFINEMENT PRACTICES

A two-year study released by the Pew Commission on Industrial Farm Animal Production recommends tighter controls on the use of antimicrobials in livestock production, along with a long list of recommendations relating to public health, environmental protection and animal welfare. The commission, assembled by The Pew Charitable Trusts and the John Hopkins Bloomberg School of Public Health, also recommends a "disease-monitoring program and a fully integrated and robust national database for food animals to allow a 48-hour trace-back through phases of their production." In the animal-welfare area, the report cites gestation crates for swine and battery cages for laying hens as threats to animal welfare and public health. **Source—Drovers Alert, Thursday, May 1, 2008 Vol. 10, Issue 19.**

FARM BILL EXTENDED TWO WEEKS

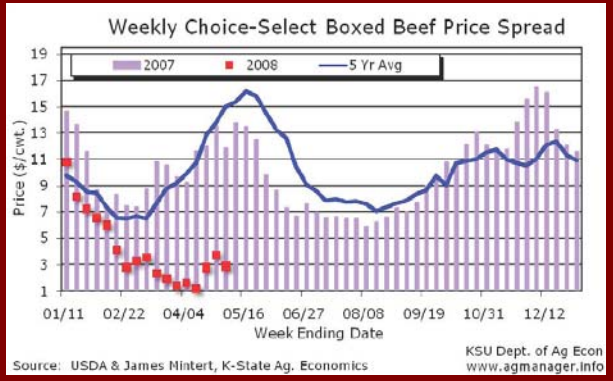
Congress extended the farm bill for another two weeks until May 16, but the House-Senate conference committee on Thursday night made huge progress on a number of fronts. The conference completed the research, rural development, conservation, energy, forestry, crop insurance and livestock titles. The key items remaining to be finalized are the dairy import assessment, payment limitations and adjusted gross income limits, storage facility loans, and a few trade items. The conference is expected to meet again early next week to complete the bill. **Source—P. Scott Shearer, Washington, D.C. Correspondent—Cow-Calf Weekly, May 2, 2008.**

MARKET INFORMATION

May 5, 2008

	05/03/08	Last Week	Last Year
5 AREA WEEKLY WEIGHTED CATTLE PRICE			
Live Steer	92.27	92.11	96.15
Live Heifer	92.28	92.19	96.22
Dressed Steer	148.25	149.44	154.09
Dressed Heifer	147.83	148.69	153.74

http://www.ams.usda.gov/mnreports/lm_ct150.txt



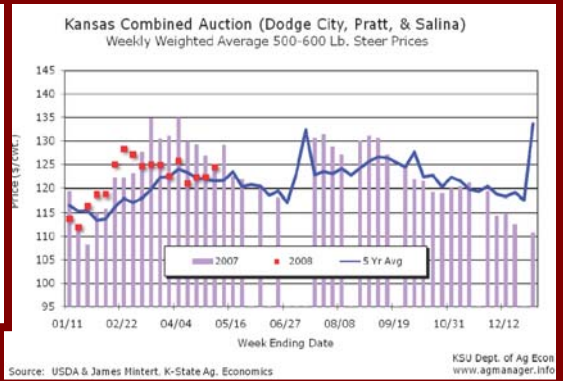
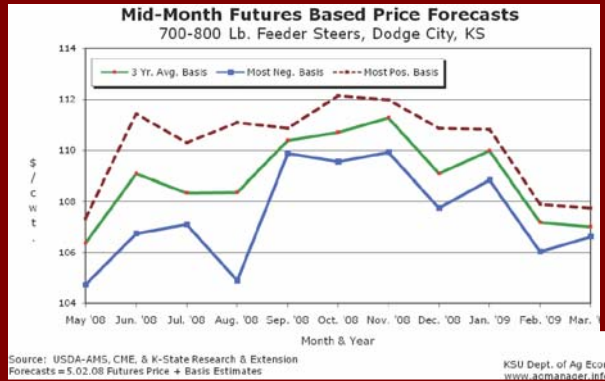
	05/03/08	Last Week	Last Year
BEEF PRODUCTION	(Estimate)	(Estimate)	(Actual)
Slaughter	699,000	704,000	663,000
Live Weights	1265	1272	1229
Dressed Weights	708	772	749
Beef Production (M. of Pounds)	535.2	541.6	495.1

http://www.ams.usda.gov/mnreports/SJ_LS712.txt

Choice/Select Spread
05/05/08
\$3.49/cwt
http://marketnews.usda.gov/gear/browseby/txt/L_M_XB403.TXT

