

PRODUCERS

Livestock

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Livestock News
Marketing ■ Credit ■ Commodities

NEXT GENERATION - WE NEED YOU NOW!

In 2024 we launched a new program at Producers Livestock to promote the next generation of beef and swine producers in our trade territory. Our goal was to provide this group of future or new decision makers with a community of like-minded, forward-thinking individuals to discuss similar challenges but to also embrace opportunities that come with being a modern livestock producer.

I am pleased to report that the participation in this new program has exceeded our expectations and that we will be expanding our efforts to grow this program in 2025!

Why is it important to Producers Livestock to invest in the next generation?

The numbers don't lie when it comes to the aging of our farmers and livestock producers in America. According to



By Tim Meyer
President, CEO
Producers Livestock Marketing Association

the latest U.S. Census of Agriculture, the average age of a farmer is 58.1 years old and 38% are now 65 and older.

In the state of Iowa alone, 66% of farmland is owned by people who are age 65 or older. This may not be seen as a problem to many, but the planning process for business succession must get started when these age milestones are met, if not before.

This is a generational challenge that is not new to agriculture, but certainly one that we'd like to help you and your

family resolve.

In 2025 we want to encourage producers of all ages who find themselves working through the process of "business transition", or even if you have assumed the reigns of the decision-making process in your operation, we want you to join us at our Next Generation Network events!

Our events feature speakers from within the livestock industry who share their knowledge and experience in a setting that allows for conversational learning.

With a combination of in-person and online events we do our very best to be respectful of your time and travel challenges as we know that the work goes on at the farm while you are away.

I want to encourage all of you to visit our website: producers-livestock.com where you can learn more about our Next Generation Network and sign up for the program.

I have been fortunate to meet all our 2024 participants over the last year. This dynamic group of livestock producers has put a spring in my step, and they have certainly given me great hope for the future of the livestock industry in the upper Midwest!

Watch our website and social media outlets (Facebook, Twitter, LinkedIn and YouTube) for more information in the coming weeks to stay up to date

on this program. Our staff and your peers in the Next Generation Network are excited to help you navigate the challenges you will face as you ascend to the management roles in your operation.

The future is bright with outstanding operators like you leading the way. Stay safe out there this spring!

Next Generation Network:



RECEIVE WEEKLY MARKET COMMENTARY FROM OUR EXPERTS!

Sign up to receive Weekly Market Commentary from our commodities experts!

Have you heard the news? In addition to our e-newsletter, Producers Livestock is now sending out weekly market updates!

Be sure to sign up for our e-newsletter (delivered monthly) to stay up to date on industry news and our market commentary to stay up to date on important market news, delivered directly to your inbox twice a week.

Scan this QR code to sign up TODAY!



MORE THAN JUST COUNTING CATTLE

Spring is fast approaching, bringing with it baby calves on the ground, green grass, and the wonderful scent of freshly tilled soil.

As we push through the short days of winter, I hope everyone is taking care of themselves just as much as their farming and ranching operations.

Now in my tenth year with Producers Livestock Credit Corporation (PLCC), my primary focus is on livestock inspection, specifically cattle.

While PLCC loan officers strive to visit customers throughout the year, their time is best spent ensuring financial productivity rather than traveling extensively.

Our customers span a wide region, stretching from Illinois to Montana and from North Dakota to Kansas, making inspection visits an essential part of maintaining strong relationships and accurate records.

Typically conducted on a quarterly basis, inspections help verify livestock used as collateral and provide an opportunity to strengthen communication between PLCC and its customers. For those working with our beef agents to procure or market their livestock, site visits and reports can occur as frequently



By Mike Sievers
Credit Department
Producers Livestock Credit Corporation

as once a month.

Every Producers Livestock agent brings extensive livestock experience, ensuring they can support customers in achieving success.

The inventory reports generated from these visits are reviewed internally to maintain transparency and keeps everyone – from our staff to our customers – on the same page.

A typical inspection begins with a phone call the day before. Upon arrival, the customer and I usually hop in my truck and drive through the pens financed by PLCC, noting head counts, weights, and overall condition.

Depending on the customer's time, we may also discuss credit questions or concerns, market trends, or commodity positions on financed livestock.

Since my travels take me across multiple states, I often share insights into different management practices I observe along the way. Sometimes, simply connecting customers with the right people can be valuable, and I'm happy to serve as that bridge.

