



Beef Business

► A look at current issues affecting the cattle industry. Compiled by *Shauna Rose Hermel & Kasey Brown*

Despite opposition, Corps proceeds to dump soil into Missouri River

The U.S. Corps of Engineers intends to move forward with a project that includes dumping excavated soil in the Missouri River north of Arrow Rock, Mo. The soil comes from modification of a 1-mile-long chute designed to provide shallow-water habitat for the endangered pallid sturgeon fish.

Just fewer than a dozen groups, including

the Missouri Cattlemen's Association, sent a letter to Governor Jay Nixon requesting he take action to prevent the Corps from discharging soil from the chute area into the Missouri River and to force the Corps to modify its current work plan for Jameson Island such that all excavated soil from the proposed 200-foot width is removed from the chute meander belt area.

"The Corps should be informed that for

the construction of chutes to comply with Missouri's anti-degradation rules, conditions of nationwide permits and construction management guidelines that any of the soil intended to be removed from the chutes must be placed far enough away from the chute so as not to fall into the river," the letter states. The current practice of depositing excavated soil into the river near the Jameson Island chute contradicts long-standing efforts, including investment of the 1/10¢ soil and parks tax, which has had success in promoting soil conservation practices.

The groups say questions remain about the aquatic benefits of chutes, but they are not opposed to the purpose of this project as modifications to the existing chute are necessary to prevent further damage to a levee opposite the existing outlet. The letter continues, "We believe the current chute can be realigned to achieve the stated goal of developing shallow-water habitat without depositing the soil into the Missouri River."

Signing the letter were: MFA Inc.; Missouri Agribusiness Association; Missouri Cattlemen's Association; Missouri Corn Growers Association; Missouri Dairy Association; Missouri Farm Bureau; Missouri Levee & Drainage District Association; Missouri Pork Association; Missouri Soybean Association; and the Upper Mississippi, Illinois and Missouri Rivers Association.

Source: MCA Prime Cuts newsletter, Aug. 29

USDA-NASS releases Aug. 30 Agricultural Prices report

USDA's National Agricultural Statistics Service (NASS) Agricultural Statistics Board released its *Agricultural Prices* report Aug. 30, noting a decrease in prices received of 12 points and an increase in prices paid of 1 point.

Prices received. The preliminary all farm products index of prices received by farmers in August, at 188%, based on 1990-1992 = 100, decreased 12 points (6.0%) from July. The crop index is down 17 points (7.4%) and the livestock index decreased 1 point (0.6%).

Producers received lower prices for corn, soybeans and broilers, and higher prices for milk. In addition to prices, the overall index is affected by the seasonal change based on a three-year average mix of commodities producers sell. Increased monthly movement of cattle, barley and calves offset the decreased marketing of wheat, corn and soybeans.

The preliminary all farm products index is down 5 points (2.6%) from August 2012. The food commodities index, at 181, decreased 7 points (3.7%) from last month, but increased 3 points (1.7%) from August 2012.

With regard to feedgrains and hay, the August index, at 258, is down 9.8% from last month and 17% below a year ago. The corn price, at \$6.02 per bushel, is 77¢ lower than last month and \$1.61 below August 2012. The all hay price, at \$180 per ton, is down \$10.00 from July and \$3.00 below last August. Sorghum grain, at \$9.55 per cwt., is 9¢ below July and \$1.75 lower than August last year.

The August livestock and products index, at 163, is 0.6% below last month but is 5.8% higher than August 2012. Compared with a year ago, prices are higher for broilers, hogs, milk, cattle and calves. Prices for turkeys and eggs are down from last year.

The August meat animals index, at 164, is up 0.6% from last month and 5.1% higher than last year. The August hog price, at \$75.70 per hundredweight (cwt.), is down 10¢ from July but \$8.80 higher than a year ago. The August beef cattle price of \$120 per cwt. is unchanged from last month but is \$3.00 higher than August 2012.

Prices paid. The August index of prices paid for commodities and services, interest, taxes, and farm wage rates (PPIW) is 221% of the 1990-1992 average. The index is up 1 point (0.5%) from July and 5 points (2.3%) above August 2012. Higher prices in August for concentrates, feeder cattle, LP gas, and complete feeds offset lower prices for nitrogen, feedgrains, hay and forages, and potash and phosphate.

