

## CHECK US OUT! PRODUCERS IS ONLINE

I hope this newsletter finds you well.

For more than 85 years, Producers Livestock has been known as a leading livestock marketing firm in the upper Midwest.

We take great pride in being the strongest, most reliable and trustworthy organization available in our trade territory to assist you with marketing, financing and managing the risk on your livestock.

With that said, we will never rest on our laurels as our industry is ever changing and we must continue to adapt to best serve you, our loyal customers.

Communicating with our clients through our newsletter will remain a staple of our marketing menu, but we also recognize that we need to start using other communication avenues.

We are moving forward in



**By Tim Meyer**  
President, CEO  
Producers Livestock Marketing Association

the social media arena with a few new platforms for you to follow our progress and programs.

You can follow Producers Livestock on Facebook, Twitter, LinkedIn and YouTube, where we will be posting valuable information for you to learn more about our services, our staff and our industry.

I would also encourage you to check out our newly revised website that will be up and running later this fall.

The site is currently under construction, but it will pro-

vide you with an easier format to navigate the site, along with more market information and details about our various programs.

On the website, you will also find the contact information for every employee at Producers Livestock.

We will also be unveiling a new credit portal for our credit clients allowing you to monitor your daily loan activity in a modern, user-friendly format.

This portal will be available at approximately the same time as our new website this

fall.

Stay tuned for more announcements about these changes!

Please know that we appreciate your business and if you have any questions or concerns, feel free to contact me at [tmeyer@plmcoop.com](mailto:tmeyer@plmcoop.com) or 402-597-9189 Ext. 1115.

Stay safe out there this harvest season!

### WEBSITE



[www.ProducersLivestock.net](http://www.ProducersLivestock.net)



"Producers Livestock" on YouTube

## Upcoming Board openings

Would you or someone you know be interested in becoming part of the board of directors for Producers Livestock?

We are currently accepting calls from anyone interested in this opportunity. Elections for directors of the Producers Livestock Board are held annually in February.

- Directors are elected for a three-year term.

- To run for director, a person must be an active member/customer of Producers Livestock Marketing Association.

- Regions up for election/re-election in 2024 are eastern Nebraska and western Nebraska.

If you, or someone you know, are interested in running or need more information about sitting on the board, please contact either Tim Meyer or Deb Engler at 402-597-9189.



"Producers Livestock Omaha" on Facebook



@ProducersOmaha on X (Twitter)



"Producers Livestock" on LinkedIn

# LRP

## LIVESTOCK RISK PROTECTION

*Offered through our Commodity Office*

### Benefits of using LRP:

- Fed Cattle, Feeder Cattle, Hogs
- Head and weight specific
- Variety of coverage lengths
- Premium is due at the end of the policy
- Downside price protection with top side open
- Settled against the cash markets

## PRODUCERS LIVESTOCK MARKETING ASSOCIATION

Give us a call today to learn more or receive a quote to protect your livestock.

Commodity Division: (712) 274-0539  
Zach Tindall Cell: (712) 541-9992  
Email: [ztindall@plmcoop.com](mailto:ztindall@plmcoop.com)

## SPOTLIGHT ON: TIM DELANCE

By Aly Goos

Analyst, corporate division  
Producers Livestock  
Marketing Association

Tim DeLance has been a Pork Agent with Producers Livestock's Marketing division for the last five and a half years. In total, he has been buying hogs for the past 41 years.

In 1982, Tim started his long-standing career with IBP (which was acquired by Tyson in 2001) in Storm Lake in its buyer training program.

From there he ran a buying station in Bancroft. He then moved on to be a country buyer in Paullina. Tim ended his career with IBP as a plant buyer in Storm Lake before moving on to join the Producers Livestock team.

Tim came to Producers Livestock because he liked the idea of working with farmers and packers.

Helping producers with all aspects of hog marketing is a big perk of Tim's job.

He especially enjoys customizing marketing plans for his customers



and utilizes tools such as hedging or Livestock Risk Protection to find what works best for each producer.

