

Cow-calf returns continue to plummet

By CAROL RYAN DUMAS
Capital Press

Cow-calf producers are facing their lowest returns since 2009 after two years of record-high returns.

While returns can vary widely by operation, the Livestock Marketing Information Center estimates per-cow returns on cost of production, including pasture rents, will drop to about \$15 this year.

That's a decrease of about \$285 per cow from last year and an even more dramatic decrease of about \$515 per cow from 2015.

LMIC estimates the cost per cow at \$806.25 and returns at \$821.22.

Every operation has different resources and costs, and margins can vary greatly. Year-over-year changes in LMIC's calculated returns are more insightful than the specific numeric

levels, said Jessica Sampson, agriculture economist with LMIC.

The price of calves is a key factor in this year's equation, and those prices have been dropping significantly all year, she said.

For example, prices on 750-pound steer calves at Oklahoma City last week were \$140 a hundredweight, compared with \$193 a year ago. LMIC is forecasting fourth-quarter calf prices to be down 25 percent from a year ago, she said.

After record-high prices in 2014 and the first half of 2015, calf prices fell in August of last year. They recovered slightly, but they've been falling all year, she said.

"The hard part this year was they got a lot lower a lot faster than people expected," she said.

The simple answer to the fall in prices is more available animals. Re-

cord prices across the cattle and beef sectors in 2014 and 2015 encouraged producers to hold back cows and heifers. That resulted in a 3.5 percent year-over-year increase in total cattle inventories on Jan. 1, she said.

A bigger cattle supply, lower fed cattle prices and losses at feedlots are all influencing calf prices, she said.

Production costs were down in 2016 due to cheaper feed and fuel and a slight decrease in pasture rents, but they didn't offset lower calf prices, she said.

John Nalivka, owner of Sterling Marketing in Vale, Ore., said he's a little surprised LMIC thinks returns are going to be so low.

"We've seen a pretty significant drop in prices, but it's not that bad," he said.

In general, he expects returns to run \$100 to \$125 per cow, he said.

His calculations don't include pasture rental costs, and that's probably the key difference between his estimates and LMIC's.

But Western producers had a lot of grass this year and likely didn't rent as much pasture, he said.

With total cattle inventories expected to be up again by 2.5 to 3.5 percent on Jan. 1, LMIC isn't expecting an increase in calf prices in 2017. In fact, they could go slightly lower, Sampson said.

While Nalivka pegs the increase at 2 percent, he thinks returns will be down again next year — to about \$50 per cow.

Beef production will be up 5 percent both this year and next. Pork will be up about 1.5 percent and poultry will be up about 3 percent this year and next, and there's already some pushback in retail beef prices from consumers, he said.



Matthew Weaver/Capital Press
Washington State University Provost Dan Bernardo's office is leading the search for a new dean for the College of Agricultural, Human and Natural Resource Sciences.

WSU begins search for CAHNRS dean

By MATTHEW WEAVER
Capital Press

Washington State University will soon begin its nationwide search for the next dean of the College of Agricultural, Human and Natural Resource Sciences, a top university official says.

"We expect this position to be highly desirable," said Dan Bernardo, WSU provost and executive vice president. "What has gone on in Washington State over the last decade is very well-known across the higher education community, in terms of the fundraising and relationships with agricultural stakeholder groups."

Bernardo was the CAHNRS dean from 2005 to 2013 before taking his current position.

The current dean is Ron Mittelhammer. He was appointed to a two-year term.

The new dean will have to establish his or her own relationship with agriculture, Bernardo said.

"A major portion of this job is to engage what is a very complex food and agriculture industry," he said. "This person needs to be very active engaging with agriculture, to really define the priorities in terms of research and education outcomes the industry needs and desires."

The industry will be represented on the search committee for the new dean.

"Obviously we're not going to be able to have representatives from every sector of agriculture on this search committee, but we do plan to have an industry advisory group," Bernardo said.

The university will have listening sessions for the industry and public forums with finalists.

"We're going to be asking the industry what opportunities they see in the future to engage in the college, what are the challenges they see in the research and education arena and what are the characteristics of a leader they think are important," Bernardo said. "There will be plenty of opportunity for the industry and the public to engage in the process."

Stakeholder feedback will be used in writing WSU's description of the job, Bernardo said.

Bernardo hopes to have someone slated to take over as dean before the end of the school year, with interviews likely next February or March.

