

Analyst sees better times ahead for cattle producers

By **CAROL RYAN DUMAS**
Capital Press

Cattle producers have had a tough time over the last couple of years, but better times are ahead, according to one industry analyst.

The COVID-19 pandemic backed up nearly a million head of fed cattle last spring, Randy Blach, CEO of CattleFax, told the National Cattlemen's Beef Association Winter Reboot conference last week.

"We've pretty much got the slaughter back on pace in here, but we're still putting record tonnage through these systems," he said.

That record tonnage is still testing the market, and markets

are still underperforming. But fed prices have recovered from the \$95 per hundredweight last summer to about \$114 now, he said.



Blach

"So the markets have had a nice recovery, but there's still significant potential above where we're sitting today," he said.

Drought has continued, and the herd is continuing to contract. But cattle prices are still not where producers want them to be, he said.

With record packer and retail margins, cattle producers have been frustrated. But there's also been record beef production since mid-June 2020, he said.

"This has been what's holding us back to some degree," he said.

Weather impacts in the last couple of weeks are going to shave some tonnage off markets, but there's still plenty of cattle to harvest, he said.

"But there are better times to come," he said.

Beef demand in 2020 was the strongest in over 30 years, and it's going to be another strong year in 2021. The growth in beef demand has added more than \$250 a head to the value of fed cattle over the last several years, he said.

"So this has been pretty phenomenal," he said.

Retail meat sales were up 10% in volume in 2020, even though foodservice sales were hammered. Retail meat sales were up 18% in value, an increase of nearly \$13 billion. Beef's share of that

increase was almost \$6 billion, he said.

"People voted with their pocketbooks. I think we've got to like what we see transpire here," he said.

Despite higher unemployment, U.S. household wealth increased more than \$620 billion in 2020 due to government support, he said.

"As this economy opens back up again, people are going to want to get out and spend money," he said.

He expects U.S. gross domestic product growth will be somewhere near 6% in 2021. Some of that will depend on how fast populations in the U.S. and other parts of the world are vaccinated. But he's expecting two years of strong

GDP growth post-COVID.

When the economy opens back up, job markets will improve and people are going to want to spend money, he said.

"The consumer balance sheet is in the strongest position it's been since the early 2000s," he said.

Government data would suggest U.S. household net worth has increased \$5 trillion.

"That bodes well for demand going forward," he said.

In the bigger picture, agricultural loan repayments are up, debt is down, land values have increased and global demand is strong, he said.

"This should be a nice run for the agriculture industries here over the next three to four years," he said.

REAL ESTATE

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Agents also have access to the database, mobile app and market statistics to assist in their job of helping clients buy or sell.

"There's so much that goes into the strategy of advocating for buyers and sellers," States said.

This technique of using technology, she said, might bring a new twist to real estate in Eastern Oregon.

"There's been a certain way real

estate has been done," she said.

"We bring in a new approach."

As the designated broker, Smith said she will assist agents in navigating the current hectic real estate climate.

"There's a fine line of being competitive with your offer,"

she said.

States said Keller Williams Realty Boise was founded 21 years ago and has 740 agents. She said part of the company's approach is to offer "brokerage support" to agents who live elsewhere, such as Baker City.

"We have a staff of 13 people who all support these agents in Oregon," she said.

To contact an agent at Keller Williams Four Rivers, call 541-249-3731.

More information is online at www.kwfourrivers.com.



Beth Nakamura/The Oregonian

Dwight and Steven Hammond land by private jet at the Burns Municipal Airport on Wednesday, July 11, 2018. A senior adviser in the U.S. Department of Interior on Friday, Feb. 26, 2021, rescinded the January decision to grant Hammond Ranches Inc. a 10-year grazing permit.

HAMMOND

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January 19 Decision and remanding the matter to the BLM to allow for full consideration of the timely protests received by the BLM," the memo said.

She directed the Bureau of Land Management to pursue additional opportunities for public involvement and "a careful and considered review" of any challenges. She also instructed the Bureau of Land Management to post notice of the rescission online and mail copies to all applicants and other interested stakeholders.

W. Alan Schroeder, the attorney representing Hammond Ranches Inc., declined comment on Friday's development.

Four environmental advocacy groups on Thursday sued the Interior secretary and Bureau of Land Management, alleging last month's permit approval on the final day of the Trump administration was "tainted by political influence" and that a "rushed and truncated public process" cut out opportunities for public participation required by law.

The suit further accused the federal government of granting the permit to the Hammonds over other applicants who were qualified and bypassing an administrative appeal process.

"We're grateful that the new administration saw right away that Bernhardt's decision to grant the grazing permit without the proper public participation could not stand," said Greta Anderson, deputy director of Western Watersheds Project, one of

the four groups that filed the suit. "We believe when they reconsider the proposed action, they'll realize there were major substantive problems as well."

Yet the Oregon Farm Bureau argued that the Hammonds' grazing permit should be restored and not issued or taken away based on "ever-changing regulatory whims," according to farm bureau spokeswoman Anne Marie Moss.