Tim resides in Early and enjoys spending time with his family and friends in his free time.

He has three daughters, one son and two granddaughters. Tim and his family enjoy anything outdoors, especially hunting, fishing

and boating.

Tim has proven to be a great asset to our marketing division, and we are lucky to have him on our team.

Staff Spotlight

## Producers Services Directory

### General Office

Delivery address: 4809 S 114th St, Omaha, NE 68137-2308  
Mailing address: PO Box 45978, Omaha, NE 68145-0978  
Office: (402) 597-9189 Fax (402) 597-9505  
Email: plma1@plmcoop.com www.ProducersLivestock.net

<b>Contact</b>	<b>Extension</b>
Tim Meyer, President	1115
Mike Sila, Senior VP	1106
Dave Nickelson, Treasurer	1104
Deb Engler, Secretary	1100

<b>Support staff:</b>	
Aric Ellinghuysen, IT Director	1111
Mick Jackson, Marketing Settlements	1105
Becky Jensen, Marketing Settlements	1109

### PLCC Financial Services

Financing for Livestock - Operating  
www.ProducersCredit.com  
Office: (402) 597-9189 Fax: (402) 597-9505

<b>Contact</b>	<b>Mobile</b>	<b>Extension</b>
Bart Thoreson, Senior VP	(712) 790-9995	1112
Darrell Ziola	(402) 657-0598	1117
Ryan Power	(402) 507-7790	1110
Keith Meiergerd	(402) 432-8292	1108
Tyler Calfee	(402) 676-2302	1107
Brady Read	(515) 574-9367	1113
Tina Fettes		1101
Brittnee Hytrek		1114
Gaye Nusz		1118
Mike Sievers, Field Insp.	(712) 260-4239	2200

### Commodity Services

Brokerage Services and Consulting on  
Hedging - Options - Hedge Contract Programs - LRP  
Producers Commodities LLC  
www.ProducersCommodities.com  
Office: (712) 274-0539

<b>Contact</b>	<b>Mobile</b>	<b>Extension</b>
Kyle Krager, President	(712) 251-9477	10
Verna Bennett		1129
Zachary Tindall	(712) 541-9992	14
John Tweed	(701) 789-1940	23

### Producers Livestock Services

#### Producers Beef Programs

Country Direct Feeder Cattle Sales  
Feeder Cattle Buying - Fed Cattle Sales  
www.PremiumBeef.net

<b>Nebraska</b>	<b>City</b>	<b>Mobile</b>
Emmet Caldwell	Lincoln	(402) 224-0205
Ed Heusinkvelt	Lexington	(308) 325-0227
Steve Maloley	Kearney	(308) 325-0165
Vance Whitehill	Stapleton	(308) 636-8114
Matt Wilken	Bertrand	(308) 991-5944

<b>South Dakota</b>		
Claude Forbes	Woonsocket	(605) 350-0366
Jake Hopwood	Neligh, NE	(308) 627-4828
Mark Johnson	Centerville	(605) 212-2387
Ron Kasselder	Sioux Falls	(605) 310-5733

<b>Minnesota</b>		
Mike V Million	Marshall	(507) 829-1394

<b>Iowa</b>		
David Herbold	Lawton	(712) 899-9560
Scott Hodne	Manning	(712) 299-7696
Joe Hoffmann	Dunlap	(712) 647-8361
Bob Pallardy	Williamsburg	(319) 330-1315

<b>Missouri</b>		
Dave Bryan	Windsor	(660) 815-0815
Mike Million	Oregon	(308) 325-5274
Roger Parker	Mexico	(573) 473-9598

<b>Wyoming</b>		
Slim Cook	Cody	(307) 272-2024

<b>California</b>		
Luke Stevens	Marshall	(707) 953-4879

#### Producers Pork Programs

Premium - Based Marketing - Supply Agreements  
www.PremiumPork.net  
Office: (712) 274-0536

