

# Cattle-Fax Reports On Status Of Cattle Industry

DENVER, Colo. — Cattlemen should expect higher average prices for all classes of cattle during 2003, according to Cattle-Fax, the cattle industry market analysis and information organization which serves beef producers in all segments of the industry. Following are more insights into the cattle situation offered in its recent report on the status of the industry.

Tighter fed cattle supplies and smaller total beef production will drive much of the increase in cattle prices. Cattle feeders and stocker operations are expected to post solid profits during the

first half of 2003. This will begin to replace some of the equity lost during 2002 and will underpin demand and prices for feeder cattle and calves.

Cattle feeders lost between \$35 and \$40 per head on average during 2002. This loss of equity will limit price increases for feeder cattle and calves through the first half of the year as margin operators are likely to be more disciplined in their purchasing decisions.

Cattle feeders, stocker operators, backgrounders, and cow-calf producers should all experience more consistent and positive

profit margins during 2003. Market cow and breeding cattle prices should be higher in 2003. The latter will depend to a large degree on range and pasture conditions. The current drought conditions throughout much of the West and Northern Plains may have a greater impact on prices during 2003 than during 2002.

During 2003, fed-cattle prices should average about \$73 to \$74/cwt., about \$6/cwt. higher than the previous year. Feeder steers weighing 750 pounds are expected to average about \$82/cwt., up \$3 to \$4/cwt. from 2002 due to tight feeder cattle supplies and

the profits attained by cattle feeders during the past few months. Steer calves weighing 500 pounds are expected to average about \$95 to \$96/cwt., about \$5/cwt. higher than a year earlier.

Total cattle numbers continued to decline in 2002 but record heavy carcass weights increased beef production to a new record. Lower prices during 2002 were the result of smaller slaughter totals being more than offset by heavier carcass weights, which inflated beef production.

Beef production levels are expected to be 4% to 5% smaller than a year earlier during the

first and second quarters of 2003, which will support fed cattle prices and allow cattle feeders to gain bargaining position.

Fed cattle slaughter for 2003 is expected to decline about 600,000 head (2%) to 28.6 million head. Beef production for the year is expected to fall below 2002 levels by about 2%, totaling 26.3 billion pounds.

Competitive meat supplies during 2003 will be mixed, with pork supplies declining 1% to 2% and poultry supplies increasing about 2%. Total meat supplies during 2003, as a result, are expected to be even-to-slightly smaller than those of 2002.

Grain prices were volatile during 2002 and are expected to remain so during 2003. There is always weather risk associated with corn prices. This is especially true this year as U.S. ending stocks are the smallest since the 1996/1997 crop year. Total corn acres planted are expected to increase but good growing conditions will be needed to attain high enough yields to produce a crop approaching or exceeding 10 billion bushels.

Beef exports are expected to increase by 5% to 7% in 2003 from 2002 levels. If this level of growth is attained, 2003 beef exports could be record large. The continued fallout of the BSE discovery in Japan will impact U.S. beef export tonnage through at least the first half of 2003. Korea and Mexico are expected to remain growth opportunities for the U.S. beef industry. Imports will increase slightly, due primarily to the higher prices for lean trimmings and smaller domestic beef production. Trimmings account for the majority of beef imported by the U.S.

## WVPT To Premiere Weekly Televised Farm Series

HARRISONBURG, Va. — WVPT — Virginia's Public Television will premiere the Commonwealth's only locally produced, weekly televised farm series "Virginia Farming" with special guest Congressman Bob Goodlatte, Friday, March 28, 8-8:30 p.m.

Writer and award-winning Shenandoah Valley farm radio broadcaster Jeff Ishee will host the new series. "This television program is an exciting development for the rural and agricultural community," said Ishee, who will invite guests from across the state to discuss Virginia's poultry, beef, dairy, crop, wine, seafood, timber, aquaculture, and related industries.

"My primary goal is to be of service to farmers and agribusiness," said Ishee. "Agriculture is important not only to our statewide economy, but it is also important to each of the 45,000 farm families in Virginia." Included in each weekly 30-minute program will be long-range agricultural weather forecasts, market trends, and a salute to individual farm communities.

Special guest Representative Bob Goodlatte was recently elected to serve as Chairman of the full House Agriculture Committee. Goodlatte has served on this committee since first being elected to Congress in November 1992. Previously he was Chairman of the Agriculture Subcommittee on Department, Operations, Oversight, Nutrition, and Forestry.

Goodlatte served as a conferee on the 2002 Farm Bill, working to provide programs to rural Americans who are in need of a stable farm economy, while providing suburban and urban Americans with the safest, most abundant and most affordable food supply in the world.

Goodlatte is a graduate of Washington and Lee University School of Law, and his undergraduate degree in Government was earned at Bates College in Lewiston,

Maine.

Jeff Ishee is Farm director for WSVA radio in Harrisonburg and hosts "On the Farm Radio," a syndicated radio show for listeners in Virginia, West Virginia, Maryland, Pennsylvania, Tennessee, and North Carolina. He has a website [www.onthefarmradio.com](http://www.onthefarmradio.com).

He manages two retail farmers' markets in Staunton and Verona, Virginia, and has consulted with numerous organizations on issues relating to public farmers' markets. Ishee wrote and published Dynamic Farmers' Marketing: A Guide to Successfully Selling Your Farmers' Market Products in 1997. He is a columnist for The Virginia Gardener magazine, as well as Staunton's Daily News Leader.

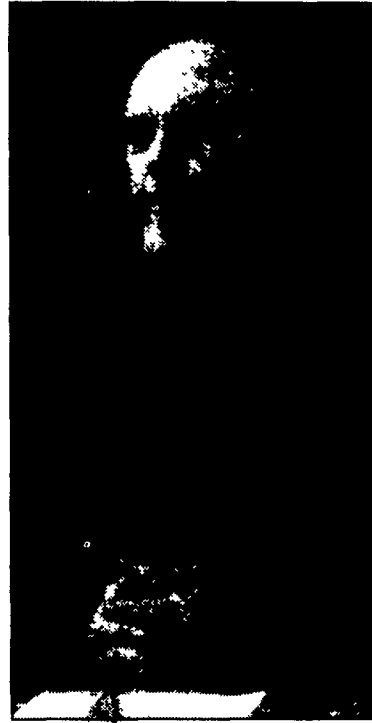
Ishee has served on the Environmental Awards Selection Committees of the Virginia Poultry Federation, and has served as

Vice President of the Virginia Farmers Direct Marketing Association.

Ishee received the Virginia Farm Bureau Federation's Agriculture Journalism Award for Broadcasting (radio category) in 1999, 2000, 2001, and 2002, as well as an Honorary Degree from the Future Farmers of America in 2000.

Bert Schmidt, president and general manager of WVPT, said that he was "thrilled to have Jeff Ishee join WVPT's family of public affairs programming. 'Virginia Farming' is a program by farmers, for farmers and is intended to address issues important to people within the agricultural industry."

"Virginia Farming" will air Fridays at 8 p.m. and repeat Saturdays at noon and Sundays at 6 a.m. on Virginia's public television channels.



Jeff Ishee

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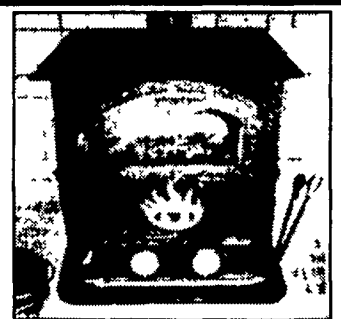
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