

SUSTAINABILITY STAYS IN FOREFRONT

In early May, I attended the United States Roundtable for Sustainable Beef's (USRSB) General Assembly meeting in St. Louis.

I attend this event annually and must admit these meetings cause me a fair amount of consternation as many of the members and their representatives are from large corporate processors, retailers and industry allies who benefit from the outstanding work the livestock producers across our country are doing.

Defining 'sustainability'

I have met many wonderful folks with good intentions, but I am convinced their main purpose is to help "sustain" their company's profit margins on the backs of independent livestock producers.

The story they want to adopt and sell to their customers, who want to know more about how their food comes to their plate, starts with livestock pro-



By Tim Meyer
President, CEO
Producers Livestock Marketing Association

ducers.

Can you define sustainability? Is your operation sustainable? Every year these questions are asked and every year the answer remains nearly the same.

Understanding the source

I am not suggesting to anyone that I don't believe in sustainability, because I do. I just don't believe that this push from organizations such as the USRSB and the Global Roundtable for Sustainable Beef (GRSB), both of whom did not exist until 15 years ago, is as organic and pure in its intent as some would have

you believe. That topic is an entirely separate article!

Both organizations have websites that detail their goals, vision and mission to fundamentally improve livestock production practices while protecting the environment, human resources and animal welfare.

I would encourage you to look at both websites at www.usrsb.org and www.grsbeef.org to learn more.

Big challenges

Many of the challenges these organizations face involve trying to cover such a large, wide-ranging topic. So large

that they have broken their goals and sector targets into six high priority indicators:

- 1) Air and greenhouse gas emissions;
- 2) Land resources;
- 3) Water resources;
- 4) Employee safety and well-being;
- 5) Animal health and well-being;
- 6) Efficiency and yield.

I will be the first to commend all livestock producers who are still actively feeding and grazing their own livestock for their continual improvement in the management of their land, livestock and business operations.

Isn't THAT the true definition of sustainability? Constantly striving to improve? Managing at higher levels to produce more pounds of beef with fewer inputs? Managing the land and water resources to their maximum potential?

■ SEE LEGACY ON PAGE 3



E-NEWSLETTER SIGN-UP

Have you heard the news? Producers Livestock has launched a brand new e-newsletter!

Be sure to sign up to receive exclusive content from Producers Livestock and stay up to date on industry news and other happenings within Producers Livestock, delivered directly to your inbox once a month.

Scan this QR code to sign up TODAY!

MISSOURI FFA STUDENTS GET ON-FARM EXPERIENCE

In May, Producers Livestock welcomed FFA students from Monroe City, Missouri, to the Omaha area.

Producers Livestock custom-

er Ken Schechinger offered a tour of his 7,000-head feedlot located in southwest Iowa near Harlan. Schechinger was gracious enough to show the



FFA students from Monroe City, Missouri, visited Omaha and Harlan in May, including stops at the PLMA office and the farm of Ken Schechinger, who took the high schoolers through his 7,000-head beef cattle feedlot.

group around and educate them on his operation.

Experiencing a feedlot of this size was a first for many of these students, and they were engaged and asked lots of great questions.

Following the feedlot tour, Producers Livestock treat-

ed the students to lunch at our headquarters in Omaha. Ryan Power, loan officer with Producers Livestock Credit Corporation, also shared the background of Producers Livestock, the services that we provide and a brief market outlook with the group.

Keriann Brandt, advisor for the Monroe City FFA program, orchestrates a trip every year for her students to different areas of the country to expose them to the different aspects of the agriculture industry.

■ SEE FFA ON PAGE 3

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Congratulations, Ron Kasseldar

Beef agent Ron Kasseldar was recognized at the Producers Livestock all staff meeting in June for 24 years of dedicated service to our Midwest cattle producers. We are honored to congratulate Kasseldar on his well-deserved retirement. Pictured is Kasseldar with Producers Livestock CEO Tim Meyer.

RISK MANAGEMENT OPTIONS ABOUND IN CATTLE MARKETS

Editor's Note: Shawn Smith, president of Producers Commodities, contributed to this article.

We've made it through June and the beginning of video sale season. As we flip the calendar to July, we will continue to see video sales throughout the month for contracting of fall delivery calves.

Again this year, we are seeing record prices for these calves, increasing the need for a good risk management plan before the calves arrive and while they are on feed. Keep in mind: the risk of those calves is inherited the day you contract them from the sale.