<b>Contact</b>	<b>Mobile</b>
Richard Ellinghuysen, Senior VP	(402) 657-6954
Noland Johnson	(641) 990-0467
Connie Sponder, settlements	office: (800) 318-5619
Tim DeLance	(712) 660-1199
Jason Goodwin	(712) 389-0228
Bill Nielson	(605) 310-4664
Jeremy Schram	(712) 259-0210

### PRODUCERS

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# LOW CATTLE INVENTORY PROVIDES PRICE SUPPORT

Feeder cattle prices continue to see support from the low beef cow inventory and drought conditions. According to the latest All Cattle report from the USDA, July 1 beef cow inventory was 29.4 million head, the lowest on record going back to the early 1970s.

Recent video auctions have reflected this with some very high yearling and calf prices. Steer calves in the West and Midwest, for fall delivery that will be weighing around 550 pounds, were averaging from \$292 to \$305 per hundredweight, depending on the video auction. This



### By Mike Sila

Senior Vice President, beef division  
Producers Livestock Marketing Association

would be about \$80 per hundredweight higher than last year, with some lots being more than \$100 per hundredweight higher.

The 2024 feeder cattle prices also have great support.

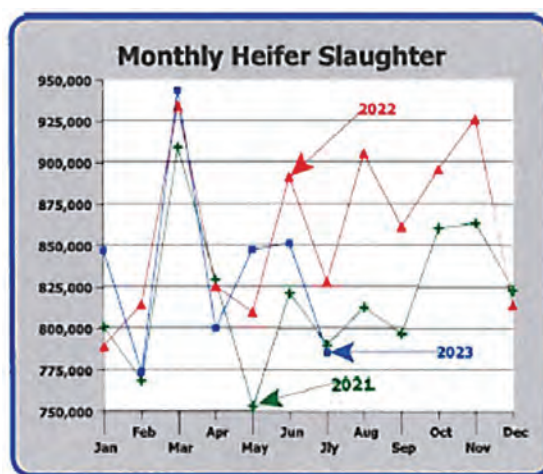
It appears that the cow herd continues to decline in 2023, thus resulting in an even lower beef cow inventory for Jan. 1, 2024.

The weekly beef cow slaughter has seen a slight decline in the last few weeks. The weekly beef cow slaughter this summer has run from 13,000 to 16,000 head lower than in 2022.

Year to date, through Aug. 11, total beef cow slaughter is down 331,537 head when compared to 2022. This is a weekly average of 10,361 less cows slaughtered per week in 2023.

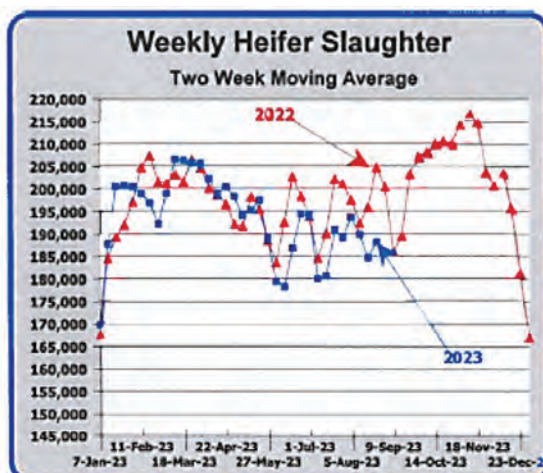
Weekly heifer slaughter also indicates that herd rebuilding hasn't begun.

Through May of 2023, the total heifer slaughter was comparable to the same time frame in 2022. In May and June, the monthly heifer slaughter fell below 2022 levels.

