

NEWS **Port City Stockyards Company**

Established 1931

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OVER MY SHOULDER

FOR RELEASE ON RECEIPT

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Plop, Plop, oh what a year it's been; don't need another like it or maybe we do. Weather wise we don't want to repeat it, cattle market wise just a little increase to keep an upward spiral would be nice, while grain, protein, and fuel prices continue to ease off this year's highs.

December weather saw a turn around from last year when the east coast was pummeled with bad weather while we labored with a very dry month; this year we're having the bad weather, if you call a good bit rain bad, while the east coast has to be told that it is winter time. Finally we received a good bit of state wise rain after wishing for it for many months. We haven't broken a drought but we sure have had a good "rainy period" in the middle of the drought. In the south, the rains came several times during the month and was in the form of rain and snow in the panhandle. After being extremely dry throughout the year, it has been nice to see the December moisture come in amounts that it could be measured. December moisture has really kicked off the green grazing, built back some sub moisture and filled many tanks.

End of year livestock markets have been good as numbers faded at year's end. Fed cattle, feeder cattle and calves finished the year with a pretty good bang as grain and protein prices backed off highs established during the year. Demand for our product both domestic and foreign have kept prices high and paved the way for the next few years as we look at low cattle inventory numbers for several years to come. Some believe that we will look at unprecedented scenarios with scarce numbers of cows and calves.

December capped an eventful year in the industry. During the course of 2011 we saw cows liquidated in big number in the southwest, saw a tremendous increase in exported product in terms of tonnage and gross dollars which should only get better with final passage of the three free trade agreements that have been in the pot for a good while. We saw our Mandatory Country of Origin Labeling law (COOL) challenged by our trading partners with the World Trade Organization ruling in their favor. The Mexican trucking squabble of nearly two decades was settled as Mexican trucks entered the U.S. for deliveries. In another industry action, after nearly a year and a half of rule making, hearings, rewriting, etc GIPSA issued abbreviated rules relative livestock marketing and competition and made us all gasp at the millions spent to achieve so little when it all seemed to be unnecessary after all. I would suppose that the reelection processes will be the government talk out of Washington during the new year.

A year that most of us would like to forget has now unfolded. Perhaps the new year will fool all the weather prognosticators and be the year that ends the great drought and speeds the economic recovery that is what our nation needs most. Spring will be around the corner with new grass and baby calves before we blink our eyes.

End