

PRODUCERS

Livestock

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Livestock News
Marketing ■ Credit ■ Commodities

LET'S ROLL, BUT BUCKLE UP

Happy New Year! As we close the door on 2024 and look ahead at 2025 one can't help but feel optimistic about what lies ahead for livestock producers.

As I write this article, every month trading on the CME Live Cattle futures contract through April 2026 is trading above \$190 per hundredweight, and every month trading on the CME Feeder Cattle futures contract through November 2025 is trading above \$265 per hundredweight.

Unreal. Unprecedented. Unbelievable might even be an appropriate adjective!

As an organization specializing in the marketing, hedging and financing of cattle and hogs, this is an exciting time. The current market feels like driving a sports car 100 miles per hour on an open road. It's exhilarating, but it also



By Tim Meyer
President, CEO
Producers Livestock Marketing Association

demands caution.

Feeding cattle has always been a game of managing margins. Feeder cattle values, combined with feed, yardage, and interest costs, must be covered to ensure profitability. Despite record high cattle prices and lower input costs, margins remain very tight.

It takes a disciplined approach to managing risk and now is not the time to change that approach. Your spouse, your business partners and lender all depend on you to preserve your operation's

liquidity and equity for all involved.

My advice is simple: protect your downside risk. Protect your downside risk. Protect your downside risk.

If we look at the Lean Hog market, we aren't trading at historically high levels like the cattle but there are still hedging opportunities that have been brought about by a counter seasonal rally in the fall of 2024.

This rally has allowed for

■ SEE LET'S ROLL ON PAGE 4

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2025 Board Openings

Notice is being given that there were no nominations put into submission for either the South Dakota/North Dakota/Montana region nor the Southern Iowa region.

Due to there being no one other than the current incumbent on either ballot, ballots shall not be sent out for the 2025 Election. Ed Thiry shall remain as Director of the South Dakota/North Dakota/Montana Region. Zak Kennedy shall remain as Director of the Southern Iowa Region.

Elections are held annually in February. Directors are elected for a three-year term. To run for a director position, the person must be an active member/customer of Producers Livestock. Regions with positions up for re-election in 2026 are Minnesota, Northern Iowa, and Kansas/Missouri.

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

PLMA
WEBSITE:
www.producers-livestock.com



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**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
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BIOSECURITY A MUST FOR HOG PRODUCERS IN 2025

Welcome to 2025. Hopefully you made it through the holidays without any family boxing matches arguing politics.

As I write this article the new administration is preparing to take over the reins, leading everyone to question what changes are coming and how it is going to affect the economy.

Our pork industry needs domestic and international demand to maintain its strength, and these changes could affect that demand. The pork producer can't afford to have product backed up and watch cash prices deplete more of their operations equity.

To say the porcine reproductive and respiratory syndrome (PRRS) is the pork producers biggest concern is a huge understatement currently. If you have been unaffected by it, you can pat yourself on the back for great disease control or most likely just plain luck.

As a producer, disease has become a major player in your operation's profitability. Breakevens are still figured with inputs, but these disease issues continue to play a greater role in production costs every year.

With weaner prices reaching or exceeding \$100 it looks as



By Noland Johnson
Senior Vice President, pork department
Producers Livestock Marketing Association

though this has grown from local outbreaks to widespread problems throughout the Midwest.

Be diligent in your biosecurity practices and proactive in treating health issues within your operations herd.

With continued strength in exports, along with a noticeable drop in the pig supply for spring and summer harvest it appears 2025 could be a very profitable year if you can avoid health outbreaks.

On the other hand, rumors of possible tariffs combined with the US economy still showing signs of problems I would strongly suggest using some risk protection. We all get caught watching the market as it rises and forget to take advantage of these runs.

My advice: Make a plan and stick to it. In 2020 things looked like we would have a record year and then we got run over

by COVID-19. Then we went through two years of no profit to be had or the ability to lock in.