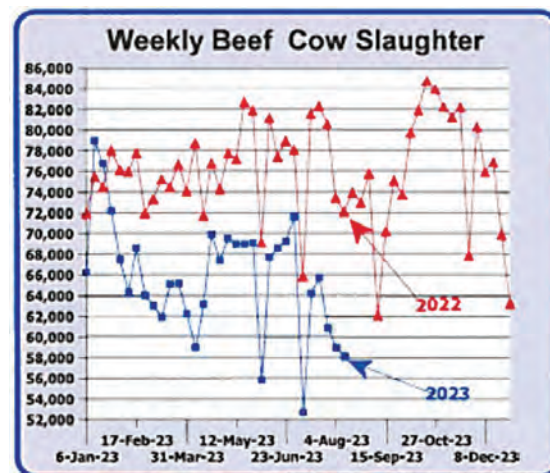


Data Source: USDA

■ SEE INVENTORY ON PAGE 4



Data Source: USDA



Data Source: USDA

# SWEATING THE HEAT WAVE

It is Sept. 1 as I write this, and hopefully the major heat wave that we experienced in the last half of August is behind us.

The triple-digit temperatures, along with the high humidity and very little wind speed, made it a very dangerous situation for our cattle producers. Livestock producers were extremely busy trying to keep their herds comfortable during these trying times.

Unfortunately, the heat also came at the wrong time for our corn and soybean crops, which are in the finishing stages of their life cycle.

There is no doubt that this heat stress was detrimental to soybeans still setting pods and certainly will have an influence on the final test weight in corn. Corn and soybean yield estimates will be all over the place



### By Kyle Krager

President  
Producers Commodities LLC

depending on your moisture situation this year. Choppers are running hard as this corn crop is maturing rapidly.

Recently, Pro Farmer conducted its 2023 crop tour. Corn and soybean yield estimates were not quite as good as traders had anticipated. As a result, corn and soybean futures have rebounded a little.

Pro Farmer's final national yield estimate for corn came in at 172.0 bushels per acre. This figure is lower compared to the 175.1 bushels per acre

the U.S. Department of Agriculture (USDA) estimated on the Aug. 11 crop report. Pro Farmer's final national yield estimate for soybeans came in at 49.7 bushels per acre.

Our commodity office has been having a lot of conversations with producers who have purchased cattle. We have been busy calculating break-evens on these cattle.

Looking ahead, feeder cattle are going to cost more this

■ SEE YIELDS ON PAGE 3

# PLEASE SHARE THIS WITH YOUR BANKER

As a former banker, I'm hoping you can share this newsletter with your banker once you have read it. I'm writing this article with bankers in mind and I think you and your banker will find the articles in this newsletter from our senior staff informative.

Having started my career in lending in 2001, which seems like it was forever ago, I've never seen rates at these high levels. My predecessor tells me he started his career when rates were 10, 11 and 12 percent on land, cattle and operating, respectively.

I'm not sure about the rest of you but I must admit that I'm puzzled about what the Federal Reserve might do next with rates. With three more meeting dates to go before the New Year, things could get even more interesting coming into renewal season.

Therefore, I want local bankers to look at us as another resource for them and not as a competitor when it comes to financing livestock for our mutual customers. In my days of working at a community bank, I was always nervous to share my loan customers with other people in the financial sector.

I knew that if the other bankers were smart, they would try to get more share of my customers' business. I found myself in a couple situations in which third-party lenders were sending their primary lending folks to cut me out of the deal completely.

Thankfully, in both of these situations, my customers gave



**By Bart Thoreson**  
Senior Vice President, credit division  
Producers Livestock Marketing Association

me a heads up so I knew what I was up against. I can assure you that is not our business model at Producers.

For smaller banks with lending-limit concerns, we truly shine by being able to provide large dollar amounts in the livestock portion of your customers' borrowing needs, allowing you to save those precious resources for the next piece of land or large-equipment purchase that comes along.

We have been talking with local banks almost daily with lending-limit issues now that the price of feeder cattle has escalated to its current levels. It's going to take a lot more money to fill the same pen as last year.

Instead of forcing your customers to cut their head counts or risk them looking for a larger lender, which happens more often than it should, in my opinion, why not work with us?

