

Weak pandemic comparables skew cattle market perception

By CAROL RYAN DUMAS
Capital Press

USDA's monthly cattle on feed report was released on Friday, prompting analysts to warn trade against putting much weight in year-over-year comparisons.

Comparisons to 2019 are more relevant in getting a sense of the market due to unprecedented market disruption as the pandemic gained ground in the spring of 2020.

For example, the inventory in large feedlots at 11.9 million head on April 1 was up 5.3% from 2020 but down 5% from 2019, according to USDA National Agricultural Statistics Service.

In addition, marketings of fed cattle in March at 2 million head were up 1.5% over 2020's number — which were unusually high — but up 14.8% from 2019. Placements into feedlots in March at 2 million head were up 28.3% over 2020 but down 0.8% from 2019.

Cattle on feed, placements, marketing and other disappearances

(Feedlots with 1,000 head capacity or more)

Item	2019	(1,000 head) 2020	2021	Percent change 2020/2021	Percent change 2019/2021
On feed April 1	11,953	11,297	11,897	5.3	-5
Placed on feed, March	2,014	1,557	1,997	28.3	-0.8
Fed cattle marketed, March	1,777	2,010	2,040	1.5	14.8
Other disappearance, March*	69	61	60	-1.6	-13.0

*Includes death loss, movement from feedlots to pasture, and shipments to other feedlots for further feeding.

Source: USDA-NASS

The effects of the pandemic in the feedlot sector really kicked in during March 2020, with a spike in marketing fed cattle and a drop in placement of feeder cattle, said Derrell Peel, extension livestock marketing specialist with Oklahoma State University.

"I think the feedlots saw what was coming and marketed ahead," he said.

In the same vein, fear of

the unknown kept placements down, he said.

"They could sort of see what was happening," he said.

The pandemic didn't hit the slaughter market until the second week of April and got progressively worse over the next four weeks. But there already had been news coming from China of shutdowns and port disruptions. Feedlots accelerated marketings

and decreased placements in March. After that, they decreased both, he said.

While March placements are up substantially year over year from 2020, they are actually fairly bearish — down from March 2019 and coming in below industry expectations, he said.

"We're going to be dealing with this (skewed comparison) most of the year ... because we're going to be

dealing with goofy numbers. We're not going to be comparing to anything normal (year over year) over the next several months," he said.

There are still quite a few cattle in the pipeline, but the industry is making progress moving them through the system and getting back on track, he said.

"We're going to do that, but it's going to take time. I think we're going to move

toward where we were at pre-pandemic in the next two to three months," he said.

Fed cattle prices have really struggled so far this year under the large number of cattle but are expected to be higher year over year as the industry gets into the third and fourth quarters — mostly due to weak comparables, he said.

Obviously, a growing concern is the tremendous run in feed prices, and it's not clear yet where they're going to end up, he said.

Weakness in fed cattle prices and the rising cost of gain in feedlots puts the feeder cattle market in the worst squeeze. Feedlots are going to want to feed bigger cattle to cut down on days on feed, he said.

"There's a lot of uncertainty going forward," he said.

Feed prices are going to stay relatively high. Even if with good grain crops and good supplies, there's a lot of demand out there, he said.



Courtesy of Nick Blanksma

Potato planting near Hammett, Idaho, in 2020.

Idaho processors to pay slightly less for potatoes

By BRAD CARLSON
Capital Press

Negotiations between growers and Idaho processors have resulted in an average 3% reduction in the contract price, said Dan Hargraves, Southern Idaho Potato Cooperative executive director.

That means prices are down 20-40 cents per hundredweight, depending on the processor and grower, he said.

Hargraves said the net impact of the price reduction from 2020 to this year is about 7% because growers' input costs have increased. Spring fertilizer costs are up 28%, labor is up 6.8% and equipment and fuel prices are up.

"Conservatively, we think our costs are up 4% for crop year 2021" overall, he said.

"And at the same time, we're operating at less than full capacity, so it's a difficult environment for these commercial potato farms," he said.

Processors in the annual contract last year paid growers a price that was about 2% higher than that of 2019 in response to growers' higher labor and machinery costs, but they contracted for fewer acres.

Compared to 2019, processors contracted for 10-50% fewer acres last year, depending on processor and grower.

Compared to last year, processors contracted for 5-38% more acres this year, Hargraves said.