	04/19/08	Last Week	Last Year
National Grading Percent			
Prime	2.86%	2.87%	2.17%
Choice	57.39%	57.33%	50.58%
Select	32.33%	31.16%	38.50%

http://www.ams.usda.gov/mnreports/NW_LS196.txt



The summary below reflects the week ending March 21, 2008 for Medium and Large 1 -- 500- to 550-lb., 600- to 650-lb., and 700- to 750-lb. heifers and steers. **Source: Beef Stocker Trends, March 25, 2008.**

State	Volume	Steers		Heifers			
		500-550 lbs.	600-650 lbs.	700-750 lbs.	500-550 lbs.	600-650 lbs.	700-750 lbs.
Calf Weight							
TX	17,000	\$112.78	\$104.30	\$105.00	\$100.70	\$100.24	\$97.79
AL	8,200	\$103-111	\$99-109	\$96-102	\$95-105	\$90-97	\$82-88
TN	8,100	\$106.73	\$101.41	\$96.00	\$96.07	\$89.08	\$84.18
FL	4,800	\$86-106	\$88-97	\$83-87	\$80-93	\$80-88	
GA	7,000	\$85-107	\$87-102	\$80-100	\$85-100.50	\$79-92	\$77-87
KY	23,900	\$106-116	\$98-108	\$90-100	\$90-100	\$83-93	\$83-93
OK	26,800	\$121.44	\$111.32	\$108.39	\$106.85	\$103.94	\$99.70



CORN:

Kansas City US No 2 rail White Corn was 9-19 cents higher from 5.89-5.99 per bushel. Kansas City US No 2 truck Yellow Corn was 31 cents higher from 5.82-5.85 per bushel. Omaha US No 2 truck Yellow Corn was 23 to 34 cents higher from 5.68-5.82 per bushel. Chicago US No 2 Yellow Corn was 29 to 37 cents higher from 5.72 ¼-6.00 ¼ per bushel. Toledo US No 2 rail Yellow corn was 31-35 cents higher from 5.87 ¼-5.93 ¼ per bushel. Minneapolis US No 2 Yellow Corn rail was 26 cents higher at 5.51 ¼ per bushel. **Source: USDA Weekly National Grain Market Review, Friday May 2, 2008** http://www.ams.usda.gov/mnreports/SJ_GR851.txt

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FAWN—DESOTO COUNTY ANNUAL RAINFALL—2008 [HTTP://DESOTO.IFAS.UFL.EDU/](http://desoto.ifas.ufl.edu/)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JULY	AUG	SEPT	OCT	NOV	DEC	Total
2008	1.85"	1.51"	2.52"	3.33"									9.21"
2007	1.93"	2.09"	0.81"	2.80"	2.28"	5.04"	5.42"	5.57"	4.56"	1.46"	0.05"	0.78"	32.79"
2006	0.32"	3.26"	0.97"	0.14"	2.07"	2.71"	5.84"	9.30"	4.15"	1.36"	0.81"	2.13"	33.06"
2005						9.71"	8.73"	5.86"	4.03"	8.78"	3.78"	0.11"	NA

FAWN—DESOTO COUNTY HIGH & LOW TEMPERATURES (2 METERS) AT THE EXTENSION OFFICE

	JAN	FEB	MAR	APR	MAY	JUN	JULY	AUG	SEPT	OCT	NOV	DEC	Total
HIGH	82.3°	84.9°	86.1°	88.1°									NA
LOW	28.5°	35.6°	39.3°	41.6°									NA