Over the years, I've logged thousands of miles and met countless customers, family members, and friends. These relationships go beyond business – they form the foundation of what we do at Producers Livestock.

Recently, I was reminded of just how meaningful these connections are when I traveled

■ SEE CATTLE ON PAGE 2



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Country Direct Feeder Cattle Sales
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BOARD MEMBERS KENNEDY AND THIRY CONTINUE THEIR COMMITMENT TO PRODUCERS

Producers Livestock is proud to have a group of dedicated board members who not only bring valuable industry experience but also have firsthand knowledge of the challenges and opportunities in livestock production.

Zak Kennedy and Ed Thiry recently renewed their terms on the board, continuing their commitment to supporting fellow producers and strengthening our organization.



Zak Kennedy



Ed Thiry

Zak Kennedy - Atlantic, IA

Zak Kennedy has been feeding cattle for as long as he can remember, but in 2011, he started on his own, leasing feedyards and eventually building his own pens. His operation today is a mix of company-owned and custom cattle, with a capacity set to reach 4,200 head this spring. Since 2013, Kennedy has worked closely with Producers Livestock, selling fat cattle through his beef agent, Scott Hodne, and utilizing our credit services for the past several years.

"The relationships at Producers are what make the difference," Kennedy says. "During COVID, when moving cattle was a challenge, my agent was able to keep cattle moving. It wasn't perfect, but it was better than the alternative of being stuck. That's what these relationships do."

As a board member, Kennedy appreciates the leadership team at Producers Livestock and the company's strong foundation that has stood the test of time.

"It has a small company feel, but it's full of experts who truly have your best interests at heart," he says. "Whether it's credit, marketing, or risk management, having those people just a phone call away is invaluable."

Looking at the industry today, Kennedy sees financing

as a key challenge for producers.

"The cost of cattle is high, and securing financing is a big hurdle," he says. "On top of that, protecting the value of that investment is critical. Producers Livestock helps on both fronts—whether it's risk management or credit support, they have the expertise to help us navigate it."

For Kennedy, the best part of being in the livestock business is the variation in the day to day. "Every day is different. You have a plan, but something will always change. It keeps things interesting, and it keeps you learning."

Kennedy is entering his third three-year term on the Producers Livestock board of directors

representing southern Iowa. He is also serving his second year as board vice chairman.

Ed Thiry - White Lake, SD

Ed and his wife Lynn have been running Thiry Feedlot together since moving to Lynn's family farm in 1993.

Thiry was first introduced to Producers Livestock by his local bank when they need a partner in financing his operation, and since then, the relationship has been a great fit.

"We use all three divisions of Producers Livestock, and that has allowed us to expand our operation and manage risk," he says. "The beef agents have been a big part of our success,

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Board Openings

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 serving on the board, please contact either Tim Meyer or Deb Engler at 402-597-9189.

CATTLE

FROM PAGE 1

to North Dakota to attend the funeral of a long-time customer who passed away unexpectedly.

The outpouring of support from friends and the community was incredible, a testament to the impact he had, not just in North Dakota but across the entire north-central region.

Difficult moments like this reinforce something I've always known - this business is about people.

Traveling for this job has allowed me to meet and build friendships with so many great people, and I am reminded of how important those connections are.

The conversations I have with customers aren't just about cattle and markets. We talk about kids, grandkids, family dynamics and even the importance of mental health.

With the current and rising costs of livestock and inputs, we can all agree that operating a successful business requires significant resources.

PLCC remains proactive, working closely with our customers to offer increased credit lines and competitive interest rates. However, to make this possible, our lenders rely on accurate financial data and timely, accurate inspections.

At the end of the day, Producers Livestock is built on relationships, and that's what drives us to do our jobs well. We care about your success, not just as customers, but as friends.

FEEDER CATTLE MARKETS EXPERIENCE WHIPLASH

The month of January was cattle feeder friendly. For the most part we had mild winter weather, outstanding performance and gains, and record high cattle prices.

Cash cattle prices reached record prices on Jan. 24 with trade in the North taking place at \$210-\$212 per hundred weight live FOB and dressed at \$328-\$330 per hundred weight, dressed delivered.