Thankfully, you have more risk management tools at your disposal than ever before. Give our commodities office a call to discuss these options and what would work best for your operation and tailor a risk management plan for your cattle. Through futures, options, LRP or a combination of the three, we can make a plan to protect your bottom line.

We continue to see the boxed beef cutout maintain pricing over the \$300 mark.

With the cattle numbers down and cutout remaining strong, packers are continuing to pay \$198 to \$200 for cash cattle in the north and taking delivery of those cattle in a timely manner.

When it comes time to refill the yards, hold on to your hats.



By Zach Tindall

Vice President, Commodities Office
Producers Livestock Marketing Association

Factoring in the strong live cattle prices and cutout, with corn down to near contract lows, the feeder cattle market is a hot one!

My biggest emphasis to producers is protect the downside as much as you can to limit your overall risk with the amount of dollars these animals are costing. The big concerns I see are:

- How long can we sustain a \$300 cutout and continue to move product?
- When will packers begin to cut harvest numbers?
- At what point will beef be overpriced for the majority of consumers?

Toward the end of May, we saw lean hogs drop below \$100 for the summer months and continued a downward trend. With the pork cutout dropping below triple digits and a plentiful supply of live hogs that seem to remain in front of us, the market just struggles to get any upward traction.

I've been asked a lot of questions regarding hogs in the last 30 days and the most asked question has been, "Will there ever be a good profit in the

hogs again?" First off, aren't all profits good?

Granted, we all want the most we can get but at times we need to take what the market has to offer. We had July at \$111, August at \$108 and October at \$89. There were excellent opportunities to lock in very nice profits, or spend the few dollars for a put near those levels to eliminate the downside risk.

I want to mention a new change that has taken place with LRP. On days that reports are released such as hog and pig inventory and cattle on feed, you will not be able to purchase LRP insurance on those evenings. Therefore, any afternoon there will be a report coming out, you will either need to place the insurance the day before or wait until the next day before purchasing a policy.

Please reach out to the commodities office for any further questions or concerns regarding this change.

FATS TRADING IN RECORD TERRITORY: \$200+

Well, it finally happened. Cash fat cattle reached \$200 per hundredweight.

During the last two weeks of June, we have seen limited numbers of fats trade as high as \$200 per hundredweight live FOB or \$317 per hundredweight, dressed. Along with the record prices in the fat cattle segment, we have also seen record prices in feeder cattle.

It has been anything but normal this year, as we saw steer and heifer weights increase, counter seasonally, into the summer.

Feedlots have elected to put more pounds on the current cattle rather than replacing them with higher priced feeders.

During the late spring and early summer, we saw the average weekly steer carcass weight reach 925 pounds.

For the week ending on June 15, the average weekly steer weight came in at 917 pounds, which is 38 pounds heavier than the same week last year.

Federally inspected slaughter is down 4.5% from last year, but with the increase in carcass weights, beef production is only down 1.6%.

The video auction season has begun, and now we have gotten a peek at calf prices for fall delivery. WOW, they are off to a good start for the rancher!

These reported prices will be loading lots of unweaned steer calves for delivery from October through November. These calves are in Colorado, Iowa, North Dakota, Nebraska, South Dakota and Wyoming.

Superior Livestock Auction started the season off with their Corn Belt Classic.



By Mike Sila
Senior Vice President, Beef Division
Producers Livestock Marketing Association

Steers weighing 550-599 pounds averaged \$315.36 per hundredweight, \$33 per hundredweight higher than last year.

Their big brothers weighing 650-700 pounds were \$21 per hundredweight higher than a year ago, averaging \$289.70 per hundredweight.

A week later, Northern Livestock Video Auction had its first summer sale, and it was even a little better.

Unweaned steers weighing 550-599 pounds brought an average of \$323.43, which is an average of \$40 per hundredweight more than last year.

The 600-649 pound steers came in at a \$303.04 per hundredweight, up \$30 per hundredweight from last year.

Now that we had the opportunity to see some calf prices for fall delivery, it's time to look at breakevens.

The included breakeven chart (right) is based on the price of a 650 pound delivered steer calf, gaining 3.25 pounds per head per day, for 215 days, and being sold at a pay weight of 1,450 pounds.

The horizontal line across the top of the chart is the delivered price of a 650 pound steer per hundredweight. The cost of gain per hundredweight is along the vertical side of the chart.