Last year we watched the summer months climb to \$1.09 per hundred carcass weight on the board and cash prices didn't get within a stone's throw of \$1.09. Summer cash prices can be disappointing when it comes to the hog industry as we are all too familiar with.

As fast as things can happen, it would be a good idea to have orders in place that will take advantage of a short-lived price jump.



Producers Services Directory

General Office

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Mike Sila, Senior VP	1106
Dave Nickelson, Treasurer	1104
Deb Engler, Secretary	1100

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Brittnee Hytrek, Financial Operations Specialist	1114
Mick Jackson, Marketing Settlements	1105
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Tina Fettes		1101
Emily Manthei		1116
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Commodity Services

Brokerage Services and Consulting on
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Producers Commodities LLC
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Producers Livestock Services

Producers Beef Programs

Country Direct Feeder Cattle Sales
Feeder Cattle Buying - Fed Cattle Sales
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Nebraska	City	Mobile
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Ed Heusinkvelt	Lexington	(308) 325-0227
Steve Maloley	Kearney	(308) 325-0165
Vance Whitehill	Stapleton	(308) 636-8114
Matt Wilken	Bertrand	(308) 991-5944

South Dakota		
Claude Forbes	Woonsocket	(605) 350-0366
Jake Hopwood	Neligh, NE	(308) 627-4828
Mark Johnson	Centerville	(605) 212-2387

Minnesota		
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Iowa		
John Crawley	Burwell, NE	(308) 215-8131
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Joe Hoffmann	Dunlap	(712) 647-8361
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Missouri		
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Mike Million	Oregon	(308) 325-5274
Roger Parker	Mexico	(573) 473-9598

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Premium - Based Marketing - Supply Agreements
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PREPARING FOR TAX TIME

As tax season approaches, it's time to make sure you're ready for the paperwork that comes with it.

By the end of January, Producers Livestock Credit Corporation will have tax documents postmarked and sent out. These documents should arrive to you by mid-February. While envelopes won't include a Producers Livestock name or logo, keep an eye out for plain white envelopes with wording such as "Important Tax Return Document Enclosed."

If you did business with Producers Livestock Credit Corporation in 2024, here's what to look out for:

- Form 1098: If you paid \$600 or more in interest to Producers Livestock Credit Corporation during 2024 you can expect to receive this form.

- Form 1099-INT: If you earned more than \$10 in interest from a Payment Plus savings account with Producers Livestock Credit Corporation, you can expect to receive this form.

Keep an eye on your mailbox and store these documents



By Brittnee Hytrek

Financial Operations Specialist
Producers Livestock Marketing Association

safely with your other 2024 tax materials. If you believe you should have received a form but didn't, or if you have questions, please contact our Omaha office for assistance.

Streamline Recordkeeping with Customer Portal

Producers Livestock Credit Corporation offers a convenient online portal where you can view and print loan statements and transaction details for current or paid off loans.

This is a quick and convenient option for when your accountant is requesting loan information, and you cannot locate the mailed monthly

statements. With your permission, we can even allow your accountant to create a login to access this information. You can also access balances and transactions for Payment Plus accounts via the portal.

While tax forms are not currently available through the online credit portal, this is a feature we plan to offer in the future.

To sign up or access the portal, visit the Producers Livestock website and click on the Credit tab.

At Producers Livestock, we understand that tax season can be overwhelming. Let us help you navigate the numbers so you can focus on growing your business in 2025!



A FIELD GUIDE TO PUT OPTIONS

What are Put Options?

The buyer of a put option has the right to sell a futures contract at a predetermined strike price until the option's date of expiration. The buyer pays a premium to secure this right, which protects against potential price declines in the underlying contract, in this case, live cattle.

Why use them?

As an example, let's say you have a breakeven of \$188 and that we're planning to hedge cattle against the October 2025 Live Cattle board, which is currently trading around \$190. Although the \$190 futures price is profitable, the upside is limited. How could we limit our downside, but leave our topside open for a higher futures price?

That's where the benefit of Put Option comes into play. They give us the right to establish a floor price by paying a premium, while still leaving our topside open.