These record prices were well supported by a strong choice cutout and good weekly slaughters. The daily choice cutout gained almost \$11 per hundred weight in the first 15 days of January and posted an afternoon price of \$334.14 per hundred weight on Jan. 15.

During the four full weeks in January, the weekly slaughters were 591,422 head, 601,259 head, 593,858 head and 601,785 head.

And then, the calendar rolled into February.

Packers continued to slip deeper into the red and demand began to weaken. As this took place choice boxes dropped over \$23 to \$310.77 per hundred weight on Feb. 21.

Then the packers got serious about cutting kills. The first week in February the actual weekly slaughter was reduced by about 19,000 head to 582,606 and the second week was 562,260 head.

The USDA estimated the last two weeks of kill for February at 569,000 head and 566,000 head. These are the lowest full week kill rates we have seen in a long time.



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

Consequently, in the first three weeks of February, cash cattle prices eroded quickly as we lost \$2-\$5 per hundred weight on the live fob price each week. The last week of February we traded at \$197-\$199 per hundred weight live fob, \$2 per hundred weight lower.

Spring grilling season can't get here fast enough. Hopefully, as we go into March and the temperatures begin to warm up, we will see an early start to

the grilling season giving us a spark to increase beef demand.

Also, the reduced beef production we saw from the weekly kill cuts should boost the boxed beef prices. These two factors should lend some much-needed support to the cash cattle prices.

We may see a little pressure from the increased cattle on feed numbers in Nebraska and Iowa. The February USDA Cattle on Feed Report shows Nebraska at 102% of last year,

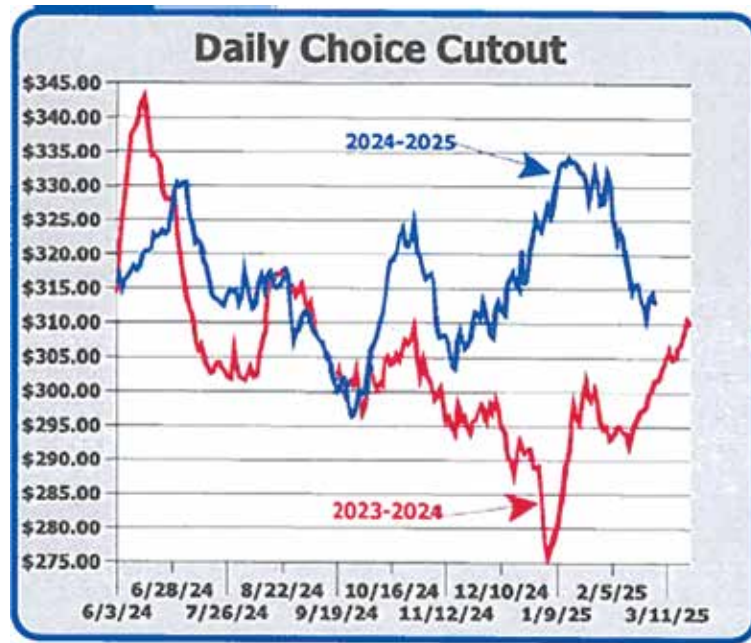
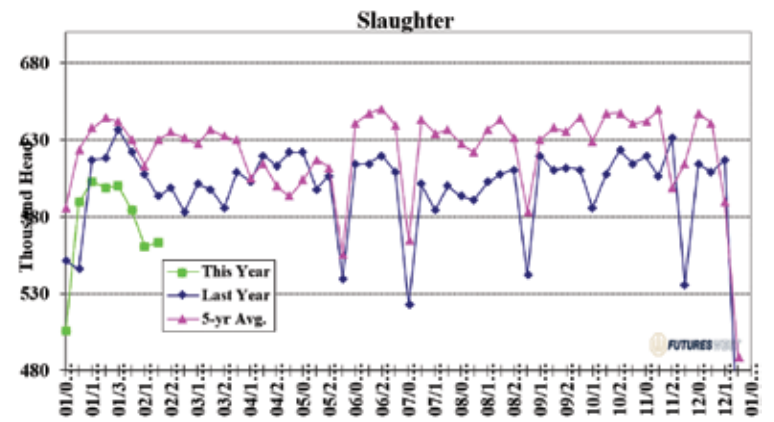
and Iowa with 5% more cattle on feed than last year. Nationally the cattle on feed number came in at 99% of last year.

