

NEWS

Port City Stockyards Company

Established 1931

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OVER MY SHOULDER

FOR RELEASE ON RECEIPT

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March started out as a rehash of the previous month; ie, dry with limited moisture, turmoil in the middle east, and then punctuated with the earthquake and tsunami in Japan and their devastating consequences on a large number of the Japanese people.

Our own national life was and is filled with actions in other parts of the world as folks sort out their own lives and piece them back together again.

At home, topsoil moisture was mostly short to very short statewide with crops and pastures in most of the state needing rain; pure unadulterated rain from the heavens above. With a bet on the come, end of month saw two percent of the wheat crop headed and rated as mostly fair to very poor condition. Fifty percent of the corn acreage was planted and 16% had emerged; grain sorghum was 46% complete while 44% of the rice was planted. Plantings were ahead of the usual normal pace but moisture is needed for germination and continued growth. Pastures are in dire need of top and bottom moisture and April showers would be most welcomed.

There was plenty going on in the agriculture scene but it all seemed to be overshadowed by world affairs. Obviously, unrest and turmoil in the middle east will probably lead to regime changes in several and countries is important to us in many ways as we focus on it in the news and by our national leadership.

We did think a little about ag when throughout the month after a GAO report said that the ethanol tax credit is largely un-needed, Secretary Vilsack called for a re-thinking of the ethanol policy and Senators Tom Colburn of Oklahoma and Ben Cardin of Missouri introduced a bi-partisan bill in the Senate that would bring an end to the blenders tax credit. Similar legislation has been filed in the House. In other actions, Texas Dept of Ag hosted US Trade Rep Ron Kirk and met with Texas Ag leaders to talk of trade matters. During the month, the administration announced plans to eliminate the 20 year ban on Mexican trucks crossing the US border. The agreement calls for a phased in program where Mexican trucks must meet US safety standards. Mexico will suspend its retaliatory tariffs on American products.

The big news to most of us coming out of the Texas Legislature was SB 332, ie, Groundwater Ownership Legislation, sponsored by Troy Fraser of Horseshoe Bay which was going to the full senate at the end of the month. This legislation would amend the Texas Water Code by clarifying that landowners have a vested ownership interest in the groundwater below their land. It recognizes the current authority of groundwater conservation districts. This legislation was/is of major importance to rural land owners in our state.

Meanwhile in the feed yards, with fewer available ready numbers of finished cattle a strong market at the first of the month got stronger. Fed prices that started the month at the \$113.00 mark rose to a top of \$118.00 before ending the last two full weeks at the \$114.00 level. During the month, with hesitancy in the futures trade but with higher cutout values, a strong hide and offal trade and a high valued trim trade that is expected to go even higher, the live market was in strong hands. With limited red meat imports, reduced cow slaughter, warm weather demand, and tight numbers, the fed trade should remain in strong hands.

In the country and at the markets, seasonally light numbers were recorded in most cow calf areas and a little more than light in the yearling areas where it was dry and not much to graze. Slaughter cows and bulls worked even higher for the month and by month's end saw some bulls up to and over the dollar and the best cows in the middle eighties. Feeder weight yearlings maintained their strong prices while calves got higher for the month. By the end of the month, light weight calves were scaring the \$2.00 mark while the five weight cattle sold to the dollar fifty plus.

Goats, lambs, chicken and hogs are selling quite well and while hog slaughter has remained over the two million head per week has been in strong hands.

Spring is on us and prospects for livestock and commodity prices to be at or near historic highs is possible; it will all go for naught if we don't get the moisture to produce with. Once again, weather and moisture are on our minds. Come on in April and see what you can do.

END