Example Calculation:

Educational example only, commissions and fees are not included.

Let's say you buy an October 2025 Live Cattle put option at a strike of \$188 with a premium cost of \$6.725 (contract size: 40,000 pounds or 400 hundredweight)

Put Option Cost = Contract Size * Premium

Put Option Cost = 400 hundredweight * 6.725 premium

Put Option Cost = \$2,690



By John Tweed

Commodity Broker
Commodity Services Department

Benefit

The benefit is that from now, until option expiration (Oct. 3, 2025) we have the right to exercise our Put Option and convert it to a Short Futures at a price of \$188 at the expense of the premium we paid in.

Think of it like an insurance policy, that in the worst-case scenario our put option gives us a set price for which we can sell October futures.

Closing thoughts

Consider a put option as a smart risk management tool to help protect your bottom line.

With break-evens continuing to work higher, put options can offer a valuable insurance policy against the worst-case scenario.

While market conditions remain challenging, using put options can provide peace of mind by setting a price floor and minimizing potential losses, giving you a safety net when times are tough.

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CELEBRATING MILESTONES AT PRODUCERS LIVESTOCK

In December, Producers Livestock recognized milestones for three of our team members: Emmet Caldwell, Noland Johnson, and Steve Maloley.

Staff Spotlight

2024 marked Emmet's 5-year anniversary with Producers Livestock. Emmet joined our beef team in 2019 as a beef agent serving customers across Nebraska and Iowa. Over the past five years, he's become a valued member of our Producers Livestock team.

Noland has dedicated 15 years to serving Eastern Iowa as a pork agent. Last February, he stepped into a new leadership position as Senior Vice President of our pork team, marking an exciting chapter in his career.

Steve celebrated 25 years with Producers



In December, Producers Livestock recognized milestones for three of our team members. Here, PLMA President and CEO Tim Meyer presents years of service awards to (from left) Emmet Caldwell, five years; Noland Johnson, 15 years; and Steve Maloley, 25 years.

Livestock in 2024. As a beef agent serving customers in Nebraska, he has consistently

supported producers throughout his tenure, contributing to the success of not only our

team, but our producers as well. We're proud to honor the

contributions and dedication of these individuals to Producers Livestock.

HEDGE INCOMING CATTLE AGAINST THE UNKNOWN

Cattle feeders were welcomed into the New Year with \$200 per hundredweight free on board (FOB) live cash cattle. What a way to start 2025, record breaking live cash cattle prices as high as \$201 per hundredweight FOB.

Along with the record prices, we have seen a strong basis for this time of year for hedgers. Hedgers had an opportunity to pick an extra \$5 to \$6 per hundredweight on their basis trades, compared to the 5-year average of an even basis, for the first two weeks of January.

The new year has also brought our first bout of winter weather to the region. What effect will this have on carcass weights in the near future?

In January of 2024, we saw carcass weights drop 28 pounds as we struggled through the winter weather.

Weekly steer carcass weights in 2024 were heavier every week than in 2023, peaking at 960 pounds in the Fall of 2024.

For the week ending on December 21, 2024, steer carcass weights came in at 953 pounds, up three pounds from the previous week and seven pounds off the high.

Steer carcass weights were 11 pounds higher than the same week in 2024 and 32 pounds heavier than in 2023. Throughout 2024, we have fed cattle to heavier weights to help support total beef production and to lower the break evens on the



By Mike Sila
Senior Vice President, beef department
Producers Livestock Marketing Association

cattle.

Replacement feeder cattle prices continue to remain strong and may even be gaining a little more strength. With only a couple of sales reports out, for the first few days of January, it appears that steers weighing 600 to 800 pounds ranged from \$45 to \$60 per hundredweight higher than the first week of January 2024.



Ericson Livestock Market had 435 steers averaging 636 pounds bring an average price of \$322.37 per hundredweight.

Go up to Fort Pierre Livestock Auction and 475 steers averaging 627 pounds brought an average price of \$341.37 per hundredweight.