With any luck, by the time this newsletter hits your mailbox, we hopefully will have seen some support in the cash cattle market. Live Cattle will continue to see pressure from

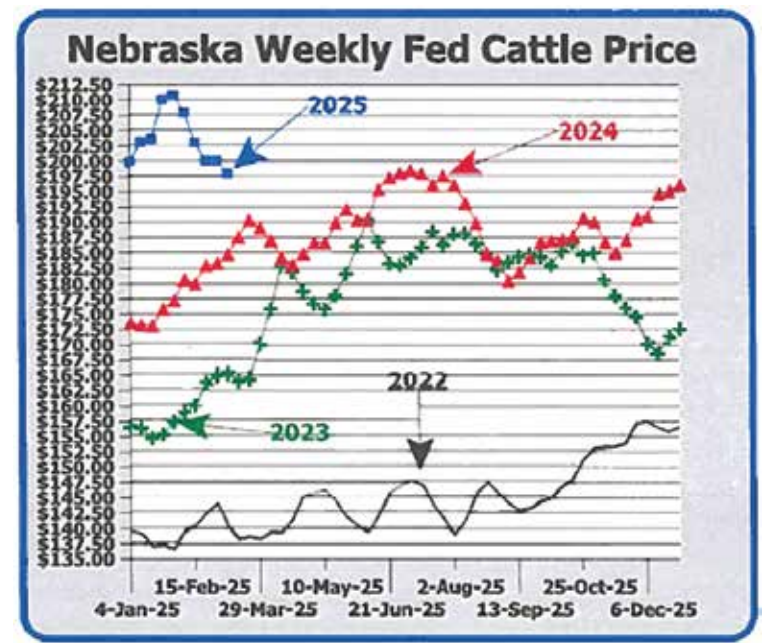
demand, the economy, the bird flu, and geopolitical concerns.

Please reach out to your Producers Livestock Beef Marketing Agent or Commodity Broker to work on 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

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at 402-597-9189 to get started today!

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

BOARD

■ FROM PAGE 2

helping us buy feeders and market fats, but they do more than just that. They visit our operation and have pointed out some things that have made our operation better and our livestock more marketable."

In Thiry's part of the world, they are in an area capable of producing a lot of roughage, and they use livestock as a vehicle to turn that roughage into profit.

He sees Producers Livestock as an instrumental part of that process.

"One of the largest challenges in the livestock industry is the amount of money it takes to run a business, and in these smaller banks throughout the Midwest, it becomes a challenge for them to finance the need of these businesses. Finding a partner like Producers Livestock is the answer, whether you're in hogs or cattle," Thiry says.

Thiry has seen firsthand how Producers Livestock can support and grow an operation. He credits the organization with helping him manage cash flow, especially when it comes to margin calls eating into operating capital.

Another thing he likes about Producers Livestock is the streamlined and time-saving system that is in place.

"When we source cattle, the invoice goes straight to Producers, and I've never had a seller complain about getting paid. And it's the same

when we sell cattle – the check goes straight to Producers, and we receive the equity money," Thiry says.

His relationship with Producers Livestock has extended to the next generation as well. Thiry's three children, Shane, Lance and Abby are all involved in feeding cattle.

Shane and Lance work alongside Thiry, while Abby and her husband, Zach, have custom cattle at the feedlot.

Thiry's children have all developed their own relationships with the Producers Livestock team. "The agents are always willing to help however they can, and that extends to our kids as they grow their own operations," he says.

Abby and Zach are also members of the Next Gen Network through Producers Livestock, and this past year Thiry had the opportunity to sit in on a Next Gen event.

He was impressed by the program and the enthusiasm of the young producers in attendance, as well as their commitment to their operations. "We need to keep these services available, and we need to be able to grow with those young producers. They're our future," he says.

Thiry is entering his second three-year term on the board representing South Dakota, North Dakota and Montana.

Kennedy and Thiry's continued leadership and service reflects the values that make this organization strong - trust, integrity, and a deep understanding of what it takes to run a successful livestock operation.

COMPLICATED PATH TO PROFITABILITY FOR HOGS

At the end of February, we saw the effect that all the talk of tariffs had on lean hog futures. We lost roughly 10% of the summer months values for 2025.

