

NEWS

Port City Stockyards Company

Established 1931

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OVER MY SHOULDER

FOR RELEASE ON RECEIPT

J.D.SARTWELLE JR.,

PORT CITY STOCKYARD CO.

SEALY, TEXAS

November has come and gone almost taken the year with her; not much of it left now. Finally a month that left a little moisture in the tank and while not a drought breaking month, at least put moisture down in most places at least multiple times. Finally a month where the moisture will do some good in terms of growing something green whether it was planted or volunteer. Livestock markets threw caution to the wind and showed what they are really made of as grain markets lost steam at the same time.

Moisture, markets, ag news for the month were mostly positive during the month of November. While some much cooler and cold weather accompanied several fronts, most places in the state shared in more moisture than we've been accustomed to and a good many places received second and third helpings.

While the government was changing their projections on how large the corn crop really was or is, grain prices have pulled back almost 25% from fall highs thus making those that feed it see a different picture. November saw the fed cattle market surge to new highs and reach price levels that we haven't seen before. Southern cattle bringing \$125 and northern ones as high as \$127.50 seemed to be the norm by end of month. Fed prices were supported by almost new highs for trimmings, the futures near and far, the drop, and an unprecedented export trade. Fed prices coupled with lower grain prospects made feeder cattle higher that prompted higher calf prices. The 2011 calf crop is almost in the bank, the 2012 crop will be smaller and will be setting the stage for good marketing year in the future.

Several positive items came out of Washington for the month as far as our industry is concerned. USDA-GIPSA early in the month that their proposed marketing rules that have been in the making for about 18 month would be modified and split to include only provisions that relate to certain hog and chicken feeding contractual arrangements. Later in the month, congress restricted funding to implement the rule with language in the bill that prohibits USDA from using federal funds for the rest of the fiscal year to work on sections of the GIPSA rule related to competitive injury, unfair practices, and undue preference.

The agriculture appropriations bill that was part of the "minibus" spending bill that was signed by the President removed the provisions that have prevented horse slaughter in the U.S. It is expected that in the near future there will be some horse packing plants geared up and perhaps relieve some of the burdens caused during the past five years.

Also during the month, the WTO, after nearly two years ruled against the U.S. on Country-of-Origin Labeling Rules. Complaints were filed by Canada and Mexico against the US Mandatory COOL. USDA has 60 days to appeal the ruling; several cattle groups are urging USDA to not appeal as the COOL program has been costly and ineffective

The red meat markets should fare better in the next few months with a lower inventory and lower priced grains and subsequent lower costs of gain. It'll come at a time when cow slaughter will be at its lowest numbers during the year. Prices can go even higher say some.

Little time left in the marketing year; don't get caught off guard if you still have a few to sell and take advantage of an increasing market. Pretty quick it will be a new year.

End

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