

Cow-calf returns lower, but still positive

By CAROL RYAN DUMAS
Capital Press

Returns for cow-calf operations will be lower this year, after last year's record-high cattle prices fell back to Earth, but most producers' balance sheets will still be sporting black, an agricultural economist says.

Returns over the cost of production will be significantly lower than in 2014 and 2015, when average cow-calf returns were \$530 and \$300 per head, respectively, said Jessica Sampson, an agricultural economist at the Livestock Marketing Information Center.

But at an expected average return of \$133 per cow this year, it will still be positive, Sampson said. Whether producers still make money depends on their inputs and how they manage those inputs, Sampson said.

They could also have purchased the heifers when prices were extremely high or they might be paying transportation costs to haul in feed, she said.

In the big picture, the forecast per cow return is still significantly higher than the average annual return of about \$47 per cow between 2009 and 2013, before the run-up in prices, according to LMIC data.

Cattle shortages in 2014 and 2015, following a two-year drought and herd liquidation in the Southern Plains, led to a surge in cattle prices across the complex. Herd expansion in the past two years has also reined in cattle prices.

Prices on 700- to 800-pound feeder steers



Associated Press file photo. A cow stands watch over her calf in a pasture at the Stephen F. Austin State Walter C. Todd Research Farm north of Nacogdoches, Texas, in this file photo. Drought in 2014 and 2015 forced many producers in Texas and elsewhere to decrease the size of their herds, driving up cattle prices. Now the growing number of cattle is driving prices back down, economists say.

in the Southern Plains averaged \$150 per hundredweight last week, compared to \$222 per hundredweight for the same week last year, she said.

But those feeder prices are getting closer to the five-year average of \$144 per hundredweight between 2010 and 2014, according to LMIC data.

Returns are expected to decrease further in 2017 to \$123 per cow, she said.

The good news for this year is that feed and fuel costs are expected to de-

crease, by about 3 percent on a per-cow basis, she said.

The current seasonal average price for corn is \$3.25 a bushel, compared to \$3.55 a year ago. Based on prospective plantings last spring and expected yields, LMIC expects 14.1 billion bushels from this year's crop, compared to the record 14.2 billion bushels in 2014, Sampson said.

Hay prices vary widely by region, but alfalfa prices are expected to be 5 to 10 percent lower than in 2015, and grass hay prices are ex-

pected to be 12 to 15 percent lower on good supply.

Last year's mild summer and good pasture followed by a mild winter allowed producers to feed less hay, she said.

LMIC's cow-calf returns data are used as a barometer of the industry, as those returns are a key factor in influencing herd expansion or contraction.

The rapid drop in returns this year and next year will likely lead to a slowing of the herd expansion that started in 2014, she said.

Winning attorneys in Sakuma pay case seek \$235,000

Farm's lawyers says fees too high

By DON JENKINS
Capital Press

Triumphant lawyers who sued a Washington berry grower and won piece-rate pickers paid rest breaks are requesting legal fees that the farm's attorney calls unreasonable.

The two law firms that represented pickers at Sakuma Brothers Farms filed a motion Monday in U.S. District Court for Western Washington seeking \$235,000.

The fees would compensate them for successfully arguing that farmworkers must be paid separately for 10-minute breaks.

The 2015 state Supreme Court ruling changed labor practices statewide and also netted Sakuma workers \$87,160 in back wages for the 2014 picking season. The average payout to workers was \$231.20, according to court records.

Sakuma's lawyer, Adam Belzberg, said Tuesday the sum sought by lawyers far exceeds what workers received and what the company spent defending itself.

"The request for attorney fees has to be reasonable, and the amount they requested is completely unreasonable," he said.

Columbia Legal Services attorney Daniel Ford said the case will have an ongoing benefit for many workers, not just for those who picked for Sakuma in 2014.

"This decision will have statewide impact for many years to come," he said.

On behalf of Sakuma workers, the nonprofit Columbia

Legal Services and Seattle firm Terrell Marshall Law Group sued Sakuma in 2013 in federal court, alleging four pay violations.

The company and workers settled three issues out of court, with 408 workers sharing \$500,000, their attorneys receiving \$344,000 and two lead plaintiffs getting \$3,000 apiece.

The settlement left unresolved whether piece-rate pickers would receive separate pay for rest breaks. A federal judge referred the question to the state Supreme Court, which ruled unanimously in favor of the workers.

Four lawyers, at hourly rates ranging from \$275 to \$400, prepared for the Supreme Court case and then negotiated back pay based on the ruling, according to court records.

The hourly rates added up to \$197,870. The lawyers argue they also merit a bonus of about 19 percent for taking up the cause of low-income workers and overcoming "powerful forces opposing rest break pay for farm workers," according to the motion for attorney fees.

"We could have put all of that effort and time in the case after the settlement and received nothing at all," Ford said.

Belzberg has yet to file a counter motion. He said he will propose the workers' attorneys receive significantly less and not be awarded a bonus.

The company already had agreed to an out-of-court settlement on the other issues and taking the rest-break question to the Supreme Court involved very little risk, he said.



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