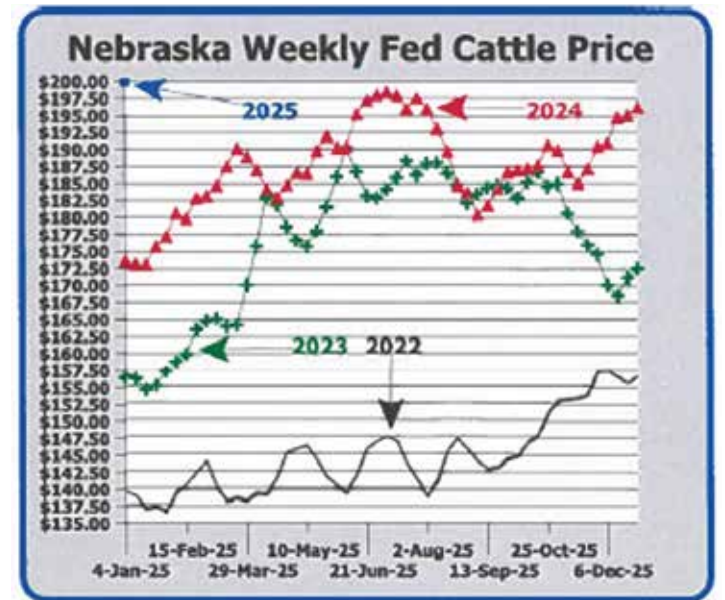
The CME Feeder Cattle Index on January 6, 2025, was \$272.29 per hundredweight, roughly \$40 per hundredweight higher than the same time in 2024.

These increased replacement

costs continue to make hedging tough, even with Live Cattle Futures putting contract highs in during this first week of January. But, with the possibilities of increased tariffs, a possible port strike, and other geopolitical issues, there may never have been a more important time to have downside risk management in place.

Although we are experiencing good times in the cattle market, we never know what may cause or when this might be disrupted. There may not be an opportunity to hedge incoming cattle or cattle currently on feed for a profit; please reach out to your Producers Livestock Beef Marketing Agent or Commodity Broker to work up a price risk management strategy to protect or limit your downside risk.

Thanks again for choosing us to be part of your team.



Data Source: USDA



Data Source: USDA

MAKING GRATITUDE MY ATTITUDE IN 2025

Happy New Year! 2025 is here and I'm ready to make it count, hopefully you all feel the same way.

I told myself back in 2019 when I was turning 40 that when half of my hair was gray, I better be making things count. I can honestly say, I think I'm there, with gray hair anyway!

I've recently started what is referred to as a daily "Gratitude Practice." The idea or concept behind this is to help a person get into a daily routine of a positive mindset. I've found that reflecting on the good moments in life, big or small, helps me shift the focus from the current challenges in life and look to turn them into opportunities. This practice also promotes mental wellness by encouraging a focus on connection to things that are positive.



By Bart Thoreson
Senior Vice President, credit department
Producers Livestock Credit Corporation

Thinking of things like meaningful interactions with friends, family, and coworkers, milestones in personal development, or moments of laughter can remind you of the richness of life. A regular gratitude habit makes it easier to see the positive, even on those difficult days and helps set a tone of appreciation / gratitude.

It's still early in the year, but I can honestly say I think it's already working. In 2025 I also plan to exercise my brain more and my liver a little less.

Last summer at our Next

Gen Summer Event, I had the pleasure of listening to a really smart guy, Dan Hanrahan, who is a beef producer from Cumming, Iowa. He talked a lot about life on the farm and the importance of mental health. He had some personal stories that he was able to share with the group and it really opened my eyes to trying to be grateful for the relationships I have with so many great people in my world.

I was expecting him to talk more about the cattle in his life but found him touching

on things that are way more important in the big picture of life. He talked about having healthy relationships and how they provide emotional support and create a sense of belonging, which are essential for mental wellness and overall well-being. He really made a point to remind us all that to be truly healthy you need to surround yourself with people.