Rainfall for 2008 is currently 1.58 inches ahead of 2007

MEAT PRODUCTION UP, CONSUMPTION FLAT

During the first quarter of 2008, U.S. commercial pork production skyrocketed to 11.6 percent above a year ago, according to the Livestock Marketing Information Center. For the same period, beef production increased 2.2 percent and total poultry was up about 5.4 percent. Per capita consumption in the United States of red meat and poultry, however, did not change much in the first quarter of 2008 compared to a year ago due to increases in exports, frozen stocks and population, and lower U.S. imports. For calendar year 2007, estimated U.S. per capita total red meat and poultry consumption on a retail weight basis was a record 221.6 pounds per person. Current forecasts for 2008 indicate another record at about 222 pounds per person, according to LMIC. Consumption could drop in 2009, however, as exports pick up and high input costs cause a slowdown in livestock production. **Source—Drovers Alert, Thursday, May 1, 2008 Vol. 10, Issue 19.**

Beef Management Calendar

May/June

Remove Bulls.	Fertilize warm season pastures.
Check mineral feeder.	Apply Spot-On Agent for Grubs and Louse.
Vaccinate and Implant (except for replacement heifers) any late calves.	Reimplant calves at 90 to 120 days with growth stimulant.
Get heifers vaccinated for brucellosis if not already done.	Pregnancy check cows.
Fertilize warm season pastures.	

ECONOMIC & MARKET OUTLOOK FOR 2008—57th BEEF CATTLE SHORTCOURSE

The following information is a highlight of the presentation of Dr. John Lawrence (Professor, Iowa State University, Ames, IA) given at the 57th Annual Beef Cattle Short Course last week in Gainesville. Disastrous world wheat production in 2007, growing food and feed demand globally, and the new demand as petroleum substitutes have driven grains and oilseed prices to record levels. These higher prices will encourage production around the world, but not before driving up costs to livestock producers. The cost of gain is higher for feedlots limiting what they can pay for feeder cattle. Competition from crop production grazing acres has pushed the cost of forage production higher. Beef cow herds are feeling the squeeze and are expected to further reduce beef cow inventories. Besides fewer calves born, feedlots will want to place heavier cattle to reduce corn feeding and the number of days on feed. As a result, there is excess feedlot capacity and excess packer capacity. The demand side is also under pressure. The weaker economy has hurt beef sales more than pork or poultry. With a weaker economy and higher gas prices, consumers are looking for a cheaper item in the center of the plate. Retailers are featuring cheaper cuts and at times Select rather than Choice. Look for steady to lower calf prices ahead and rising cowherd costs driven by higher forages and land prices. While the long term forecast is for smaller cattle supplies, the outlook for 2008 is for steady to larger beef supplies thanks to record cattle on feed and increased cow slaughter. Total red meat supplies are forecast to increase 2.6% from 2007 levels. Beef imports are expected to be slightly higher than 2007 levels and approximately double the tonnage of the U.S. exports. Beef demand growth has stopped and may be retreating. Beef exports continue to slowly rebuild from the closed borders in late 2003. Exports to Japan grew steadily throughout 2007 and early 2008. Exports to South Korea are more sporadic, but are increasing.

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CURRENT STATUS OF GRASS FED BEEF—57th BEEF CATTLE SHORTCOURSE

The final standard for the grass (forage) fed marketing claim was published by the Agricultural Marketing Service (AMS), as a Notice in the Federal Register on October 16, 2007. The grass fed standard states that grass and or forages should be the feed source consumed for the lifetime of the ruminant animal, with the exception of milk consumed prior to weaning. The diet should be derived solely from forage, and animals cannot be fed grain or grain by-products and must have continuous access to pasture during the growing season. Through this voluntary standard, livestock producers may request that a grass (forage) fed claim be verified through an AMS audit program and will have the option of labeling the product as USDA Certified Grass Fed Beef.