With a drop that quick and substantial it can be tempting to “buy the rumor and sell the fact,” as the saying goes. I’m not encouraging that strategy although it’s hard not to think this downturn will be short lived.

With slaughter numbers down 7% from last year, our processing plants will continue to struggle with empty shackles.

PRRS remains the number one concern for producers, and it doesn’t appear to be going away.

Combining that with the last USDA hog number estimates being overstated leads us to think product should begin to rally.



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

Live weights have been running heavier for various reasons.

Less pigs per pen will allow for faster gains. With fewer pigs and delayed weaner deliveries due to disruptions in many sow units, we have time to put some extra pounds on.

We have seen the beef industry offset their lack of numbers by adding extra pounds in the feed lot without any discount from the processors.

The pork industry works a little differently as you all know. Each processor has its own matrix with weight dis-

counts. It’s nice to have the extra space and time to put the extra pounds on but sometimes we find ourselves making the carcasses too big.

Processors like discounting larger animals. When the discounts get big enough those extra pounds go right into the processor’s pocket. We need to find out what our limit is and stick to that target weight.

We’ve all heard the saying “It’s easier to grind feed than it is to sell pigs,” so find that weight limit and don’t give corn away.

The pork producers’ mar-

gins for the summer of 2025 look good.

Demand continues to grow. Cold storage reports have been bullish. Most importantly, the pork supply continues to stay well below the previous year’s levels, which will rally pork product and create very profitable margins.

Bird flu has sent eggs to record highs. Drought conditions, which led to a decline in the cattle herd, have sent beef to record highs as well.

PRRS has reduced our market supply more than ever before. It’s time the pork producer sees his product soar to record levels as well.



VOLATILITY HITS LIVESTOCK MARKETS ON TARIFF THREAT

As I am writing this article, we are starting the first full week of March and reflecting on a volatile end to February in all market sectors. During February we set contract highs in some contracts, then fell below some support levels to end the month.

Looking at the live cattle complex, the April contract started February over the \$200 level and finished at \$192.65, settling below our 100-day moving average of \$192.87.

The last time we saw the April contract close below the 100-day average was back on Sept. 27, 2024. Pressure surrounding the product market caused plants to reduce harvest hours which in turn created a softer cash market for the finished cattle.

Feeder cattle finished February with stronger futures, especially in the nearby months and a cash market refuses to soften. The April contract finished February \$3 higher for the month.

The cash feeder cattle remain impressive at the auctions, allowing the feeder cattle index to climb to \$281.06 on the 28th, this is only \$0.62 off the all-time high for the cash index.

With cattle at record highs and break-evens being well above the current live cattle futures, remember to look at a risk management strategy, such as put options or LRP, that will set a floor and help limit losses, but could allow a profit if the market moves higher.

Lean hogs rallied on the news of tariffs being postponed but eventually gave back their gains plus more with news switching to those tariffs going into effect at the beginning of



By Shawn Smith
President
Producers Commodities, LLC

March.

If we look at July lean hogs, we posted a contract high of \$106.70 on Feb. 18 only to see a close of \$96.75 on Feb. 28. With the U.S. exporting 25% of the pork production and Mexico making up 40% of that number, a trade war with Mexico will cause turmoil with the hog market.

In the grain complex, spring crop insurance price discovery took place in February. Corn climbed 4 cents from last year to \$4.70 and beans dropped \$1.01 to \$10.54.

Remember that crop insurance is a revenue protection tool, and just because the price of grain might be less than the insurance price in the fall, your yields could make up the difference.

In this example I will use Iowa’s average corn yield of 211 bushels and taking 80% crop insurance coverage:

211 bushel per acre X \$4.70 per bushel = \$991.70
\$991.70 X 80% coverage =

\$793.36 worth of coverage
\$793.36 of coverage / 211 bushel per acre = \$3.76 per bushel

Now this example isn’t tailored to any specific operation as proven yields may vary on your operation and the percentage of coverage you may take will vary as well, it is just to show that in this specific example.

With 211-bushel corn and 80% coverage, corn would need to be below \$3.76 per bushel before indemnities would be paid if you raise your APH in 2025.

With that in mind, continue to work towards a grain marketing plan and execute that plan, whether it be futures hedges, options, or cash sales.

Feel free to contact the commodity office to discuss these different options and create a plan that fits your operation best.

Remember the most important part of your plan is the execution.

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LRP

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

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