Any one of our lenders would be happy to visit you at your office and make you comfortable with our style. We sometimes like to say here in Omaha that Tyler (one of our six lenders) spends more time in other lenders' offices than he does in his own!

As the new guy here, those are things I like to see.

For banks with lenders inexperienced in livestock lending-or possibly just not wanting to consider a deal in which a certain livestock sector is new to them — Producers can be a big help.

We recently worked with a bank in Iowa whose customer is a row-crop farmer that is involved in cattle. The customer wanted to purchase a finishing site for hogs that he believed was a good deal for him. He had seen the oppor-

tunity to buy cheap feeder pigs and had plenty of corn on hand.

His lender was more than happy to finance the building on a 10-year deal but believed if they financed the pigs in his new barn, as well as the ones that were to be custom-fed, along with all the feed, the bank may run up against lending limits that could affect the rest of the operation.

Instead of telling the customer no, Producers stepped in and made a loan for the pigs. The lender admitted he wasn't a pig guy and didn't want to be lead on a deal that he knew very little about.

Now, Producers is working on a feedlot loan with another one of the same bank's row-crop customers. Instead of selling all his corn, this customer

wants to feed some of it at a custom yard a few miles from his operation that allows him to grain-bank part of his crop and, in turn, gives him access to some of the manure for his fields.

Producers' expertise lies in livestock, so if you find yourself in any of the aforementioned situations, or something else, give us a call. We understand it takes a great deal of a bank's time to attract and maintain customers; we want to help with that.

I'm confident we can make a good team by working together. I'm also hopeful we can have some of these discussions with you while our customers are out in the combines this fall. We might even be able to refer some other business back to you!

## WELCOME NEW STAFF!

**By Aly Goos**  
Analyst, corporate division  
Producers Livestock  
Marketing Association

Producers Livestock is pleased to announce we have added a few new faces in our Marketing and Commodities divisions.

Jake Hopwood joined our marketing division in August

as a beef agent for our South Dakota territory. Jake brings a strong background in order buying and sale barn experience.

Matt Wilken also joined our marketing division in September as a beef agent for our central Nebraska territory. Matt has experience in various phases of cattle produc-

tion and procurement.

Verna Bennett joined our commodities division in September as our commodity sales assistant.

Verna comes to us with several years of experience in beef and pork procurement.

We're excited to welcome Jake, Matt and Verna to the Producers Livestock team!

### Staff Spotlight

## YIELDS

■ FROM PAGE 2

year, due to tight supplies and a bullish market outlook.

There is an extremely high demand for cattle right now. On the bright side, your cost of gain should be more manageable this year compared to last year.

If you are planning on buying cattle this fall, make sure you have a good risk management strategy in place.

Here are two different ways that we can help you with risk management:

**Hedge Contract (Program is Available through Producers Livestock Marketing)**

- No cumbersome paperwork to fill out in advance.
- Can use futures, options, or a combination of the two.
- Once the position gets filled, we send out a two-page contract along with the service fee.
- No margin calls (Producers Livestock will cover margin calls or option premiums until livestock are sold).
- Work with cattle agents to market your livestock.
- Still have basis risk.

**Livestock Risk Protection Insurance**

- Designed to protect against declining market prices. Comparable to a put option.
- Endorsement periods range from 13 weeks up to 52 weeks.
- LRP policies do not have a standard size. The policy can be written for the exact number of head that you plan to market.
- LRP premiums are due at the end of the endorsement period. No upfront costs.
- Application must be filled out and approved in advance before coverage begins.

If you are interested in any of our services, give us a call. We will work with you to discuss the advantages or disadvantages of each strategy.

We know the break-evens are not the same for everyone. Therefore, every risk management strategy should not be the same either. Let John, Zach, and I find a strategy that is right for you and your operation. Doing nothing is not an option this year; there are way too many dollars at risk.

Good luck with your upcoming harvest and remember to slow down and be careful! Thank you for your business!