Based on his experience, what is Bernardo's advice for the new dean?

"Assess the opportunities and define their own strategy to accomplish the ends we have in mind for the college," he said. "I don't think the way I did it is necessarily the way somebody else would come in, and I don't think that my formula is necessarily the formula that's required today."

Bernardo said he advises people to "do it their way and use their own creativity."

"Certainly I would tell (the new dean) they should actively engage with industry, that's really a given," he said. "But how they go about doing that is certainly up to them."

Food Producers of Idaho to end Ag Pavilion

By JOHN O'CONNELL
Capital Press

BOISE — Food Producers of Idaho has announced it is ending a long-standing program involving agricultural organizations that cooperatively staff educational booths at two Idaho fairs.

Rick Waitley, executive director of Food Producers, said the program, called the Agricultural Pavilion, has been a "tremendous success" since its inception 22 years ago at the Western Idaho Fair in Boise, but the organization wants to invest its resources into new areas.

Members made the decision to end the program during a Sept. 28 meeting and subsequently sent out letters alerting groups that participated in the Ag Pavilion of the decision.

"We're looking for other opportunities — several things that might be good things for us to look at," Waitley said, adding the organization might participate in four or five smaller venues.

Agricultural groups that participate in Food Producers meet regularly during the legislative session, and less frequently during the rest of



Tom and Terry Riemenapp learn about farming and Idaho agriculture Aug. 23 in the Agriculture Pavilion at the Western Idaho Fair in Boise. Food Producers of Idaho recently decided to discontinue hosting the Agricultural Pavilion.

the year, to discuss issues of importance to their industry.

The Ag Pavilion includes several booths from agricultural groups — 51 groups had booths in the most recent pavilion — in a common area focused on educating visitors about Idaho agriculture. It also includes games and activities for children.

The second pavilion initially alternated between the

Twin Falls County Fair and the Eastern Idaho State Fair in Blackfoot but pulled out of Eastern Idaho. It has remained a fixture for the past decade in Twin Falls, where Farm Bureau and Food Producers financed construction of a permanent building to host it.

"We feel the investment we've made in these two fairs has been very valuable,"

Waitley said. "At the same time, because of the investment we've made, we maybe haven't explored some other things."

John Pitz, manager of the Twin Falls County Fair, vowed to maintain an agricultural theme in the building where the pavilion has been hosted.

"I can work with Farm Bureau and figure out what to put

in there that would be ag-related," Pitz said.

Waitley estimated the annual cost of organizing the Ag Pavilion at \$30,000, but said Food Producers netted a nearly \$10,000 average profit, after accounting for individual booth fees and other revenue, such as sales from a country store in the pavilion. The pavilion's profits have enabled Food Producers to hold the line on dues, Waitley said.

However, Wyatt Prescott, president of Food Producers and former executive vice president with Idaho Cattle Association, said it was getting tougher to find volunteers to staff the Ag Pavilion, which required a lot of work to host.

"I don't think anybody was thrilled about being done with it," Prescott said.

Prescott anticipates Food Producers will now increase its focus on educating state policymakers about agricultural issues.

Mark Duffin, executive director of Idaho Sugarbeet Growers Association and co-chairman of Food Producers' subcommittee governing Ag Pavilion, added, "Sometimes it's good to change and take a new approach to reach some new people."

Schools strive to offer healthful food that students like

By CAROL RYAN DUMAS
Capital Press

TWIN FALLS, Idaho — Most students in the Twin Falls School District depend on the National School Lunch Program to deliver healthful, satisfying meals — and the district takes that responsibility seriously.

Three years ago, the district debuted its revamped school nutrition program with the higher national standards for child nutrition. It continues to focus on healthful foods that children will eat, said Lori Rieth, the district food service supervisor.

"We believe nutrition plays a crucial role in physical and academic achievement," she said, kicking off an advance celebration of National School Lunch week at Pillar Falls Elementary School on Monday.

The event included about 100 fifth-graders who were thrilled with the extra-curricular activity complete with dairy snacks from United Dairywomen of Idaho, Chobani and Glanbia Nutritionals.