Despite the increase in acreage from 2020 to 2021, growers will still be running at around 90% of their capitalized capacity, he said.

"I'm happy that all of Idaho's other agricultural crops are increasing in value back to the growers in the communities, but disappointed that potato contracts are not keeping up with other crops," said Nick Blanksma, a farmer in Hammett.

Idaho leads the nation in potato production. More than one-third of the state's crop is grown for processing.

Ruling favors Washington sheep ranch

By DON JENKINS
Capital Press

A federal judge has ruled a Washington sheep ranch can operate as it has for decades, denying a motion by environmentalists to stop grazing on four allotments in the Okanogan-Wenatchee National Forest.

U.S. District Judge Rosanna Malouf Peterson in Spokane on April 20 rejected claims that the sheep are an immediate health hazard to bighorn sheep.

Peterson wrote that bighorn

sheep are important, but so is S. Martinez Livestock, a century-old ranch. There is, according to Peterson, "intrinsic public interest in allowing a community-oriented business to operate."

WildEarth Guardians and Western Watersheds Project are suing the U.S. Forest Service, claiming the agency has disregarded the risks that grazing sheep will infect bighorn sheep with *Mycoplasma ovispneumoniae*, a pathogen harmless to domestic sheep but lethal to bighorn sheep.

Martinez Livestock intervened in the lawsuit, defending grazing about 3,000 sheep on allotments within 10 miles of the Cleman Mountain Herd.

The environmental groups claimed that a 2016 study by the Forest Service showed that bighorn sheep are in danger of coming into contact with domestic sheep. They sought an emergency order blocking grazing this year while the judge considered claims that the Forest Service has violated federal laws.

Peterson said it was hard to see

the urgency in a case based on a study done in 2016.

She also observed that the study assessed the chances that a bighorn sheep crossed the allotment boundary. It didn't assess the chances of diseases being transmitted, or consider what the sheep rancher has done to keep the species apart.

The judge said the bighorn herd is increasing and questioned whether driving sheep off federal land would help it. The sheep would have to graze on private land closer to the herd, she noted.

Tillamook transforms into certified B Corporation

Highlights outlined in annual stewardship report

By GEORGE PLAVERN
Capital Press

TILLAMOOK, Ore. — The Tillamook County Creamery Association ended a difficult year in 2020 on a positive note, becoming a certified B Corporation for its commitment to social welfare and causes outside the board room.

The dairy cooperative — makers of Tillamook cheese, yogurt, butter and ice cream — released its 2020 Stewardship Report on March 31, highlighting its efforts to save water, improve animal welfare and assist communities battling the coronavirus pandemic.

Tillamook was officially recognized as a certified B Corporation in November, completing a months-long process demonstrating the co-op's commitment to the greater public good.

"It means that we're really here for more than just profit," said Paul Snyder, executive vice president of stewardship for Tillamook. "We're here to be a positive force in society."

Getting to this point was years in the making, Snyder said. In 2017, Tillamook's board of directors adopted a Stewardship Charter focused on six core values — healthy cows, thriving farms, enduring ecosystems,



Mathew Millman

Tillamook's creamery and visitor center on the Oregon Coast.



Paul Snyder

inspired consumers, fulfilled employees and enriched communities.

With the stewardship charter in place, Snyder said the co-op set its sights on providing the data needed for B Corporation certification.

The process, which

started last year in March, involved going through a lengthy impact assessment, answering more than 200 questions about Tillamook's governance, workers, community and environmental performance.

"There are things in there from what percentage of your managers and above are female or BIPOC, to do you have environmental targets, to how much money do you give to non-

profits in the communities where you operate," Snyder said. "Honestly, it's like the phone book of questions."

Once completed, the assessment and documentation undergo an independent audit, and companies that earn a minimum score become certified.

As a certified B Corporation, Snyder said the co-op can voice its values to new socially conscious consumers, especially as Tillamook

continues to grow its brand eastward.

"In this space, authenticity rules," Snyder said. "As a co-op, (Tillamook) has structured its business to be a force for good in the world, and we live this value each day."

COVID-19 was at the heart of much of Tillamook's stewardship work in 2020.

In May, the co-op announced it would provide \$4 million in pandemic relief. The money was used in part to expand full wages and sick leave for its own workers at processing plants in Tillamook and Boardman.

The co-op also seeded \$500,000 to create the Hometown Resilience Fund, awarding grants to local businesses hampered by coronavirus restrictions and closures.

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