\*\*\*\*\*  
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# \$\$\$\$\$\$

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### CRITERIA:

- Must be an active customer of Producers Livestock
- Variable rate based on National Prime (-2.5%)
- Interest paid quarterly

**PRODUCERS LIVESTOCK  
CREDIT CORPORATION**

Contact Brittnee Hytrek, Tina Fettes or Gaye Nusz  
at (800) 950-7522 to get started today!

Or visit the website to download an enrollment form:  
<https://bit.ly/4ORRy8r>

# PORK PRODUCERS FINALLY SEE A LITTLE GREEN

Glancing through the charts during the last week of August, the Iowa State University (ISU) Market Hog Profit graph shows a profit in July for the first time this year.

It's been a long time coming. Can we sustain it? Let's hope so, but the experts aren't sure just yet.

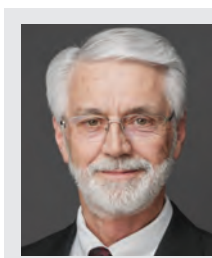
Input costs have finally eased off a bit while hog market prices have edged higher through the summer. Per capita pork consumption is nothing to get excited about, but exports have been strong this year, up 14% for the first half of 2023. Once again it shows the impact of exports on profits.

China's hog production has weakened on producer losses and Europe's hog production is dropping on social/environmental pressures to eliminate livestock. Going forward, this should benefit the U.S. pork industry.

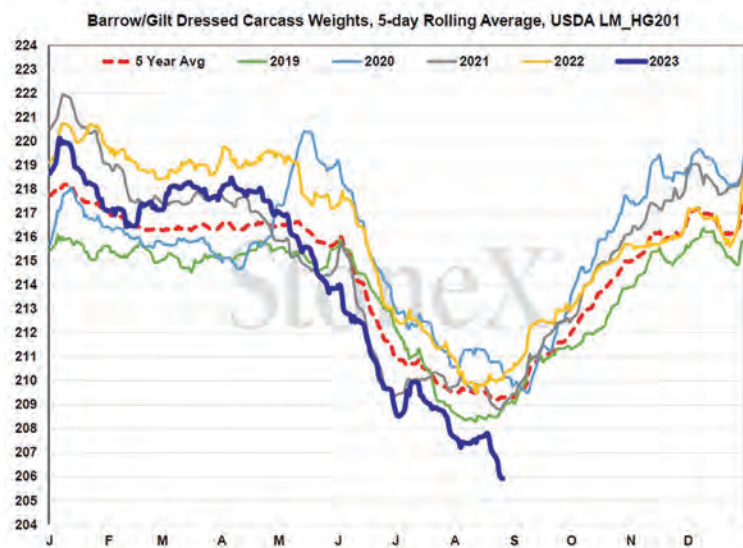
Lee Schulz, an ag economist at Iowa State University, says the average Iowa hog producer earned \$9.39 over costs for each hog marketed in July. That was the first profitable month since October 2022.

November to June losses averaged \$29.68 per head per month. It was the longest string of losses since August 2012 to May 2013. ISU estimated the July carcass breakeven price at \$100.92 per hundredweight, the lowest month since March.

ISU forecasts 2023 hog mar-



**By Richard Ellinghuysen**  
Senior Vice President, pork division  
Producers Livestock Marketing Association



gins to be record-low. Corn prices are expected to be below \$5 per bushel for the rest of this year, and the cost of production should continue to decline.

According to economist Ron Plain, the U.S. Department of Agriculture (USDA) is predicting 2023 pork production will total 27.264 billion pounds, up 1% from last year but 0.3% lower than their forecast for 2024.

There may also be more

Canadian butcher hogs headed to the U.S. because of plant closures. However, U.S. sow slaughter has been climbing and indications are liquidation is occurring in the U.S. herd now.

Also, butcher hog carcass weights as of Aug. 30 hit a five-year low (see five-day rolling average chart above). That should reduce the total available pork tonnage.