AVMA BROCHURE TARGETS STUDENTS

Veterinary students are the primary audience for a brochure produced by the American Veterinary Medical Association (AVMA) titled “Animal Welfare: Seeing the Forest and the Trees,” but anybody who deals with animals may find the info useful. According to the brochure, science and ethics should be the basis of decisions about animal welfare, as well as a whole-system approach and careful consideration of the consequences of decisions, such as how changes to improve the behavioral aspects of animal welfare may result in detriments to the health aspects. **Source—Cow-Calf Weekly, May 2, 2008**

PAYMENT LIMITATIONS UNDER DISCUSSION

According to various press reports, the latest proposal for payment limitations would be for the Adjusted Gross Income (AGI) cap to be set at \$750,000 for non-farmers in 2009 and lowered to \$650,000 in 2010 and \$500,000 in 2011. The AGI cap for farmers would be set at \$950,000 in 2009, but for every \$100,000 over the limit, growers would lose 10% of their farm program payments. Current law is \$2.5 million AGI cap. This is a major issue for the administration, which continues to argue for much lower AGI cap. -- **P. Scott Shearer, Washington, D.C. correspondent. Source—Cow-Calf Weekly, May 2, 2008.**

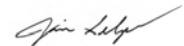
GREAT NEWS IN THE CATTLE MARKET

Last week was the perfect storm – falling corn prices, rising boxed-beef prices, a major breakthrough in regaining access to the Korean market, and a friendly Cattle-On-Feed report that showed larger-than-expected marketings and record-small placements, which put several dollars on the market almost overnight. Expectations are for continued strength next week, as improving weather will help the slow-developing grilling season to get underway. The agreement with Korea, which allows for all products under 30 months of age, is expected to put an additional \$20/head or more on the fat market and provides a much-needed boost to the market. Most importantly, the agreement precluded Korea from halting all shipments with any mistake on the part of U.S. exporters, removing the notorious tactic for which Korea had become infamous. With record fuel prices, falling consumer confidence and decreasing disposable income, this was welcomed news. -- **Troy Marshall—Source—Cow-Calf Weekly, April 25, 2008.**

NATIONAL AGRICULTURAL STATISTICS SERVICE:

- **Corn** – 10% is planted, compared to 20% last year and 35% for normal. Progress lagged nearly 20 points or more behind normal throughout most of the Corn Belt.
- **Soybeans** – 2% is planted, which is 1% behind last year and 3% behind normal. Soybean planting was delayed in all states except Louisiana. Limited planting activity had occurred in Kentucky, Michigan and North Carolina, but planting had not begun in the Corn Belt and adjacent areas of the Great Plains.
- **Sorghum** – 27% of the intended acreage is sown, 2% less than last year, but 1% ahead of normal. Planting in Texas was 65% complete, ahead of last year and normal by 4 and 11 points, respectively. Planting was also underway in Arkansas with 13% planted, significantly behind last year and normal by 62 and 46 points, respectively.
- **Oats** – 54% of planting is complete, which is 2% less than last year and 14% behind the five-year average. Progress lagged the most in Iowa and Minnesota with planting 40 points or more behind normal. Emergence was delayed in all states, with development significantly behind the five-year average in the northern Corn Belt and adjacent areas of the Great Plains. 33% has emerged, 1% less than last year and 9% behind normal.
- **Barley** – 35% of seeding is complete; 2% behind last year and 4% behind average. 6% has emerged, which is 7% less than last year and 6% less than normal.
- **Spring Wheat** – 30% of the crop is in the ground, which is 2% ahead of last year but 4% behind the five-year average. When compared with the usual pace, all states were behind by 13% or more, except Montana and North Dakota where progress was at or ahead of the five-year-average pace. 4% has emerged, 2% less than last year and 8% behind the average pace.

“No occupation is so delightful to me as the culture of the earth, and no culture comparable to that of the garden”. Thomas Jefferson



James F. Selph

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