Table 1: Prices received, prices paid, and ratio of prices received to prices paid indexes, 1990-1992 Base — United States: August 2013 with Comparisons

Index	August 2012	July 2013	August 2013
Prices received by farmers	193	200	188
Prices paid by farmers	216	220	221
Ratio of prices received to prices paid	89	91	85

NASS noted that it is suspending a number of statistical surveys and reports for the remainder of the fiscal year due to reduced funding. Suspended commodity programs impacting the *Agricultural Prices* report are non-citrus fruit, tree nuts, vegetables, and milk cow replacement prices.

Source: USDA-NASS Agricultural Statistics Board

Alliance formed to focus on modern, sustainable farming techniques

Alltech and Kentucky State University (KSU) have formalized a joint research alliance to develop sustainable farming techniques and modern farming models.

Alltech will invest \$75,000 per year toward research at KSU and will provide support for KSU graduate students' research and for demonstrations in agriculture, food sciences, sustainable systems and related fields. These investments will help develop an active graduate-student training program and undergraduate internship program in sustainable farming, as well as a merit-based program aimed at supporting future agricultural-science development.

"This farming-focused alliance will position Central Kentucky at the forefront of sustainable agriculture and aquaculture,

arguably two of our world's most significant challenges. The work being done on KSU's campus will not only have global implications, but will contribute to the development of a knowledge-based economy and job creation locally. It will also demonstrate how we can use technology to support small-farm agriculture in Kentucky," said Karl Dawson, chief scientific officer at Alltech.

The Alltech-KSU Sustainable Farming Alliance will operate from the KSU campus and has been established for an initial period of three years, at which time extension may be considered. It will be managed by a committee of three Alltech scientists and four KSU faculty members, and chaired by Teferi Tsegaye, dean of KSU's College of Agriculture, Food Science and Sustainable Systems and associate vice president for land grant. Projects and activities will be selected based on their scientific merit, socioeconomic value and the potential for commercialization of the results. Initial plans include the establishment of an annual conference to promote sustainable farming and agriculture.

Alltech has signed research alliances with more than a dozen universities and institutes around the world, including the University of Kentucky and Kentucky State University in the United States; and universities in Norway, China, Japan, India, France, the United Kingdom, and Australia. A total of 18 research alliances are expected to be finalized by the close of 2013.

Ag groups push for veto override of Missouri S.B. 9

The Missouri Cattlemen's Association (MCA) supports a veto override on S.B. 9. The bill was passed by the Missouri House (133-21) and the Senate (32-1), but fell victim to a veto in July by Governor Jay Nixon.

Agricultural organizations, including MCA, penned a letter to all elected leaders of the Missouri House and Senate. The letter made clear that the majority of leading agricultural organizations support the veto override of S.B. 9.

"From our perspective, the Governor signed many bills that will help grow and sustain family farming in our state and ensure agriculture has the ability to feed Missourians and stimulate the state's economy," the letter states. "However, there was one bill directly related to agriculture that was erroneously vetoed that we are asking you to review ..."

According to the letter, the animal trespass portion of S.B. 9 would have provided a much-needed correction to the current animal abuse and neglect law. As the animal abuse and neglect law currently stands, a farmer can receive a hefty fine or even imprisonment because their livestock got out

of their confines. The letter states that animal abuse should not be taken lightly, but the law should not make criminals out of innocent farmers.

Cattle rustling, which is a constant problem throughout the state and most severe in southwest Missouri, was addressed in S.B. 9, as well. The new language would have made the penalties for cattle rustling tougher by making the first offense a felony in most cases.

"The veto of S.B. 9 also ruins hopes of strengthening penalties for cattle rustling. This is not at all the same as stealing an object. It is even more than stealing

someone's livelihood. Stealing cattle is animal abuse at its worst," the letter states. "Instead of criminalizing farmers for cows getting out because a tree fell or a creek bed went dry, let's punish people who have no regard for animal care or for the livelihood of Missouri farmers."

The veto override session was to occur Sept. 11.

Along with MCA, the Missouri Chapter of the Poultry Federation; Missouri Corn Growers Association; Missouri Dairy Association; Missouri Egg Council; Missouri Pork Producers Association; and Missouri

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Were you all tied up?