"The Hammond family are long-standing pillars of the Harney County community who have been subjected to continued government overreach while sustainably managing their ranch for the benefit of the local community, local ecosystems, and generations of their family," the Oregon Farm Bureau's statement said. "The decision to issue their grazing permit should be a criteria-based process, and one that BLM approaches objectively. The Hammonds have demonstrated several times that all applicable factors favor them being restored their permit, including the family's record of stewardship, their ownership of intermingled private land and several range improvements, and their contributions to the local economy. It is fundamentally unfair to continually subject this family to ever-changing regulatory whims, and in the process, jeopardize their livelihood, proper rangeland management, and ability to fully utilize their private lands. The Hammond's permit should be restored, and the family should be allowed to move forward with their lives in peace."

The grazing permit covers four land allotments

called Hammond, Mud Creek, Hardie Summer and Hammond Fenced Federal Range and allows cattle grazing on more than 26,000 acres of public lands neighboring Malheur National Wildlife Refuge about 45 to 70 miles south of Burns, near the town of Frenchglen.

In February 2014, the Bureau of Land Management rejected the Hammonds' renewal application, citing the Hammonds' criminal convictions.

In early 2019, former Interior Secretary Ryan Zinke issued a renewal of their grazing permit on his last day in office.

The renewal followed six months after Trump's pardon of the Hammonds in July 2018. Dwight Hammond Jr. and Steven Hammond had been convicted of arson and were serving out five-year mandatory minimum sentences for setting fire to public land where they had grazing rights. Both were convicted of setting a fire in 2001, and the son was convicted of setting a second fire in 2006.

In December 2019, U.S. District Judge Michael H. Simon of Portland revoked the grazing permit finding Zinke's renewal was an "abuse of discretion."

AUCTION

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for more than \$3,500 were offered free delivery on the first 1,000 miles from Enterprise, according to the brochure.

In the brochure, Botts spoke highly of his past partnership with Rollin Rock, but was eager to sell at home.

"We are extremely excited to have our sale at home," he said. "It was a very tough decision to take the leap and go out on our own."

Botts said sale prices averaged about \$4,500 per bull.

"The top bull brought \$20,000," he said. "He's going to Wyoming."

Bulls, of course, are sold for the quality of calves they can produce, with proven genetics from past breeding.

"We are still striving to raise good, solid cattle that will go out and work with no problems, help make their new owners profitable and leave outstanding females," Botts said in the brochure.

The fifth-generation ranch, which includes the Botts' two sons, also pro-



Bill Bradshaw/Wallowa County Chieftain

Beau Botts, left, owner of Botts Angus Ranch at Enterprise, talks with a couple of buyers after his first sale at the ranch's new facility Thursday, Feb. 25, 2021. Botts plans to hold a sale there each year.

duces registered and commercial Angus cows.

As with the rest of the world dealing with the COVID-19 pandemic, Botts mentioned in the brochure that it will affect the agriculture industry.

"It has been a challenging time for everyone and our fingers are crossed that we will get through this and come out the other side stronger in the ag industry, along with all mankind," he said.

He added that he's hoping to keep it peaceful and profitable.

"That being said, I believe if we can keep politics out of it, we are looking at some strong markets the next few years," he said. "The demand for good, quality beef seems to be high in the U.S. and around the world."

Bill Bradshaw is a reporter for the Wallowa County Chieftain.

INVESTING

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grams the Oregon Entrepreneurs Network offers in Portland and the Economic Development for Central Oregon.

"Eastern Oregon is one of the few parts of Oregon that doesn't have access to a program like this," he said.

The March 25 workshop will kick off this process in Eastern Oregon.

"This will help us gauge the interest of non-institutional investors in the region," Zehr said. If we can pull together a group that is interested in supporting this activity, then we will start recruiting entrepreneurs. It can be a little bit of a chicken and

egg type scenario, but this is how we are trying to address that."

The program is informational in nature, but the ultimate goal is to help raise an angel fund to invest in early-stage Eastern Oregon business ventures. Zehr said the state of Oregon also has expressed an interest in chipping in. He also said there is no pre-set minimum funding goal.

OTBC works with a fund that is \$25,000-\$30,000 per year, he said, while Oregon Entrepreneurs Network's Angel Oregon is back again this year after a three-year break with a fund of \$125,000.

"This is just meant to be a starting point for EO. As the activity became

more popular, we would expect the size of the fund to grow," Zehr said. "The initial contribution from the state should be \$5,000. This has the potential to grow over time, if the effort is successful. Of course, if the activity is successful over time, the expectation is that state funds would not be required at all."

Angel funds typically target traded sector startups with the potential for scale, he said, and investors in the fund control the investment decision.

"It will be self-directed," Zehr said. "We just provide administrative services and direction."

If you want to know more about angel investing, check out the workshop. To register, visit <https://bit.ly/3b8G0qB>.

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