Carol Ryan Dumas/Capital Press
Fifth-graders Camille Carter, left, and Avery Baldwin enjoy cheese from Glanbia Nutritionals during an advance celebration of National School Lunch Week at Pillar Falls Elementary School in Twin Falls, Idaho, on Oct. 3. Jesus Mendoza, western regional administrator for USDA's Food and Nutrition Service, rear left, talks with Sen. Mike Crapo, R-Idaho, in the background.

The celebration also included a visit from Sen. Mike Crapo, R-Idaho, USDA Regional Administrator Jesus Mendoza and Idaho Dairy Council nutrition consultant April Bruns.

With an enrollment of 9,900 in 16 schools, the dis-

trict serves 6,200 free or reduced-cost lunches a day through the National School Lunch Program, 2,550 breakfasts through the School Breakfast Program and 2,000 lunches through the Summer Food Service Program, Rieth said.

It's important to provide healthful meals the students like, she said.

The district surveys the children every year and gets a lot of feedback on such things as their favorite and least-favorite foods and school offerings and where they like to eat around town.

"We do listen. We try to incorporate what we hear," she said.

Children's tastes vary, but the district changes recipes and offerings if it sees trends in the feedback. It's added flavor through herbs to make up for less salt in dishes and has gotten creative with fruit to appeal to children's desire for more desserts, she said.

"The School Lunch Program is a long-term program because we learned a long time ago that young people learn a lot better and do a lot better if they're well-fed," Crapo said.

Congress is working to reauthorize and strengthen the program, and that's good for children and Idaho, which produces much of the food used in the program, he said.

"A tremendous amount of food is grown, prepared and delivered for the National School Program right here," he said.

That provides critical nutrition to school children and supports the community, jobs and the economy, he said.

Mendoza, of the USDA, said the program focuses on healthful meals with more fruit and vegetables, whole grains and dairy and encourages local sourcing.

His favorite part of his job with USDA's Food and Nutrition Service is visiting schools to see what children need and what they like, Mendoza said.

Bruns engaged the fifth-graders in a lively Q&A on fueling their bodies with good nutrition, including three servings of dairy a day, to help them learn and play and the importance of daily exercise.

Children spend 2,000 hours at school during the year, so good nutrition and active play time has to be a part of the environment, she said.

Our freezers runneth over: Explaining the U.S. food surplus

By DAVID PITT
Associated Press

DES MOINES, Iowa — Warehouses, distribution centers and grocery stores are overflowing with some food staples, such as milk, eggs and frozen fruits and vegetables, the result of increased production and decreased exports.

Take dairy, for example: With the most milk ever produced in the U.S. — about 24 billion gallons — that means there are record amounts of butter and cheese.

The glut of food means lower prices for consumers. Here's a short explanation of

how the surplus came about and where it all goes:

Why is there so much extra food?

Two years ago, high prices for milk, pork, poultry and eggs encouraged farmers to expand livestock operations.

Plus, U.S. consumers were opening their wallets and trade partners were willing to keep buying our products. Add to that the cheap cost of animal feed that encouraged farmers to boost livestock's weight before taking them to market.

But agriculture is a cyclical business: The relative high value of the dollar

makes U.S. products more expensive to importers, so they've slowed their buying. Last year's bird flu crisis also caused many trade partners to stop taking eggs and turkey and chicken meat, and while production of eggs has returned, demand isn't fully restored.

Those factors and others have depressed demand, but the cows keep pumping out milk and veggies continue to grow, resulting in a surplus of certain types of food.

Where does it all go?

Step into the freezer. The 1.24 billion pounds of cheese in refrigerated warehouses is the highest for the month of

August since records began in 1921, and includes nearly 770 million pounds of American cheese and 25.7 million pounds of Swiss. Other stockpiles include:

- 322 million pounds of butter (up 52 percent from a year ago).

- 1.52 billion pounds of frozen fruit, including 377 million pounds of strawberries and 313 million pounds of blueberries.

- 1.31 billion pounds of frozen poultry (chicken and turkey), up 4 percent from a year ago.

But not everything is being stored. The USDA announced in August it was buying 11

million pounds of cheese for \$20 million and sending it to food banks and food pantries through a government nutrition assistance program.

Farm organizations also are boosting their efforts to improve U.S. exports and move some of the glut out of the country.

How long will prices stay low?

Food prices depend on factors beyond just supply, such as weather and oil prices. Given those unpredictable factors, the USDA expects supermarket prices overall to rise between 1 and 2 percent next year for beef, veal, pork, eggs, poultry and fresh fruit.