If circumstances didn't allow you to attend the 2013 National Angus Conference & Tour in Albany, N.Y., your luck has changed. You can catch up on what you missed in the comfort of home at www.nationalangusconference.com.

One of the *Angus Journal's* event coverage sites available in the *Angus Journal* Virtual Library (www.api-virtuallibrary.com), the national conference site will feature articles covering each presentation, PowerPoints provided by the speakers and photo galleries from the tour stops.

This site is made possible through the sponsorship of Land O'Lakes Purina Feed LLC.

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Soybean Association all support the veto override of S.B. 9.

Source: MCA, Aug. 30

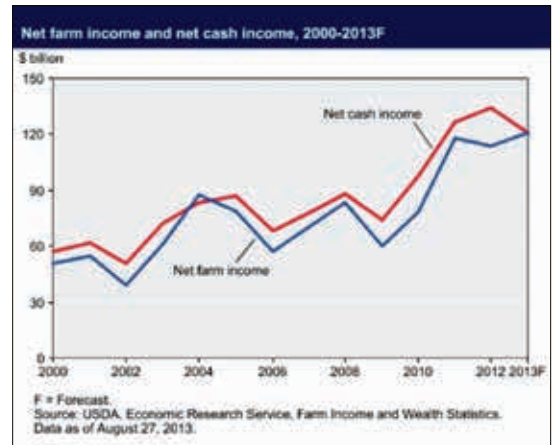
Net farm income forecast to increase 6% in 2013

Net farm income is forecast to be \$120.6 billion in 2013, up 6% from 2012's estimate of \$113.8 billion. After adjusting for inflation, 2013's net farm income is expected to be the second highest since 1973. A return to trend yields would lead to record crop production levels and result in substantial year-end crop inventories. Net cash income — which measures the difference between cash expenses and the combination of commodities sold during the calendar year plus other sources of farm income — is forecast at \$120.8 billion, down just more than 10% from 2012. Even so, 2013's forecast would be the fourth time net cash income, after adjusting for inflation, has exceeded \$100 billion since 1973.

The projected nominal \$13.1-billion increase in total expenses in 2013, to \$354.2 billion, continues a string of large year-to-year movements that have taken place since 2002. In both nominal and inflation-adjusted dollars, 2013 production expenses are expected to be the highest on record. Rent, labor and feed are the expense items expected to increase the most in 2013.

Farm sector assets, debt and equity are all forecast to increase in 2013. As in the last several years, increases in farm asset value are expected to exceed increases in farm debt, with farm real estate the main driving force. Confirming the strength of the farm sector's solvency, both the debt-to-asset ratio and debt-to-equity ratio are expected to reach historic lows.

To get the 2013 forecast for farm sector income, go to www.ers.usda.gov/topics/farm-



economy/farm-sector-income-finances/2013-farm-sector-income-forecast.aspx.

Projected median total farm household income is expected to decrease by 2.5% in 2013, to \$66,989. Given the broad USDA definition of a farm, many farms are not profitable even in the best farm income years. Despite high prices for many crops, 2012 was

Report: Conservation work minimizes sediment, nutrient runoff

Ag Secretary Tom Vilsack announced a new USDA report that shows farmers have significantly reduced the loss of sediment and nutrients from farm fields through voluntary conservation work in the lower Mississippi River Basin. Vilsack highlighted the value of conservation programs to these efforts and called on Congress to pass a comprehensive Food, Farm and Jobs Bill that would enable USDA to continue supporting conservation work on farms and ranches.

The report, released by USDA's Natural Resources Conservation Service (NRCS) in late August, marks the completion of a watershed-wide assessment of conservation efforts in the Mississippi River watershed. Its findings demonstrate that conservation work, like controlling erosion and managing nutrients, has reduced the edge-of-field losses of sediment by 35%, nitrogen by 21% and phosphorous by 52%.

"Farmers and ranchers work hard to conserve the land and water, and today's report shows the tremendous impact they've had for the Mississippi River and Gulf of Mexico," Vilsack said. "We need to keep up the momentum by providing scientific and technical expertise that supports conservation in agriculture. To continue these efforts, we need Congress to act on a comprehensive Food, Farm and Jobs Bill as soon as possible."