I will be the first to admit, I need to do better at telling those people in my life that they are important to me and how much different life would be for me without the richness that they all bring.

In 2025 I'm going to make sure to do a better job of showing my gratitude for all of them.

In my short two years of working here at Producers, I've tried to make my customers feel that they are also

important to not only myself, but our company.

At Producers we are truly grateful that you have chosen to put your trust and confidence in us. We have a unique set of employees that all bring something positive to us as a company, and I can say the same thing about all our customers too. I love the fact that we work with such independent-minded livestock producers.

Thanks again for helping make our 2024 one for the record books. If any of you ever find yourself in need of a phone call to talk about something big or small that is bothering you, call me anytime, my mobile number is 712-790-9995.

I would be more than happy to provide someone with that small act of connection to my gratitude in 2025.

JOIN THE PLMA E-NEWSLETTER LIST TODAY!

Have you heard the news? Producers Livestock has 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!



INTERNSHIPS AT PRODUCERS, SUMMER 2025

Are you passionate about agriculture and ready to gain hands-on experience in a dynamic industry? Producers Livestock is now accepting applications for our Summer 2025 Internship Program!

Program Details:

- Application Deadline: February 28, 2025
- Program Duration: May 26 – August 1, 2025
- Compensation: Paid internship

This program offers the chance to work closely within one department while gaining exposure to all areas of our business. Interns will leave with a well-rounded understanding of Producers Livestock and the livestock industry.

industry.

How to Apply:

Submit your cover letter and resume to aly@plmcoop.com by February 28, 2025. If you have any questions about the program, don't hesitate to reach out to Aly at the same email address.

Scan the QR code below to apply and take the first step toward an exciting summer with Producers Livestock.



Departments Accepting Applications:

Commodities

- Location: Sioux City, IA
- Interns must reside in Sioux City.

Credit

- Location: Omaha, NE
- Interns must reside in Omaha.

Beef Marketing

- Location: Omaha, NE (with required travel)
- Interns must reside in Omaha.

Pork Marketing

- Location: Sioux City, IA (with required travel)
- Interns must reside in Sioux City.

A COMMUNITY: PRODUCERS' NEXT GEN NETWORK

In 2024, Producers Livestock launched the Next Gen Network — a community created for the next generation of decision-makers and leaders in their beef and swine operations.

As we head into 2025, we're thrilled to welcome new faces and continue building this growing network.

This network is open to any producer and spouses are encouraged to take part as

well.

The Next Gen Network is designed for forward-thinking producers ready to tackle the challenges and embrace the opportunities of modern livestock production.

Members benefit from a collaborative community that blends innovation, industry expertise, and meaningful connections.

Here's what you can expect as a member:

- A mix of virtual and in-person events in four key regions where Producers Livestock has the highest concentration of customers.

- Access to an exclusive Facebook group to stay connected year-round.

- Opportunities to learn, network, and grow alongside like-minded producers.

Interested in joining the 2025 Next Gen Network? Scan the QR code and fill out the form

to get started!

For questions or to learn more, reach out to Aly Behrens at aly@plmcoop.com or ngn@plmcoop.com.



EARN 6.0%

WITH A PAYMENT PLUS ACCOUNT

Invest in PLCC's payment plus account and give your money a raise!

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 Emily Manthei, Tina Fettes or Gaye Nusz at (402) 597-9189 to get started today!

Or visit the website to download an enrollment form: <https://producers-livestock.com/credit>

LET'S ROLL

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some uncommon hedging opportunities for the spring and summer months of 2025 which should not be overlooked. Again, protect your downside risk.

Our team of professionals are here to assist you in every phase of the livestock feeding process. Managing market risk, buying and selling feeders and fats, and financing your livestock are all areas we specialize in. It is all we do.

Our mission is to help you succeed so you can pass your farming and ranching operation on to the next generation.

I believe 2025 is full of promise – let's navigate it together, with caution and confidence! Call us today and let our team of experts go to work for you.