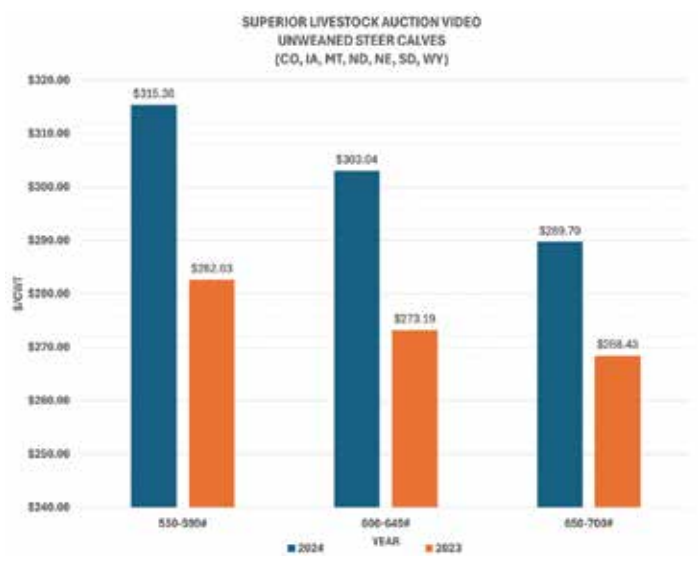
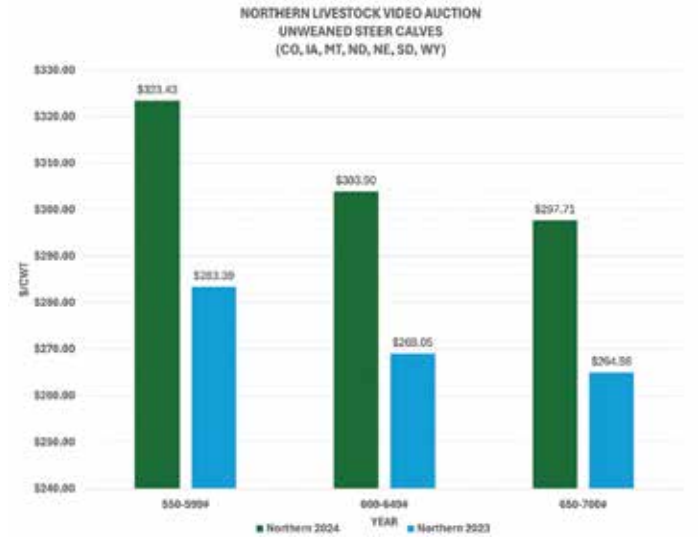
Follow across the line of the price through the cost of gain, and this will give you the breakeven price. These breakeven prices are cash market prices. For the hedgers, you will need to include the basis for the marketing month.

At the price level of these feeders, and with the market conditions being ever changing, it becomes more important to have some type of downside protection.

If you can't hedge your market price in the beginning of the feeding phase, there are opportunities with options to protect against downside risk.

As you continue to place cattle this fall, please reach out to your Producers Livestock beef agent or commodity broker to assist you with your price risk management strategy.

Thank you for the opportunity to be a part of your team.