The USDA is forecasting 51-52% lean liveweight hog prices will average \$62.20 per hundredweight this year. That is \$9.01 (13%) less than last year and \$2.80 (4.3%) less than their forecast for next year. If prices improve next year as projected, that'll certainly help but the jury is out on whether it's enough to get and stay profitable.

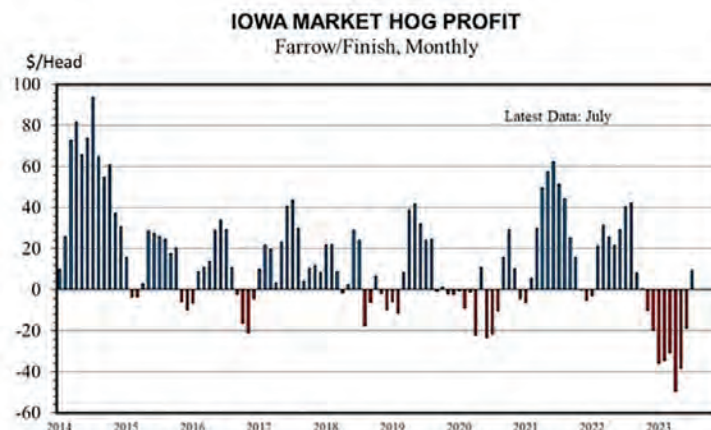
The USDA is forecasting 2023 per capita pork consumption will be down 1.5 pounds and fall another 0.1 pound next year. One would think that with high U.S. beef prices there would be more pork consumed, but it appears that consumers are eating more chicken and perhaps

near their contract highs.

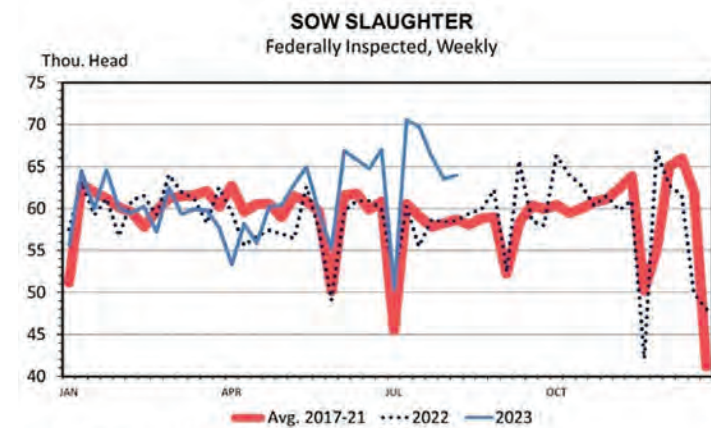
Please reach out to the Producers Livestock beef agents or commodity brokers to see what opportunities may exist for hedging, using options or Livestock Risk Protection (LRP) to protect your operation.

In closing, after 47 years, Ed Heusinkvelt will be retiring from Producers Livestock on Dec. 31. On Sept. 1, 1976, he started in the Omaha Stockyards where he experienced numerous responsibilities. He remained there until April of 1979. In May of 1979, Ed moved to central Nebraska to cover that area as a beef agent for Producers.

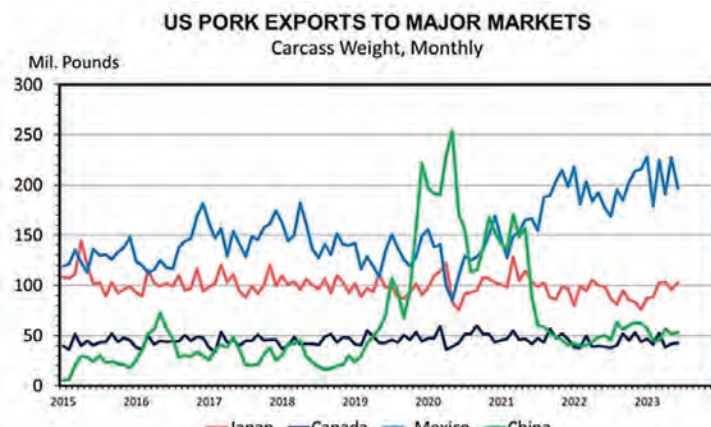
Thank you, Ed, for your extended time of service. Ed will stay involved in the cattle business as a commission buyer for Producers.