While the report shows the positive impacts of conservation, it also signals the need for additional conservation work. The most critical conservation concern in the region is controlling runoff of surface water and better management of nutrients, meaning the appropriate rate, form, timing and method of application for nitrogen and phosphorous.

Model simulations show that an increase in cover crops will have a significant impact on reducing edge-of-field losses of sediment and nutrients, and improve water quality.

The information in the report will help further develop NRCS' work in the Mississippi River Basin Healthy Watersheds Initiative and Gulf of Mexico Initiative, aimed at helping producers improve water quality, restore wetlands and sustain agricultural profitability.

The report is part of USDA's Conservation Effects Assessment Project, or CEAP, which uses advanced modeling techniques to assess the effects of conservation practices. The lower Mississippi

report covers cropland in Louisiana, Arkansas, Kentucky, Mississippi, Missouri and Tennessee.

By comparing losses of sediment and nutrients from cultivated cropland to losses that would be expected if conservation practices weren't used, CEAP reports give science-based insight into the techniques that most benefit water quality, soil health and other resource concerns.

"These assessments are part of the scientific backbone that helps us work with farmers to get the right conservation techniques on the right acres," said NRCS Chief Jason Weller. "A focus on the most effective conservation techniques means that we're helping to deliver the best results for farmers and our natural resources."

Over the past few years, similar assessments were completed in the upper Mississippi River, Tennessee-Ohio, Missouri and Arkansas-Red-White basins. As a whole, assessments in this project have shown:

- ▶ Conservation on cropland prevents an estimated 243 million tons of sediment, 2.1 billion pounds (lb.) of nitrogen and 375 million lb. of phosphorus from leaving fields each year. These figures translate to a 55%, 34% and 46% reduction in sediment, nitrogen and phosphorus edge-of-field losses, respectively, compared to what would have been lost if no conservation practices were in place.
- ▶ Similarly, conservation has resulted in an estimated 17% reduction in nitrogen and 22% reduction in phosphorus entering the Gulf of Mexico annually. An additional reduction of 15% of nitrogen and 12% of phosphorus can be achieved by implementing comprehensive conservation plans on all cropland in the basin in areas that have not adequately addressed nutrient loss.

The scientific-based modeling also pointed out that higher rainfall and more intense storms lead to higher edge-of-field losses of sediment and nutrients in the lower Mississippi River Basin than the other four basins in the Mississippi River watershed. Because of this, more soil erosion control and better management of nutrients are important in the basin.

Source: MCA, Aug. 30

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no exception, with a median farm income of -\$1,453. With sectorwide net cash farm income forecast to decline in 2013, median farm income is expected to decline to -\$2,300. Most farm households earn all of their income from off-farm sources — median off-farm income is projected to increase by 1.8% in 2013, to \$60,659. (Note: Because they are based on unique distributions, median total income will generally not equal the sum of median off-farm and median farm income.)

To get the 2013 forecast for farm household income go to www.ers.usda.gov/topics/farm-economy/farm-household-well-being/2013-farm-household-income-forecast.aspx.

NFU responds to Canadian request for WTO to Review COOL

National Farmers Union (NFU) President Roger Johnson responded Aug. 20 to the press release issued by the Canadian government asking for a new World Trade Organization (WTO) review of country-of-origin labeling (COOL):

“The issues raised by the Canadian government to the WTO are issues between two sovereign countries. While Canada has the right to seek a determination on whether the United States’ action is consistent with the U.S. obligations, NFU and our allies have long believed that the revised regulations are, in fact, consistent with WTO obligations.

“It is important to remember that the WTO process is separate from the pending court litigation regarding COOL. The lawsuit brought forward by the packers, processors and foreign interests challenges the May 23 final USDA rule. As we have said before, we believe there is no merit in the court litigation and have intervened to defend the regulations, which are supported by producers and consumers.”

Source: NFU.

Ag secretary announces projects to improve farm and rural business energy efficiency

Ag Secretary Tom Vilsack announced funding Aug. 15 for 631 projects across the nation — including 45 in North Carolina — that will help agricultural producers and rural small businesses reduce their energy consumption and costs, use renewable energy technologies in their operations and/or conduct feasibility studies for renewable energy projects. Grant and loan funding is made available through the USDA Rural Energy for America Program (REAP), which is authorized by the 2008 Farm Bill.