650# Steer Price/CWT Delivered

	\$293	\$295	\$297	\$299	\$301	\$303	\$305	\$307	\$309	\$311	\$313	\$315	\$317
\$90	\$181.00	\$181.90	\$182.79	\$183.69	\$184.59	\$185.48	\$186.38	\$187.28	\$188.17	\$189.07	\$189.97	\$190.86	\$191.76
\$92	\$182.10	\$183.00	\$183.90	\$184.79	\$185.69	\$186.59	\$187.48	\$188.38	\$189.28	\$190.17	\$191.07	\$191.97	\$192.86
\$94	\$183.21	\$184.10	\$185.00	\$185.90	\$186.79	\$187.69	\$188.59	\$189.48	\$190.38	\$191.28	\$192.17	\$193.07	\$193.97
\$96	\$184.31	\$185.21	\$186.10	\$187.00	\$187.90	\$188.79	\$189.69	\$190.59	\$191.48	\$192.38	\$193.28	\$194.17	\$195.07
\$98	\$185.41	\$186.31	\$187.21	\$188.10	\$189.00	\$189.90	\$190.79	\$191.69	\$192.59	\$193.48	\$194.38	\$195.28	\$196.17
\$100	\$186.52	\$187.41	\$188.31	\$189.21	\$190.10	\$191.00	\$191.90	\$192.79	\$193.69	\$194.59	\$195.48	\$196.38	\$197.28
\$102	\$187.62	\$188.52	\$189.41	\$190.31	\$191.21	\$192.10	\$193.00	\$193.90	\$194.79	\$195.69	\$196.59	\$197.48	\$198.38
\$104	\$188.72	\$189.62	\$190.52	\$191.41	\$192.31	\$193.21	\$194.10	\$195.00	\$195.90	\$196.79	\$197.69	\$198.59	\$199.48
\$106	\$189.83	\$190.72	\$191.62	\$192.52	\$193.41	\$194.31	\$195.21	\$196.10	\$197.00	\$197.90	\$198.79	\$199.69	\$200.59
\$108	\$190.93	\$191.83	\$192.72	\$193.62	\$194.52	\$195.41	\$196.31	\$197.21	\$198.10	\$199.00	\$199.90	\$200.79	\$201.69
\$110	\$192.03	\$192.93	\$193.83	\$194.72	\$195.62	\$196.52	\$197.41	\$198.31	\$199.21	\$200.10	\$201.00	\$201.90	\$202.79
\$112	\$193.14	\$194.03	\$194.93	\$195.83	\$196.72	\$197.62	\$198.52	\$199.41	\$200.31	\$201.21	\$202.10	\$203.00	\$203.90
\$114	\$194.24	\$195.14	\$196.03	\$196.93	\$197.83	\$198.72	\$199.62	\$200.52	\$201.41	\$202.31	\$203.21	\$204.10	\$205.00
\$116	\$195.34	\$196.24	\$197.14	\$198.03	\$198.93	\$199.83	\$200.72	\$201.62	\$202.52	\$203.41	\$204.31	\$205.21	\$206.10

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LEGACY

FROM PAGE 1

Passing on the operation to the next generation?

Legacy + Sustainability

My great-grandparents homesteaded from Germany in the late 1800s and my family has been farming and feeding livestock in Northwest Iowa on the same land for over 100 years. I am quite sure most of our customer's families can recite a similar story of hard work, dedication, sacrifice and overcoming the struggle to "sustain" their operation for the next generation.

This is my definition of sustainability: Passing on the land, the livestock and the legacies that come with production agriculture.

Are we constantly striving to do better? Absolutely. Do we need an organization to tell us how to do that? Not today.

Carry on and stay safe out there!

FFA

FROM PAGE 1

Some of the chapter's past trips have taken them to Michigan, Kentucky and Oklahoma.

In addition to one-on-one involvement with local FFA chapters, Producers Livestock carries on a tradition of donating money to the Iowa FFA Foundation for every touchdown scored by the Iowa State University football team.

In 2023, Producers Livestock increased the donation from \$200 per touchdown to \$300 per touchdown to the foundation, resulting in a \$12,000 total contribution for the 2023 season.

Additionally, we make an annual contribution to the Nebraska FFA Foundation to support youth in another of our home states. Producers Livestock is proud to support the mission of FFA by encouraging the next generation of agriculture leaders.

WEAK DOMESTIC DEMAND LOWERING PORK PRICES

As I sit down to write this article, reflecting on the recent presidential debate of 2024, all I can say is, "wow." Confidence in our political system and its leaders doesn't seem to be at its peak right now — even some top officials seemed uneasy afterward.

Turning to the current hog market, we've seen a significant drop of \$20 from summer highs and \$15 from fall and winter peaks.

As we approach August, we anticipate these numbers to taper off, hopefully continuing to ease into the fall and winter months. Otherwise, it might be a challenging road until next summer.

On a positive note, pork exports have pleasantly surprised us with nearly a 5% increase over 2023, surpassing broiler exports for the first time in over 40 years. This trend looks promising, especially



By Noland Johnson
Senior Vice President, Pork Division
Producers Livestock Marketing Association

with Europe implementing livestock industry regulations from which we can potentially benefit, provided we avoid additional regulations ourselves.

Mexico has emerged as our largest importer, while South Korea, Japan, China and Canada maintain steady purchases of U.S. pork.