Data Source: Iowa State University  
Livestock Marketing Information Center



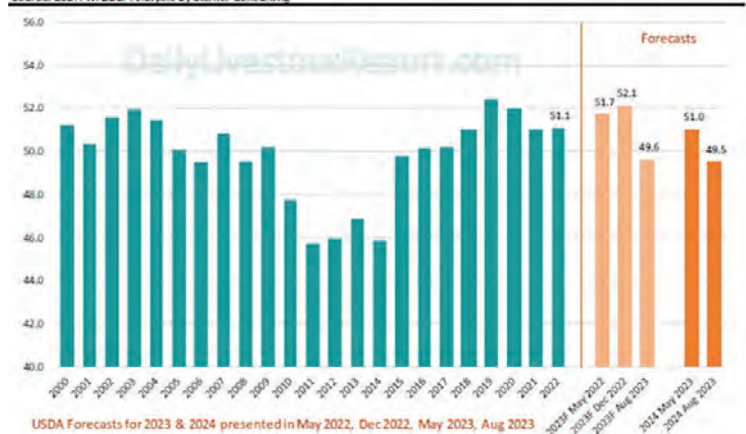
Data Source: USDA-AMS & USDA-NASS  
Livestock Marketing Information Center



Data Source: USDA-ERS & USDA-FAS  
Livestock Marketing Information Center

## Per Capita Pork Consumption. Retail Basis. Lb./pp

Source: USDA-WASDE. Analysis by Steiner Consulting



USDA Forecasts for 2023 & 2024 presented in May 2022, Dec 2022, May 2023, Aug 2023

## INVENTORY

FROM PAGE 2

Since the first of the year, total heifer slaughter is about 102,000 head less than 2022. Along with this, beef replacement heifers began 2023 at very low numbers.

The bred heifer inventory was the lowest since 2011, and replacement heifers to be bred for 2024 were the lowest since 2000.

As the beef industry continues to have a bullish foresight, and with the elevated cost of replacements and increased interest rates, price risk management will be even more important.

At closing on Aug. 29, April 2024 and June 2024 CME Live Cattle Futures were at or

has benefited most major pork exporters year to date.

In summary, if current trends continue toward less pork, more exports, lower input costs and stable prices, the U.S. pork producer should be positioned for better times going forward.

However, impacts from the California Prop 12 and Massachusetts Q3 regulations remain wild cards – and of course there is fourth quarter seasonality which usually means more pork and a soft market until late winter or early spring.

There is still plenty of uncertainty, but one would like to believe that good times should be ahead if we can find a way to get there from here.

Keep in touch with your Producers pork agent and stay abreast of the changes and opportunities ahead. Thank you for your business and have a safe autumn.

Sources: AgWeb, CME Daily Livestock Report, Farm Journal's Pork, Fitch Ratings, National Hog Farmer, RFD-TV, StoneX, SwineWeb, The Pig Site, USMEF, WCVB Boston.

mac 'n cheese instead.

According to Steve Meyer at Partners for Production Agriculture, consumer-level domestic pork demand accounts for more than 70% of U.S. production. Meyer says world pork production conditions make the U.S. the primary supplier to any increase in imports by countries such as China.

China's hog prices have risen recently but Meyer believes their supplies are low again. He sees further growth for U.S. exports in 2024 with a new record quite possible.

China's pork industry is facing a mixed picture for 2024. USDA's Foreign Agricultural Service forecasts a 1% decline in both swine production and pork products in the country for the upcoming year.

Pork imports are expected to edge higher, but sources are very diversified. Nonetheless, consumption is consumption and whether China imports pork from the U.S. or somewhere else, it removes pork from the world market and that's good for us.

Strong demand from China