With the announcement, USDA is making investments of more than \$21 million in energy projects nationwide.

“As part of the Obama administration’s ‘all-of-the-above’ energy strategy, USDA continues to work with America’s farmers, ranchers and rural businesses to help them save energy and improve their bottom line,” Vilsack said. “This program and others like it would not be available without a Food, Farm and Jobs Bill, and again I urge members of Congress to pass a bill when they return to Washington next month.”

Farmers, ranchers, business owners and agriculture producers in 41 other states, the U.S. Virgin Islands and the Commonwealth of Puerto Rico will also receive funding. For example, Iron Mountain Nursery in Stagecoach, Nev., will use a \$12,476 grant to install a 7 kW solar photovoltaic system to provide power for its farm and nursery. This project is expected to generate 13,000 kW of energy annually.

Under the terms of REAP, up to 25% of an eligible energy production or conservation project can be funded through a grant, and additional support can be provided in the form of a loan. Since the start of the Obama administration, REAP has helped fund nearly 7,000 renewable energy and energy efficiency projects nationwide.

Source: USDA.

NFU disappointed by CFIUS OK of selling Smithfield Foods to China

NFU President Roger Johnson issued the following statement in response to the decision by the Committee on Foreign Investment in the United States (CFIUS) to allow the sale of Smithfield Foods to a Chinese interest:

“Today’s ruling by CFIUS on the proposed acquisition of Smithfield Foods by Shuanghui Int’l is a disappointment for family farmers and ranchers across the United States. The deal represents the sale of one quarter of U.S. hog processing to a quasi-state-owned Chinese enterprise and is a dangerous precedent, in terms of food security and market competition.

“We continue to urge Congress, the administration, and other decision-makers to oppose this sale. Our domestic livestock markets are already largely non-competitive, and foreign-backed control will only make the situation worse.”

Source: NFU.

PLC members set priorities for 2014

The Public Lands Council (PLC) wrapped up its 2013 Annual Meeting in Deadwood,

S.D., Sept. 7. More than 100 ranchers with public lands grazing rights in states across the West gathered to discuss matters affecting their industry and to consider projects and policies that will guide the organization’s future activities.

“Since 1968, PLC has been the voice in Washington, D.C., for ranchers who operate on public lands,” said Brice Lee, PLC president and a cattle rancher in Hesperus, Colo. “Each year, leaders of our industry meet in order to set priorities and discuss strategies that will help PLC provide a stable business environment for our members. This is important work; at stake is the health of the economies and landscapes of the West.”

The meeting kicked off on Wednesday evening, Sept. 4, with a welcome barbecue featuring guest speaker South Dakota Secretary of Agriculture Lucas Lentsch. During the following two days, attendees interacted with industry experts, congressional staff, and Bureau of Land Management (BLM) and U.S. Forest Service officials. The BLM also presented its Range Stewardship Award to the Beyeler family, who ranch near Leadore, Idaho. PLC Executive Director Dustin Van Liew gave an update on PLC’s efforts promoting priority legislation such as the Grazing Improvement Act, fighting damaging new regulations and defending grazing in the courts. On Friday afternoon, Sept. 6, members passed new policies and updated existing policies.

Another important component of the meeting was the board of directors’ approval of projects to be funded by the Public Lands Endowment Trust. The Trust was established in 2011 to protect, enhance and preserve the public lands grazing industry. This year, seven new projects were approved, ranging from research projects to development of software to improve resource planning; and to providing PLC with new resources crucial to the expansion of the organization.

Lee, who continues in the second year of his two-year term as PLC president, was joined in leading the meeting by PLC Vice President and Idaho rancher Brenda Richards and PLC Secretary/Treasurer and Utah rancher Dave Eliason.

“To me, this year’s meeting revealed a turning point for our industry,” said Lee. “Thanks to the hard work and foresight of our staff and some of our industry’s leaders over the past few years, we have opportunities available to us that we’ve never had before — and it’s generating a can-do, optimistic attitude.”

Source: PLC