The biggest concern is domestic demand. Prop 12 hasn't helped, but a boneless pork loin priced at \$2.50 per pound seems to be a bargain

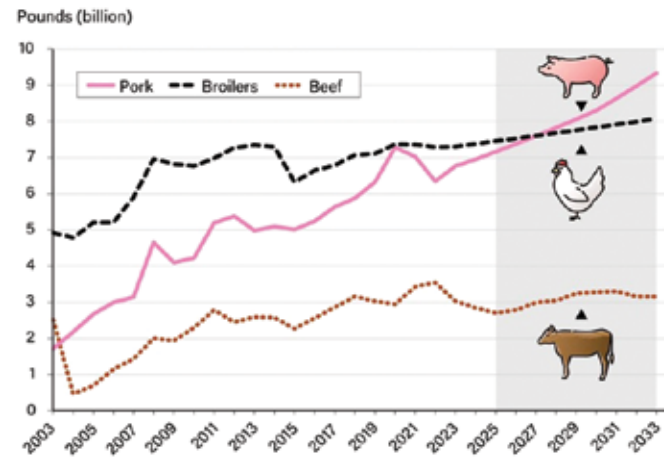
compared to beef and beef still continues to move without facing consumer price resistance.

We need to engage with domestic consumers to understand their preferences better and develop products that they will choose over other protein options.

Please don't hesitate to contact our pork team at any time.

Wishing you a pleasant remainder of the summer and we look forward to helping you in marketing and managing your risk in the future.

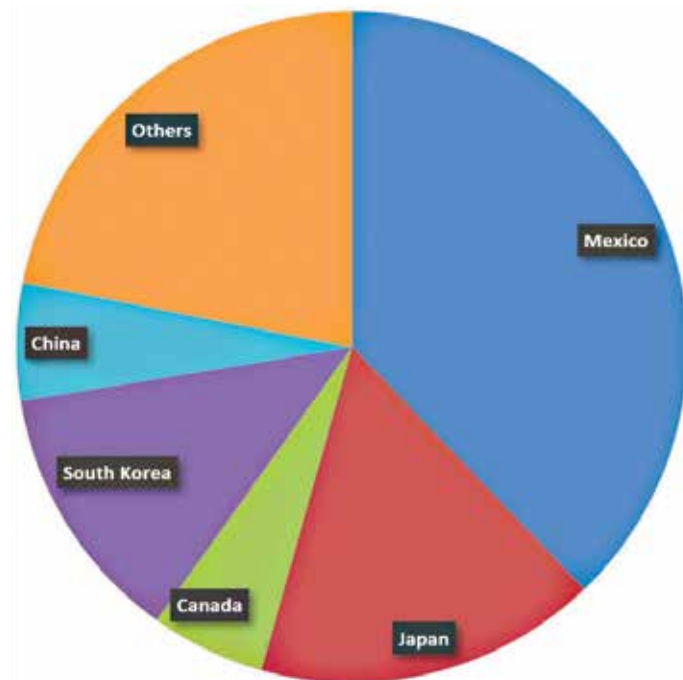
Projected exports of U.S. pork, broilers, and beef



Source: USDA, Economic Research Service using projections from USDA, Office of the Chief Economist, the World Agricultural Outlook Board, and the Interagency Agricultural Projections Committee. Data are as of November 7, 2023, and are subject to revision.

CHARTS of NOTE

April 2024 U.S. Pork Exports



SPOTLIGHT ON: STACY RAASCH

We are excited to announce the addition of a grain commodity specialist to our commodity division. Stacy Raasch has joined the commodities team as of July 8, 2024.

She brings a wealth of experience from her nine-year tenure at Landus Cooperative in western Iowa, where she served as senior grain marketing advisor.

She has built a strong book of business in the heart of the Corn Belt, and we are excited to bring Stacy's talents to help the broader area that Producers Livestock serves.

In addition to her professional role, Stacy and her husband farm and custom feed cattle in west central Iowa.

Stacy is a seasoned speaker, and we look forward to having her share her expertise with our customers at our regional summits and other Producers Livestock events.

Please join us in welcoming Stacy Raasch to the team in the coming months!



Staff Spotlight

UPCOMING PLMA 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 to serve on the Producers Livestock Board are held annually in February.

- Directors are elected for a three-year term.
- To run for director, a per-

son must be an active member/customer of Producers Livestock Marketing Association.

- Regions up for election/re-election in 2025 are South Dakota and southern Iowa.

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.



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OPTIONS

FROM PAGE 2

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